

STATE EXPENDITURE REPORT

Fiscal 2020 to 2021		Fiscal 2021 to 2022			
State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
-5.0 %	1.7 %	2.1 %	5.3 %	3.2 %	-2.6 %
3.1	3.3	3.1	7.1	-4.5	5.3
3.3	1.2	3.1	5.1	1.2	4.4



2022 STATE EXPENDITURE REPORT • FISCAL YEARS 2020–2022

9.8	-1.9	6.5	2.1	3.0
2.6	1.3	2.4	1.6	0.0
3.7	-0.6	3.1	3.1	10.1
1.8	-6.2	2.0	2.0	2.1
0.7	-0.7	0.6	5.4	1.2
0.9	3.0	1.2	1.2	5.7
8.4	-0.8	7.4	2.4	5.9
3.7	-0.4	3.4	4.0	7.8
1.4	-2.3	0.8	2.7	-2.1
-1.1	17.3	2.6	-0.3	-8.2
-1.0	-4.1	-1.3	0.3	-2.2
6.8	-0.6	5.0	-0.4	2.4
				34.5
			2.2	-0.6
		1.7	-2.6	2.1
	4.1	2.2	4.6	

The National Association of State Budget Officers

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Preface

Since its inception in 1987, the *State Expenditure Report* has developed into a definitive baseline for the analysis of state spending. This edition of the report includes data from actual fiscal 2020, actual fiscal 2021, and estimated fiscal 2022. Expenditures reflected in this report represent more than 99 percent of total state spending.

Expenditure data are detailed by program area so that trends in state spending can be evaluated. The funding sources for state expenditures also are identified. Readers are cautioned that a more complete understanding of service levels within a given state would require comparisons of spending by both state and local governments, which is not the purpose of this report. In addition, the data are self-reported by the states. Additional information on the report's methodology is provided in the Appendix.

Acknowledgments

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Executive Summary

Overview

This edition of the *State Expenditure Report* includes data from estimated fiscal 2022, actual fiscal 2021, and actual fiscal 2020. The report includes 50-state data broken down by fund source and program area, as well as information on state general fund revenue collections. All data are reported in nominal terms (not adjusted for inflation).

Total state spending over the past two years has been heavily impacted by a combination of federal COVID—19 aid in response to the pandemic and rising state tax collections. In fiscal 2022, total state spending reached \$2.86 trillion, increasing from \$2.66 trillion in fiscal 2021. It is estimated that total state spending grew 7.3 percent with a median growth rate of 8.2 percent in fiscal 2022. Spending from states' own funds (general funds and other state funds combined, excluding bonds) rose 12.3 percent in fiscal 2022, or 7.8 percent on a median basis. Federal funds declined 0.2 percent in fiscal 2022 while the median growth rate was 9.3 percent. The overall increase in total state spending in fiscal 2022 was largely driven by increased general fund spending, which grew 18.1 percent, the highest rate in the 36-year history of the *State Expenditure Report*; on a median basis general fund spending increased 9.0 percent. The increase in general fund spending mainly derives from states spending surplus funds, largely for one-time purposes, following two consecutive years of double-digit revenue growth. States have directed these funds to additional investments in areas such as education, Medicaid, corrections, and transportation as well as expenditures for capital construction, paying off debt, rainy day fund deposits, and supplemental pension payments. The slight decline in overall federal fund spending in fiscal 2022 is due to several factors including a high baseline established in fiscal 2021 from additional COVID—19 aid, less federal fund spending by several heavily populated states, and reduced unemployment insurance benefit payments, which most states include in their spending totals. If the "all other" category (in which unemployment insurance benefits is included) is removed from the totals, federal funds would show growth for fiscal 2022. While federal funds recorded a slight decline in fiscal 2022, their level remains high by historical standards as states continue to spend significant amounts of federal COVID—19 aid.

In fiscal 2021 total state spending grew 16.2 percent; the median growth rate was lower at 11 percent. Spending from states' own funds (general funds and other state funds combined, excluding bonds) rose 5.1 percent, or 1.9 percent on a median basis. When looking at only general fund spending, the fiscal 2021 growth rate was 2.2 percent with a 0.1 percent decline on a median basis. Federal funds, on the other hand, sharply increased 37.0 percent, and had a median growth rate of 29.9 percent. The large increases in total state spending, led by strong gains from federal funds to states, is directly related to COVID—19 pandemic response and recovery efforts. In Spring 2020, the United States Congress passed a series of bills responding to the coronavirus outbreak with the largest bill being the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*. The CARES Act provided significant funding to states which they began to spend in fiscal 2020 and continued to spend in fiscal 2021. Additionally, in March 2021, the *American Rescue Plan Act of 2021 (ARPA)* was signed into law, allocating \$195.3 billion for states and the District of Columbia, and \$4.5 billion for territories, through the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF), in addition to multiple other funding allocations. While states have until the end of calendar year 2024 to allocate funds for CSLFRF, some states began allocating the funds towards the end of fiscal 2021. In fiscal 2021, both total state expenditures and federal funds to states are estimated to have grown at their highest rates in the history of the *State Expenditure Report*.

Since the pandemic began, states have seen fluctuations in the components of total state spending due to federal COVID—19 aid, initial revenue declines followed by two years of strong growth leading to budget surpluses, and the recent impacts of inflation. These factors led to slow spending growth from state funds in fiscal 2020 and fiscal 2021 followed by a rapid increase in fiscal 2022, as well as sharp growth in federal funds in fiscal 2020 and fiscal 2021 followed by them essentially plateauing in fiscal 2022. When looking at three-year average growth over fiscal 2020, fiscal 2021, and fiscal 2022 to smooth out the impact of these fluctuations, general funds have grown 7.1 percent on average, state funds have increased 7.1 percent, federal funds have risen 19.2 percent, and total state spending has grown 10.8 percent. Relatedly, state revenues have grown on average 10.7 percent over the same time.

Following declines in fiscal 2020, state general fund revenues experienced double-digit growth for the second consecutive year in fiscal 2022, increasing 15.9 percent from fiscal 2021. A number of factors contributed to fiscal 2022's revenue growth including economic gains following the initial effects of the pandemic, the role of federal COVID—19 relief aid, and the impact of inflation on both salaries and the price of goods. Strong year-over-year gains were seen in all major sources of state tax revenue. Personal income taxes were bolstered by employment growth, salary increases, and the strong stock market performance in calendar year 2021. Corporate income taxes rose as businesses saw higher profits. Sales taxes grew partly due to increased consumer spending, the shift to purchasing goods over services, and the impact of inflation on prices. Finally, states with a severance tax saw increased revenue due to higher collections from oil and gas production. When looking at 50-state totals, all revenue sources experienced growth in fiscal 2022 including sales tax (13.6 percent), personal income tax (11.5 percent), corporate income tax (61.5 percent), gaming and lottery revenue (5.2 percent), and all other general fund revenue (10.0 percent).

State revenues also rose sharply in fiscal 2021, increasing by 16.6 percent from fiscal 2020. Several factors help explain fiscal 2021's strong growth including: federal stimulus measures infused additional money into the economy, which helped bolster state revenue collections; high-income earners were relatively insulated from the COVID—19 pandemic's economic effects, which limited impacts on personal tax collections; the types of consumption that were most curtailed by the pandemic (such as services) comprise a relatively small portion of states' sales tax bases; and the enabling of online sales tax collections following the U.S. Supreme Court decision in *Wayfair v. South Dakota*. Fiscal 2021 revenue collections were also impacted by the shifting of the 2020 tax deadline from April 15 to July 15. According to NASBO's Spring 2021 Fiscal Survey of States, 19 states reported they recognized these delayed revenues in fiscal 2021 instead of fiscal 2020 due to the deadline shift, depressing fiscal 2020 revenues and leading to greater growth in fiscal 2021. The lower fiscal 2020 revenue totals also helped lead to higher year-over-year percentage growth for fiscal 2021. When looking at 50-state totals, all revenue sources once again experienced growth in fiscal 2021 including sales tax (9.7 percent), personal income tax (18.1 percent), corporate income tax (47.1 percent), gaming and lottery revenue (15.2 percent), and all other general fund revenue (13.5 percent).

Looking forward, states are anticipating slower growth in tax collections in fiscal 2023 following two-years of strong gains. Over the past two years, states have taken steps to prepare for any future slowdown in tax collections through actions such as using one-time funds for one-time purposes, paying down debt, making supplemental pension payments, and increasing the size of rainy day funds to record levels.

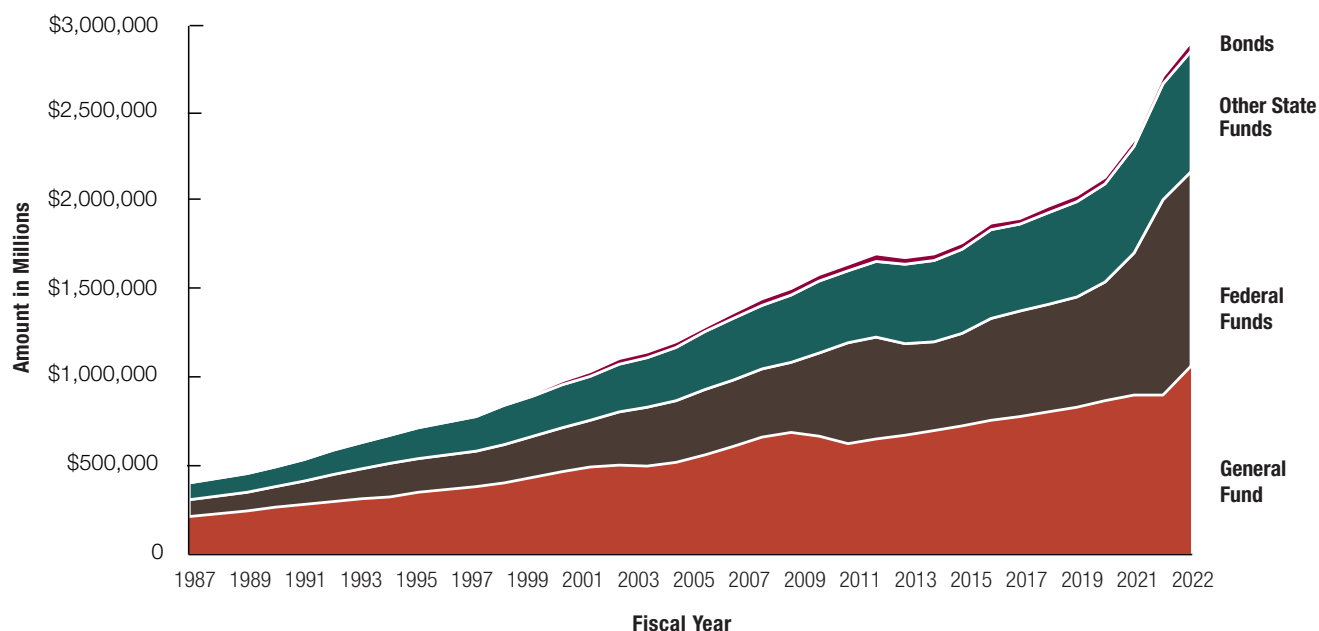
State Spending Trends

Total state spending has grown on a nominal basis each year since fiscal 2012, when total spending declined for the first time in the history of the *State Expenditure Report*, due to a wind-down in federal stimulus spending at that time. Overall, total state expenditures (including general funds, other state funds, bonds and federal funds) declined 1.1 percent in fiscal 2012, and increased 1.0 percent in fiscal 2013, 3.8 percent in fiscal 2014, 6.4 percent in fiscal 2015, 1.4 percent in fiscal 2016, 3.6 percent in fiscal 2017, 3.2 percent in fiscal 2018, 5.1 percent in fiscal 2019, 9.0 percent in fiscal 2020, and 16.2 percent in fiscal 2021. The 16.2 percent growth rate in total state spending in fiscal 2021 is the highest in the history of the *State Expenditure Report*, while the 36-year average growth rate is 5.8 percent. In fiscal 2022 total state spending is expected to increase 7.3 percent.

In both fiscal 2021 and fiscal 2022, all program areas saw at least a moderate increase in total state spending. Whereas in fiscal 2021 "all other" saw the sharpest increase in total state spending, in fiscal 2022 it had the slowest growth. The slower growth level in fiscal 2022 is likely due to both a high baseline established in fiscal 2021 and less federal fund spending on unemployment insurance benefits. In fiscal 2022 transportation had the highest growth rate due to increases in both state and federal funds.

All geographic regions experienced increased spending from total funds in both fiscal 2021 and fiscal 2022. While in fiscal 2021 the Far West region experienced the highest growth, in fiscal 2022 it had the slowest growth primarily due to less federal funds.

FIGURE 1
TOTAL STATE SPENDING BY FUND SOURCE, FISCAL 1987 TO 2022



General Fund Spending Trends

General fund spending grew 18.1 percent in fiscal 2022, the highest growth rate in the 36-year history of the *State Expenditure Report*; on a median basis general fund spending grew 9 percent. The increase in general fund spending mainly derives from states spending down surplus funds, largely for one-time purposes, following two consecutive years of double-digit revenue growth. States have directed these funds to additional investments in areas such as education, Medicaid, corrections, and transportation as well as expenditures for capital construction, paying off debt, rainy day fund deposits, and supplemental pension payments. In fiscal 2021 general fund spending grew at a slower rate of 2.2 percent; on a median basis general fund spending declined 0.1 percent. In fiscal 2022, all program areas saw an increase in general fund spending with transportation having the highest percentage growth at 245.8 percent (general funds make up a very small percentage of overall transportation spending), and public assistance the lowest rate at 0.1 percent. In fiscal 2021, public assistance had the highest increase at 15.5 percent while Medicaid, corrections, and transportation all recorded declines.

Federal Funds Spending Trends

Total state spending growth has been heavily impacted by changes in the level of federal funds to states over the past thirteen years including the passage and subsequent winding down of the *American Recovery and Reinvestment Act* (ARRA), the enactment of the *Affordable Care Act* (ACA), and most recently significant federal COVID—19 aid provided in multiple legislative packages. In fiscal 2022, federal funds are estimated to have declined 0.2 percent. The decline is due to several factors including the high baseline established in fiscal 2021, less federal fund spending from several heavily populated states, and reduced unemployment insurance benefit payments, which most states include in their totals. In addition, federal funds grew in fiscal 2022 if the “all other” category (in which unemployment insurance benefits is included) is removed from the totals. In estimated fiscal 2022, federal funds to states represented 38.0 percent of total state spending, a decline from 40.8 percent in fiscal 2021. While federal funds recorded a slight decline in fiscal 2022, their level remains high by historical standards as states continue to spend significant amounts of federal COVID—19 aid.

In fiscal 2021, federal funds to states increased 37.0 percent, the highest rate in the history of the *State Expenditure Report*. The sizeable increase in federal funds spending in fiscal 2021 is largely due to additional federal aid states received in response to the COVID—19 pandemic. In Spring 2020, the United States Congress passed a series of bills responding to the coronavirus outbreak with the largest bill being the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*. The CARES Act provided significant funding to states which they began to spend in fiscal 2020 and continued to spend in fiscal 2021. Congress also passed the *Families First Coronavirus Response Act* to address the rise in Medicaid spending and provide state fiscal relief; the bill included a 6.2 percentage point increase in Federal Medical Assistance Percentage (FMAP) spending during the public health emergency. Additionally, in March 2021, the American Rescue Plan Act of 2021 (ARPA) was signed into law, allocating \$195.3 billion for states and the District of Columbia, and \$4.5 billion for territories, through the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF), in addition to multiple other funding allocations. While states have until the end of calendar year 2024 to allocate funds for CSLFRF, some states began allocating the funds towards the end of fiscal 2021. Over the past three years, 41 states reported spending at least \$646.2 billion in overall federal COVID—19 aid in total (\$104.4 billion in fiscal 2020, \$308.2 billion in fiscal 2021, and an estimated \$233.6 billion in fiscal 2022).

States' Own Funds Spending Trends

Spending from state funds (including general funds and other state funds, but not federal funds or bonds) increased an estimated 12.3 percent in fiscal 2022, 5.1 percent in fiscal 2021, and 3.8 percent in fiscal 2020. In fiscal 2022, all program areas experienced growth in state funds with the largest increases in transportation (17.8 percent), “all other” (15.8 percent), and corrections (12.5 percent). Public assistance had the slowest growth in fiscal 2022 at 2.3 percent. In fiscal 2021, public assistance (12.8 percent) and “all other” (12.5 percent) had the highest growth rate while both corrections (-7.5 percent) and higher education (-0.3 percent) saw declines. In fiscal 2022, it is estimated that general funds comprised 36.6 percent of all state spending, other state funds 23.6 percent, and bonds 1.8 percent, while federal funds comprised 38.0 percent.

Additional Report Highlights

Additional state expenditure details and trends, broken down by functional spending category, include:

- For the first time since fiscal 2018, Medicaid rose as a percentage of total state spending, growing from 26.9 percent in fiscal 2021 to 27.6 percent in estimated fiscal 2022. In recent years **Medicaid** had fallen as a share of total state spending as its growth rate was outpaced by the “**all other**” category, which had seen large increases in spending partly related to the COVID—19 pandemic. **Elementary and secondary education** remained the second largest area of total state spending in fiscal 2022 at 18.8 percent.
- When looking only at general fund spending, **elementary and secondary education** remains the largest category in fiscal 2022, representing 34.2 percent of general fund expenditures, with **Medicaid** second at 17.3 percent. Those two categories, combined with **higher education** at 9.2 percent, account for over 60 percent of general fund spending.
- **Elementary and secondary education** total expenditures increased 8.0 percent in estimated fiscal 2022 and 16.6 percent in fiscal 2021. State funds for K–12 increased 8.9 percent in fiscal 2022 and 4.0 percent in fiscal 2021, while federal funds grew 4.5 percent in fiscal 2022 and 94.3 percent in fiscal 2021. State expenditures on K–12 education have been considerably impacted by the changing needs brought on by the pandemic as well as the influx of additional federal aid in response to COVID—19. Enrollment fluctuations and rising inflation have contributed to K–12 expenditure adjustments in state funds as well. States reported spending federal COVID—19 aid totaling at least \$84.5 billion on K–12 education so far, with states reporting K–12 expenditures from COVID—19 aid totaling \$6.8 billion in fiscal 2020, \$28.6 billion in fiscal 2021 and \$49.2 billion in fiscal 2022.¹
- Total expenditures for **higher education** increased 9.4 percent in estimated fiscal 2022 and 1.7 percent in fiscal 2021. State funds for higher education are estimated to have increased 9.3 percent in fiscal 2022 after declining 0.3 percent in fiscal 2021, while federal funds rose 12.1 percent in fiscal 2022 and 15.0 percent in fiscal 2021. Regarding state funds, due to the early impacts of COVID—19 on revenue forecasts, some states had started to pull back on some recent investments in higher education. This, coupled with lower revenues from tuition and fees and auxiliary services due to the impacts of the pandemic on enrollment and utilization of services helped contributed to the slight decline in spending from state funds in fiscal 2021. After faster than expected revenue growth in fiscal 2021 and fiscal 2022, states directed one-time surplus funds as well as recurring revenue growth to program area investments and restoring budget cuts — including for higher

¹ All figures citing levels of state spending from federal COVID-19 aid are based on data reported by 41 states, as the remaining nine states were unable to provide this data.

education — which helps to explain the general fund growth in fiscal 2022. The large increases in state higher education expenditures from federal funds over the past two years are driven by COVID—19 relief funding. States reported higher education expenditures from federal COVID—19 aid totaling at least \$23.6 billion so far (\$3.3 billion in fiscal 2020, \$9.9 billion in fiscal 2021, and \$10.4 billion in fiscal 2022).

- Total **public assistance** increased 7.5 percent in estimated fiscal 2022, after increasing 19.4 percent in fiscal 2021. State funds for public assistance are estimated to have increased 2.3 percent in fiscal 2022 and 12.8 percent in fiscal 2021, while federal funds rose 10.8 percent in fiscal 2022 and 24.0 percent in fiscal 2021. Increases in public assistance spending in fiscal 2020 through fiscal 2022 were heavily driven by additional federal COVID—19 aid, with 41 states reporting \$1.4 billion of federal COVID—19 aid for public assistance in fiscal 2020, \$6.3 billion in fiscal 2021, and an estimated \$6.8 billion in fiscal 2022. Also, the timing of public assistance expenditures may vary from year to year and may not reflect underlying program activity in a given year; large swings in some states often due in part to timing and reporting issues can substantially affect average spending growth rates. Public assistance represented 1.1 percent of total state expenditures in fiscal 2022. Public assistance data in this report is narrowly defined as spending on the Temporary Assistance for Needy Families (TANF) program and other cash assistance programs. Programs in the “other cash assistance” category, which includes optional state programs for Supplemental Security Income (SSI) and General Assistance, are not funded in all states, and when funded, are relatively small programs. Other human and social services program spending is captured in the “all other” category.
- Total **Medicaid** spending increased 10.2 percent in fiscal 2022, with state funds increasing 9.5 percent, and federal funds increasing 10.6 percent. In fiscal 2021, total Medicaid spending increased 10.1 percent with state funds increasing 0.2 percent and federal funds increasing 15.3 percent. Medicaid spending in fiscal 2020 through fiscal 2022 reflects the impact of the COVID—19 pandemic and federal aid on Medicaid enrollment and spending. To address the rise in Medicaid spending and provide state fiscal relief, the *Families First Coronavirus Response Act*, enacted in March 2020, provides a 6.2 percentage point increase in Federal Medical Assistance Percentage (FMAP) spending during the public health emergency. The increase is conditioned on states meeting certain maintenance-of-effort requirements including continuous coverage

for current enrollees, which inflates Medicaid enrollment by providing coverage for those who otherwise may have transitioned off the program. The increase in the FMAP is retroactive to January 2020 and is reflected in half of fiscal 2020 and in all of fiscal 2021 and fiscal 2022 for most states. States reported at least \$11.4 billion in fiscal 2020, \$25.7 billion in fiscal 2021, and \$31.2 billion in fiscal 2022 for COVID—19 federal relief aid from the increased Medicaid FMAP.

- Total **corrections** expenditures increased 7.9 percent in estimated fiscal 2022 and 0.2 percent in fiscal 2021. State funds for corrections are estimated to have increased 12.5 percent in fiscal 2022 and declined 7.5 percent in fiscal 2021, while federal funds declined 27.2 percent in fiscal 2022 and increased 221.5 percent in fiscal 2021. Part of the fiscal 2022 corrections spending increase is attributable to one-time projects, such as construction of correctional facilities, and other non-recurring spending on state priorities. State general funds comprised 81.3 percent of corrections spending in fiscal 2022, with other state funds at 10.0 percent, federal funds at 7.9 percent, and bonds representing 0.9 percent. General fund spending for corrections increased 11.5 percent in estimated 2022 as federal funds decreased 27.2 percent. The fiscal 2022 decline in federal funds followed a sharp increase in fiscal 2021. In fiscal 2021, general funds declined 8.5 percent while federal funds increased 221.5 percent. Comparing estimated fiscal 2022 to actual fiscal 2020 spending, state general funds increased 2.0 percent as federal funds increased 134.1 percent. The large percentage increases in federal funds are related to the small amount of federal funds for corrections prior to COVID—19; for example, in fiscal 2019 federal funds only comprised \$531 million out of \$63.2 billion in total spending on corrections.
- Total **transportation** spending, representing 7.3 percent of total state expenditures, increased 19.5 percent in estimated fiscal 2022 and 3.0 percent in fiscal 2021. In fiscal 2022, it is estimated that state funds spending rose 17.8 percent and federal funds 16.4 percent, while spending from bonds increased 43.5 percent. Other state funds, which are typically earmarked revenue sources such as fuel taxes, comprised 57.4 percent of total transportation spending in estimated fiscal 2022, with federal funds at 26.7 percent, bonds at 9.9 percent, and general funds only accounting for 6.0 percent. States estimated they expended \$935 million in federal COVID—19 aid for transportation in fiscal 2020, \$2.6 billion in fiscal 2021, and \$4.8 billion in fiscal 2022. In addition, states began to expend funds from the *Infrastructure Investment and Jobs Act* (IIJA) in fiscal 2022.

- States were also asked to detail **transportation fund revenue** sources. Forty-six states reported having a separate transportation fund. Motor fuel taxes represented the largest revenue source for transportation funds (38.4 percent), followed by license and registration fees (19.8 percent), vehicle sales and use taxes (10.4 percent), tolls (1.3 percent), and all other (30.1 percent). Transportation fund revenue sources totaled \$106.7 billion in fiscal 2020, \$112.4 billion in fiscal 2021, and \$122.9 billion in estimated fiscal 2022.
- The “**all other**” category of state spending increased 1.9 percent in estimated fiscal 2022, with state funds (excluding bonds) rising 15.8 percent and federal funds declining 18.9 percent. In fiscal 2021, total spending in the “all other” category rose 30.3 percent, with state funds increasing 12.5 percent and federal funds rising 72.5 percent. The slow growth rate in total spending for “all other” in fiscal 2022 follows fiscal 2021’s rapid growth rate in this category. A large part of the reason for fiscal 2022’s slower growth rate in total spending was due to the high baseline established in fiscal 2021 as states received additional federal aid states in response to the COVID—19 pandemic. The decline in federal funds for the “all other” category in fiscal 2022 is likely due in large part to less unemployment benefit payments. Most states include unemployment insurance benefits in the “all other” category, with 23 states either excluding or partially excluding the benefits from their totals. Unemployment insurance benefits declined in fiscal 2022 both due to the expiration of enhanced unemployment benefit programs established by the CARES Act as well as declining unemployment levels. Much of the increase in “all other” state fund spending in both fiscal 2021 and fiscal 2022 is due to one-time investments related to increased state tax collections and states’ responses to the pandemic. Spending increases from state funds have included one-time stimulus payments, housing programs, other health programs besides Medicaid, children and family services, deposits to reserve funds, pension fund contributions, employee compensation, environment and conservation projects, disaster recovery, economic development, local government assistance, and debt service.
- States were also asked to separately detail their **debt service** spending. States’ spending on debt service totaled \$48.3 billion in fiscal 2020, \$57.5 billion in fiscal 2021, and \$56.9 billion in estimated fiscal 2022. In estimated fiscal 2022, general funds represented 52.7 percent of total state spending on debt service, while other state funds comprised the remaining 47.3 percent. In fiscal year 2022, debt service represented 3.3 percent of spending from state funds (gen-

eral funds and other state funds combined, excluding bonds), and 2.9 percent of spending from the general fund only. Some states reflect no general fund spending for debt service because they earmark certain tax revenue streams to support bond repayments and direct those resources to state funds other than the general fund.

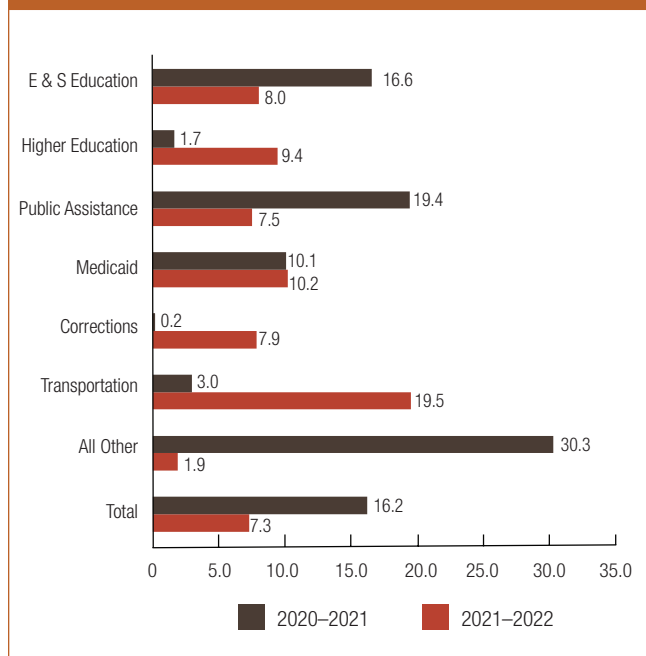
- **Capital** expenditures are made for new construction, infrastructure, major repairs and improvements, land purchases, and the acquisition of major equipment and existing structures. Capital spending increased by an estimated 15.3 percent in fiscal 2022, 3.6 percent in fiscal 2021, and 4.3 percent in fiscal 2020. The fiscal 2022 growth rate of 15.3 percent is the highest annual figure since 1994. Capital spending will likely maintain high growth rates for the next several years as states allocate funding from the *American Rescue Plan Act* (ARPA) of 2021 and the *Infrastructure Investment and Jobs Act* (IIJA) of 2021. Under ARPA, states and localities are permitted to use federal funding for investments in infrastructure, including water, sewer, and broadband services. While IIJA includes approximately \$550 billion in new spending for roads, bridges, rail, transit, the electric grid, water systems and broadband. Although states will see increased federal funding for capital and other infrastructure projects over the next several years, most of the fiscal 2022 increase in capital spending was due to increased state funds. State spending on capital (including general funds, other state funds, and bonds) increased 16.8 percent, or \$15.3 billion, in estimated fiscal 2022, while federal funds grew 11.0 percent, or \$3.6 billion. The increase in state’s own spending on capital in fiscal 2022 was partly due to one-time spending on infrastructure projects resulting from revenue surpluses in fiscal 2021 and fiscal 2022. States primarily use dedicated sources like the transportation fund, higher education tuition and fees, set-aside funding for capital projects, federal funds, and fund surpluses to finance capital spending. State cash sources represent 44.2 percent of capital spending in fiscal 2022, federal funds are 25.2 percent, and bonds are 30.6 percent. The vast majority of federal funds spent for capital purposes is for transportation (91.7 percent in fiscal 2022).
- General fund **revenue**, the largest source of state expenditures and the most discretionary, totaled an estimated \$1.18 trillion in fiscal 2022. Following declines in fiscal 2020, state revenues experienced double-digit growth for the second consecutive year in fiscal 2022, increasing 15.9 percent. A number of factors contributed to fiscal 2022’s revenue growth including economic gains following the initial effects of the pandemic, the role of federal COVID—19 relief aid, and the impact of inflation on both salaries and the price of goods.

Strong year-over-year gains were seen in all major sources of state tax revenue. Personal income taxes were bolstered by employment growth, salary increases, and the strong stock market performance in calendar year 2021. Corporate income taxes rose as businesses saw higher profits. Sales taxes grew partly due to increased consumer spending, the shift to purchasing goods over services, and the impact of inflation on prices. Finally, states with a severance tax saw increased revenue due to higher collections from oil and gas production. When looking at 50-state totals, all revenue sources experienced growth in fiscal 2022 including sales tax (13.6 percent), personal income tax (11.5 percent), corporate income tax (61.5 percent), gaming and lottery revenue (5.2 percent), and all other general fund revenue (10.0 percent).

State revenues also rose sharply in fiscal 2021, increasing by 16.6 percent. Several factors help explain fiscal 2021's strong growth including: federal stimulus measures infused additional money into the economy, which helped bolster state revenue collections; high-income earners were relatively insulated from the COVID—19 pandemic's economic effects, which limited impacts on personal tax collections; the types of consumption that were most curtailed by the pandemic (such as services) comprise a relatively small portion of states' sales tax bases; and the enabling of online sales tax collections following the U.S. Supreme Court decision in *Wayfair v. South Dakota*. Fiscal 2021 revenue collections were also impacted by the shifting of the 2020 tax deadline from April 15 to July 15. According to NASBO's Spring 2021 Fiscal Survey of States, 19 states reported they recognized these delayed revenues in fiscal 2021 instead of fiscal 2020 due to the deadline shift, depressing fiscal 2020 revenues and leading to greater growth in fiscal 2021. The lower fiscal 2020 revenue totals also helped lead to higher year-over-year percentage growth for fiscal 2021. When looking at 50-state totals, all revenue sources once again experienced growth in fiscal 2021 including sales tax (9.7 percent), personal income tax (18.1 percent), corporate income tax (47.1 percent), gaming and lottery revenue (15.2 percent), and all other general fund revenue (13.5 percent).

Personal income taxes accounted for 44.1 percent, sales and use taxes for 28.1 percent, and corporate income taxes for 11.4 percent of total general fund revenues in fiscal 2022. All other general fund revenue represented 15.5 percent of general fund revenues, while gaming and lottery revenue were only 0.8 percent.

FIGURE 2
ALL FUNDS PERCENT CHANGES FROM PREVIOUS FISCAL YEAR FOR MAJOR SPENDING CATEGORIES, FISCAL 2021 AND 2022



Explanation of Report Data: Components of State Expenditures

This report includes three years of state expenditure data: actual fiscal 2020, actual fiscal 2021, and estimated fiscal 2022. The report examines the seven main functional categories of state spending: elementary and secondary education, higher education, public assistance, Medicaid, corrections, transportation, and “all other.” “All other” is a broad category that includes state functions not tracked individually in this report, such as the Children’s Health Insurance Program (CHIP), care for the mentally ill and developmentally disabled, public health programs, child welfare and family services, constitutional officers, the legislative and judicial branches, some employer contributions to pensions and health benefits, economic development, state police, environmental protection, parks and recreation, other natural resources programs, unemployment insurance, housing, general aid to local governments, and debt service. Capital spending is included with operating expenditures within each functional category, unless noted otherwise. Capital expenditures also have been collected separately in the following categories: elementary and secondary education, higher education, corrections, transportation, environmental, housing, and “all other”. It should also be noted that 20 states use a primarily biennial budget cycle,

TABLE 1
TOTAL STATE EXPENDITURES—CAPITAL INCLUSIVE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020					Actual Fiscal 2021					Estimated Fiscal 2022				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$19,189	\$6,696	\$6,371	\$1,891	\$34,147	\$19,436	\$9,317	\$6,335	\$2,217	\$37,305	\$20,672	\$10,255	\$6,518	\$3,782	\$41,227
Maine	3,825	4,182	2,402	134	10,543	3,756	5,618	2,570	159	12,103	3,977	5,084	3,405	52	12,518
Massachusetts	29,508	16,726	14,284	2,567	63,085	30,631	19,482	13,935	3,173	67,221	32,673	22,767	15,358	3,240	74,038
New Hampshire	1,688	2,998	2,308	80	7,074	1,606	3,582	2,314	33	7,535	1,580	3,634	2,542	56	7,812
Rhode Island	3,937	4,475	2,606	399	11,417	4,079	6,565	2,343	365	13,352	5,493	5,704	2,679	1,179	15,055
Vermont	1,539	2,224	2,347	65	6,175	1,623	3,262	2,351	54	7,290	1,997	3,276	2,289	59	7,621
MID-ATLANTIC															
Delaware	4,490	2,706	4,402	265	11,863	4,492	3,956	4,523	287	13,258	5,058	3,962	4,976	381	14,377
Maryland	18,961	16,038	12,485	1,092	48,576	18,796	21,745	13,302	1,215	55,058	21,549	28,413	13,548	1,945	65,455
New Jersey	37,097	18,321	9,129	1,326	65,873	42,933	24,456	9,261	2,056	78,706	47,692	27,476	10,387	1,302	86,857
New York	71,371	60,688	34,753	6,170	172,982	66,117	71,685	41,667	7,119	186,588	79,105	79,483	41,623	9,129	209,340
Pennsylvania	34,090	36,743	24,979	777	96,589	34,014	43,058	25,498	688	103,258	37,477	54,471	26,489	666	119,103
GREAT LAKES															
Illinois	36,065	18,008	22,412	1,329	77,814	41,436	26,680	45,474	1,946	115,536	46,392	33,174	41,188	1,742	122,496
Indiana	16,679	14,901	6,076	0	37,656	18,020	20,319	6,343	0	44,682	19,599	22,290	6,299	0	48,188
Michigan	8,953	25,950	27,008	397	62,308	10,155	30,095	27,566	604	68,420	12,290	40,813	26,252	1,193	80,548
Ohio	22,520	27,578	23,239	1,219	74,556	22,892	34,351	22,963	1,010	81,216	23,870	38,183	26,957	1,040	90,050
Wisconsin	17,327	12,953	21,554	0	51,834	18,276	17,574	23,506	0	59,356	18,357	20,607	23,937	0	62,901
PLAINS															
Iowa	7,832	9,772	8,442	0	26,046	7,832	10,420	10,270	0	28,522	8,125	11,168	10,152	0	29,445
Kansas	7,522	4,649	6,718	523	19,412	7,268	6,925	7,217	398	21,808	9,331	7,148	6,125	392	22,996
Minnesota	23,778	12,193	6,162	856	42,989	23,647	18,007	5,651	713	48,018	25,994	26,300	6,238	1,444	59,976
Missouri	9,152	9,726	8,394	38	27,310	9,759	11,474	8,538	8	29,779	10,466	12,858	8,806	13	32,143
Nebraska	4,499	3,029	5,373	0	12,901	4,526	5,081	5,460	0	15,067	4,672	4,968	5,751	0	15,391
North Dakota	2,333	1,861	2,843	22	7,059	2,329	3,000	3,210	51	8,590	2,249	2,587	2,384	9	7,229
South Dakota	1,703	1,834	1,273	40	4,850	1,888	3,548	1,335	8	6,779	2,020	3,526	1,480	22	7,048
SOUTHEAST															
Alabama	10,182	12,056	9,056	217	31,511	10,023	12,615	8,951	329	31,918	11,160	13,749	10,222	372	35,503
Arkansas	5,483	9,498	12,736	56	27,773	5,457	12,325	13,219	51	31,052	5,797	12,265	13,956	41	32,059
Florida	33,893	31,384	19,181	1,534	85,992	35,862	35,606	20,549	1,701	93,718	36,468	39,326	23,859	2,014	101,667
Georgia	22,703	19,679	15,875	1,096	59,353	21,937	24,705	16,514	1,130	64,286	26,071	18,469	9,916	935	55,391
Kentucky	11,622	17,398	9,603	0	38,623	11,382	21,478	9,518	0	42,378	13,026	21,061	11,310	0	45,397
Louisiana	9,645	14,480	6,697	147	30,969	9,869	16,594	7,969	285	34,717	10,777	22,379	10,341	214	43,711
Mississippi	5,733	8,492	5,413	677	20,315	5,559	10,283	5,336	1,053	22,231	5,819	11,939	6,732	1,279	25,769
North Carolina	24,609	25,722	9,907	983	61,221	24,487	22,446	11,145	1,367	59,445	25,793	24,234	11,924	599	62,550
South Carolina	8,658	9,047	9,860	0	27,565	8,574	12,048	9,336	0	29,958	9,774	12,640	9,849	0	32,263
Tennessee	15,208	14,238	6,602	0	36,048	14,690	18,430	6,809	55	39,984	18,266	22,721	7,086	0	48,073
Virginia	21,876	18,680	22,206	1,472	64,234	22,553	27,479	23,211	1,415	74,658	24,627	24,880	24,286	1,128	74,921
West Virginia	3,739	4,275	7,587	395	15,996	3,665	5,473	7,914	386	17,438	3,361	6,948	8,466	321	19,096
SOUTHWEST															
Arizona	15,430	14,111	41,540	707	71,788	11,722	16,270	38,183	651	66,826	12,704	20,479	46,644	681	80,508
New Mexico	6,980	9,500	5,080	463	22,023	7,409	12,542	4,383	393	24,727	7,380	10,891	4,532	393	23,196
Oklahoma	6,486	8,762	9,192	359	24,799	5,566	10,784	11,003	415	27,768	6,214	12,040	12,283	463	31,000
Texas	44,870	47,954	19,890	405	113,119	42,502	70,873	21,303	509	135,187	48,618	56,925	21,456	593	127,592
ROCKY MOUNTAIN															
Colorado	12,207	10,050	9,528	310	32,095	11,263	10,529	9,624	360	31,776	12,502	10,589	11,923	360	35,374
Idaho	4,470	4,984	2,254	0	11,708	3,750	4,702	1,754	0	10,206	4,404	6,079	2,726	0	13,209
Montana	2,330	3,347	2,625	0	8,302	2,390	5,946	2,797	0	11,133	2,460	4,099	2,169	0	8,728
Utah	7,279	4,786	5,023	1,067	18,155	8,501	6,316	4,960	0	19,777	10,080	10,120	6,288	0	26,488
Wyoming	1,263	801	2,419	0	4,483	1,191	966	3,463	0	5,620	1,193	974	3,469	0	5,636
FAR WEST															
Alaska	5,715	4,807	1,408	0	11,930	5,170	4,883	1,647	0	11,700	5,332	6,652	2,462	0	14,446
California	146,285	148,996	55,086	6,718	357,085	162,129	272,294	58,170	6,291	498,884	242,944	191,074	66,098	9,907	510,023
Hawaii	8,035	2,835	6,036	1,228	18,134	8,756	5,251	9,183	1,211	24,401	8,843	5,176	3,800	1,000	18,819
Nevada	4,467	4,781	5,739	0	14,987	4,570	5,478	5,540	83	15,671	4,649	7,082	7,634	64	19,429
Oregon	18,916	14,221	21,534	365	55,036	16,415	22,185	27,898	273	66,771	19,014	22,849	25,617	334	67,814
Washington	24,001	14,305	13,426	2,769	54,501	24,583	18,614	14,615	2,724	60,536	28,262	21,187	13,776	2,613	65,838
TOTAL*	\$866,143	\$793,440	\$591,063	\$40,158	\$2,290,804	\$885,486	\$1,087,315	\$646,626	\$42,786	\$2,662,213	\$1,046,176	\$1,084,974	\$674,207	\$50,957	\$2,856,314
District of Columbia	8,252	4,368	1,338	1,188	15,146	8,102	5,543	1,400	1,135	16,180					

Note: See General Notes at the end of this chapter.
*See notes at the end of the chapter.

TABLE 2
ANNUAL PERCENTAGE CHANGE IN TOTAL STATE EXPENDITURES

Region/State	Fiscal 2020 to 2021				Fiscal 2021 to 2022			
	General Funds	State Funds	Federal Funds	All Funds	General Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND								
Connecticut	1.3 %	0.8 %	39.1 %	9.2 %	6.4 %	5.5 %	10.1 %	10.5 %
Maine	-1.8	1.6	34.3	14.8	5.9	16.7	-9.5	3.4
Massachusetts	3.8	1.8	16.5	6.6	6.7	7.8	16.9	10.1
New Hampshire	-4.9	-1.9	19.5	6.5	-1.6	5.2	1.5	3.7
Rhode Island	3.6	-1.8	46.7	16.9	34.7	27.3	-13.1	12.8
Vermont	5.5	2.3	46.7	18.1	23.0	7.9	0.4	4.5
MID-ATLANTIC								
Delaware	0.0	1.4	46.2	11.8	12.6	11.3	0.2	8.4
Maryland	-0.9	2.1	35.6	13.3	14.6	9.3	30.7	18.9
New Jersey	15.7	12.9	33.5	19.5	11.1	11.3	12.3	10.4
New York	-7.4	1.6	18.1	7.9	19.6	12.0	10.9	12.2
Pennsylvania	-0.2	0.7	17.2	6.9	10.2	7.5	26.5	15.3
GREAT LAKES								
Illinois	14.9	48.6	48.2	48.5	12.0	0.8	24.3	6.0
Indiana	8.0	7.1	36.4	18.7	8.8	6.3	9.7	7.8
Michigan	13.4	4.9	16.0	9.8	21.0	2.2	35.6	17.7
Ohio	1.7	0.2	24.6	8.9	4.3	10.8	11.2	10.9
Wisconsin	5.5	7.5	35.7	14.5	0.4	1.2	17.3	6.0
PLAINS								
Iowa	0.0	11.2	6.6	9.5	3.7	1.0	7.2	3.2
Kansas	-3.4	1.7	49.0	12.3	28.4	6.7	3.2	5.4
Minnesota	-0.6	-2.1	47.7	11.7	9.9	10.0	46.1	24.9
Missouri	6.6	4.3	18.0	9.0	7.2	5.3	12.1	7.9
Nebraska	0.6	1.2	67.7	16.8	3.2	4.4	-2.2	2.2
North Dakota	-0.2	7.0	61.2	21.7	-3.4	-16.4	-13.8	-15.8
South Dakota	10.9	8.3	93.5	39.8	7.0	8.6	-0.6	4.0
SOUTHEAST								
Alabama	-1.6	-1.4	4.6	1.3	11.3	12.7	9.0	11.2
Arkansas	-0.5	2.5	29.8	11.8	6.2	5.8	-0.5	3.2
Florida	5.8	6.3	13.5	9.0	1.7	6.9	10.4	8.5
Georgia	-3.4	-0.3	25.5	8.3	18.8	-6.4	-25.2	-13.8
Kentucky	-2.1	-1.5	23.5	9.7	14.4	16.4	-1.9	7.1
Louisiana	2.3	9.2	14.6	12.1	9.2	18.4	34.9	25.9
Mississippi	-3.0	-2.3	21.1	9.4	4.7	15.2	16.1	15.9
North Carolina	-0.5	3.2	-12.7	-2.9	5.3	5.9	8.0	5.2
South Carolina	-1.0	-3.3	33.2	8.7	14.0	9.6	4.9	7.7
Tennessee	-3.4	-1.4	29.4	10.9	24.3	17.9	23.3	20.2
Virginia	3.1	3.8	47.1	16.2	9.2	6.9	-9.5	0.4
West Virginia	-2.0	2.2	28.0	9.0	-8.3	2.1	27.0	9.5
SOUTHWEST								
Arizona	-24.0	-12.4	15.3	-6.9	8.4	18.9	25.9	20.5
New Mexico	6.1	-2.2	32.0	12.3	-0.4	1.0	-13.2	-6.2
Oklahoma	-14.2	5.7	23.1	12.0	11.6	11.6	11.6	11.6
Texas	-5.3	-1.5	47.8	19.5	14.4	9.8	-19.7	-5.6
ROCKY MOUNTAIN								
Colorado	-7.7	-3.9	4.8	-1.0	11.0	16.9	0.6	11.3
Idaho	-16.1	-18.1	-5.7	-12.8	17.4	29.5	29.3	29.4
Montana	2.6	4.7	77.7	34.1	2.9	-10.8	-31.1	-21.6
Utah	16.8	9.4	32.0	8.9	18.6	21.6	60.2	33.9
Wyoming	-5.7	26.4	20.6	25.4	0.2	0.2	0.8	0.3
FAR WEST								
Alaska	-9.5	-4.3	1.6	-1.9	3.1	14.3	36.2	23.5
California	10.8	9.4	82.8	39.7	49.8	40.3	-29.8	2.2
Hawaii	9.0	27.5	85.2	34.6	1.0	-29.5	-1.4	-22.9
Nevada	2.3	-0.9	14.6	4.6	1.7	21.5	29.3	24.0
Oregon	-13.2	9.6	56.0	21.3	15.8	0.7	3.0	1.6
Washington	2.4	4.7	30.1	11.1	15.0	7.2	13.8	8.8
TOTAL*	2.2 %	5.1 %	37.0 %	16.2 %	18.1 %	12.3 %	-0.2 %	7.3 %
MEDIAN	-0.1	1.9	29.9	11	9	7.8	9.3	8.2

Note: State funds are defined as general funds and other state funds (bonds are excluded). *See General Notes for explanation.

and in many cases, funds are not expended evenly in the two-year cycle. This may affect total expenditures changes in some states from year to year.

State governments have specific functional responsibilities that vary among states depending on the role of local governments in providing services. For example, the provision of elementary and secondary education is constitutionally a state function, but significant local revenues, mainly through property taxes, contribute to school budgets in most states. Some states are exceptions, such as Hawaii where the state government fully funds elementary and secondary education. A more complete understanding of programs and service levels within a given state would require comparisons of spending by both state and local government, which is not the purpose of this report. In addition, because the data are self-reported by the states, some may be incomplete. These omissions can affect aggregate and regional tables.

States operate within stricter revenue/expenditure limitations than the federal government. State balanced budget requirements are diverse, and governors are given significant powers to ensure a balanced budget. An overwhelming majority of states require their governor to submit, and their legislature to pass, a balanced budget. States are required to make spending choices based on available resources and must either reduce spending, raise taxes, or use reserves when revenues come in below estimates. For the most part, states do not and cannot incur operating deficits, and manage their finances in ways to maintain or improve bond ratings.

Explanation of Report Data: Definitions

General Fund: The predominant fund for financing a state's operations. Revenues are received from broad-based state taxes. However, there are differences in how specific functions are financed from state to state.

Federal Funds: Funds received directly from the federal government.

Other State Funds: Expenditures from revenue sources that are restricted by law for governmental functions or activities. For example, a gasoline tax dedicated to a transportation fund would appear in the "Other State Funds" column. For higher education, other state funds can include tuition and fees. For

Medicaid, other state funds include provider taxes, fees, donations, assessments, and local funds. Some states also have an education fund for elementary and secondary education separate from the general fund.

Bonds: Expenditures from the sale of bonds, generally for capital projects.

State Funds: General funds plus other state fund spending, excluding state spending from bonds.

Spending by fund source is detailed in Figure 3. In fiscal 2022, federal funds represented 38.0 percent of total state spending, with general funds at 36.6 percent, other state funds at 23.6 percent, and bonds at 1.8 percent. Fiscal 2022 marked the second time in the history of the *State Expenditure Report*, and the second consecutive year, in which federal funds represented the greatest share of total state spending. However, state funds (general funds and other state funds combined) still make up a greater share of total state spending than federal funds, 60.2 percent compared to 38.0 percent. In addition, federal funds declined as share of total state spending in fiscal 2022, going from 40.8 percent in fiscal 2021 to 38.0 percent in fiscal 2022, whereas general funds increased from 33.3 percent in fiscal 2021 to 36.6 percent in fiscal 2022.

FIGURE 3
TOTAL STATE EXPENDITURES BY FUNDING SOURCE,
FISCAL 2022

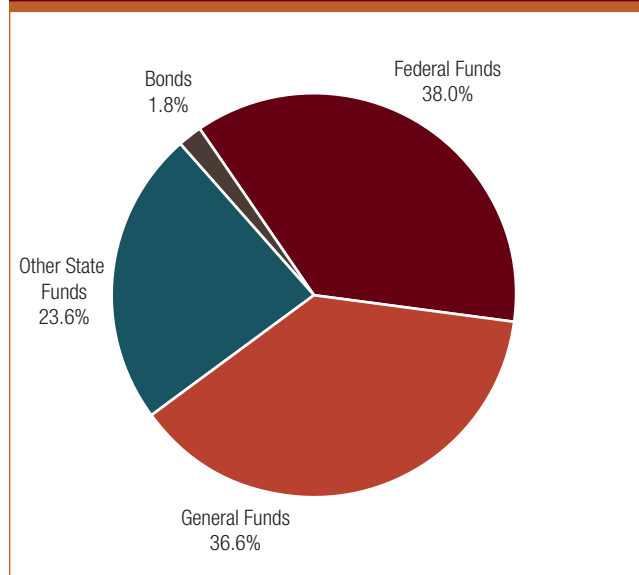
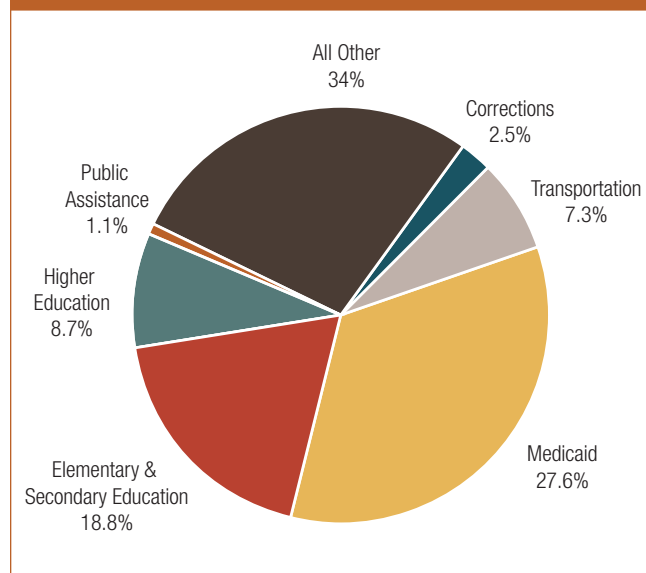


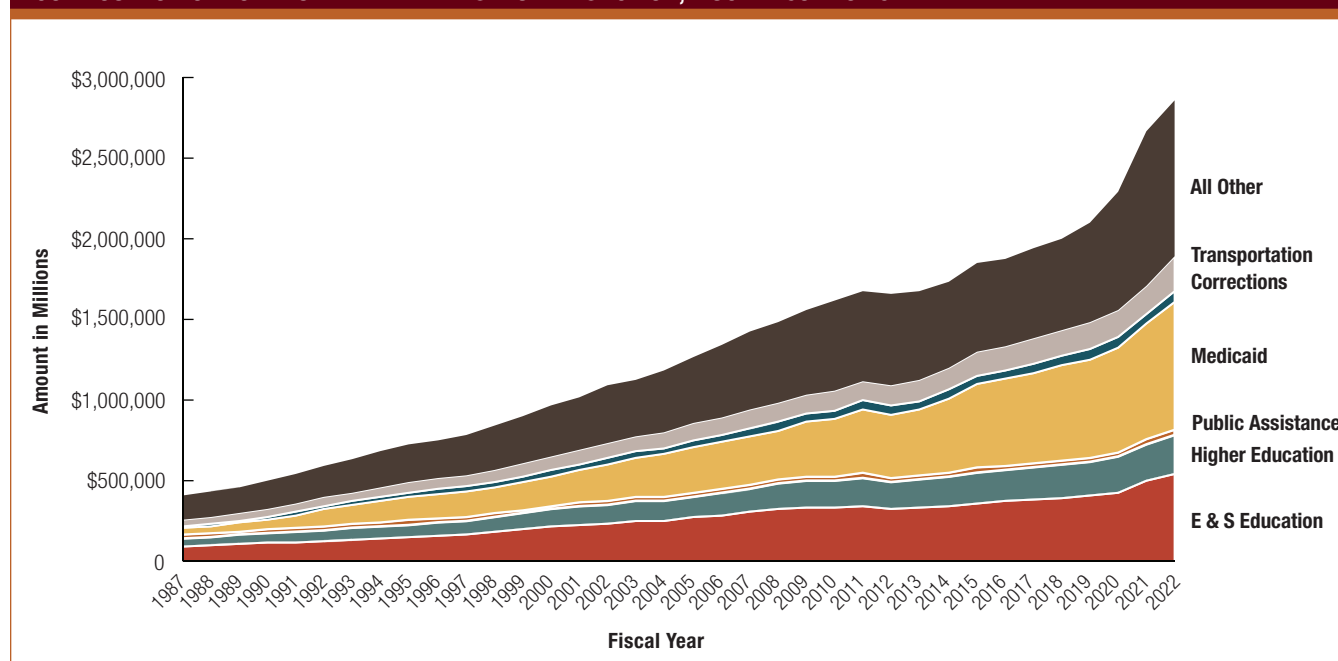
Figure 4 reflects total state expenditures by functional area. For fiscal 2022, total state spending shares are as follows: 27.6 percent for Medicaid; 18.8 percent for elementary and secondary education; 8.7 percent for higher education; 7.3 percent for transportation; 2.5 percent for corrections; 1.1 percent for public assistance; and 34.0 percent for all other.

FIGURE 4
TOTAL STATE EXPENDITURES BY FUNCTION,
FISCAL 2022



The shares of state spending for the seven functional areas tracked in the *State Expenditure Report* have shifted since 1987, when the report was first published. For example, in total state spending, Medicaid surpassed higher education as the second largest state program in 1990, and in 2003 it became the largest, displacing elementary and secondary education. From 2003 to 2008, Medicaid and elementary and secondary education alternated as the largest state program. Since fiscal 2009, Medicaid has consistently been the largest spending category (not including the “all other” category). In fiscal 2020 and fiscal 2021, the “all other” category climbed as a percentage of total spending largely due to additional spending related to the COVID—19 pandemic, rising from 29.0 percent in fiscal 2019, to 31.9 percent in fiscal 2020, to 35.8 percent in fiscal 2021. The increase in the “all other” category caused most other functional areas to decline as a share of total state spending. In fiscal 2022, “all other” slightly declined as a share of total spending to 34.0 percent. Figure 5 documents the changes in state expenditures by category since 1987. Table 3 reflects shares of state spending in functional areas, by fund source, from 1995 to 2022. Also, Table 5, at the end of the Executive Summary, highlights the share of each state’s budget represented by various programs in fiscal 2022 and shows the wide variation among states in their spending patterns.

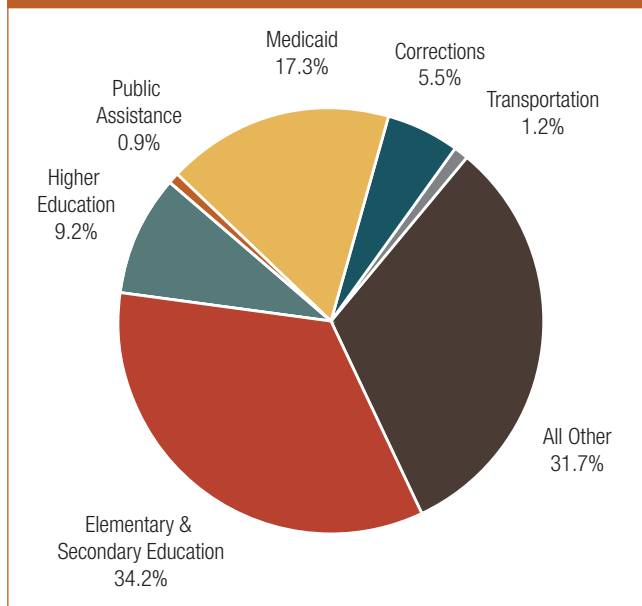
FIGURE 5
COMPOSITION OF TOTAL STATE EXPENDITURES BY FUNCTION, FISCAL 1987 TO 2022



General Fund Expenditures

Expenditures for elementary and secondary education continue to constitute the largest share of state general fund spending. As Figure 6 shows, in fiscal 2022, 34.2 percent of general fund spending went to elementary and secondary edu-

FIGURE 6
GENERAL FUND EXPENDITURES, FISCAL 2022



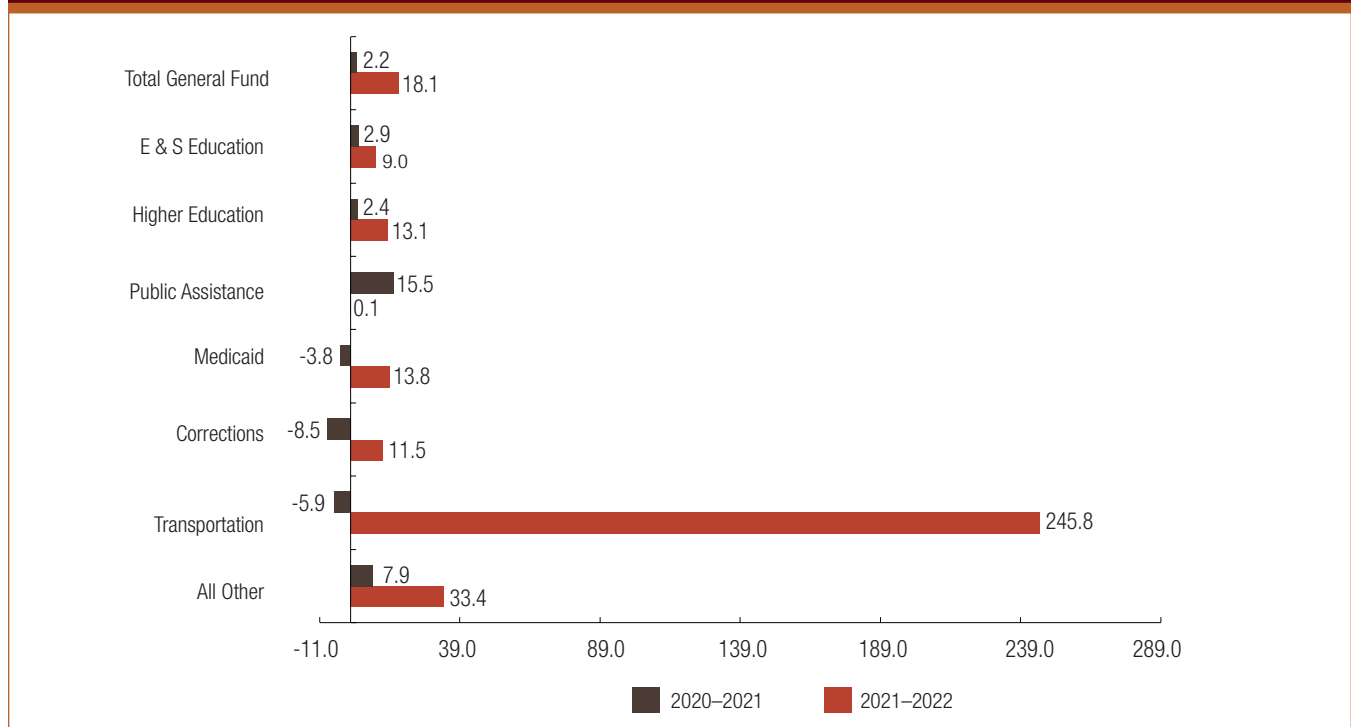
cation. Medicaid accounted for 17.3 percent and higher education accounted for 9.2 percent of general fund spending.

Figure 7 reflects the percentage change for general fund spending in each of the functional categories. In fiscal 2021, Medicaid, corrections, and transportation reported declines while the other program areas experienced an increase. In fiscal 2022, all program areas saw an increase in general fund spending with transportation growing at the highest rate. However, general funds for transportation only comprise 6.0 percent of total transportation spending, while other state funds comprise 57.4 percent.

Other State Funds Expenditures

Trailing only the “all other” category, transportation and higher education account for the next largest portions of other state funds spending for fiscal 2022, at 17.8 percent and 15.9 percent respectively. Other state funds are expenditures from revenue sources which are restricted by law for particular governmental functions or activities. For transportation, these funds largely represent receipts from gasoline taxes earmarked for highways and other infrastructure projects, while for higher education, these funds include tuition and fees in most states (see Table 3).

FIGURE 7
PERCENT CHANGE IN GENERAL FUND, FISCAL 2021 AND 2022



Federal Funds Expenditures

As reflected in Figure 8, Medicaid accounts for the largest portion of state spending from federal funds in fiscal 2022 at 49.8 percent. In fiscal 2021 the “all other” category had grown to 34.6 percent of federal funds due to increased federal aid to states related to the COVID—19 pandemic, but “all other” declined to 28.1 percent in fiscal 2022 likely due largely to less unemployment benefits. Elementary and secondary education at 11.1 percent and transportation at 5.1 percent were the next largest categories of federal funds in fiscal 2022.

FIGURE 8
FEDERAL FUND EXPENDITURES, FISCAL 2022

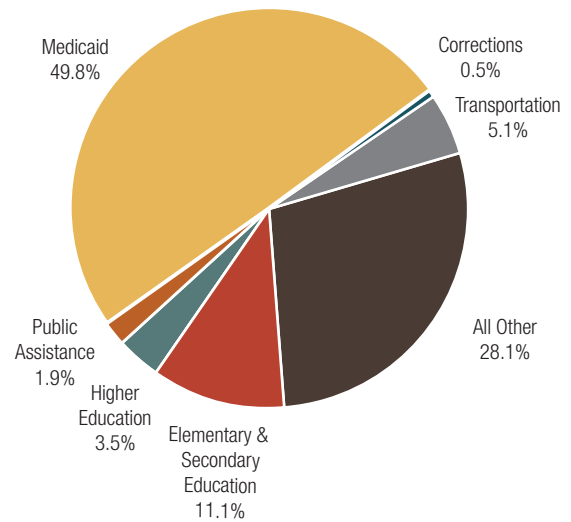


TABLE 3

COMPARISON OF SHARES OF STATE SPENDING WITH FUND SOURCES, FISCAL 1995 TO 2022

Region/State	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
FY 1995:								
General Funds	33.4	12.9	4.4	14.4	6.7	0.7	27.4	100.0
Other State Funds	9.5	13.3	0.5	6.9	0.8	23.8	45.2	100.0
Federal Funds	9.8	2.7	6.5	42.7	0.1	9.8	28.3	100.0
Bond Funds	4.9	20.8	0.0	0.0	10.2	26.3	37.7	100.0
Total Funds	21.0	10.4	4.0	19.8	3.6	9.1	32.1	100.0
FY 1996:								
General Funds	34.4	12.9	3.9	14.7	6.9	0.6	25.6	100.0
Other State Funds	9.2	13.7	0.4	6.8	0.8	22.9	46.2	100.0
Federal Funds	9.9	2.9	5.9	43.5	0.2	9.5	28.0	100.0
Bond Funds	15.2	21.4	0.0	0.0	6.5	26.1	30.8	100.0
Total Funds	21.5	10.7	3.5	19.9	3.7	8.0	31.8	100.0
FY 1997:								
General Funds	34.5	13.0	3.6	14.6	6.8	0.8	26.7	100.0
Other State Funds	10.1	13.8	0.4	6.4	0.9	23.0	44.6	100.0
Federal Funds	9.8	2.9	5.1	44.1	0.4	8.8	28.9	100.0
Bond Funds	12.5	20.2	0.0	0.0	6.6	26.5	34.2	100.0
Total Funds	21.7	10.7	3.1	20.0	3.7	9.0	31.8	100.0
FY 1998:								
General Funds	35.2	13.1	3.0	14.8	6.9	0.7	26.4	100.0
Other State Funds	9.4	11.3	1.0	6.3	0.8	22.2	49.1	100.0
Federal Funds	10.5	3.4	5.0	43.3	0.4	8.7	28.8	100.0
Bond Funds	12.4	18.4	0.0	0.0	6.0	33.4	29.8	100.0
Total Funds	22.0	10.3	2.9	19.6	3.7	8.8	32.8	100.0
FY 1999:								
General Funds	35.7	12.4	2.7	14.4	7.0	0.9	26.7	100.0
Other State Funds	9.0	13.0	0.6	6.5	1.0	23.4	46.5	100.0
Federal Funds	10.2	5.2	4.3	42.9	0.4	9.3	27.7	100.0
Bond Funds	21.0	17.2	0.0	0.0	6.5	25.6	29.8	100.0
Total Funds	22.3	10.8	2.6	19.5	3.9	9.1	31.8	100.0
FY 2000:								
General Funds	35.7	12.8	2.7	14.4	7.0	0.9	26.7	100.0
Other State Funds	8.6	14.2	0.8	4.2	0.9	22.9	48.4	100.0
Federal Funds	10.3	5.3	4.2	42.8	0.4	9.3	27.7	100.0
Bond Funds	20.2	18.1	0.0	0.0	5.7	26.2	29.8	100.0
Total Funds	22.3	11.4	2.6	19.5	3.9	9.1	31.8	100.0
FY 2001:								
General Funds	35.2	12.7	2.3	15.2	6.9	1.2	26.6	100.0
Other State Funds	9.2	15.0	0.2	5.9	0.9	21.1	47.0	100.0
Federal Funds	10.3	4.8	4.0	42.7	0.3	9.5	28.3	100.0
Bond Funds	18.9	17.5	0.0	0.0	4.0	31.3	28.4	100.0
Total Funds	22.2	11.3	2.2	19.7	3.7	8.8	32.1	100.0
FY 2002:								
General Funds	35.1	12.4	2.3	15.8	6.9	0.7	25.9	100.0
Other State Funds	8.9	13.8	0.3	6.6	0.9	19.4	49.8	100.0
Federal Funds	10.1	5.0	4.2	43.7	0.4	9.2	27.4	100.0
Bond Funds	12.7	20.4	0.0	0.0	3.4	25.0	38.5	100.0
Total Funds	21.3	10.9	2.3	20.7	3.6	8.3	32.9	100.0
FY 2003:								
General Funds	35.8	12.5	2.3	17.2	7.2	0.6	24.5	100.0
Other State Funds	9.2	14.3	0.3	7.5	0.9	20	47.9	100.0
Federal Funds	10.6	5.7	4.1	43.8	0.3	8.6	26.9	100.0
Bond Funds	28.3	16.9	0.0	0.0	2.5	19.1	33.1	100.0
Total Funds	21.8	11.1	2.2	22	3.5	8.2	31.2	100.0
FY 2004:								
General Funds	35.8	11.7	2.3	16.9	7.0	0.5	25.8	100.0
Other State Funds	8.5	13.6	0.2	7.4	0.7	19.9	49.8	100.0
Federal Funds	11.3	4.7	3.6	44.6	0.7	8.4	26.9	100.0
Bond Funds	20.9	21.2	0.0	0.0	2.6	26.8	28.4	100.0
Total Funds	21.4	10.4	2.2	22.1	3.5	8.3	32.2	100.0
FY 2005:								
General Funds	35.4	11.6	2.2	17.1	6.9	0.5	26.2	100.0
Other State Funds	8.5	14.1	0.1	8.3	0.7	19.5	48.9	100.0
Federal Funds	11.6	4.4	3.2	44.2	0.3	8.7	27.4	100.0
Bond Funds	17.0	25.3	0.0	0.0	2.8	25.5	29.4	100.0
Total Funds	21.4	10.4	1.8	22.3	3.3	8.2	32.4	100.0
FY 2006:								
General Funds	34.4	11.3	2.1	17.4	6.7	0.8	27.2	100.0
Other State Funds	8.1	14.2	0.1	7.3	0.7	18.5	51.1	100.0
Federal Funds	12.1	4.6	3.0	42.9	0.2	8.7	28.5	100.0
Bond Funds	17.9	24.0	0.0	0.0	3.4	26.1	28.6	100.0
Total Funds	21.2	10.5	1.8	21.4	3.3	8.1	33.7	100.0
FY 2007:								
General Funds	34.1	11.0	2.0	16.6	6.8	1.1	28.4	100.0
Other State Funds	9.4	14.5	0.1	7.3	0.7	17.7	50.3	100.0
Federal Funds	12.0	4.1	3.1	43.1	0.3	8.6	28.9	100.0
Bond Funds	12.4	18.1	0.0	0.0	3.2	32.4	33.8	100.0
Total Funds	21.5	10.2	1.7	20.9	3.4	8.1	34.2	100.0
FY 2008:								
General Funds	35.0	11.7	1.9	16.0	7.0	0.8	27.6	100.0
Other State Funds	10.2	15.2	0.1	7.3	0.7	17.5	49.0	100.0
Federal Funds	11.7	3.7	3.1	43.0	0.2	8.6	29.7	100.0
Bond Funds	9.6	19.2	0.0	0.0	2.7	30.5	37.9	100.0
Total Funds	22.0	10.7	1.7	20.5	3.5	7.8	33.9	100.0
FY 2009:								
General Funds	35.2	11.5	1.9	16.3	7.2	0.7	26.8	100.0
Other State Funds	10.1	15.2	0.1	6.8	0.6	16.4	50.8	100.0
Federal Funds	12.2	4.2	2.9	44.6	0.3	7.8	28.0	100.0
Bond Funds	15.0	20.9	0.0	0.0	3.0	30.0	31.0	100.0
Total Funds	21.5	10.5	1.7	21.9	3.4	7.5	33.4	100.0

TABLE 3 (CONTINUED)
COMPARISON OF SHARES OF STATE SPENDING WITH FUND SOURCES, FISCAL 1995 TO 2022

Fund Type & Year	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
FY 2010:								
General Funds	35.5	11.5	1.9	14.8	7.4	0.7	28.1	100.0
Other State Funds	9.8	16.7	0.1	7.6	0.7	16.1	49.0	100.0
Federal Funds	12.2	3.6	2.7	42.2	0.4	7.1	31.7	100.0
Bond Funds	8.3	20.3	0.0	0.0	3.0	34.6	33.8	100.0
Total Funds	20.4	10.2	1.7	22.2	3.2	7.5	34.7	100.0
FY 2011:								
General Funds	35.3	11.3	1.9	16.5	7.3	0.5	27.3	100.0
Other State Funds	8.7	18.0	0.1	9.8	0.6	15.8	47.1	100.0
Federal Funds	12.7	4.0	2.7	44.2	0.3	7.2	29.0	100.0
Bond Funds	12.3	16.8	0.0	0.0	1.6	33.9	35.4	100.0
Total Funds	20.3	10.7	1.6	23.8	3.1	7.4	33.1	100.0
FY 2012:								
General Funds	34.7	9.9	1.5	19.2	6.9	0.7	27.1	100.0
Other State Funds	7.8	18.1	0.1	8.8	1.2	15.5	48.5	100.0
Federal Funds	10.7	4.0	2.7	43.9	0.2	8.2	30.1	100.0
Bond Funds	8.3	16.0	0.0	0.0	1.9	35.0	38.8	100.0
Total Funds	19.5	10.4	1.5	23.6	3.2	7.7	34.0	100.0
FY 2013:								
General Funds	34.8	9.6	1.6	19.3	6.9	0.6	27.3	100.0
Other State Funds	9.0	18.1	0.3	10.2	1.0	15.8	45.7	100.0
Federal Funds	10.5	4.4	2.7	45.8	0.1	8.5	28.1	100.0
Bond Funds	6.5	14.8	0.0	0.0	1.6	38.3	38.7	100.0
Total Funds	20.0	10.4	1.5	24.3	3.2	7.8	32.7	100.0
FY 2014:								
General Funds	34.8	9.7	1.4	20.0	6.9	0.8	26.5	100.0
Other State Funds	8.5	17.8	0.4	10.5	1.0	16.6	45.3	100.0
Federal Funds	9.9	4.1	2.8	51.9	0.1	8.3	22.9	100.0
Bond Funds	7.0	14.1	0.0	0.0	1.6	36.5	40.6	100.0
Total Funds	19.8	10.3	1.5	26.5	3.2	8.0	30.7	100.0
FY 2015:								
General Funds	35.5	9.9	1.2	19.5	6.8	0.8	26.3	100.0
Other State Funds	8.8	18.5	0.5	10.7	0.9	17.6	43.0	100.0
Federal Funds	9.0	3.6	2.7	55.8	0.1	7.4	21.3	100.0
Bond Funds	7.1	14.7	0.0	0.0	1.5	34.8	41.9	100.0
Total Funds	19.6	10.4	1.5	27.9	3.1	8.0	29.6	100.0
FY 2016:								
General Funds	35.5	9.8	1.1	19.6	6.7	0.7	26.6	100.0
Other State Funds	8.9	19.0	0.5	11.0	1.0	17.9	41.7	100.0
Federal Funds	8.9	3.5	2.6	57.4	0.1	7.8	19.7	100.0
Bond Funds	8.1	15.0	0.0	0.0	1.6	32.5	42.7	100.0
Total Funds	19.8	10.3	1.4	28.8	3.1	8.0	28.7	100.0
FY 2017:								
General Funds	35.7	9.8	1.1	19.7	6.7	0.7	26.3	100.0
Other State Funds	8.6	18.6	0.5	11.5	1.0	17.6	42.2	100.0
Federal Funds	8.7	3.4	2.4	57.8	0.1	7.4	20.3	100.0
Bond Funds	6.7	12.5	0.0	0.0	2.1	34.1	44.5	100.0
Total Funds	19.6	10.2	1.3	28.9	3.1	7.8	29.0	100.0
FY 2018:								
General Funds	35.9	9.7	1.0	20.3	6.7	0.6	25.8	100.0
Other State Funds	8.4	19.1	0.5	11.7	0.9	18.3	40.9	100.0
Federal Funds	8.6	3.5	2.3	57.9	0.1	7.0	20.6	100.0
Bond Funds	8.8	13.4	0.0	0.0	2.3	31.4	44.2	100.0
Total Funds	19.7	10.4	1.3	29.3	3.0	7.8	28.5	100.0
FY 2019:								
General Funds	35.6	9.4	0.9	18.9	6.6	1.0	27.6	100.0
Other State Funds	8.3	18.2	0.5	11.5	1.0	18.5	42.0	100.0
Federal Funds	8.5	3.6	2.1	58.3	0.1	6.8	20.6	100.0
Bond Funds	6.8	14.8	0.0	0.0	1.7	34.7	41.9	100.0
Total Funds	19.6	10.2	1.3	28.9	3.1	7.8	29.0	100.0
FY 2020:								
General Funds	36.8	9.6	0.9	19.1	6.5	0.4	26.6	100.0
Other State Funds	7.6	17.5	0.4	10.4	1.0	18.1	45.0	100.0
Federal Funds	7.5	3.7	1.9	53.4	0.3	5.8	27.5	100.0
Bond Funds	9.7	15.1	0.0	0.0	2.7	31.1	41.3	100.0
Total Funds	18.6	9.7	1.1	28.4	2.9	7.4	31.9	100.0
FY 2021:								
General Funds	37.1	9.6	1.0	17.9	5.8	0.4	28.1	100.0
Other State Funds	7.8	15.6	0.4	10.6	0.9	16.8	47.9	100.0
Federal Funds	10.6	3.1	1.7	44.9	0.7	4.4	34.6	100.0
Bond Funds	9.5	13.7	0.0	0.0	1.4	33.8	41.6	100.0
Total Funds	18.7	8.5	1.1	26.9	2.5	6.6	35.8	100.0
FY 2022:								
General Funds	34.2	9.2	0.9	17.3	5.5	1.2	31.7	100.0
Other State Funds	8.1	15.9	0.4	10.1	1.0	17.8	46.7	100.0
Federal Funds	11.1	3.5	1.9	49.8	0.5	5.1	28.1	100.0
Bond Funds	10.3	11.4	0.0	0.0	1.3	40.7	36.4	100.0
Total Funds	18.8	8.7	1.1	27.6	2.5	7.3	34.0	100.0
FY 1995-22 Combined Total:								
General Funds	35.2	11.2	2.0	17.1	6.8	0.7	26.9	100.0
Other State Funds	8.9	15.7	0.4	8.4	0.9	18.9	46.8	100.0
Federal Funds	10.4	4.0	3.3	47.0	0.3	8.0	27.0	100.0
Bond Funds	12.4	17.6	0.0	0.0	3.3	30.8	35.8	100.0
Total Funds	20.7	10.4	1.9	23.5	3.3	8.1	32.1	100.0

Regional Spending Trends

Table 4 shows growth rates for each region of the United States, separated by state funds (general fund plus other state funds, not including bond funds) and federal funds. The growth rate for all states increased 16.2 percent in fiscal 2021, with all regions experiencing an increase in spending. In fiscal 2022, total estimated state spending increased 7.3 percent, with all regions once again experiencing an increase. In fiscal 2021 the Far West region experienced the largest increase while in fiscal 2022 it had the slowest growth. The Far West region's large increase and subsequent slowdown is likely due to shifts in the amount of spending on unemployment insurance benefits.

Figure 9 shows the percentage change in state spending from state funds for fiscal 2021 and estimated fiscal 2022. In fiscal 2021, the Great Lakes region experienced the strongest growth rate in spending from state funds, while in fiscal 2022 the Far West region had the highest growth.

Total state expenditure data can be found on Tables 1-5, along with related footnotes at the end of this chapter.

FIGURE 9
REGIONAL PERCENT CHANGE IN STATE FUNDS,
FISCAL 2021 AND 2022

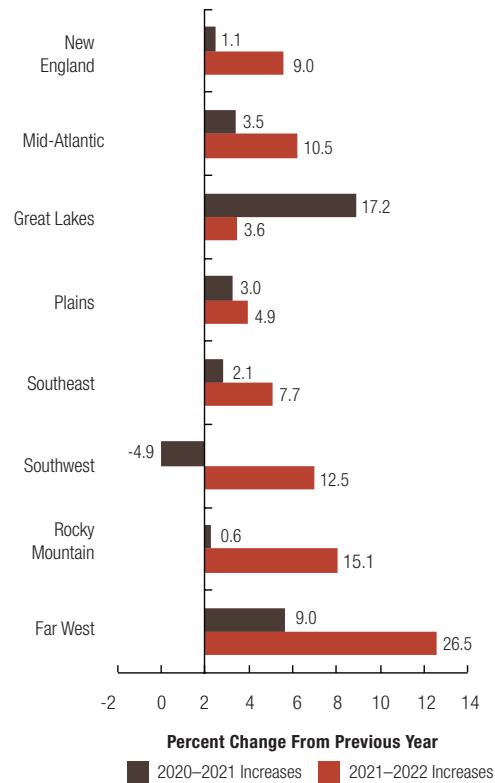


TABLE 4
REGIONAL PERCENTAGE CHANGE IN TOTAL EXPENDITURES, FISCAL 2021 AND 2022

Region	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	1.1 %	28.2 %	9.3 %	9.0 %	6.1 %	9.3 %
Mid-Atlantic	3.5	22.6	10.4	10.5	17.5	13.3
Great Lakes	17.2	29.8	21.4	3.6	20.2	9.5
Plains	3.0	35.7	12.8	4.9	17.3	9.9
Southeast	2.1	18.7	8.4	7.7	5.1	6.4
Southwest	-4.9	37.5	9.8	12.5	-9.2	3.1
Rocky Mountain	0.6	18.7	5.0	15.1	12.0	13.9
Far West	9.0	73.1	32.5	26.5	-22.7	2.7
ALL STATES	5.1 %	37.0 %	16.2 %	12.3 %	-0.2 %	7.3 %

TABLE 5

STATE SPENDING BY FUNCTION AS A PERCENT OF TOTAL STATE EXPENDITURES, FISCAL 2022

Region/State	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
NEW ENGLAND								
Connecticut	13.0 %	10.3 %	0.9 %	22.6 %	1.5 %	10.6 %	41.1 %	100.0 %
Maine	16.5	3.1	1.7	31.5	1.6	6.6	39.1	100.0
Massachusetts	15.0	2.3	1.7	28.9	2.0	7.1	43.1	100.0
New Hampshire	19.1	2.1	1.0	33.8	1.9	8.0	34.2	100.0
Rhode Island	12.8	9.8	0.6	21.9	1.7	8.5	44.7	100.0
Vermont	31.7	2.1	2.9	23.9	2.2	7.9	29.3	100.0
MID-ATLANTIC								
Delaware	22.3	3.5	0.1	19.8	2.8	7.6	43.9	100.0
Maryland	20.2	11.9	6.7	19.9	3.0	9.2	29.0	100.0
New Jersey	23.0	8.0	0.3	26.0	1.6	8.0	33.2	100.0
New York	17.9	5.6	1.7	35.4	1.7	5.9	31.7	100.0
Pennsylvania	18.5	1.8	0.8	34.9	2.5	11.6	30.0	100.0
GREAT LAKES								
Illinois	11.3	2.1	0.1	20.4	1.3	4.5	60.4	100.0
Indiana	24.4	4.4	0.2	34.3	2.7	6.3	27.7	100.0
Michigan	21.5	3.5	0.2	30.3	3.0	7.9	33.5	100.0
Ohio	16.8	3.3	1.0	39.0	2.6	3.4	33.8	100.0
Wisconsin	15.6	12.1	0.1	21.1	2.2	5.9	43.0	100.0
PLAINS								
Iowa	18.6	23.1	0.5	24.0	1.7	8.4	23.8	100.0
Kansas	28.5	14.8	0.1	19.4	2.3	9.0	25.9	100.0
Minnesota	21.9	3.2	0.5	25.8	1.1	8.1	39.2	100.0
Missouri	23.7	3.9	0.5	37.7	2.2	7.1	25.0	100.0
Nebraska	12.6	21.5	0.3	21.4	3.0	6.8	34.4	100.0
North Dakota	19.8	20.2	0.1	19.7	1.6	8.6	30.0	100.0
South Dakota	14.9	15.2	0.5	17.9	2.2	12.0	37.3	100.0
SOUTHEAST								
Alabama	19.1	18.8	0.1	23.2	4.0	4.6	30.2	100.0
Arkansas	14.0	14.4	3.5	27.6	1.5	6.2	32.8	100.0
Florida	18.1	8.4	0.1	33.9	3.4	10.1	26.1	100.0
Georgia	26.3	20.2	0.5	25.1	3.2	7.3	17.4	100.0
Kentucky	16.8	20.2	0.5	32.8	1.7	6.2	21.8	100.0
Louisiana	16.5	7.4	0.4	34.6	2.2	3.8	35.1	100.0
Mississippi	17.6	17.0	4.9	20.8	1.4	5.4	32.9	100.0
North Carolina	27.1	16.9	0.2	32.3	3.2	10.7	9.5	100.0
South Carolina	21.0	19.5	0.3	24.3	2.3	6.9	25.6	100.0
Tennessee	19.9	11.8	0.2	27.8	2.7	3.9	33.8	100.0
Virginia	14.4	12.3	0.6	24.9	2.2	11.7	33.8	100.0
West Virginia	14.3	10.2	0.5	28.8	1.8	8.7	35.7	100.0
SOUTHWEST								
Arizona	11.8	10.0	0.0	22.9	1.8	4.0	49.4	100.0
New Mexico	17.9	13.8	8.1	35.5	1.9	6.9	15.9	100.0
Oklahoma	15.9	20.1	0.5	20.7	2.2	6.0	34.7	100.0
Texas	29.6	17.5	0.0	33.6	3.1	11.2	5.0	100.0
ROCKY MOUNTAIN								
Colorado	18.1	13.4	1.0	37.8	2.7	5.8	21.3	100.0
Idaho	25.2	8.7	0.1	26.4	3.0	10.2	26.4	100.0
Montana	15.3	8.0	0.3	28.3	2.6	10.8	34.8	100.0
Utah	22.4	9.0	0.2	19.8	1.7	11.4	35.4	100.0
Wyoming	16.2	6.5	0.0	11.8	2.4	11.3	51.8	100.0
FAR WEST								
Alaska	9.6	3.8	0.9	17.2	2.8	16.0	49.7	100.0
California	18.3	5.8	2.3	24.4	3.5	7.0	38.7	100.0
Hawaii	12.3	4.7	0.3	15.3	1.6	8.7	57.1	100.0
Nevada	32.1	5.2	0.2	30.1	1.9	4.1	26.3	100.0
Oregon	10.8	2.6	0.1	19.0	1.9	3.7	61.8	100.0
Washington	26.0	12.3	0.4	25.3	2.0	4.1	29.9	100.0
ALL STATES	18.8 %	8.7 %	1.1 %	27.6 %	2.5 %	7.3 %	34.0 %	100.0 %

Note: Percentages may not add to 100.

In reviewing the tables, please note the following:

- Small dollar amounts, when rounded, cause an aberration in the percentage increase. In these instances, the actual dollar amounts should be consulted to determine the exact percentage increase.
- “State funds” refers to general funds plus other state fund spending. State spending from bonds is excluded.
- “Total funds” refers to funding from all sources—general fund, federal funds, other state funds, and bonds.
- The report methodology is detailed in the Appendix.

All States: Medicaid reflects provider taxes, fees, assessments, donations, and local funds in Other State Funds.

Alabama: Amounts shown in fiscal years 2020 and 2021 are based on actual expenditures during these years, regardless of the year appropriated. Fiscal 2022 amounts shown are equal to actual expenditures through 9 months (June 30, 2022) and then annualized for the year.

Arizona: Part of the increase in expenditures in this year’s report compared to prior reports is due to Arizona now including both appropriated and non-appropriated expenditures. In prior State Expenditure Reports, Arizona only included appropriated expenditures.

California: The fiscal 2021 increase in federal funds is primarily due to an \$89B increase in Unemployment Insurance Benefit payments due to the COVID—19 pandemic. The fiscal 2022 increase in general funds is related to temporary expenditures from the state’s surplus and other spending that occurs with increased revenues.

Georgia: “All Other” Other State Funds declined in estimated fiscal 2022 due to data being based on budgeted funds rather than actual expenditures.

Hawaii: The increase in fiscal 2021 spending and subsequent decline in estimated fiscal 2022 is related to one-time spending and COVID—19 spending.

Illinois: The increase in fiscal 2021 Other State Funds spending is largely due to one-time spending from higher state revenues.

Maryland: The \$12 billion increase in Federal Funds from FY 2020 to FY 2022 is largely driven by additional funds provided by the federal government for relief from the COVID—19 pandemic.

Massachusetts: General Fund totals differ from the Fiscal Survey of States due to certain transfers to non-budgeted funds. The Fiscal Survey reflects such transfers as spent from the General Fund, whereas the State Expenditure Report captures spending from the non-budgeted funds directly.

Michigan: Fiscal 2022 estimated expenditures are equal to FY 2022 appropriations enacted as of July 20, 2022.

Mississippi: There was a correction to actual fiscal 2020 from prior surveys. Previously certain classes of expenditures were omitted in calculation.

New York: The State and Local Fiscal Recovery Funds (SLFRF) provided through the *American Rescue Plan Act* is included in the State budget as a deposit of Federal aid to the General Fund to offset revenue loss, ensure the continuation of essential services and assistance provided by government, and assist with the Public Health Emergency response and recovery efforts. These funds are expected to be deposited to the General Fund over multiple years to support eligible uses and spending. In FY 2022, the State deposited \$4.5 billion of the Federal SLFRF aid to the General Fund to fund eligible costs incurred through March 31, 2022, as follows: Public Assistance — Other Cash Assistance — \$183 million; Corrections — \$1.082 billion; Transportation — \$110 million; and All Other State Expenditures — \$3.125 billion.

General Fund expenditures have been adjusted in all years to exclude operating transfers to other funds which constitute legally authorized transfers from the General Fund, which receives the revenues, to a fund through which disbursements will ultimately be made. These transfers totaled (in millions): \$6,098, \$7,978 and \$9,813 for 2020; 2021; and 2022, respectively.

Ohio: Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of GRF federal funds have been removed from the GRF number presented in this report to be consistent with budget presentations in other NASBO surveys.

Also, inherent in Ohio’s budgetary accounting environment are significant overstatements of total state spending due to two phenomena. First, fiduciary fund expenditures represent the distribution of funds collected by the state on behalf of other entities. These are not operating, program, or subsidy expenditures of the state. Examples of this would be the collection and distribution of county and local permissive sales taxes or motor vehicle registration taxes. Fiduciary fund group expenditures totaled \$9,552.7 million in fiscal 2022. Second, “double counting” of revenue and expenditures related to intrastate transactions overstates overall state expenditure activity. Intrastate transactions totaled \$721.0 million in fiscal 2022. These accounting practices will tend to make Ohio’s “All-Other” expenditures look higher, on a dollar and percentage basis, and conversely make Ohio’s other categories look lower, on a percentage basis, relative to other states that don’t follow similar practices.

Tennessee: Tennessee collects personal income tax on income from dividends on stocks and interest on certain bonds. Legislation was passed in 2017 to annually reduce this tax to zero by fiscal year 2022. Tax revenue estimates do not include federal funds and other departmental revenues. However, federal funds and other departmental revenues are included in the budget as funding sources for the general fund, along with state tax revenues.

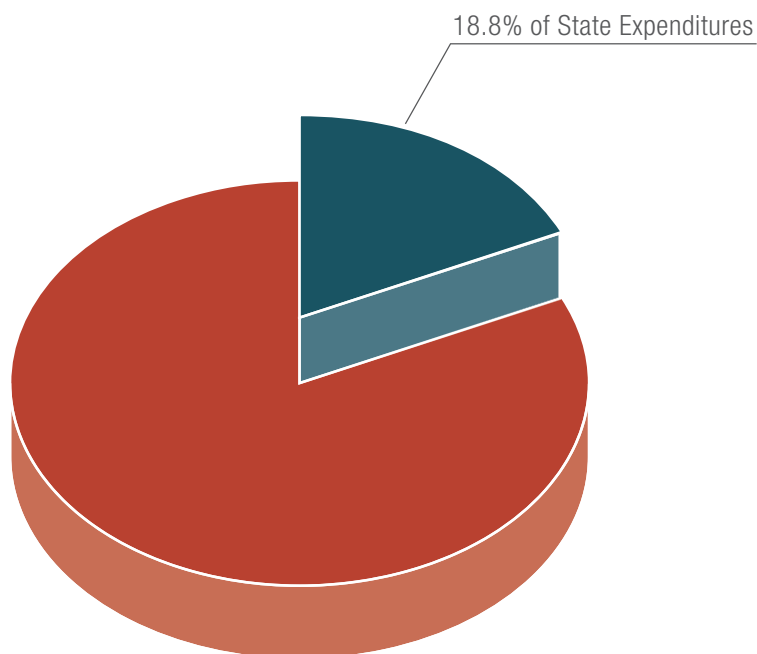
Wyoming: Part of Wyoming’s yearly variation in expenditure totals is due to the fact that the state budgets on a two-year cycle.

1

CHAPTER



ELEMENTARY & SECONDARY EDUCATION



Elementary and Secondary Education Expenditures

Overall state spending on elementary and secondary education (K–12 education) totaled an estimated \$538.0 billion in fiscal 2022, marking an increase of 8.0 percent over fiscal 2021. This represents a more moderate growth rate following a large uptick of 16.6 percent in fiscal 2021. The substantial increase in spending on K–12 education in fiscal 2021 was driven by a 94.3 percent increase in federal funds spending that year, nearly doubling federal support for K–12 spending at the state level compared to fiscal 2020. While federal funds grew only 4.5 percent in fiscal 2022, the fact there was no decline signifies that this historically high level of federal funds flowing through state budgets for K–12 education has continued for a second consecutive year.

State expenditures on K–12 education have been considerably impacted by the changing needs brought on by the pandemic as well as the influx of additional federal aid in response to COVID—19. Enrollment fluctuations and rising inflation have contributed to K–12 expenditure adjustments in state funds as well. With respect to spending from states' own fund sources, most states reported spending increases in fiscal 2021, with state fund expenditures increasing 4.0 percent. In fiscal 2022, state fund expenditure growth accelerated, increasing 8.9 percent.

Federal assistance to cover pandemic-related expenditure needs for K–12 education has heavily contributed to the recent increase in federal funds. This aid has primarily come from the Elementary and Secondary School Emergency Relief (ESSER) Fund programs, as authorized in the *Coronavirus Aid Relief, and Economic Security (CARES) Act*, the *Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)*, and the *American Rescue Plan Act (ARPA)*. Altogether, states have received nearly \$190 billion from the three ESSER programs. In addition to ESSER funds, states also received smaller pots of money to be used broadly for education purposes, such as the Governor's Emergency Education Relief (GEER) fund. Additionally, some states chose or plan to spend a portion of Coronavirus Relief Funds or ARPA Fiscal Recovery Funds on K–12 eligible uses. Since the majority of ESSER funds came from ARPA (\$122 billion), authorized in March 2021 and with an obligation deadline of September 30, 2024, states have yet to spend much of their ESSER funds. Still, states reported spending federal COVID—19 aid totaling at least \$84.5 billion on K–12 education so far, with states reporting K–12 expenditures from COVID—19 aid totaling \$6.8 billion in fiscal 2020, \$28.6 billion in fiscal 2021 and \$49.2 billion in fiscal 2022.

K–12 Education as a Share of the Overall Budget

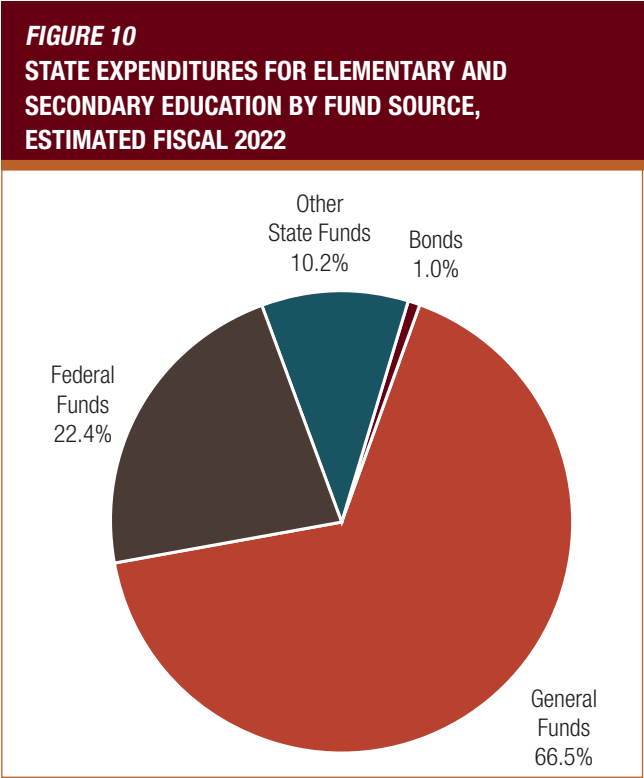
Elementary and secondary education continues to be the largest category of state general fund spending, comprising 34.2 percent of state general fund spending in fiscal 2022, 37.1 percent in fiscal 2021, and 36.8 percent in fiscal 2020. K–12 education as a share of general fund spending has been steady over the years, remaining between 34 and 37 percent every year since fiscal 1996. K–12 education once represented the largest category of total state spending from all funds, but has consistently been the second largest category since fiscal 2009, when it was surpassed by Medicaid. In fiscal 2022, K–12 education comprised 18.8 percent of total state spending.

Composition of Fund Sources for State K–12 Expenditures

General funds comprised 66.5 percent of total state elementary and secondary education spending, federal funds comprised 22.4 percent, other state funds comprised 10.2 percent, and bonds comprised 1.0 percent in fiscal 2022 (see Figure 10). These figures illustrate the large influx of federal funds during the pandemic; prior to the COVID—19 pandemic, in fiscal 2019, general funds comprised 75 percent of total state K–12 spending while federal funds comprised 14 percent. While state general fund expenditures for K–12 education have grown over that time, that pace of growth has been far outpaced by the increase in federal funds.

The vast majority of states support K–12 education primarily through their general funds. However, a few states segregate large, dedicated revenue sources into a separate education fund and therefore report most of their K–12 education spending in other state funds; examples include Michigan, New Hampshire, Vermont and Wyoming. Other states with separate education funds, such as Alabama and Utah, combine their education fund reporting in this survey with their general fund spending. Additionally, several states that still fund the majority of their K–12 education spending from the general fund spend a sizeable amount from other state funds, which are typically dedicated revenues. For example, in Oklahoma, state K–12 education spending is funded in part by dedicated revenues from state school land earnings, gross production taxes, motor vehicle fees, and rural electrification association taxes. Starting in fiscal 2022, Nevada implemented a new K–12 funding formula, where certain revenue that was previously generated at the local level and earmarked for K–12 education (e.g., property taxes, Governmental Services Taxes,

in-state Local School Support Taxes) are now collected and distributed through the state budget; these new revenue sources show up as other state funds and now make up the majority of state funds provided for K–12 education in Nevada.



Intergovernmental Sources of Funding

According to the U.S. Census Bureau’s preliminary data on public education finances, state governments contributed the largest share of elementary and secondary education revenue in fiscal 2021, with state funds comprising 46.3 percent of total revenue nationally. Local government revenue, which is not captured in this NASBO report and consists mostly of property taxes, made up a slightly lesser share of total elementary and secondary school revenues at 43.7 percent, and the remaining 10.0 percent came from the federal government.² The state-local funding split varies considerably by state, depending on differences in state constitutional requirements, school finance systems, local revenue structures, and other factors. The federal share, meanwhile, has recorded an uptick relative to last year, due to the increase in federal COVID–19 aid for K–12 education.

State funding systems for education differ greatly. Over the years, some states have moved toward increasing their funding responsibility for elementary and secondary education by substituting state funds for local funds, often to reduce local governments’ reliance on property taxes or to promote greater equity in education funding across the state. State funds are distributed to local school districts both on a per-pupil basis and as categorical grants to support specific programs or needs. Prior to the COVID–19 pandemic, the federal share has served mainly as a source of supplemental funding for economically disadvantaged school districts and to help cover the cost of educating children with special needs, though the federal government has also provided competitive grants to states to encourage innovation and reforms at the state level. During the pandemic, however, the scale and scope of federal funds for K–12 education have increased significantly, albeit temporarily. These additional funds are intended primarily to respond to pandemic-related K–12 expenditure needs, including a wide variety of public health safety measures, technology needs, and efforts to address learning loss and other impacts of school closures.

Regional Expenditures

Table 6 shows percentage changes in expenditures for elementary and secondary education for fiscal 2021 and fiscal 2022 by region. In fiscal 2022, all except the Southwest region recorded K–12 spending increases from all funds. The decline in the Southwest in fiscal 2022 followed a very large increase in fiscal 2021 and can be explained by the timing of expenditures within each fiscal year, including when one-time federal fund expenditures are recognized. In particular, Texas recorded a very large increase in spending from federal funds in fiscal 2021 followed by a substantial decline in federal funds in fiscal 2022. The Rocky Mountain region recorded the largest increase in spending from all funds in fiscal 2022, but it should be noted this occurred after that same region was the only one to record a slight decrease in fiscal 2021. This once again has to do with the timing of expenditures — particularly with one-time federal funds.

² U.S. Census Bureau, “Preliminary Tables”, *2021 Public Elementary-Secondary Education Finance Data*, <https://www.census.gov/data/tables/2021/econ/school-finances/secondary-education-finance.html> (accessed October 24, 2022). Preliminary data only includes statistics from 40 states and the District of Columbia.

TABLE 6
REGIONAL PERCENTAGE CHANGE IN STATE ELEMENTARY AND SECONDARY EDUCATION
EXPENDITURES, FISCAL 2021 AND 2022

Region	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	3.0 %	48.6 %	10.1 %	6.5 %	43.6 %	14.2 %
Mid-Atlantic	0.2	47.7	6.4	8.0	40.5	14.8
Great Lakes	5.7	34.6	9.5	3.6	42.3	10.1
Plains	1.5	51.8	7.8	4.1	68.0	15.1
Southeast	1.0	65.6	11.5	6.0	27.1	11.0
Southwest	-2.0	186.4	31.2	9.3	-53.1	-14.7
Rocky Mountain	-0.7	-4.5	-1.2	8.5	85.9	18.5
Far West	14.5	201.5	34.3	16.9	-19.3	8.0
ALL STATES	4.0 %	94.3 %	16.6 %	8.9 %	4.5 %	8.0 %

Capital Spending

This report also collected information on state capital expenditures for elementary and secondary education, which totaled an estimated \$5.2 billion in fiscal 2022 and \$4.4 billion in fiscal 2021, compared to \$3.8 billion in fiscal 2020, for those states that separately reported on this category of capital spending (see Table 49). States vary in the role they play in funding capital expenditures for elementary and secondary education, and in some states, local school districts are solely responsible for funding school construction. In many states, state funding provided for schools includes amounts eligible for local capital spending or debt service participation subsidies for local school bonds.

Elementary and Secondary Education—Expenditure Exclusions

When comparing resources spent on elementary and secondary education, it is important to understand the types of programs states exclude from these figures, either because the funding totals for such programs are not included in the data reported for the K–12 education chapter, or because the state does not provide that service or program. For this report, 14 states wholly or partially excluded employer contributions to teacher pensions and 16 states wholly or partially excluded contributions to health benefits. Additionally, most states wholly or partially excluded the following items: day care programs (40 states), school health care/immunization (40), Head Start (30), and libraries (30). Fourteen states wholly or partially excluded early education/preschool spending, and 22 states wholly or partially excluded capital expenditures for K–12 education.

Summary expenditure data can be found in Tables 7 through 9, accompanied by explanatory notes. Table 10 lists programs excluded from the expenditure data.

TABLE 7
ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020					Actual Fiscal 2021					Estimated Fiscal 2022				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$3,239	\$644	\$1	\$301	\$4,185	\$3,266	\$946	\$2	\$483	\$4,697	\$3,349	\$1,445	\$2	\$558	\$5,354
Maine	1,414	226	29	0	1,669	1,480	506	17	0	2,003	1,573	464	28	0	2,065
Massachusetts	6,462	1,241	930	34	8,667	6,560	1,782	1,118	22	9,482	7,076	2,821	1,206	18	11,121
New Hampshire	96	182	1,079	13	1,370	31	206	1,121	8	1,366	23	344	1,126	1	1,494
Rhode Island	1,195	232	33	25	1,485	1,280	281	37	36	1,634	1,333	367	49	181	1,930
Vermont	159	135	1,727	0	2,021	165	231	1,774	0	2,170	342	235	1,842	0	2,419
MID-ATLANTIC															
Delaware	1,591	239	829	188	2,847	1,620	333	795	181	2,929	1,682	435	912	182	3,211
Maryland	6,539	1,458	720	330	9,047	6,762	2,083	704	365	9,914	6,780	4,473	852	1,107	13,212
New Jersey	14,695	1,239	50	0	15,984	15,573	4,166	53	0	19,792	18,138	1,804	27	33	20,002
New York	25,747	3,747	4,001	160	33,655	24,915	3,211	3,808	106	32,040	26,925	6,694	3,640	197	37,456
Pennsylvania	12,912	3,578	495	0	16,985	12,891	5,359	624	0	18,874	13,561	7,875	624	0	22,060
GREAT LAKES															
Illinois	8,894	2,210	83	37	11,224	9,728	3,260	38	0	13,026	9,134	4,609	69	0	13,812
Indiana*	8,527	1,068	32	0	9,627	9,320	1,319	32	0	10,671	9,608	2,108	32	0	11,748
Michigan	147	1,870	12,781	0	14,798	104	2,388	13,513	0	16,005	164	2,593	14,556	0	17,313
Ohio*	8,301	1,889	1,525	338	12,053	8,195	2,589	1,803	301	12,888	8,664	4,303	1,924	236	15,127
Wisconsin	7,360	804	379	0	8,543	7,584	1,001	432	0	9,017	7,884	1,410	540	0	9,834
PLAINS															
Iowa	3,371	536	109	0	4,016	3,470	855	117	0	4,442	3,502	1,887	101	0	5,490
Kansas	3,993	600	956	0	5,549	3,946	662	1,079	0	5,687	4,583	855	1,110	0	6,548
Minnesota	9,836	845	122	6	10,809	9,919	1,530	83	16	11,548	10,077	2,996	79	1	13,153
Missouri	3,404	1,025	1,481	0	5,910	3,451	1,315	1,572	0	6,338	3,537	2,364	1,732	0	7,633
Nebraska	1,319	361	59	0	1,739	1,307	497	52	0	1,856	1,290	609	46	0	1,945
North Dakota	831	168	251	0	1,250	857	292	249	0	1,398	800	320	311	0	1,431
South Dakota	568	179	3	0	750	592	485	4	0	1,081	605	437	7	0	1,049
SOUTHEAST															
Alabama*	4,882	866	212	41	6,001	5,012	973	222	134	6,341	5,288	1,063	225	197	6,773
Arkansas	2,290	543	782	0	3,615	2,318	871	787	0	3,976	2,340	1,297	852	0	4,489
Florida	12,217	1,959	1,187	0	15,363	12,553	3,355	1,198	0	17,106	12,317	4,681	1,381	0	18,379
Georgia	10,569	2,516	687	338	14,110	10,296	7,235	427	374	18,332	11,275	2,575	414	297	14,561
Kentucky	4,905	946	36	0	5,887	4,781	1,277	33	0	6,091	5,521	2,065	32	0	7,618
Louisiana	3,871	1,422	403	0	5,696	3,758	1,591	470	0	5,819	3,630	2,910	691	0	7,231
Mississippi	2,294	664	322	0	3,280	2,231	955	333	1	3,520	2,308	1,856	381	3	4,548
North Carolina	9,807	1,972	835	0	12,614	9,978	2,489	942	0	13,409	10,718	4,845	1,372	0	16,935
South Carolina	3,419	943	927	0	5,289	3,383	1,371	1,007	0	5,761	3,664	2,037	1,067	0	6,768
Tennessee	5,178	1,051	147	0	6,376	5,305	1,618	169	0	7,092	5,618	3,567	380	0	9,565
Virginia	6,592	1,062	754	0	8,408	6,915	1,537	909	0	9,361	7,243	2,622	929	0	10,794
West Virginia	2,013	406	60	24	2,503	1,988	487	143	0	2,618	1,897	676	150	0	2,723
SOUTHWEST															
Arizona	5,581	1,208	419	0	7,208	5,436	1,466	350	0	7,252	6,322	2,840	359	0	9,521
New Mexico	3,249	473	34	103	3,859	3,233	614	12	105	3,964	3,460	517	67	102	4,146
Oklahoma	2,153	788	1,305	0	4,246	1,642	1,114	1,661	0	4,417	1,833	1,244	1,854	0	4,931
Texas*	24,251	6,413	4,425	0	35,089	21,771	22,246	6,476	0	50,493	23,815	7,338	6,639	0	37,792
ROCKY MOUNTAIN															
Colorado	4,415	1,129	1,111	0	6,655	4,010	778	1,082	0	5,870	4,298	621	1,470	0	6,389
Idaho	1,909	245	109	0	2,263	1,915	391	111	0	2,417	2,145	1,072	112	0	3,329
Montana	838	184	47	0	1,069	868	197	55	0	1,120	893	382	59	0	1,334
Utah	3,764	489	201	0	4,454	4,037	589	163	0	4,789	4,147	1,559	240	0	5,946
Wyoming	0	0	853	0	853	0	0	913	0	913	0	0	913	0	913
FAR WEST															
Alaska	1,370	263	47	0	1,680	1,262	21	30	0	1,313	1,284	21	87	0	1,392
California*	52,258	6,954	161	1,495	60,868	62,408	25,874	9	1,450	89,741	75,412	16,876	-372	1,542	93,458
Hawaii	1,833	269	59	0	2,161	1,831	439	72	0	2,342	1,827	471	26	0	2,324
Nevada*	1,680	271	472	0	2,423	1,585	364	493	0	2,442	1,715	1,580	2,950	0	6,245
Oregon	4,698	624	507	0	5,829	3,971	807	1,870	0	6,648	4,504	1,428	1,414	0	7,346
Washington	12,360	1,140	1,204	465	15,169	12,663	1,203	1,554	486	15,906	13,567	2,796	196	569	17,128
TOTAL	\$318,996	\$59,276	\$44,981	\$3,898	\$427,151	\$328,166	\$115,159	\$50,518	\$4,068	\$497,911	\$357,671	\$120,387	\$54,703	\$5,224	\$537,985
District of Columbia	2,276	269	50	370	2,965	2,360	316	25	361	3,062					

*See notes at the end of the chapter.

TABLE 8
ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES AS A
PERCENT OF TOTAL EXPENDITURES

Region/State	Fiscal 2020	Fiscal 2021	Fiscal 2022
NEW ENGLAND			
Connecticut	12.3 %	12.6 %	13.0 %
Maine	15.8	16.5	16.5
Massachusetts	13.7	14.1	15.0
New Hampshire	19.4	18.1	19.1
Rhode Island	13.0	12.2	12.8
Vermont	32.7	29.8	31.7
MID-ATLANTIC			
Delaware	24.0	22.1	22.3
Maryland	18.6	18.0	20.2
New Jersey	24.3	25.1	23.0
New York	19.5	17.2	17.9
Pennsylvania	17.6	18.3	18.5
GREAT LAKES			
Illinois	14.4	11.3	11.3
Indiana	25.6	23.9	24.4
Michigan	23.7	23.4	21.5
Ohio	16.2	15.9	16.8
Wisconsin	16.5	15.2	15.6
PLAINS			
Iowa	15.4	15.6	18.6
Kansas	28.6	26.1	28.5
Minnesota	25.1	24.0	21.9
Missouri	21.6	21.3	23.7
Nebraska	13.5	12.3	12.6
North Dakota	17.7	16.3	19.8
South Dakota	15.5	15.9	14.9
SOUTHEAST			
Alabama	19.0	19.9	19.1
Arkansas	13.0	12.8	14.0
Florida	17.9	18.3	18.1
Georgia	23.8	28.5	26.3
Kentucky	15.2	14.4	16.8
Louisiana	18.4	16.8	16.5
Mississippi	16.1	15.8	17.6
North Carolina	20.6	22.6	27.1
South Carolina	19.2	19.2	21.0
Tennessee	17.7	17.7	19.9
Virginia	13.1	12.5	14.4
West Virginia	15.6	15.0	14.3
SOUTHWEST			
Arizona	10.0	10.9	11.8
New Mexico	17.5	16.0	17.9
Oklahoma	17.1	15.9	15.9
Texas	31.0	37.4	29.6
ROCKY MOUNTAIN			
Colorado	20.7	18.5	18.1
Idaho	19.3	23.7	25.2
Montana	12.9	10.1	15.3
Utah	24.5	24.2	22.4
Wyoming	19.0	16.2	16.2
FAR WEST			
Alaska	14.1	11.2	9.6
California	17.0	18.0	18.3
Hawaii	11.9	9.6	12.3
Nevada	16.2	15.6	32.1
Oregon	10.6	10.0	10.8
Washington	27.8	26.3	26.0
ALL STATES	18.6 %	18.7 %	18.8 %

TABLE 9

ANNUAL PERCENTAGE CHANGE IN ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES

Region/State	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	0.9 %	46.9 %	12.2 %	2.5 %	52.7 %	14.0 %
Maine	3.7	123.9	20.0	6.9	-8.3	3.1
Massachusetts	3.9	43.6	9.4	7.9	58.3	17.3
New Hampshire	-2.0	13.2	-0.3	-0.3	67.0	9.4
Rhode Island	7.2	21.1	10.0	4.9	30.6	18.1
Vermont	2.8	71.1	7.4	12.6	1.7	11.5
MID-ATLANTIC						
Delaware	-0.2	39.3	2.9	7.4	30.6	9.6
Maryland	2.9	42.9	9.6	2.2	114.7	33.3
New Jersey	6.0	236.2	23.8	16.2	-56.7	1.1
New York	-3.4	-14.3	-4.8	6.4	108.5	16.9
Pennsylvania	0.8	49.8	11.1	5.0	46.9	16.9
GREAT LAKES						
Illinois	8.8	47.5	16.1	-5.8	41.4	6.0
Indiana	9.3	23.5	10.8	3.1	59.8	10.1
Michigan	5.3	27.7	8.2	8.1	8.6	8.2
Ohio	1.8	37.1	6.9	5.9	66.2	17.4
Wisconsin	3.6	24.5	5.5	5.1	40.9	9.1
PLAINS						
Iowa	3.1	59.5	10.6	0.4	120.7	23.6
Kansas	1.5	10.3	2.5	13.3	29.2	15.1
Minnesota	0.4	81.1	6.8	1.5	95.8	13.9
Missouri	2.8	28.3	7.2	4.9	79.8	20.4
Nebraska	-1.4	37.7	6.7	-1.7	22.5	4.8
North Dakota	2.2	73.8	11.8	0.5	9.6	2.4
South Dakota	4.4	170.9	44.1	2.7	-9.9	-3.0
SOUTHEAST						
Alabama	2.7	12.4	5.7	5.3	9.2	6.8
Arkansas	1.1	60.4	10.0	2.8	48.9	12.9
Florida	2.6	71.3	11.3	-0.4	39.5	7.4
Georgia	-4.7	187.6	29.9	9.0	-64.4	-20.6
Kentucky	-2.6	35.0	3.5	15.4	61.7	25.1
Louisiana	-1.1	11.9	2.2	2.2	82.9	24.3
Mississippi	-2.0	43.8	7.3	4.9	94.3	29.2
North Carolina	2.6	26.2	6.3	10.7	94.7	26.3
South Carolina	1.0	45.4	8.9	7.8	48.6	17.5
Tennessee	2.8	53.9	11.2	9.6	120.5	34.9
Virginia	6.5	44.7	11.3	4.4	70.6	15.3
West Virginia	2.8	20.0	4.6	-3.9	38.8	4.0
SOUTHWEST						
Arizona	-3.6	21.4	0.6	15.5	93.7	31.3
New Mexico	-1.2	29.8	2.7	8.7	-15.8	4.6
Oklahoma	-4.5	41.4	4.0	11.6	11.7	11.6
Texas	-1.5	246.9	43.9	7.8	-67.0	-25.2
ROCKY MOUNTAIN						
Colorado	-7.9	-31.1	-11.8	13.3	-20.2	8.8
Idaho	0.4	59.6	6.8	11.4	174.2	37.7
Montana	4.3	7.1	4.8	3.1	93.9	19.1
Utah	5.9	20.4	7.5	4.5	164.7	24.2
Wyoming	7.0	---	7.0	0.0	---	0.0
FAR WEST						
Alaska	-8.8	-92.0	-21.8	6.1	0.0	6.0
California	19.1	272.1	47.4	20.2	-34.8	4.1
Hawaii	0.6	63.2	8.4	-2.6	7.3	-0.8
Nevada	-3.4	34.3	0.8	124.5	334.1	155.7
Oregon	12.2	29.3	14.1	1.3	77.0	10.5
Washington	4.8	5.5	4.9	-3.2	132.4	7.7
ALL STATES	4.0 %	94.3 %	16.6 %	8.9 %	4.5 %	8.0 %
MEDIAN	2.4	39.3	7.3	5.0	48.6	11.6

Note: State funds are defined as general funds and other state funds (bonds are excluded).

TABLE 10
ITEMS EXCLUDED FROM ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Head Start	Libraries	Day Care Programs	School Health Care/ Immunization	Early Education/ Pre-K	Capital Expenditures
NEW ENGLAND								
Connecticut	X	X		X		P		X
Maine			X	X	X	X		P
Massachusetts	X	X		X				P
New Hampshire			X	X	X		N/A	
Rhode Island			X	X	X	P		
Vermont			X	X	X	X		
MID-ATLANTIC								
Delaware					X	P		
Maryland				X		P		
New Jersey		P	X		X	P		
New York	P	P	X		X	X		
Pennsylvania				X	X	X		P
GREAT LAKES								
Illinois	P	P	X	X	P	X		
Indiana	P	P	X	P	P	P	X	N/A
Michigan			X		P	P		N/A
Ohio*				X	P	X		
Wisconsin	N/A	N/A			P	N/A		N/A
PLAINS								
Iowa	X	X	X	P	X	P	P	N/A
Kansas		N/A	X	X	X	N/A		
Minnesota	P	P				X		P
Missouri	X	X	X	X		X		
Nebraska					N/A			N/A
North Dakota			X	X	X	X	X	X
South Dakota					X	X		
SOUTHEAST								
Alabama					X	P		
Arkansas			P		P	P	P	
Florida			X	X	X	X	X	
Georgia			X	X				
Kentucky			X	X	X			
Louisiana				N/A		N/A		N/A
Mississippi					N/A			
North Carolina								
South Carolina			P	P	X	X		
Tennessee					P	P	P	P
Virginia					X			N/A
West Virginia			X	X	X	X		X
SOUTHWEST								
Arizona	P	P	X		X	X	P	
New Mexico								
Oklahoma			X	X	X	X		X
Texas			X	X	X	X	X	X
ROCKY MOUNTAIN								
Colorado	X	X		P	X	X	X	
Idaho			X	X	N/A	X	N/A	N/A
Montana	P	P	X	P	X	X		N/A
Utah			X		N/A	X		
Wyoming								
FAR WEST								
Alaska				X	X	X		
California			X		X	X	X	X
Hawaii	P	P	X		X	P		
Nevada			X	X	X	X	X	X
Oregon			X	P	X	X	X	X
Washington	P	P	X	N/A	N/A	N/A		
ALL STATES	14	16	30	30	40	40	14	22
District of Columbia				X	P	P		

Excluded=X Partially Excluded=P Not Applicable=N/A
*See notes at the end of the chapter.

Elementary and Secondary Education Notes

Small dollar amounts, when rounded, cause an aberration in the percentage increase. In these instances, the actual dollar amounts should be consulted to determine the exact percentage increase.

Alabama: Federal Funds received directly by local school systems are not reported at state budget level. Totals include capital expenditures.

California: The fiscal 2021 increase in Federal Funds is primarily due to one-time funds in response to the COVID—19 pandemic.

Indiana: For fiscal 2021, substantial growth in education spending is due primarily to a large \$600M one-time appropriation for Teachers' Retirement Fund pensions. For estimated fiscal 2022, the total includes an additional \$545.4M transfer to teachers' pensions per statutory excess reserves calculation.

Nevada: The estimated fiscal 2022 federal funds increase is related to additional federal K–12 education funding to address the COVID—19 pandemic. The estimated fiscal 2022 other state funds increase is attributed to a new K–12 funding for-

mula, where certain revenue that was previously generated at the local level and earmarked for K–12 education (e.g., property taxes, Governmental Services Taxes, in-state Local School Support Taxes) are now collected and distributed through the state budget.

Ohio: Employer contributions to current employees' pensions are not directly appropriated, or fully funded, by the state; however, some of the unrestricted support provided to localities for elementary and secondary education is used to help cover these costs. There are no direct appropriations for employer contributions to health benefits, though it can be assumed that some of the unrestricted support provided for elementary and secondary education is used for these costs.

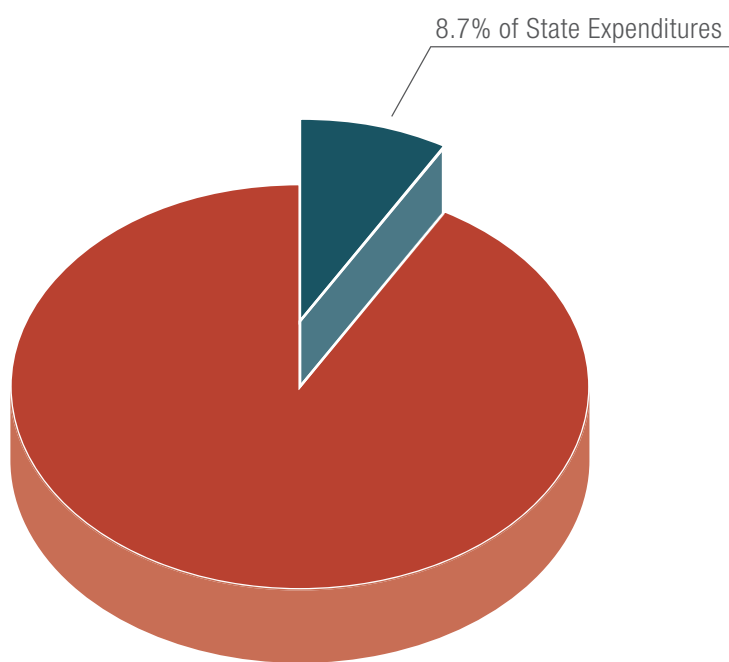
Texas: The reason for the difference in federal funding in fiscal 2021 is due to timing of the COVID—19 awards. When Texas reported 2019—2021 NASBO totals it used Legislative Appropriations Request (LAR) figures and those totals did not capture ESSER II and ESSER III awards since the agency was still negotiating the receipt of those funds during its LAR preparation. Reported totals for 2020—2022 are using the agency's updated IOB figures that include those two awards.

2

CHAPTER



HIGHER EDUCATION EXPENDITURES



Higher Education Expenditures

State higher education spending reflects financial support of public university systems, community colleges, career and technical education institutions, and student financial aid. In fiscal 2022, states spent an estimated \$247.2 billion on higher education, an increase of 9.4 percent over fiscal 2021. Spending from state funds (excluding bonds) grew 9.3 percent (including 13.1 percent growth in general fund spending and 6.0 percent in other state fund spending), while spending from federal funds grew by 12.1 percent. In fiscal 2021, states spent \$225.9 billion on higher education, an increase of 1.7 percent over fiscal 2020. Spending from state funds in fiscal 2021 declined 0.3 percent (including a 2.4 percent increase in general fund spending and a 2.4 percent decline in other state funds), while state higher education spending from federal funds grew 15.0 percent.

Regarding state funds, due to the early impacts of COVID—19 on revenue forecasts, some states had started to pull back on some recent investments in higher education, which helps to explain the modest growth recorded in fiscal 2021. The decline in other state fund spending in fiscal 2021 is also driven in part by lower revenues from tuition and fees and auxiliary services due to the impacts of the pandemic on enrollment and utilization of services; most but not all states include spending from tuition and fees in their other state funds expenditure data. After faster than expected revenue growth in fiscal 2021 and fiscal 2022, states directed one-time surplus funds as well as recurring revenue growth to program area investments and restoring budget cuts — including for higher education — which helps to explain the general fund growth in fiscal 2022.

The large increases in state higher education expenditures from federal funds over the past two years are driven by COVID—19 relief funding. States reported higher education expenditures from federal COVID—19 aid totaling at least \$23.6 billion (\$3.3 billion in fiscal 2020, \$9.9 billion in fiscal 2021, and \$10.4 billion in fiscal 2022). In fiscal 2022, COVID—19 aid spending represented roughly 30 percent of higher education expenditures from federal funds. Some of this aid may reflect funds from the Higher Education Emergency Relief Fund (HEERF) programs authorized by the CARES Act (HEERF I), CRRSAA (HEERF II), and ARPA (HEERF III), though since this program funding was sent directly to higher education institutions, it may not always show up in state expenditure data. Other sources of federal COVID—19 aid for higher education expenditures may include the Governor's Emergency Education Relief (GEER) fund, Coronavirus Relief Fund (CRF) and the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF).

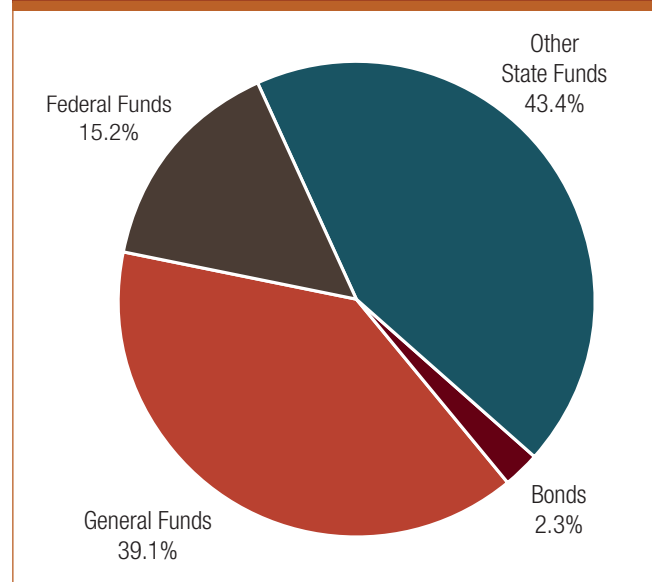
Higher Education as a Share of the Overall Budget

Higher education is the third largest spending category of state budgets, representing 8.7 percent of total state spending in fiscal 2022. This marks a reduction from its share pre-pandemic in fiscal 2019, which was 10.2 percent. This reduction is driven more by rapidly rising expenditures in other areas of the budget (namely the “All Other” category which includes human services and most pandemic-related expenditures) than by spending changes for higher education. As noted, overall state spending for higher education still increased year-over-year in fiscal 2021 and fiscal 2022 despite the pandemic and its impacts on colleges and universities. As a share of overall general fund spending, state higher education expenditures have remained fairly consistent and were at 9.2 percent in fiscal 2022.

Composition of Fund Sources for State Higher Education Expenditures

General funds accounted for 39.1 percent of total state spending on higher education, other state funds (which include tuition and fees for most states) 43.4 percent, federal funds 15.2 percent, and bonds 2.3 percent in fiscal 2022 (see Figure 11 and Table 12). By comparison, prior to the pandemic, in fiscal 2019, general funds comprised 38.4 percent, other state funds 47.4 percent, federal funds 11.3 percent, and bonds 2.8

FIGURE 11
STATE EXPENDITURES FOR HIGHER EDUCATION BY FUND SOURCE, ESTIMATED FISCAL 2022



percent. This data illustrates how states' relative reliance on other state funds to support spending has declined — particularly as higher education institutions have experienced revenue loss from tuition and fees due to the COVID—19 pandemic. Meanwhile, additional one-time federal funds have stepped in to temporarily assist institutions in offsetting these losses. In addition, states substantially increased general fund support for higher education in fiscal 2022, following modest growth in fiscal 2021.

Regional Expenditures

Table 11 shows regional percentage changes in expenditures for higher education for fiscal 2021 and fiscal 2022. In fiscal 2021, most regions recorded modest or moderate growth in spending from all funds for higher education, while three regions recorded net declines. State funds experienced modest growth in three regions and declined in the remaining five regions — declines in other state funds, discussed earlier in this chapter, are likely the driver behind this slow growth or net

TABLE 11
REGIONAL PERCENTAGE CHANGE IN STATE HIGHER EDUCATION EXPENDITURES,
FISCAL 2021 AND 2022

Region	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-0.1 %	53.7 %	2.1 %	9.3 %	37.7 %	11.8 %
Mid-Atlantic	3.7	29.9	5.0	4.1	14.6	5.0
Great Lakes	-0.4	2.6	-0.9	10.3	-9.3	6.8
Plains	2.0	27.4	4.0	5.3	4.7	5.3
Southeast	-0.9	-0.5	-0.9	8.4	16.7	8.6
Southwest	-3.4	30.3	4.4	5.1	23.4	10.2
Rocky Mountain	-18.4	21.8	-14.9	34.6	-61.2	25.1
Far West	4.9	14.2	6.2	15.3	4.8	13.3
ALL STATES	-0.3 %	15.0 %	1.7 %	9.3 %	12.1 %	9.4 %

TABLE 12
HIGHER EDUCATION EXPENDITURES—CAPITAL INCLUSIVE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020					Actual Fiscal 2021					Estimated Fiscal 2022				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$667	\$133	\$2,668	\$277	\$3,745	\$748	\$216	\$2,587	\$324	\$3,875	\$871	\$334	\$2,765	\$293	\$4,263
Maine	324	0	7	8	339	325	9	6	14	354	336	9	19	19	383
Massachusetts	1,322	7	17	150	1,496	1,336	7	7	162	1,512	1,466	7	17	176	1,666
New Hampshire	155	0	0	12	167	147	0	0	2	149	148	0	0	16	164
Rhode Island	231	24	952	19	1,226	238	13	917	14	1,182	267	14	1,028	163	1,472
Vermont	93	26	4	1	124	122	47	3	3	175	113	38	3	3	157
MID-ATLANTIC															
Delaware	262	50	115	15	442	261	75	124	23	483	271	76	109	41	497
Maryland	2,106	1,079	3,540	326	7,051	2,126	1,338	3,319	401	7,184	2,396	1,456	3,794	174	7,820
New Jersey	2,395	75	3,719	0	6,189	2,641	229	3,794	0	6,664	3,132	5	3,807	0	6,944
New York	2,365	355	7,226	694	10,640	3,317	476	7,037	544	11,374	2,729	821	7,385	833	11,768
Pennsylvania	1,800	72	33	189	2,094	1,800	0	24	199	2,023	1,804	70	24	188	2,086
GREAT LAKES															
Illinois	1,943	346	161	0	2,450	1,886	138	135	0	2,159	2,239	130	144	0	2,513
Indiana	2,067	1	12	0	2,080	2,006	13	11	0	2,030	2,085	21	10	0	2,116
Michigan	1,376	341	564	253	2,534	1,420	147	829	167	2,563	1,527	129	1,123	80	2,859
Ohio*	2,606	20	23	257	2,906	2,684	326	23	197	3,230	2,742	32	25	208	3,007
Wisconsin	1,752	1,692	3,674	0	7,118	1,839	1,839	3,282	0	6,960	1,899	1,921	3,780	0	7,600
PLAINS															
Iowa	866	506	5,112	0	6,484	858	610	5,111	0	6,579	879	637	5,295	0	6,811
Kansas	843	477	1,674	80	3,074	825	551	1,636	77	3,089	905	569	1,859	77	3,410
Minnesota	1,693	4	48	170	1,915	1,714	9	85	81	1,889	1,756	6	87	95	1,944
Missouri	807	50	217	3	1,077	820	286	159	1	1,266	951	110	187	0	1,248
Nebraska*	667	572	1,684	0	2,923	803	588	1,696	0	3,087	822	686	1,795	0	3,303
North Dakota	392	108	768	5	1,273	463	140	849	10	1,462	380	241	838	0	1,459
South Dakota	271	83	461	24	839	380	109	416	8	913	331	152	568	22	1,073
SOUTHEAST															
Alabama*	1,770	1,286	3,215	6	6,277	1,824	1,267	3,189	27	6,307	2,032	1,337	3,232	67	6,668
Arkansas	776	7	3,018	0	3,801	760	7	3,025	0	3,792	815	266	3,534	0	4,615
Florida	4,594	100	3,410	29	8,133	4,636	100	3,530	5	8,271	4,789	156	3,561	4	8,510
Georgia	3,020	1,663	6,931	295	11,909	2,827	569	7,023	320	10,739	3,280	1,799	5,845	242	11,166
Kentucky	1,139	875	5,306	0	7,320	1,127	1,115	5,377	0	7,619	1,233	1,015	6,908	0	9,156
Louisiana	1,064	49	1,801	34	2,948	990	44	1,811	145	2,990	1,211	74	1,866	98	3,249
Mississippi	818	243	2,887	145	4,093	799	310	2,846	68	4,023	827	359	3,132	51	4,369
North Carolina	4,306	3,378	2,182	498	10,364	4,337	3,716	2,239	386	10,678	4,800	3,390	2,222	184	10,596
South Carolina	767	148	4,803	0	5,718	792	183	4,378	0	5,353	1,026	239	5,020	0	6,285
Tennessee	2,268	73	2,775	0	5,116	2,087	119	2,731	55	4,992	2,783	85	2,806	0	5,674
Virginia	2,080	1,063	4,288	801	8,232	2,258	1,396	4,011	733	8,398	2,374	1,539	4,644	654	9,211
West Virginia	376	57	1,359	0	1,792	377	70	1,393	0	1,840	374	126	1,456	0	1,956
SOUTHWEST															
Arizona	840	955	5,245	302	7,342	785	1,117	5,213	301	7,416	957	1,086	5,669	338	8,050
New Mexico	581	365	2,047	103	3,096	924	614	1,454	105	3,097	906	640	1,549	102	3,197
Oklahoma	661	936	3,897	11	5,505	615	944	3,905	123	5,587	687	1,054	4,360	137	6,238
Texas	7,098	5,391	6,155	0	18,644	6,975	7,287	5,755	0	20,017	7,825	9,509	4,971	0	22,305
ROCKY MOUNTAIN															
Colorado	1,209	476	2,875	292	4,852	613	447	1,688	342	3,090	1,377	25	3,003	342	4,747
Idaho	439	6	297	0	742	469	143	276	0	888	525	154	469	0	1,148
Montana	239	11	423	0	673	245	11	430	0	686	246	14	436	0	696
Utah	1,183	10	1,011	0	2,204	1,464	11	967	0	2,442	1,622	43	728	0	2,393
Wyoming	313	1	0	0	314	318	2	48	0	368	318	2	48	0	368
FAR WEST															
Alaska	314	140	296	0	750	277	166	136	0	579	321	137	93	0	551
California	16,431	5,811	87	501	22,830	17,311	6,502	84	406	24,303	21,944	6,984	141	662	29,731
Hawaii	521	10	539	138	1,208	520	9	661	122	1,312	503	5	261	108	877
Nevada	685	3	360	0	1,048	557	3	379	0	939	640	3	377	0	1,020
Oregon	1,168	42	398	181	1,789	989	44	1,124	147	2,304	1,327	50	292	111	1,780
Washington	1,738	4	5,311	248	7,301	1,802	137	5,365	348	7,652	1,880	9	5,884	305	8,078
TOTAL	\$83,401	\$29,124	\$103,595	\$6,067	\$222,187	\$85,437	\$33,499	\$101,088	\$5,860	\$225,884	\$96,671	\$37,564	\$107,169	\$5,793	\$247,197
District of Columbia	89	20	48	61	218	91	250	177	16	534					

reductions in state funds in fiscal 2021. Spending from federal funds, meanwhile, fluctuated across regions, with New England recording the largest percentage increase in federal funds (53.7 percent) while the Southeast region recorded a small net decline (-0.5 percent).

For fiscal 2022, all regions saw net increases in spending from all funds on higher education, driven by across-the-board increases in spending from state funds in all eight regions. Once again, trends in spending from federal funds were more volatile, ranging from a 61.2 percent decline in the Rocky Mountain region to a 37.7 percent increase in New England. These fluctuations can be explained by the one-time nature of COVID—19 federal aid for higher education and when states recognize these expenditures.

Financing Issues

Higher education represents the third largest component of total state spending and is also the third largest component of general fund spending. As a share of general fund spending, higher education expenditures have been shrinking in recent decades, as spending in other program areas, particularly Medicaid, have been on the rise. For example, in fiscal 1995, higher education comprised 12.9 percent of general fund spending, while in fiscal 2022, higher education spending made up an estimated 9.2 percent of general fund expenditures. Over that same period, Medicaid went from representing 14.4 percent of general fund spending to 17.3 percent. This trend contributed to other state funds (which includes tuition and fees for the majority of states) surpassing general funds as the single largest source of higher education spending. However, increases in state investments and attention to improving college affordability in recent years — coupled with the toll the pandemic has taken on institutions' tuition and fee revenues — have started to reverse this trend.

According to the College Board's *Trends in College Pricing and Student Aid 2022* report, state and local funding per student increased for the ninth consecutive year in 2020–2021 (in inflation-adjusted dollars). After adjusting for inflation, state and local funding per student in 2020–2021 was 25 percent higher than levels a decade prior in 2010–2011. Meanwhile, the latest *State Higher Education Finance* report from the State Higher Education Executive Officers Association (SHEEO) found that public higher education appropriations per full-time equivalent

(FTE) student increased in fiscal 2021 by 4.5 percent above inflation. SHEEO noted this increase was driven by increasing state funds for higher education, a sharp decline in student enrollment, and federal stimulus funds. Meanwhile, SHEEO reported net tuition revenue per FTE declined 3.2 percent in fiscal 2021, while state financial aid per FTE increased 8.8 percent to reach an all-time high of \$921 per FTE.

The COVID—19 recession had unique financial impacts on the public higher education sector that diverge from the experiences of past recessions. During prior economic downturns, postsecondary enrollment and tuition revenue have tended to increase while state funding has been cut. In contrast, higher education institutions have generally experienced declining enrollment — and corresponding decreases in tuition and fee revenue — during the pandemic.

Capital Spending

State expenditures for higher education-related construction, renovation and other capital projects totaled an estimated \$13.0 billion in fiscal 2022, compared to \$12.0 billion in fiscal 2021 and \$12.4 billion in fiscal 2020 (see Table 50). State-specific spending on capital projects has historically fluctuated from year-to-year due to the multi-year spending timeline of the projects.

Higher Education — Expenditure Exclusions

When comparing resources spent on higher education, it is important to understand the types of programs states exclude from these figures, either because the funding totals for such programs are not included in the data reported for the higher education chapter, or because the state does not provide funding for that service or program. In calculating higher education expenditures for this report, 17 states wholly or partially excluded tuition and fees, and 22 states wholly or partially excluded student loan programs. Additionally, other items that are wholly or partially excluded include: university research grants (30 states); vocational education (21); assistance to private colleges or universities (24); and employer contributions to pensions (15) and health benefits (15). Table 15 lists programs excluded from the expenditure data by state. Summary expenditure data can be found in Tables 12 through 14, accompanied by explanatory notes.

TABLE 13
HIGHER EDUCATION EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2020	Fiscal 2021	Fiscal 2022
NEW ENGLAND			
Connecticut	11.0 %	10.4 %	10.3 %
Maine	3.2	2.9	3.1
Massachusetts	2.4	2.2	2.3
New Hampshire	2.4	2.0	2.1
Rhode Island	10.7	8.9	9.8
Vermont	2.0	2.4	2.1
MID-ATLANTIC			
Delaware	3.7	3.6	3.5
Maryland	14.5	13.0	11.9
New Jersey	9.4	8.5	8.0
New York	6.2	6.1	5.6
Pennsylvania	2.2	2.0	1.8
GREAT LAKES			
Illinois	3.1	1.9	2.1
Indiana	5.5	4.5	4.4
Michigan	4.1	3.7	3.5
Ohio	3.9	4.0	3.3
Wisconsin	13.7	11.7	12.1
PLAINS			
Iowa	24.9	23.1	23.1
Kansas	15.8	14.2	14.8
Minnesota	4.5	3.9	3.2
Missouri	3.9	4.3	3.9
Nebraska	22.7	20.5	21.5
North Dakota	18.0	17.0	20.2
South Dakota	17.3	13.5	15.2
SOUTHEAST			
Alabama	19.9	19.8	18.8
Arkansas	13.7	12.2	14.4
Florida	9.5	8.8	8.4
Georgia	20.1	16.7	20.2
Kentucky	19.0	18.0	20.2
Louisiana	9.5	8.6	7.4
Mississippi	20.1	18.1	17.0
North Carolina	16.9	18.0	16.9
South Carolina	20.7	17.9	19.5
Tennessee	14.2	12.5	11.8
Virginia	12.8	11.2	12.3
West Virginia	11.2	10.6	10.2
SOUTHWEST			
Arizona	10.2	11.1	10.0
New Mexico	14.1	12.5	13.8
Oklahoma	22.2	20.1	20.1
Texas	16.5	14.8	17.5
ROCKY MOUNTAIN			
Colorado	15.1	9.7	13.4
Idaho	6.3	8.7	8.7
Montana	8.1	6.2	8.0
Utah	12.1	12.3	9.0
Wyoming	7.0	6.5	6.5
FAR WEST			
Alaska	6.3	4.9	3.8
California	6.4	4.9	5.8
Hawaii	6.7	5.4	4.7
Nevada	7.0	6.0	5.2
Oregon	3.3	3.5	2.6
Washington	13.4	12.6	12.3
ALL STATES	9.7 %	8.5 %	8.7 %

TABLE 14
ANNUAL PERCENTAGE CHANGE IN HIGHER EDUCATION EXPENDITURES

Region/State	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	0.0 %	62.4 %	3.5 %	9.0 %	54.6 %	10.0 %
Maine	0.0	—	4.4	7.3	0.0	8.2
Massachusetts	0.3	0.0	1.1	10.4	0.0	10.2
New Hampshire	-5.2	—	-10.8	0.7	—	10.1
Rhode Island	-2.4	-45.8	-3.6	12.1	7.7	24.5
Vermont	28.9	80.8	41.1	-7.2	-19.1	-10.3
MID-ATLANTIC						
Delaware	2.1	50.0	9.3	-1.3	1.3	2.9
Maryland	-3.6	24.0	1.9	13.7	8.8	8.9
New Jersey	5.3	205.3	7.7	7.8	-97.8	4.2
New York	8.0	34.1	6.9	-2.3	72.5	3.5
Pennsylvania	-0.5	-100.0	-3.4	0.2	—	3.1
GREAT LAKES						
Illinois	-3.9	-60.1	-11.9	17.9	-5.8	16.4
Indiana	-3.0	1,200.0	-2.4	3.9	61.5	4.2
Michigan	15.9	-56.9	1.1	17.8	-12.2	11.5
Ohio	3.0	1,530.0	11.1	2.2	-90.2	-6.9
Wisconsin	-5.6	8.7	-2.2	10.9	4.5	9.2
PLAINS						
Iowa	-0.2	20.6	1.5	3.4	4.4	3.5
Kansas	-2.2	15.5	0.5	12.3	3.3	10.4
Minnesota	3.3	125.0	-1.4	2.4	-33.3	2.9
Missouri	-4.4	472.0	17.5	16.2	-61.5	-1.4
Nebraska	6.3	2.8	5.6	4.7	16.7	7.0
North Dakota	13.1	29.6	14.8	-7.2	72.1	-0.2
South Dakota	8.7	31.3	8.8	12.9	39.4	17.5
SOUTHEAST						
Alabama	0.6	-1.5	0.5	5.0	5.5	5.7
Arkansas	-0.2	0.0	-0.2	14.9	3,700.0	21.7
Florida	2.0	0.0	1.7	2.3	56.0	2.9
Georgia	-1.0	-65.8	-9.8	-7.4	216.2	4.0
Kentucky	0.9	27.4	4.1	25.2	-9.0	20.2
Louisiana	-2.2	-10.2	1.4	9.9	68.2	8.7
Mississippi	-1.6	27.6	-1.7	8.6	15.8	8.6
North Carolina	1.4	10.0	3.0	6.8	-8.8	-0.8
South Carolina	-7.2	23.6	-6.4	16.9	30.6	17.4
Tennessee	-4.5	63.0	-2.4	16.0	-28.6	13.7
Virginia	-1.6	31.3	2.0	11.9	10.2	9.7
West Virginia	2.0	22.8	2.7	3.4	80.0	6.3
SOUTHWEST						
Arizona	-1.4	17.0	1.0	10.5	-2.8	8.5
New Mexico	-9.5	68.2	0.0	3.2	4.2	3.2
Oklahoma	-0.8	0.9	1.5	11.7	11.7	11.7
Texas	-3.9	35.2	7.4	0.5	30.5	11.4
ROCKY MOUNTAIN						
Colorado	-43.7	-6.1	-36.3	90.4	-94.4	53.6
Idaho	1.2	2,283.3	19.7	33.4	7.7	29.3
Montana	2.0	0.0	1.9	1.0	27.3	1.5
Utah	10.8	10.0	10.8	-3.3	290.9	-2.0
Wyoming	16.9	100.0	17.2	0.0	0.0	0.0
FAR WEST						
Alaska	-32.3	18.6	-22.8	0.2	-17.5	-4.8
California	5.3	11.9	6.5	27.0	7.4	22.3
Hawaii	11.4	-10.0	8.6	-35.3	-44.4	-33.2
Nevada	-10.4	0.0	-10.4	8.7	0.0	8.6
Oregon	34.9	4.8	28.8	-23.4	13.6	-22.7
Washington	1.7	3,325.0	4.8	8.3	-93.4	5.6
ALL STATES	-0.3 %	15.0 %	1.7 %	9.3 %	12.1 %	9.4 %
MEDIAN	0.0	19.6	1.8	7.5	5.0	7.6

Note: State funds are defined as general funds and other state funds (bonds are excluded).

TABLE 15
ITEMS EXCLUDED FROM HIGHER EDUCATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Tuition and Fees	Student Loan Programs	University Research Grants	Vocational Education	Assistance To Private Colleges & Universities
NEW ENGLAND							
Connecticut	P	P		P		P	P
Maine	P	P	P				N/A
Massachusetts	P	P	P	X		P	
New Hampshire	N/A	N/A	N/A	N/A	P		X
Rhode Island				P		P	
Vermont	N/A	N/A	N/A	N/A	N/A	X	
MID-ATLANTIC							
Delaware			X		X	X	X
Maryland							
New Jersey					X	X	
New York	P	P			P	P	P
Pennsylvania	P	P		P	X	X	
GREAT LAKES							
Illinois	P	P	X	P	P		P
Indiana	P	P	X		X	P	P
Michigan	P	P	N/A	N/A	P		
Ohio*			N/A	N/A	N/A	P	N/A
Wisconsin					N/A		N/A
PLAINS							
Iowa							
Kansas							
Minnesota	P	P	X	X	X	X	X
Missouri	X	X	X		X	X	X
Nebraska*			N/A	N/A	N/A		
North Dakota						X	
South Dakota							X
SOUTHEAST							
Alabama							
Arkansas					P		
Florida			P		X		
Georgia				X	P		
Kentucky						P	
Louisiana					P		
Mississippi							N/A
North Carolina			X				
South Carolina							
Tennessee				N/A	X		
Virginia				X			
West Virginia				X	P	P	
SOUTHWEST							
Arizona			X		X		X
New Mexico							
Oklahoma				P	P	P	P
Texas							
ROCKY MOUNTAIN							
Colorado	X	X					P
Idaho				X	X	X	N/A
Montana				X	X		
Utah					N/A		N/A
Wyoming							
FAR WEST							
Alaska							X
California			X		P	P	P
Hawaii	P	P		X	X	X	X
Nevada				X	X	X	X
Oregon	P	P	P	P	P	P	P
Washington				N/A	X		N/A
ALL STATES	15	15	17	22	30	21	24
District of Columbia							

Excluded=X Partially Excluded=P Not Applicable=N/A
*See notes at the end of the chapter.

Higher Education Expenditures Notes

Small dollar amounts, when rounded, cause an aberration in the percentage increase. In these instances, the actual dollar amounts should be consulted to determine the exact percentage increase.

Alabama: Capital expenditures are not captured/available at state budget level. Reported Bond Funds for Higher Ed represent bond proceeds paid directly to vendors by the State's Debt Management division.

Nebraska: Regarding assistance to Private Colleges and Universities — in FY 2022 the Legislature provided spending for scholarships to be provided directly to students of Private Colleges and Universities.

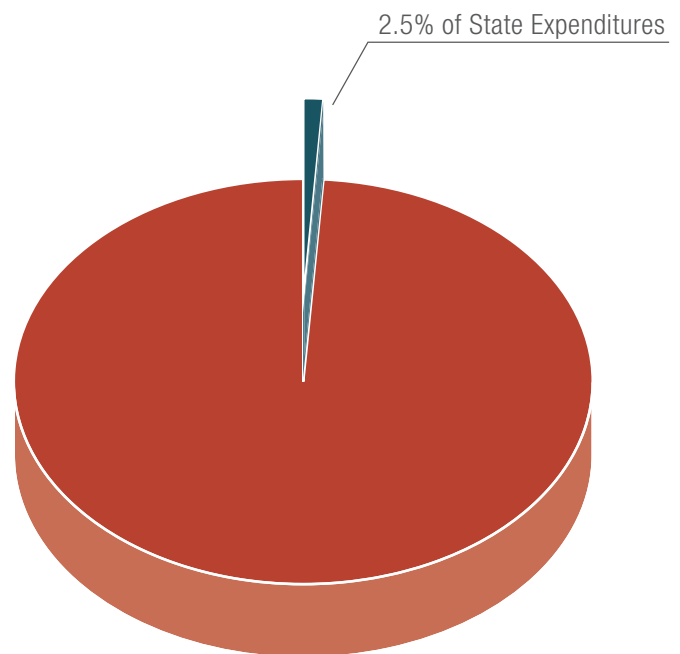
Ohio: Employer contributions to current employees' pensions and employer contributions to employee health benefits are not direct expenditures of the state; however, some of the unrestricted support provided to higher education institutions can be assumed to have been used to help cover these costs. The majority of career-technical education/vocational education is funded through appropriations made to the Ohio Department of Education for career-technical/vocational education for students starting as early as the 7th grade. Ohio provides assistance to private colleges and universities through financial aid to students with the greatest need through the Ohio College Opportunity Grant (OCOG). Students attending private colleges and universities are eligible to receive OCOG.

3

CHAPTER



PUBLIC ASSISTANCE EXPENDITURES



Public Assistance Expenditures

This chapter contains data primarily on the Temporary Assistance for Needy Families (TANF) program and other cash assistance programs. Programs in the “other cash assistance” category, which includes optional state programs for Supplemental Security Income (SSI) and General Assistance (GA), are not funded in all states, and when funded, are relatively small programs. Spending for public assistance totaled \$32.4 billion in fiscal 2022 and represented 1.1 percent of total state expenditures. Public assistance spending from all funds increased by 7.5 percent in estimated fiscal 2022, with spending from state funds increasing 2.3 percent and spending from federal funds increasing 10.8 percent. On a median basis, total public assistance spending grew 3.8 percent with federal funds growing 5.1 percent and state funds flat in fiscal 2022. The primary sources of public assistance funding for fiscal 2022 are federal funds, providing 63.7 percent, followed by general funds at 27.8 percent and other states funds at 8.5 percent (see Figure 12).

Spending on public assistance from all funds increased 19.4 percent in fiscal 2021 to total \$30.2 billion. State funds increased 12.8 percent and federal funds increased 24.0 percent. Looking at the figures on a median basis, total spending in fiscal 2021 decreased 1.3 percent with state funds growing 0.7 percent and federal funds decreasing by 9.7 percent. The timing of expenditures may vary from year to year and may not reflect underlying program activity in a given year. Large swings in some states, often due in part to timing and reporting issues, can substantially affect average spending growth rates.

Increases in public assistance spending in fiscal 2020 through fiscal 2022 were heavily driven by additional federal COVID—19 aid, with forty-one states reporting \$1.4 billion of federal COVID—19 aid for public assistance in fiscal 2020, \$6.3 billion in fiscal 2021, and an estimated \$6.8 billion in fiscal 2022.

TANF

The Temporary Assistance for Needy Families (TANF) Program is a block grant to states, territories, and eligible tribes to provide assistance to low-income families and support a range of services to improve employment and other child and family outcomes. States have broad flexibility in how they spend their

TANF and maintenance-of-effort (MOE) funds and they report their expenditures quarterly to the federal Administration for Children and Families (ACF). States are also required to contribute from their own funds, in total, at least \$10.3 billion annually under the MOE requirement.

TANF was reauthorized through September 2010 under the Deficit Reduction Act of 2005. Since then, Congress has continued funding the program through short-term extensions, often through continuing resolutions, and the program is currently funded through a continuing resolution.

The program includes specific definitions of work, work verification requirements, and penalties if states do not meet the requirements. Because of these changes, most states must significantly increase work participation rates. Nationwide, in fiscal 2021 the overall work participation rate was 33.6 percent, while the two-parent rate was 37.9 percent.

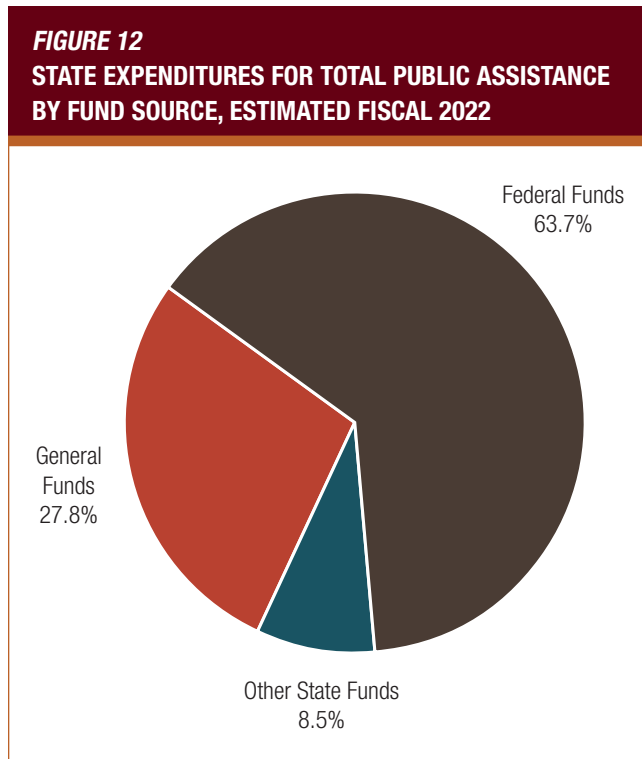
This report primarily has information on the cash assistance benefit levels within the programs and in most cases does not reflect total TANF spending. Based on the most recent data from the federal Administration for Children and Families, in federal fiscal year 2020, states spent a total of \$31.6 billion in TANF and maintenance-of-effort (MOE) funds and transfers. Cash assistance payments under TANF comprise approximately 22.3 percent of total TANF spending, with 9.7 percent used for work, education and training activities, 12.0 percent used for childcare, 8.5 percent used for pre-K and Head Start, and 5.7 percent used for child welfare services. Families that have received federally funded assistance under TANF for five cumulative years are not eligible for federally funded assistance, though states have considerable flexibility in determining how time limits apply to individual families.

Since welfare reform was initially passed in 1996, states have focused on providing supportive services for families to achieve self-sufficiency. Additionally, since 1996, caseloads have declined significantly. The average monthly number of recipients fell from 12.8 million prior to the enactment of TANF to 1.8 million in 2022.

Expenditure data on total cash assistance, TANF cash assistance, and other cash assistance can be found in Tables 16-26, accompanied by explanatory notes.

Fund Shares

Figure 12 below provides fund shares for fiscal 2022.



Regional Expenditures

Table 16 shows regional percentage changes in expenditures for total cash assistance for fiscal 2020—2021 and 2021—2022 by region. In estimated fiscal 2022, all regions but the Southwest had an increase in total cash assistance, while in fiscal 2021, the Great Lakes and the Plains regions experienced declines.

Expenditures for Temporary Assistance for Needy Families (TANF) Program

State and federal funds for TANF expenditures totaled \$16.1 billion in fiscal 2022, an increase of 8.2 percent (see Table 23). State funds increased 14.1 percent and federal funds increased by 5.5 percent. Cash assistance payments under TANF comprise 22.3 percent of total TANF spending. For fiscal 2021, total spending for TANF cash assistance expenditures increased 0.9 percent to \$14.9 billion, with state funds increasing 10.4 percent and federal spending decreasing 3.0 percent. The timing of expenditures may vary from year to year and may not reflect underlying program activity in a given year. Large swings in some states, often due in part to timing and reporting issues, can substantially affect average spending growth rates and therefore looking at spending over several years may better reflect underlying program activity.

In addition to cash assistance, states have provided funding for programs to address childcare services, subsidized employment, training and education, transportation needs, transitional rental assistance, substance abuse, job readiness and job retention training, and domestic violence. As cash assistance has declined, these supportive services have gained greater importance in the program.

States reported \$296 million in federal COVID—19 aid for TANF in fiscal 2020, \$1.1 billion in fiscal 2021, and \$1.3 billion in fiscal 2022. COVID—19 aid included \$1 billion in Pandemic Emergency Assistance Funds from the *American Rescue Plan Act (ARPA)* to allow states, territories, and tribes to provide additional non-recurrent short-term benefits to families with children through September 2022.

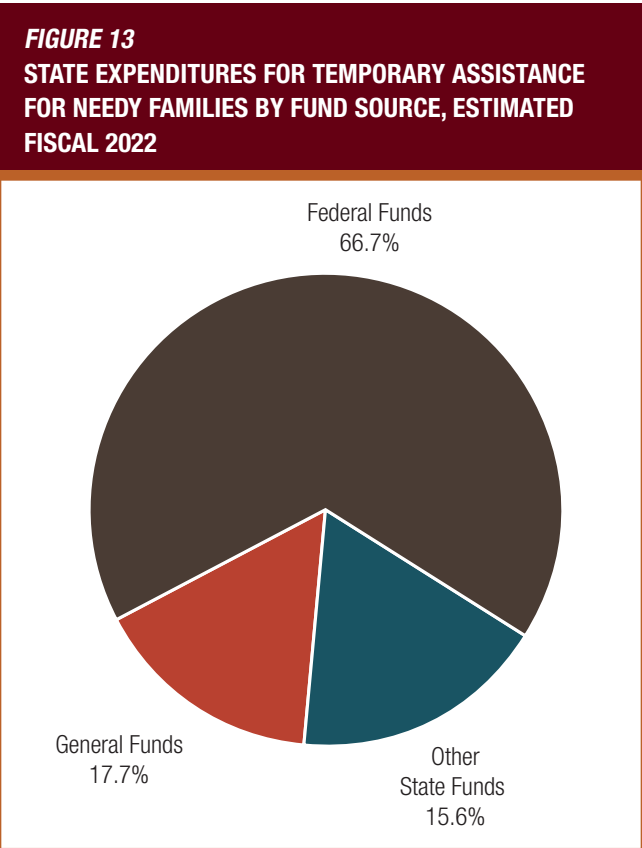
Expenditure data for TANF cash assistance can be found on Tables 21—23.

TABLE 16
REGIONAL PERCENTAGE CHANGE IN STATE TOTAL CASH ASSISTANCE EXPENDITURES,
FISCAL 2021 AND 2022

Region	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	4.7 %	92.2 %	20.3 %	5.4 %	78.3 %	26.1 %
Mid-Atlantic	18.4	22.9	21.7	-6.4	34.1	24.2
Great Lakes	0.6	-20.4	-13.4	-2.9	19.9	11.1
Plains	6.7	-10.1	-2.0	11.1	10.5	10.8
Southeast	-4.3	28.6	21.4	5.9	17.9	15.8
Southwest	4.6	150.4	136.5	5.9	-36.9	-35.1
Rocky Mountain	2.1	-0.3	0.2	2.1	3.0	2.8
Far West	16.5	0.8	9.3	3.5	2.4	3.0
ALL STATES	12.8 %	24.0 %	19.4 %	2.3 %	10.8 %	7.5 %

Fund Shares

Figure 13 provides fund shares for fiscal 2022.



Regional Expenditures

Table 17 shows percentage changes in expenditures for TANF cash assistance for fiscal 2020–2021 and 2021–2022 by region.

Expenditures for Other Cash Assistance

The second component of cash assistance for public welfare is other cash assistance, including state participation in the Supplemental Security Income (SSI) program, which pays benefits to disabled adults and children, General Assistance (GA), and emergency assistance. Each state determines the structure of its own program, resulting in significant variations in programs and funding. Some have statewide uniform eligibility rules while others simply require some form of county participation. Thirty-three states spend some amount on other cash assistance.

Other cash assistance programs accounted for 0.6 percent of total state spending in fiscal 2022. States spent \$16.3 billion for other cash assistance, with 39.3 percent of that amount funded from state funds in fiscal 2022.

States reported \$1.1 billion in COVID–19 federal relief aid for other cash assistance in fiscal 2020, \$5.2 billion in fiscal 2021, and \$5.5 billion in fiscal 2022. This may include emergency cash assistance, low-income energy assistance, and other one-time payments due to the impact of the pandemic.

Expenditure data for other cash assistance can be found on Tables 24–26.

TABLE 17
REGIONAL PERCENTAGE CHANGE IN STATE TANF EXPENDITURES,
FISCAL 2021 AND 2022

Region	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	1.7 %	-6.3 %	0.2 %	6.3 %	6.0 %	6.3 %
Mid-Atlantic	39.6	-10.0	-7.4	-10.6	9.4	7.8
Great Lakes	1.7	-21.5	-15.3	-3.7	21.3	13.4
Plains	1.3	-10.1	-6.5	15.5	9.3	11.4
Southeast	-5.9	20.8	17.0	9.6	5.0	5.5
Southwest	-7.9	-5.4	-6.2	0.0	1.0	0.7
Rocky Mountain	-5.9	-4.4	-4.6	15.6	-1.9	0.4
Far West	15.6	-3.9	4.0	21.1	-0.4	9.3
ALL STATES	10.4 %	-3.0 %	0.9 %	14.1 %	5.5 %	8.2 %

TABLE 18
TOTAL PUBLIC ASSISTANCE EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020				Actual Fiscal 2021				Estimated Fiscal 2022			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut	\$381	\$0	\$0	\$381	\$371	\$0	\$0	\$371	\$369	\$0	\$0	\$369
Maine	43	56	100	199	47	75	97	219	50	69	89	208
Massachusetts	548	1	0	549	557	222	0	779	642	588	0	1,230
New Hampshire	60	38	0	98	55	28	0	83	48	28	0	76
Rhode Island	29	90	0	119	27	70	0	97	27	61	0	88
Vermont	21	72	7	100	29	99	62	190	32	135	55	222
MID-ATLANTIC												
Delaware	18	2	1	21	15	2	2	19	14	1	1	16
Maryland*	44	1,336	14	1,394	117	2,504	13	2,634	105	4,297	14	4,416
New Jersey	144	47	0	191	152	59	0	211	172	49	0	221
New York	1,065	2,622	0	3,687	1,268	2,240	0	3,508	1,149	2,448	0	3,597
Pennsylvania	237	540	2	779	237	781	2	1,020	234	697	2	933
GREAT LAKES												
Illinois	134	0	0	134	134	0	0	134	134	0	0	134
Indiana*	20	153	0	173	20	115	0	135	18	97	0	115
Michigan	117	71	12	200	94	67	11	172	96	61	11	168
Ohio	134	751	0	885	144	595	0	739	145	774	0	919
Wisconsin	61	3	9	73	78	1	9	88	63	1	9	73
PLAINS												
Iowa	48	35	5	88	47	39	6	92	48	69	18	135
Kansas	0	13	0	13	0	11	0	11	0	16	0	16
Minnesota	185	172	0	357	191	154	0	345	202	127	0	329
Missouri	30	75	25	130	31	62	35	128	33	75	37	145
Nebraska	9	31	0	40	11	28	0	39	11	34	0	45
North Dakota	0	2	2	4	1	0	3	4	0	3	1	4
South Dakota	9	10	0	19	9	10	0	19	21	12	0	33
SOUTHEAST												
Alabama	0	31	0	31	0	27	0	27	0	29	0	29
Arkansas	158	321	42	521	143	610	46	799	150	946	38	1,134
Florida	120	23	0	143	102	10	0	112	115	30	0	145
Georgia	0	317	0	317	0	285	0	285	0	301	0	301
Kentucky	52	190	0	242	50	163	0	213	58	164	0	222
Louisiana	0	140	0	140	0	140	0	140	0	167	0	167
Mississippi	24	800	5	829	23	1,131	1	1,155	24	1,242	3	1,269
North Carolina	58	43	58	159	58	36	58	152	58	27	58	143
South Carolina	26	56	1	83	30	57	4	91	34	73	5	112
Tennessee	3	75	0	78	1	46	0	47	6	100	0	106
Virginia	78	267	0	345	81	427	0	508	85	388	0	473
West Virginia	28	70	0	98	28	69	0	97	28	70	0	98
SOUTHWEST												
Arizona	0	20	0	20	0	20	0	20	0	34	0	34
New Mexico	2	1,135	0	1,137	15	3,030	0	3,045	18	1,870	0	1,888
Oklahoma	87	75	0	162	84	41	0	125	94	46	0	140
Texas	41	5	0	46	37	1	0	38	32	2	0	34
ROCKY MOUNTAIN												
Colorado	14	261	31	306	19	279	31	329	16	292	31	339
Idaho	15	2	0	17	16	0	0	16	16	0	0	16
Montana	13	16	0	29	11	12	0	23	13	15	0	28
Utah	21	50	0	71	19	37	0	56	22	31	0	53
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	59	53	0	112	64	64	0	128	61	63	0	124
California	3,507	4,709	2,095	10,311	4,405	4,737	2,126	11,268	4,410	4,852	2,384	11,646
Hawaii	50	11	0	61	54	21	0	75	46	17	0	63
Nevada	25	16	0	41	22	12	0	34	27	11	0	38
Oregon	36	98	0	134	61	55	0	116	37	39	0	76
Washington	55	126	0	181	58	164	0	222	66	190	0	256
TOTAL	\$7,809	\$15,030	\$2,409	\$25,248	\$9,016	\$18,636	\$2,506	\$30,158	\$9,029	\$20,641	\$2,756	\$32,426
District of Columbia	72	31	1	104	77	27	2	106				

Note: This table reflects TANF and other cash assistance expenditures.

TABLE 19
TOTAL PUBLIC ASSISTANCE EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2020	Fiscal 2021	Fiscal 2022
NEW ENGLAND			
Connecticut	1.1 %	1.0 %	0.9 %
Maine	1.9	1.8	1.7
Massachusetts	0.9	1.2	1.7
New Hampshire	1.4	1.1	1.0
Rhode Island	1.0	0.7	0.6
Vermont	1.6	2.6	2.9
MID-ATLANTIC			
Delaware	0.2	0.1	0.1
Maryland	2.9	4.8	6.7
New Jersey	0.3	0.3	0.3
New York	2.1	1.9	1.7
Pennsylvania	0.8	1.0	0.8
GREAT LAKES			
Illinois	0.2	0.1	0.1
Indiana	0.5	0.3	0.2
Michigan	0.3	0.3	0.2
Ohio	1.2	0.9	1.0
Wisconsin	0.1	0.1	0.1
PLAINS			
Iowa	0.3	0.3	0.5
Kansas	0.1	0.1	0.1
Minnesota	0.8	0.7	0.5
Missouri	0.5	0.4	0.5
Nebraska	0.3	0.3	0.3
North Dakota	0.1	0.0	0.1
South Dakota	0.4	0.3	0.5
SOUTHEAST			
Alabama	0.1	0.1	0.1
Arkansas	1.9	2.6	3.5
Florida	0.2	0.1	0.1
Georgia	0.5	0.4	0.5
Kentucky	0.6	0.5	0.5
Louisiana	0.5	0.4	0.4
Mississippi	4.1	5.2	4.9
North Carolina	0.3	0.3	0.2
South Carolina	0.3	0.3	0.3
Tennessee	0.2	0.1	0.2
Virginia	0.5	0.7	0.6
West Virginia	0.6	0.6	0.5
SOUTHWEST			
Arizona	0.0	0.0	0.0
New Mexico	5.2	12.3	8.1
Oklahoma	0.7	0.5	0.5
Texas	0.0	0.0	0.0
ROCKY MOUNTAIN			
Colorado	1.0	1.0	1.0
Idaho	0.1	0.2	0.1
Montana	0.3	0.2	0.3
Utah	0.4	0.3	0.2
Wyoming	0.0	0.0	0.0
FAR WEST			
Alaska	0.9	1.1	0.9
California	2.9	2.3	2.3
Hawaii	0.3	0.3	0.3
Nevada	0.3	0.2	0.2
Oregon	0.2	0.2	0.1
Washington	0.3	0.4	0.4
ALL STATES	1.1 %	1.1 %	1.1 %

Note: This table reflects TANF and other cash assistance expenditures.

TABLE 20

ANNUAL PERCENTAGE CHANGE IN TOTAL PUBLIC ASSISTANCE EXPENDITURES

Region/State	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	-2.6 %	— %	-2.6 %	-0.5 %	— %	-0.5 %
Maine	0.7	33.9	10.1	-3.5	-8.0	-5.0
Massachusetts	1.6	22,100.0	41.9	15.3	164.9	57.9
New Hampshire	-8.3	-26.3	-15.3	-12.7	0.0	-8.4
Rhode Island	-6.9	-22.2	-18.5	0.0	-12.9	-9.3
Vermont	225.0	37.5	90.0	-4.4	36.4	16.8
MID-ATLANTIC						
Delaware	-10.5	0.0	-9.5	-11.8	-50.0	-15.8
Maryland	124.1	87.4	89.0	-8.5	71.6	67.7
New Jersey	5.6	25.5	10.5	13.2	-16.9	4.7
New York	19.1	-14.6	-4.9	-9.4	9.3	2.5
Pennsylvania	0.0	44.6	30.9	-1.3	-10.8	-8.5
GREAT LAKES						
Illinois	0.0	—	0.0	0.0	—	0.0
Indiana	0.0	-24.8	-22.0	-10.0	-15.7	-14.8
Michigan	-18.6	-5.6	-14.0	1.9	-9.0	-2.3
Ohio	7.5	-20.8	-16.5	0.7	30.1	24.4
Wisconsin	24.3	-66.7	20.5	-17.2	0.0	-17.0
PLAINS						
Iowa	0.0	11.4	4.5	24.5	76.9	46.7
Kansas	—	-15.4	-15.4	—	45.5	45.5
Minnesota	3.2	-10.5	-3.4	5.8	-17.5	-4.6
Missouri	20.0	-17.3	-1.5	6.1	21.0	13.3
Nebraska	22.2	-9.7	-2.5	0.0	21.4	15.4
North Dakota	100.0	-100.0	0.0	-75.0	—	0.0
South Dakota	0.0	0.0	0.0	133.3	20.0	73.7
SOUTHEAST						
Alabama	—	-12.9	-12.9	—	7.4	7.4
Arkansas	-5.5	90.0	53.4	-0.5	55.1	41.9
Florida	-15.0	-56.5	-21.7	12.7	200.0	29.5
Georgia	—	-10.1	-10.1	—	5.6	5.6
Kentucky	-3.8	-14.2	-12.0	16.0	0.6	4.2
Louisiana	—	0.0	0.0	—	19.3	19.3
Mississippi	-17.2	41.4	39.3	12.5	9.8	9.9
North Carolina	0.0	-16.3	-4.4	0.0	-25.0	-5.9
South Carolina	25.9	1.8	9.6	14.7	28.1	23.1
Tennessee	-66.7	-38.7	-39.7	500.0	117.4	125.5
Virginia	3.8	59.9	47.2	4.9	-9.1	-6.9
West Virginia	0.0	-1.4	-1.0	0.0	1.4	1.0
SOUTHWEST						
Arizona	—	0.0	0.0	—	70.0	70.0
New Mexico	650.0	167.0	167.8	20.0	-38.3	-38.0
Oklahoma	-3.4	-45.3	-22.8	11.9	12.2	12.0
Texas	-9.8	-80.0	-17.4	-13.5	100.0	-10.5
ROCKY MOUNTAIN						
Colorado	11.1	6.9	7.5	-6.0	4.7	3.0
Idaho	6.7	-100.0	-5.9	0.0	—	0.0
Montana	-15.4	-25.0	-20.7	18.2	25.0	21.7
Utah	-9.5	-26.0	-21.1	15.8	-16.2	-5.4
Wyoming	—	—	—	—	—	—
FAR WEST						
Alaska	8.5	20.8	14.3	-4.7	-1.6	-3.1
California	16.6	0.6	9.3	4.0	2.4	3.4
Hawaii	8.0	90.9	23.0	-14.8	-19.0	-16.0
Nevada	-12.0	-25.0	-17.1	22.7	-8.3	11.8
Oregon	69.4	-43.9	-13.4	-39.3	-29.1	-34.5
Washington	5.5	30.2	22.7	13.8	—	15.3
ALL STATES	12.8 %	24.0 %	19.4 %	2.3 %	10.8 %	7.5 %
MEDIAN	0.7	-9.7	-1.3	0.0	5.1	3.8

Notes: State funds are defined as general funds and other state funds (bonds are excluded). This table reflects TANF and other cash assistance expenditures.

TABLE 21
TEMPORARY ASSISTANCE TO NEEDY FAMILIES EXPENDITURES (TANF) (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020				Actual Fiscal 2021				Estimated Fiscal 2022			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut	\$266	\$0	\$0	\$266	\$266	\$0	\$0	\$266	\$266	\$0	\$0	\$266
Maine	22	36	99	157	22	55	96	173	22	61	88	171
Massachusetts	248	0	0	248	253	0	0	253	307	0	0	307
New Hampshire	45	38	0	83	41	28	0	69	35	28	0	63
Rhode Island	0	63	0	63	0	45	0	45	0	35	0	35
Vermont	3	22	3	28	17	21	3	41	22	34	2	58
MID-ATLANTIC												
Delaware	12	0	0	12	10	0	1	11	11	0	0	11
Maryland*	3	113	6	122	86	113	4	203	56	98	5	159
New Jersey	30	26	0	56	14	41	0	55	16	20	0	36
New York	0	2,622	0	2,622	0	2,240	0	2,240	0	2,448	0	2,448
Pennsylvania	116	280	2	398	119	343	2	464	121	428	2	551
GREAT LAKES												
Illinois	134	0	0	134	134	0	0	134	134	0	0	134
Indiana*	20	153	0	173	20	115	0	135	18	97	0	115
Michigan	19	58	10	87	1	46	10	57	1	45	10	56
Ohio	134	744	0	878	144	589	0	733	145	768	0	913
Wisconsin	26	0	0	26	40	0	0	40	28	0	0	28
PLAINS												
Iowa	40	35	5	80	40	39	6	85	41	69	18	128
Kansas	0	13	0	13	0	11	0	11	0	16	0	16
Minnesota	91	172	0	263	87	154	0	241	101	127	0	228
Missouri	5	75	0	80	7	62	0	69	8	75	0	83
Nebraska	1	29	0	30	2	26	0	28	2	28	0	30
North Dakota	0	2	2	4	1	0	3	4	0	3	1	4
South Dakota	9	10	0	19	9	10	0	19	8	12	0	20
SOUTHEAST												
Alabama	0	31	0	31	0	27	0	27	0	29	0	29
Arkansas	22	66	0	88	19	83	1	103	18	77	0	95
Florida	109	16	0	125	92	7	0	99	104	23	0	127
Georgia	0	317	0	317	0	285	0	285	0	301	0	301
Kentucky	52	190	0	242	50	163	0	213	58	164	0	222
Louisiana	0	140	0	140	0	140	0	140	0	167	0	167
Mississippi	24	800	5	829	23	1,131	1	1,155	24	1,242	3	1,269
North Carolina	0	43	0	43	0	36	0	36	0	27	0	27
South Carolina	2	22	0	24	7	16	1	24	6	16	1	23
Tennessee	3	75	0	78	1	46	0	47	6	100	0	106
Virginia	78	175	0	253	81	347	0	428	85	252	0	337
West Virginia	26	70	0	96	26	69	0	95	26	70	0	96
SOUTHWEST												
Arizona	0	20	0	20	0	20	0	20	0	20	0	20
New Mexico	0	140	0	140	0	135	0	135	0	132	0	132
Oklahoma	48	38	0	86	45	36	0	81	50	40	0	90
Texas	41	5	0	46	37	1	0	38	32	2	0	34
ROCKY MOUNTAIN												
Colorado	0	157	0	157	0	166	0	166	0	165	0	165
Idaho	5	2	0	7	6	0	0	6	6	0	0	6
Montana	13	16	0	29	11	12	0	23	13	15	0	28
Utah	16	50	0	66	15	37	0	52	18	31	0	49
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	1	53	0	54	1	62	0	63	1	60	0	61
California	271	3,343	2,095	5,709	609	3,180	2,126	5,915	956	3,155	2,384	6,495
Hawaii	23	11	0	34	23	21	0	44	23	17	0	40
Nevada	25	16	0	41	22	12	0	34	27	11	0	38
Oregon	31	69	0	100	52	37	0	89	33	29	0	62
Washington	13	126	0	139	9	164	0	173	18	190	0	208
TOTAL	\$2,027	\$10,482	\$2,227	\$14,736	\$2,442	\$10,171	\$2,254	\$14,867	\$2,846	\$10,727	\$2,514	\$16,087
District of Columbia	64	31	0	95	74	27	1	102				

*See notes at the end of the chapter.

TABLE 22
TANF EXPENDITURES AS A PERCENT OF TOTAL EXPENDITURES

Region/State	Fiscal 2020	Fiscal 2021	Fiscal 2022
NEW ENGLAND			
Connecticut	0.8 %	0.7 %	0.6 %
Maine	1.5	1.4	1.4
Massachusetts	0.4	0.4	0.4
New Hampshire	1.2	0.9	0.8
Rhode Island	0.6	0.3	0.2
Vermont	0.5	0.6	0.8
MID-ATLANTIC			
Delaware	0.1	0.1	0.1
Maryland	0.3	0.4	0.2
New Jersey	0.1	0.1	0.0
New York	1.5	1.2	1.2
Pennsylvania	0.4	0.4	0.5
GREAT LAKES			
Illinois	0.2	0.1	0.1
Indiana	0.5	0.3	0.2
Michigan	0.1	0.1	0.1
Ohio	1.2	0.9	1.0
Wisconsin	0.1	0.1	0.0
PLAINS			
Iowa	0.3	0.3	0.4
Kansas	0.1	0.1	0.1
Minnesota	0.6	0.5	0.4
Missouri	0.3	0.2	0.3
Nebraska	0.2	0.2	0.2
North Dakota	0.1	0.0	0.1
South Dakota	0.4	0.3	0.3
SOUTHEAST			
Alabama	0.1	0.1	0.1
Arkansas	0.3	0.3	0.3
Florida	0.1	0.1	0.1
Georgia	0.5	0.4	0.5
Kentucky	0.6	0.5	0.5
Louisiana	0.5	0.4	0.4
Mississippi	4.1	5.2	4.9
North Carolina	0.1	0.1	0.0
South Carolina	0.1	0.1	0.1
Tennessee	0.2	0.1	0.2
Virginia	0.4	0.6	0.4
West Virginia	0.6	0.5	0.5
SOUTHWEST			
Arizona	0.0	0.0	0.0
New Mexico	0.6	0.5	0.6
Oklahoma	0.3	0.3	0.3
Texas	0.0	0.0	0.0
ROCKY MOUNTAIN			
Colorado	0.5	0.5	0.5
Idaho	0.1	0.1	0.0
Montana	0.3	0.2	0.3
Utah	0.4	0.3	0.2
Wyoming	0.0	0.0	0.0
FAR WEST			
Alaska	0.5	0.5	0.4
California	1.6	1.2	1.3
Hawaii	0.2	0.2	0.2
Nevada	0.3	0.2	0.2
Oregon	0.2	0.1	0.1
Washington	0.3	0.3	0.3
ALL STATES	0.6 %	0.6 %	0.6 %

TABLE 23
ANNUAL PERCENTAGE CHANGE IN TANF EXPENDITURES

Region/State	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	0.0 %	— %	0.0 %	0.0 %	— %	0.0 %
Maine	-2.5	52.8	10.2	-6.8	10.9	-1.2
Massachusetts	2.0	—	2.0	21.3	—	21.3
New Hampshire	-8.9	-26.3	-16.9	-14.6	0.0	-8.7
Rhode Island	—	-28.6	-28.6	—	-22.2	-22.2
Vermont	233.3	-4.5	46.4	20.0	61.9	41.5
MID-ATLANTIC						
Delaware	-8.3	—	-8.3	0.0	—	0.0
Maryland	900.0	0.0	66.4	-32.2	-13.3	-21.7
New Jersey	-53.3	57.7	-1.8	14.3	-51.2	-34.5
New York	—	-14.6	-14.6	—	9.3	9.3
Pennsylvania	2.5	22.5	16.6	1.7	24.8	18.8
GREAT LAKES						
Illinois	0.0	—	0.0	0.0	—	0.0
Indiana	0.0	-24.8	-22.0	-10.0	-15.7	-14.8
Michigan	-62.1	-20.7	-34.5	0.0	-2.2	-1.8
Ohio	7.5	-20.8	-16.5	0.7	30.4	24.6
Wisconsin	53.8	—	53.8	-30.0	—	-30.0
PLAINS						
Iowa	2.2	11.4	6.3	28.3	76.9	50.6
Kansas	—	-15.4	-15.4	—	45.5	45.5
Minnesota	-4.4	-10.5	-8.4	16.1	-17.5	-5.4
Missouri	40.0	-17.3	-13.8	14.3	21.0	20.3
Nebraska	100.0	-10.3	-6.7	0.0	7.7	7.1
North Dakota	100.0	-100.0	0.0	-75.0	—	0.0
South Dakota	0.0	0.0	0.0	-11.1	20.0	5.3
SOUTHEAST						
Alabama	—	-12.9	-12.9	—	7.4	7.4
Arkansas	-9.1	25.8	17.0	-10.0	-7.2	-7.8
Florida	-15.6	-56.3	-20.8	13.0	228.6	28.3
Georgia	—	-10.1	-10.1	—	5.6	5.6
Kentucky	-3.8	-14.2	-12.0	16.0	0.6	4.2
Louisiana	—	0.0	0.0	—	19.3	19.3
Mississippi	-17.2	41.4	39.3	12.5	9.8	9.9
North Carolina	—	-16.3	-16.3	—	-25.0	-25.0
South Carolina	300.0	-27.3	0.0	-12.5	0.0	-4.2
Tennessee	-66.7	-38.7	-39.7	500.0	117.4	125.5
Virginia	3.8	98.3	69.2	4.9	-27.4	-21.3
West Virginia	0.0	-1.4	-1.0	0.0	1.4	1.1
SOUTHWEST						
Arizona	—	0.0	0.0	—	0.0	0.0
New Mexico	—	-3.6	-3.6	—	-2.2	-2.2
Oklahoma	-6.3	-5.3	-5.8	11.1	11.1	11.1
Texas	-9.8	-80.0	-17.4	-13.5	100.0	-10.5
ROCKY MOUNTAIN						
Colorado	—	5.7	5.7	—	-0.6	-0.6
Idaho	20.0	-100.0	-14.3	0.0	—	0.0
Montana	-15.4	-25.0	-20.7	18.2	25.0	21.7
Utah	-6.3	-26.0	-21.2	20.0	-16.2	-5.8
Wyoming	—	—	—	—	—	—
FAR WEST						
Alaska	0.0	17.0	16.7	0.0	-3.2	-3.2
California	15.6	-4.9	3.6	22.1	-0.8	9.8
Hawaii	0.0	90.9	29.4	0.0	-19.0	-9.1
Nevada	-12.0	-25.0	-17.1	22.7	-8.3	11.8
Oregon	67.7	-46.4	-11.0	-36.5	-21.6	-30.3
Washington	-30.8	30.2	24.5	100.0	15.9	20.2
ALL STATES	10.4 %	-3.0 %	0.9 %	14.1 %	5.5 %	8.2 %

Note: State funds are defined as general funds and other state funds (bonds are excluded).

TABLE 24
OTHER CASH ASSISTANCE EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020				Actual Fiscal 2021				Estimated Fiscal 2022			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut	\$115	\$0	\$0	\$115	\$105	\$0	\$0	\$105	\$103	\$0	\$0	\$103
Maine	21	20	1	42	25	20	1	46	28	8	1	37
Massachusetts	300	1	0	301	304	222	0	526	335	588	0	923
New Hampshire	15	0	0	15	14	0	0	14	13	0	0	13
Rhode Island	29	26	0	55	27	25	0	52	27	26	0	53
Vermont	18	50	4	72	12	78	59	149	10	101	53	164
MID-ATLANTIC												
Delaware	6	1	1	8	5	2	1	8	3	1	1	5
Maryland	41	1,223	8	1,272	31	2,391	9	2,431	49	4,199	9	4,257
New Jersey	114	21	0	135	138	18	0	156	156	29	0	185
New York	1,065	0	0	1,065	1,268	0	0	1,268	1,149	0	0	1,149
Pennsylvania	121	260	0	381	118	438	0	556	113	269	0	382
GREAT LAKES												
Illinois	0	0	0	0	0	0	0	0	0	0	0	0
Indiana	0	0	0	0	0	0	0	0	0	0	0	0
Michigan	98	13	2	113	93	21	1	115	95	16	1	112
Ohio	0	7	0	7	0	6	0	6	0	6	0	6
Wisconsin	35	3	9	47	38	1	9	48	35	1	9	45
PLAINS												
Iowa	8	0	0	8	7	0	0	7	7	0	0	7
Kansas	0	0	0	0	0	0	0	0	0	0	0	0
Minnesota	93	0	0	93	104	0	0	104	101	0	0	101
Missouri	25	0	25	50	24	0	35	59	25	0	37	62
Nebraska	8	2	0	10	9	2	0	11	9	6	0	15
North Dakota	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0	0	0	13	0	0	13
SOUTHEAST												
Alabama	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	136	255	42	433	124	527	45	696	132	869	38	1,039
Florida	11	7	0	18	10	3	0	13	11	7	0	18
Georgia	0	0	0	0	0	0	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0	0	0	0	0	0	0
North Carolina	58	0	58	116	58	0	58	116	58	0	58	116
South Carolina	24	34	1	59	23	41	3	67	28	57	4	89
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	0	92	0	92	0	80	0	80	0	136	0	136
West Virginia	2	0	0	2	2	0	0	2	2	0	0	2
SOUTHWEST												
Arizona	0	0	0	0	0	0	0	0	0	14	0	14
New Mexico	2	995	0	997	15	2,895	0	2,910	18	1,738	0	1,756
Oklahoma	39	37	0	76	39	5	0	44	44	6	0	50
Texas	0	0	0	0	0	0	0	0	0	0	0	0
ROCKY MOUNTAIN												
Colorado	14	104	31	149	19	113	31	163	16	126	31	173
Idaho	10	0	0	10	10	0	0	10	10	0	0	10
Montana	0	0	0	0	0	0	0	0	0	0	0	0
Utah	5	0	0	5	4	0	0	4	4	0	0	4
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	58	0	0	58	63	2	0	65	60	3	0	63
California	3,236	1,366	0	4,602	3,796	1,557	0	5,353	3,454	1,697	0	5,151
Hawaii	27	0	0	27	31	0	0	31	23	0	0	23
Nevada	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	5	29	0	34	9	18	0	27	4	10	0	14
Washington	42	0	0	42	49	0	0	49	48	0	0	48
TOTAL	\$5,781	\$4,546	\$182	\$10,509	\$6,574	\$8,465	\$252	\$15,291	\$6,183	\$9,913	\$242	\$16,338
District of Columbia	8	0	1	9	3	0	1	4				

TABLE 25
OTHER CASH ASSISTANCE EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2020	Fiscal 2021	Fiscal 2022
NEW ENGLAND			
Connecticut	0.3 %	0.3 %	0.2 %
Maine	0.4	0.4	0.3
Massachusetts	0.5	0.8	1.2
New Hampshire	0.2	0.2	0.2
Rhode Island	0.5	0.4	0.4
Vermont	1.2	2.0	2.2
MID-ATLANTIC			
Delaware	0.1	0.1	0.0
Maryland	2.6	4.4	6.5
New Jersey	0.2	0.2	0.2
New York	0.6	0.7	0.5
Pennsylvania	0.4	0.5	0.3
GREAT LAKES			
Illinois	0.0	0.0	0.0
Indiana	0.0	0.0	0.0
Michigan	0.2	0.2	0.1
Ohio	0.0	0.0	0.0
Wisconsin	0.1	0.1	0.1
PLAINS			
Iowa	0.0	0.0	0.0
Kansas	0.0	0.0	0.0
Minnesota	0.2	0.2	0.2
Missouri	0.2	0.2	0.2
Nebraska	0.1	0.1	0.1
North Dakota	0.0	0.0	0.0
South Dakota	0.0	0.0	0.2
SOUTHEAST			
Alabama	0.0	0.0	0.0
Arkansas	1.6	2.2	3.2
Florida	0.0	0.0	0.0
Georgia	0.0	0.0	0.0
Kentucky	0.0	0.0	0.0
Louisiana	0.0	0.0	0.0
Mississippi	0.0	0.0	0.0
North Carolina	0.2	0.2	0.2
South Carolina	0.2	0.2	0.3
Tennessee	0.0	0.0	0.0
Virginia	0.1	0.1	0.2
West Virginia	0.0	0.0	0.0
SOUTHWEST			
Arizona	0.0	0.0	0.0
New Mexico	4.5	11.8	7.6
Oklahoma	0.3	0.2	0.2
Texas	0.0	0.0	0.0
ROCKY MOUNTAIN			
Colorado	0.5	0.5	0.5
Idaho	0.1	0.1	0.1
Montana	0.0	0.0	0.0
Utah	0.0	0.0	0.0
Wyoming	0.0	0.0	0.0
FAR WEST			
Alaska	0.5	0.6	0.4
California	1.3	1.1	1.0
Hawaii	0.1	0.1	0.1
Nevada	0.0	0.0	0.0
Oregon	0.1	0.0	0.0
Washington	0.1	0.1	0.1
ALL STATES	0.5 %	0.6 %	0.6 %

TABLE 26
ANNUAL PERCENTAGE CHANGE IN OTHER CASH ASSISTANCE EXPENDITURES

Region/State	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	-8.7 %	— %	-8.7 %	-1.9 %	— %	-1.9 %
Maine	18.2	0.0	9.5	11.5	-60.0	-19.6
Massachusetts	1.3	22,100.0	74.8	10.2	164.9	75.5
New Hampshire	-6.7	—	-6.7	-7.1	—	-7.1
Rhode Island	-6.9	-3.8	-5.5	0.0	4.0	1.9
Vermont	222.7	56.0	106.9	-11.3	29.5	10.1
MID-ATLANTIC						
Delaware	-14.3	100.0	0.0	-33.3	-50.0	-37.5
Maryland	-18.4	95.5	91.1	45.0	75.6	75.1
New Jersey	21.1	-14.3	15.6	13.0	61.1	18.6
New York	19.1	—	19.1	-9.4	—	-9.4
Pennsylvania	-2.5	68.5	45.9	-4.2	-38.6	-31.3
GREAT LAKES						
Illinois	—	—	—	—	—	—
Indiana	—	—	—	—	—	—
Michigan	-6.0	61.5	1.8	2.1	-23.8	-2.6
Ohio	—	-14.3	-14.3	—	0.0	0.0
Wisconsin	6.8	-66.7	2.1	-6.4	0.0	-6.3
PLAINS						
Iowa	-12.5	—	-12.5	0.0	—	0.0
Kansas	—	—	—	—	—	—
Minnesota	11.8	—	11.8	-2.9	—	-2.9
Missouri	18.0	—	18.0	5.1	—	5.1
Nebraska	12.5	0.0	10.0	0.0	200.0	36.4
North Dakota	—	—	—	—	—	—
South Dakota	—	—	—	—	—	—
SOUTHEAST						
Alabama	—	—	—	—	—	—
Arkansas	-5.1	106.7	60.7	0.6	64.9	49.3
Florida	-9.1	-57.1	-27.8	10.0	133.3	38.5
Georgia	—	—	—	—	—	—
Kentucky	—	—	—	—	—	—
Louisiana	—	—	—	—	—	—
Mississippi	—	—	—	—	—	—
North Carolina	0.0	—	0.0	0.0	—	0.0
South Carolina	4.0	20.6	13.6	23.1	39.0	32.8
Tennessee	—	—	—	—	—	—
Virginia	—	-13.0	-13.0	—	70.0	70.0
West Virginia	0.0	—	0.0	0.0	—	0.0
SOUTHWEST						
Arizona	—	—	—	—	—	—
New Mexico	650.0	191.0	191.9	20.0	-40.0	-39.7
Oklahoma	0.0	-86.5	-42.1	12.8	20.0	13.6
Texas	—	—	—	—	—	—
ROCKY MOUNTAIN						
Colorado	11.1	8.7	9.4	-6.0	11.5	6.1
Idaho	0.0	—	0.0	0.0	—	0.0
Montana	—	—	—	—	—	—
Utah	-20.0	—	-20.0	0.0	—	0.0
Wyoming	—	—	—	—	—	—
FAR WEST						
Alaska	8.6	—	12.1	-4.8	50.0	-3.1
California	17.3	14.0	16.3	-9.0	9.0	-3.8
Hawaii	14.8	—	14.8	-25.8	—	-25.8
Nevada	—	—	—	—	—	—
Oregon	80.0	-37.9	-20.6	-55.6	-44.4	-48.1
Washington	16.7	—	16.7	-2.0	—	-2.0
ALL STATES	14.5 %	86.2 %	45.5 %	-5.9 %	17.1 %	6.8 %

Note: State funds are defined as general funds and other state funds (bonds are excluded).

Public Assistance Expenditures Notes

Small dollar amounts, when rounded, cause an aberration in the percentage increase. In these instances, the actual dollar amounts should be consulted to determine the exact percentage increase.

Indiana: Expenditure amounts for TANF now exclude the approximately \$61M transfer to Child Care Development Fund (CCDF) program. CCDF federal expenditures are included in “All Other” category.

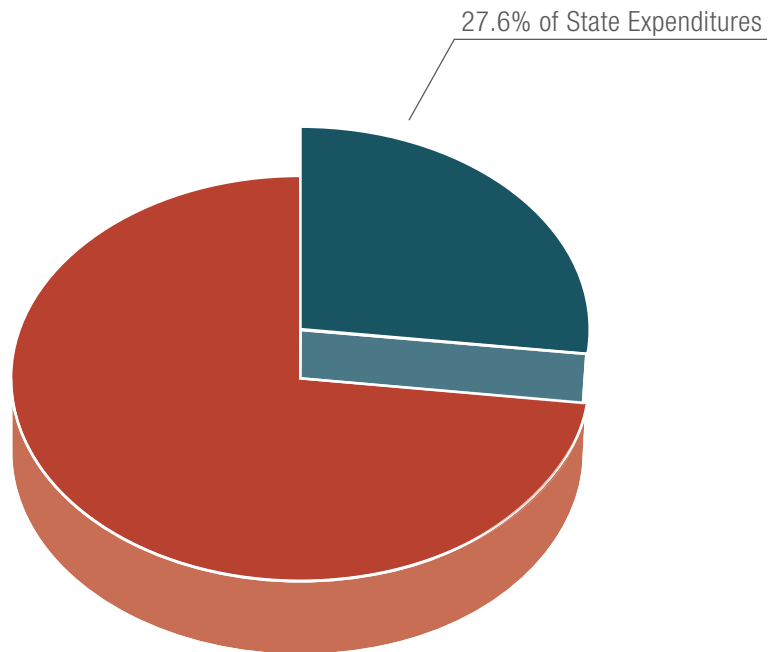
Maryland: Federal funds for Public Assistance are significantly higher in FY 2022 due to SNAP maximum allotments and P-EBT benefits.

4

CHAPTER



MEDICAID EXPENDITURES



Medicaid Expenditures

Medicaid, a means-tested entitlement program financed by the states and the federal government, provides comprehensive and long-term medical care for more than 80 million low-income individuals. Total Medicaid benefits spending for fiscal 2022, which excludes administrative costs, was \$788.6 billion, with general fund spending of \$180.8 billion, other state fund spending of \$67.8 billion, and federal fund spending of \$540.1 billion.

Total Medicaid spending increased 10.2 percent in fiscal 2022, with state funds increasing 9.5 percent, and federal funds increasing 10.6 percent. On a median basis, total Medicaid spending increased 10.1 percent with state funds increasing 8.9 percent and federal funds increasing 13.6 percent in fiscal 2022.

Total Medicaid spending of \$715.6 billion for fiscal 2021 reflects an increase of 10.1 percent over fiscal 2020 with state fund spending increasing 0.2 percent and federal fund spending growing 15.3 percent. On a median basis, total spending in fiscal 2021 increased 9.2 percent with a 0.5 percent decline for state funds, and 13.1 percent increase for federal funds. The timing of Medicaid expenditures may vary from year to year and may not reflect underlying program activity in a given year. Large swings in some states, often due in part to timing and reporting issues, can substantially influence average Medicaid spending growth rates.

Additionally, Medicaid spending in fiscal 2020 through fiscal 2022 reflects the impact of the COVID—19 pandemic and federal aid on Medicaid enrollment and spending. To address the rise in Medicaid spending and provide state fiscal relief, the *Families First Coronavirus Response Act*, enacted in March 2020, provides a 6.2 percentage point increase in Federal Medical Assistance Percentage (FMAP) spending during the public health emergency. The increase is conditioned on states meeting certain maintenance-of-effort requirements including continuous coverage for current enrollees, which inflates Medicaid enrollment by providing coverage for those who otherwise may have transitioned off the program.

The increase in the FMAP is retroactive to January 2020 and is reflected in half of fiscal 2020 and in all of fiscal 2021 and fiscal 2022 for most states. States reported at least \$11.4 billion in fiscal 2020, \$25.7 billion in fiscal 2021, and \$31.2 billion in fiscal 2022 for COVID—19 federal relief aid from the increased Medicaid FMAP.

Medicaid spending accounted for 27.6 percent of total state spending in fiscal 2022, the single largest component of *total* state expenditures, and 17.3 percent of general fund expenditures, the second largest category of general fund expenditures behind K–12 education. Federal funds comprised 68.5 percent of total Medicaid spending, general funds 22.9 percent, and other state funds 8.6 percent in fiscal 2022.

State funds include both state general funds and other state funds. In addition to the general fund, states use a combination of revenue sources including insurance premium taxes, cigarette taxes, pharmaceutical rebates, intergovernmental transfers, provider assessments, and local funds to provide the state match. In just a few states, other state funds make up a larger portion than the general fund.

Also included in Medicaid spending are Medicare Part D “clawback” payments, statutorily known as the phased down state contribution. Beginning in January 2006, prescription drug costs for individuals eligible for both Medicare and Medicaid were no longer part of the Medicaid program. Instead, these costs are included in Medicare Part D. States finance these benefits by providing a payment to the federal Medicare trust fund — commonly known as “clawback” payments. As shown in Appendix Table A-3, these “clawback” payments totaled \$12.2 billion in fiscal 2020, \$11.1 billion in fiscal 2021, and are estimated at \$12.6 billion for fiscal 2022.

Medicaid Expansion Under the Affordable Care Act (ACA). Beginning January 1, 2017, states that expanded Medicaid under the ACA began paying 5 percent of the costs for the newly eligible individuals, with that amount increasing to 6 percent in January 1, 2018, 7 percent in January 1, 2019, and 10 percent in January 1, 2020 and thereafter. As of November 2022, 38 states and the District of Columbia have adopted Medicaid expansion. In Idaho, Nebraska, and Utah, voters approved expansion in 2018 ballot initiatives with expansion implemented during fiscal 2020 and fiscal 2021. Missouri and Oklahoma voters approved expansion in 2020 ballot initiatives with expansions beginning July 1, 2021.

Medicaid Enrollment. The Centers for Medicare & Medicaid Services (CMS) released a snapshot to capture the impact of the COVID—19 public health emergency by tracking total Medicaid and CHIP program enrollment trends for adults and children since the pandemic began. Based on the latest data, from February 2020 to June 2022, Medicaid enrollment increased by 18.4 million or 28.7 percent with Medicaid enroll-

ment at 82.3 million in June 2022. The Medicaid enrollment increases are likely driven by COVID—19 and the continuous enrollment requirement in the *Families First Coronavirus Response Act*, according to the Centers for Medicare and Medicaid Services (CMS).

Medicaid Budget Pressures and Program Changes. In NASBO's *Spring 2022 Fiscal Survey of States*, states were asked to identify issues and trends affecting their Medicaid spending. The impact of COVID—19 on Medicaid is at the forefront of state concerns, especially the eventual end of the increased FMAP tied to the declaration of a public health emergency and when states would begin the process of redeterminations of eligibility that were suspended during the public health emergency. States also mentioned pharmacy costs, particularly for specialty drugs; overall enrollment; and utilization trends for long-term care. Other issues raised included increased demand for behavioral health, the underlying baseline for health care costs, and workforce concerns.

Fund Shares

Figure 14 provides fund shares for fiscal 2022.

Regional Expenditures

Table 27 shows percentage changes in expenditures for Medicaid for fiscal 2021 and 2022 by region. All regions had increases in fiscal 2021 in all funds spending with the largest increases in the Far West and the smallest growth rate in the Mid-Atlantic. For fiscal 2022, all regions had spending growth with the largest increase in the Rocky Mountains region and the smallest growth rate in the Great Lakes.

Additional expenditure data on Medicaid can be found on Tables 28-30, accompanied by explanatory notes.

FIGURE 14
STATE EXPENDITURES FOR MEDICAID BY FUND SOURCE,
ESTIMATED FISCAL 2022

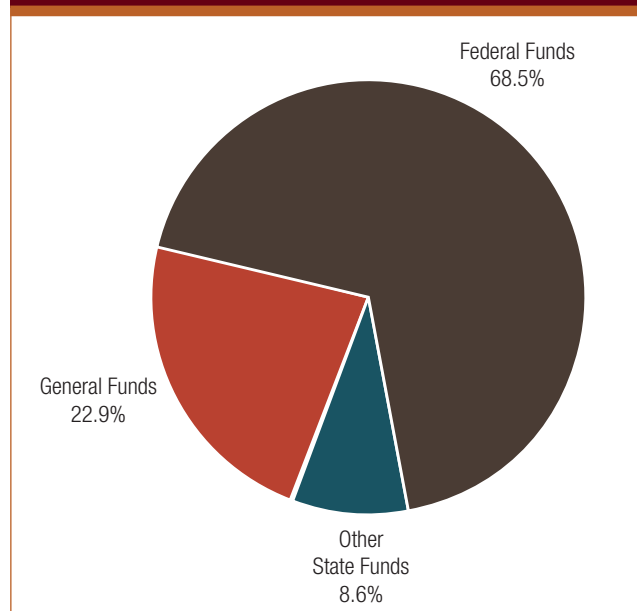


TABLE 27
REGIONAL PERCENTAGE CHANGE IN STATE MEDICAID EXPENDITURES, FISCAL 2021 AND 2022

Region	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-1.1 %	12.4 %	5.9 %	8.9 %	10.3 %	9.7 %
Mid-Atlantic	-6.3	10.3	4.0	15.6	12.3	13.4
Great Lakes	-0.6	17.6	11.5	-7.0	12.2	6.4
Plains	1.3	11.5	7.2	3.6	15.2	10.6
Southeast	0.4	15.5	10.8	14.7	7.9	9.8
Southwest	3.6	13.3	10.8	16.9	4.7	7.6
Rocky Mountain	0.5	17.1	11.0	15.1	20.0	18.4
Far West	6.7	20.9	15.9	8.8	11.4	10.6
ALL STATES	0.2 %	15.3 %	10.1 %	9.5 %	10.6 %	10.2 %

TABLE 28
MEDICAID EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020				Actual Fiscal 2021				Estimated Fiscal 2022			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut*	\$4,474	\$3,928	\$0	\$8,402	\$4,555	\$4,270	\$0	\$8,825	\$4,655	\$4,674	\$0	\$9,329
Maine	821	2,114	323	3,258	720	2,459	321	3,500	771	2,833	336	3,940
Massachusetts	8,097	8,926	1,437	18,460	8,210	9,910	1,213	19,333	9,177	10,670	1,525	21,372
New Hampshire	614	1,237	271	2,122	673	1,517	229	2,419	744	1,682	211	2,637
Rhode Island	1,008	1,590	10	2,608	1,003	1,920	10	2,933	1,093	2,192	10	3,295
Vermont*	553	1,008	105	1,666	506	1,055	84	1,645	474	1,263	84	1,821
MID-ATLANTIC												
Delaware	678	1,595	61	2,334	710	1,826	46	2,582	824	1,982	41	2,847
Maryland	3,442	7,339	1,022	11,803	2,880	7,875	1,102	11,857	3,757	8,389	884	13,030
New Jersey	4,401	10,608	1,360	16,369	4,273	12,383	1,351	18,007	4,664	16,433	1,458	22,555
New York*	19,804	40,085	5,684	65,573	15,991	44,245	5,475	65,711	21,011	47,345	5,819	74,175
Pennsylvania	8,857	21,786	3,910	34,553	9,877	23,457	4,419	37,753	10,522	26,650	4,346	41,518
GREAT LAKES												
Illinois	4,483	13,214	5,768	23,465	3,842	16,806	5,349	25,997	4,729	19,622	623	24,974
Indiana*	2,374	10,120	1,564	14,058	2,189	11,786	1,597	15,572	2,382	12,347	1,793	16,522
Michigan	2,541	14,075	2,727	19,343	2,861	15,720	2,706	21,287	3,291	18,207	2,903	24,401
Ohio*	4,888	19,937	3,569	28,394	5,356	23,441	3,159	31,956	5,188	25,836	4,119	35,143
Wisconsin	2,982	6,387	1,756	11,125	3,409	7,226	2,001	12,636	3,088	8,125	2,064	13,277
PLAINS												
Iowa	1,534	3,916	911	6,361	1,460	4,295	863	6,618	1,522	4,406	1,130	7,058
Kansas	1,081	2,346	358	3,785	1,052	2,624	372	4,048	1,104	2,993	372	4,469
Minnesota	4,965	7,428	587	12,980	4,734	8,461	642	13,837	5,067	9,747	669	15,483
Missouri	1,901	5,759	2,843	10,503	2,453	5,837	2,872	11,162	2,490	6,954	2,659	12,103
Nebraska	1,013	1,239	39	2,291	1,021	1,832	26	2,879	1,027	2,245	28	3,300
North Dakota	471	730	10	1,211	357	862	85	1,304	401	1,014	9	1,424
South Dakota	334	566	4	904	319	607	3	929	370	890	3	1,263
SOUTHEAST												
Alabama*	719	5,394	1,011	7,124	654	5,936	1,070	7,660	769	6,018	1,447	8,234
Arkansas	1,192	5,842	437	7,471	1,181	6,544	389	8,114	1,310	7,438	97	8,845
Florida	5,766	16,288	4,595	26,649	5,896	18,772	4,692	29,360	8,460	20,551	5,458	34,469
Georgia	2,914	8,761	646	12,321	2,103	9,909	1,488	13,500	2,916	9,814	1,165	13,895
Kentucky	1,973	9,150	478	11,601	1,980	11,451	663	14,094	1,934	12,358	600	14,892
Louisiana	1,888	9,488	1,182	12,558	1,769	12,285	1,360	15,414	1,411	11,890	1,826	15,127
Mississippi	711	4,309	510	5,530	606	4,380	430	5,416	680	4,207	465	5,352
North Carolina	3,653	10,465	1,873	15,991	3,691	11,699	1,803	17,193	3,647	13,891	2,665	20,203
South Carolina	1,241	5,128	743	7,112	1,171	5,486	626	7,283	1,177	5,988	682	7,847
Tennessee*	3,600	7,974	838	12,412	3,392	8,628	898	12,918	4,194	8,404	749	13,347
Virginia	4,791	8,471	590	13,852	4,885	10,387	793	16,065	5,006	12,681	999	18,686
West Virginia	459	3,340	365	4,164	383	3,751	400	4,534	256	4,601	634	5,491
SOUTHWEST												
Arizona	1,761	10,996	1,193	13,950	1,658	12,938	1,415	16,011	1,764	15,037	1,647	18,448
New Mexico	966	5,286	392	6,644	904	5,915	343	7,162	1,004	6,874	345	8,223
Oklahoma	982	3,464	1,087	5,533	891	3,917	930	5,738	995	4,373	1,038	6,406
Texas	9,753	27,533	255	37,541	10,604	30,801	229	41,634	12,807	29,790	239	42,836
ROCKY MOUNTAIN												
Colorado	3,001	6,356	1,401	10,758	2,815	7,563	1,652	12,030	3,058	8,638	1,678	13,374
Idaho	568	1,617	230	2,415	494	1,713	251	2,458	573	2,486	422	3,481
Montana	281	1,523	151	1,955	305	1,821	156	2,282	311	1,979	178	2,468
Utah	451	2,315	689	3,455	486	2,774	657	3,917	538	3,540	1,161	5,239
Wyoming	259	323	35	617	252	340	35	627	207	411	48	666
FAR WEST												
Alaska	639	1,660	6	2,305	531	1,553	1	2,085	610	1,871	1	2,482
California*	29,505	61,116	5,871	96,492	26,948	75,003	11,163	113,114	32,271	82,848	9,267	124,386
Hawaii	701	1,414	70	2,185	796	1,924	77	2,797	808	2,000	65	2,873
Nevada	734	3,070	227	4,031	818	3,578	196	4,592	958	4,117	775	5,850
Oregon	1,043	7,563	1,639	10,245	626	8,539	2,012	11,177	590	9,998	2,324	12,912
Washington	4,224	8,739	613	13,576	4,501	10,445	654	15,600	4,168	11,776	728	16,672
ALL STATES	\$165,091	\$423,518	\$61,446	\$650,055	\$158,791	\$488,466	\$68,308	\$715,565	\$180,773	\$540,078	\$67,789	\$788,640
District of Columbia	738	2,505	81	3,324	677	2,778	85	3,540				

*See notes at the end of the chapter.

TABLE 29
MEDICAID EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2020	Fiscal 2021	Fiscal 2022
NEW ENGLAND			
Connecticut	24.6 %	23.7 %	22.6 %
Maine	30.9	28.9	31.5
Massachusetts	29.3	28.8	28.9
New Hampshire	30.0	32.1	33.8
Rhode Island	22.8	22.0	21.9
Vermont	27.0	22.6	23.9
MID-ATLANTIC			
Delaware	19.7	19.5	19.8
Maryland	24.3	21.5	19.9
New Jersey	24.8	22.9	26.0
New York	37.9	35.2	35.4
Pennsylvania	35.8	36.6	34.9
GREAT LAKES			
Illinois	30.2	22.5	20.4
Indiana	37.3	34.9	34.3
Michigan	31.0	31.1	30.3
Ohio	38.1	39.3	39.0
Wisconsin	21.5	21.3	21.1
PLAINS			
Iowa	24.4	23.2	24.0
Kansas	19.5	18.6	19.4
Minnesota	30.2	28.8	25.8
Missouri	38.5	37.5	37.7
Nebraska	17.8	19.1	21.4
North Dakota	17.2	15.2	19.7
South Dakota	18.6	13.7	17.9
SOUTHEAST			
Alabama	22.6	24.0	23.2
Arkansas	26.9	26.1	27.6
Florida	31.0	31.3	33.9
Georgia	20.8	21.0	25.1
Kentucky	30.0	33.3	32.8
Louisiana	40.6	44.4	34.6
Mississippi	27.2	24.4	20.8
North Carolina	26.1	28.9	32.3
South Carolina	25.8	24.3	24.3
Tennessee	34.4	32.3	27.8
Virginia	21.6	21.5	24.9
West Virginia	26.0	26.0	28.8
SOUTHWEST			
Arizona	19.4	24.0	22.9
New Mexico	30.2	29.0	35.5
Oklahoma	22.3	20.7	20.7
Texas	33.2	30.8	33.6
ROCKY MOUNTAIN			
Colorado	33.5	37.9	37.8
Idaho	20.6	24.1	26.4
Montana	23.5	20.5	28.3
Utah	19.0	19.8	19.8
Wyoming	13.8	11.2	11.8
FAR WEST			
Alaska	19.3	17.8	17.2
California	27.0	22.7	24.4
Hawaii	12.0	11.5	15.3
Nevada	26.9	29.3	30.1
Oregon	18.6	16.7	19.0
Washington	24.9	25.8	25.3
ALL STATES	28.4 %	26.9 %	27.6 %

TABLE 30
ANNUAL PERCENTAGE CHANGE IN MEDICAID EXPENDITURES

Region/State	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	1.8 %	8.7 %	5.0 %	2.2 %	9.5 %	5.7 %
Maine	-9.0	16.3	7.4	6.3	15.2	12.6
Massachusetts	-1.2	11.0	4.7	13.6	7.7	10.5
New Hampshire	1.9	22.6	14.0	5.9	10.9	9.0
Rhode Island	-0.5	20.8	12.5	8.9	14.2	12.3
Vermont	-10.3	4.7	-1.3	-5.4	19.7	10.7
MID-ATLANTIC						
Delaware	2.3	14.5	10.6	14.4	8.5	10.3
Maryland	-10.8	7.3	0.5	16.5	6.5	9.9
New Jersey	-2.4	16.7	10.0	8.9	32.7	25.3
New York	-15.8	10.4	0.2	25.0	7.0	12.9
Pennsylvania	12.0	7.7	9.3	4.0	13.6	10.0
GREAT LAKES						
Illinois	-10.3	27.2	10.8	-41.8	16.8	-3.9
Indiana	-3.9	16.5	10.8	10.3	4.8	6.1
Michigan	5.7	11.7	10.1	11.3	15.8	14.6
Ohio	0.7	17.6	12.5	9.3	10.2	10.0
Wisconsin	14.2	13.1	13.6	-4.8	12.4	5.1
PLAINS						
Iowa	-5.0	9.7	4.0	14.2	2.6	6.6
Kansas	-1.0	11.8	6.9	3.7	14.1	10.4
Minnesota	-3.2	13.9	6.6	6.7	15.2	11.9
Missouri	12.2	1.4	6.3	-3.3	19.1	8.4
Nebraska	-0.5	47.9	25.7	0.8	22.5	14.6
North Dakota	-8.1	18.1	7.7	-7.2	17.6	9.2
South Dakota	-4.7	7.2	2.8	15.8	46.6	36.0
SOUTHEAST						
Alabama	-0.3	10.0	7.5	28.5	1.4	7.5
Arkansas	-3.6	12.0	8.6	-10.4	13.7	9.0
Florida	2.2	15.3	10.2	31.5	9.5	17.4
Georgia	0.9	13.1	9.6	13.6	-1.0	2.9
Kentucky	7.8	25.1	21.5	-4.1	7.9	5.7
Louisiana	1.9	29.5	22.7	3.5	-3.2	-1.9
Mississippi	-15.2	1.6	-2.1	10.5	-3.9	-1.2
North Carolina	-0.6	11.8	7.5	14.9	18.7	17.5
South Carolina	-9.4	7.0	2.4	3.5	9.2	7.7
Tennessee	-3.3	8.2	4.1	15.2	-2.6	3.3
Virginia	5.5	22.6	16.0	5.8	22.1	16.3
West Virginia	-5.0	12.3	8.9	13.7	22.7	21.1
SOUTHWEST						
Arizona	4.0	17.7	14.8	11.0	16.2	15.2
New Mexico	-8.2	11.9	7.8	8.2	16.2	14.8
Oklahoma	-12.0	13.1	3.7	11.6	11.6	11.6
Texas	8.2	11.9	10.9	20.4	-3.3	2.9
ROCKY MOUNTAIN						
Colorado	1.5	19.0	11.8	6.0	14.2	11.2
Idaho	-6.6	5.9	1.8	33.6	45.1	41.6
Montana	6.7	19.6	16.7	6.1	8.7	8.2
Utah	0.3	19.8	13.4	48.6	27.6	33.8
Wyoming	-2.4	5.3	1.6	-11.1	20.9	6.2
FAR WEST						
Alaska	-17.5	-6.4	-9.5	14.8	20.5	19.0
California	7.7	22.7	17.2	9.0	10.5	10.0
Hawaii	13.2	36.1	28.0	0.0	4.0	2.7
Nevada	5.5	16.5	13.9	70.9	15.1	27.4
Oregon	-1.6	12.9	9.1	10.5	17.1	15.5
Washington	6.6	19.5	14.9	-5.0	12.7	6.9
ALL STATES	0.2 %	15.3 %	10.1 %	9.5 %	10.6 %	10.2 %
MEDIAN	-0.5	13.1	9.2	8.9	13.6	10.1

*See notes at the end of the chapter.

Medicaid Expenditures Notes

States were asked to report Medicaid expenditures as follows:

General funds: all general funds appropriated to the Medicaid agency and any other agency which are used for direct Medicaid matching purposes under Title XIX. **Other state funds:** other funds and revenue sources used as Medicaid match, such as local funds and provider taxes, fees, donations, assessments (as defined by the Centers for Medicare and Medicaid Services). **Federal Funds:** all federal matching funds provided pursuant to Title XIX.

The states were asked to separately detail the amount of provider taxes, fees, donations, assessments and local funds reported as Other State Funds.

Alabama: Other State Funds includes Medicaid provider taxes in the amounts of: \$421M for FY20; \$433M for FY21; and \$444M for Estimated FY22.

California: Medicaid General Fund and Other State Fund expenditures include the Departments of Health Care Services, Social Services, Developmental Services, and Aging. The “All Other” category includes Medicaid expenditures for other departments. Medicaid Federal Funds includes Department of Health Care Services’ Home & Community Based Services (HCBS) funding. HCBS funding for Departments of Social Services, Developmental Services, and Aging is included in the “All Other” category.

Connecticut: The Medicaid appropriation in the Department of Social Services (DSS) is “net funded” while other Medicaid expenditures — including funding for the Hospital Supplemental Payments account in DSS — are gross funded, with federal funds deposited directly to the State Treasury. With the exception of enhanced FMAP available for certain populations and services (and the current public health emergency), CT’s FMAP is 50 percent. Includes Medicaid expenditures for administrative services organizations and fiscal intermediaries in DSS. Excludes state portion of Medicare Savings Program and School Based Child Health as those expenditures are netted out of federal Medicaid reimbursement. Also excludes provider taxes, which are deposited directly to the State Treasury.

Indiana: Actuals and estimates for Medicaid are based on official Medicaid forecast presentation figures presented by independent actuary.

New York: In response to the COVID—19 pandemic, the Federal government increased its share of Medicaid funding (FMAP) by 6.2 percent for each calendar quarter occurring during the public health emergency, as such, Medicaid spending shifted from the General Fund to Federal Funds. Additionally, General Fund Medicaid expenditures were adjusted in all years to provide a more all-inclusive view of Medicaid spending from multiple sources.

Ohio: Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of GRF federal funds have been removed from the GRF number presented in this report to be consistent with budget presentations in other NASBO surveys.

Tennessee: Certified Public Expenditures — Local fund from Hospitals: fiscal 2020 totals \$150 million, fiscal 2021 totals \$150 million, and fiscal 2022 totals \$150 million. Nursing Home Assessment: fiscal 2020 totals \$133 million, fiscal 2021 totals \$127 million, and fiscal 2022 totals \$135 million. Hospital Assessment: fiscal 2020 totals \$707 million, fiscal 2021 totals \$602 million, and 2022 totals \$609 million. Ambulance Assessment: fiscal 2020 totals \$12 million, fiscal 2021 totals \$11 million, and 2022 totals \$11 million. Intergovernmental Transfers: fiscal 2020 totals \$100 million, fiscal 2021 totals \$100 million, and 2022 totals \$100 million.

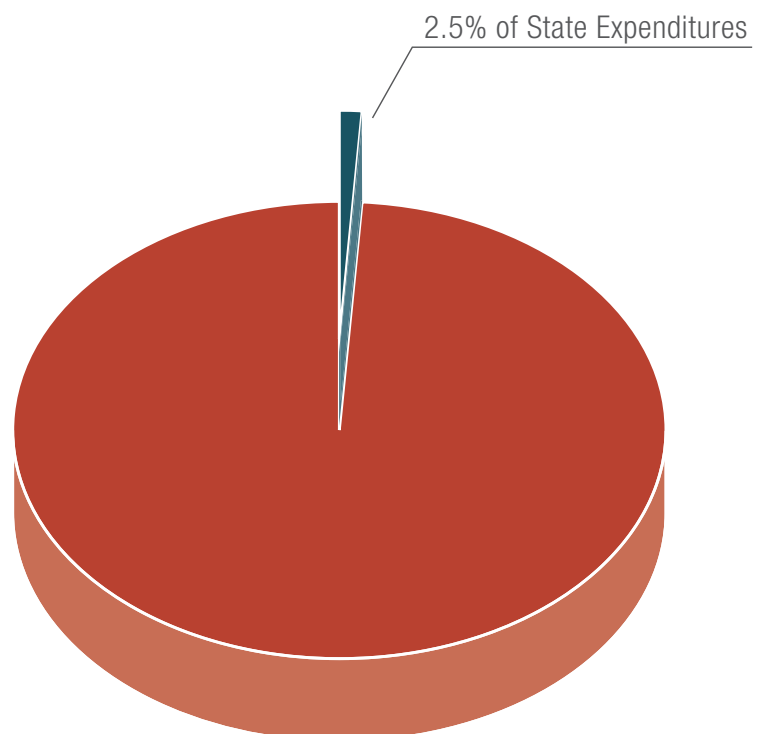
Vermont: The breakdown of local funds, etc. included in Other State Funds is as follows for fiscal 2020 (in millions): local match provided by schools \$24; tobacco litigation settlement funds \$21; other \$60. The breakdown is as follows for fiscal 2021: local match provided by schools \$20; tobacco litigation settlement funds \$21; other \$43. The breakdown is as follows for estimated fiscal 2022: local match provided by schools \$21; tobacco litigation settlement funds \$21; other \$42.

5

CHAPTER



CORRECTIONS EXPENDITURES



Corrections Expenditures

State spending on corrections reflects the costs to build and operate prison systems and may include spending on juvenile justice programs and alternatives to incarceration such as probation and parole. Total state spending on corrections in fiscal 2022 increased 7.9 percent over fiscal 2021, to \$70.8 billion, with a median growth rate of 4.4 percent. Part of the fiscal 2022 corrections spending increase is attributable to one-time projects, such as construction of correctional facilities, and other non-recurring spending on state priorities. State general funds comprised 81.3 percent of corrections spending in fiscal 2022, with other state funds at 10.0 percent, federal funds at 7.9 percent, and bonds representing 0.9 percent. General fund spending for corrections increased 11.5 percent in estimated 2022 as federal funds decreased 27.2 percent. The fiscal 2022 decline in federal funds followed a sharp increase in fiscal 2021. In fiscal 2021, general funds declined 8.5 percent while federal funds increased 221.5. Comparing estimated fiscal 2022 to actual fiscal 2020 spending, state general funds increased 2.0 percent as federal funds increased 134.1 percent. The large percentage increases in federal funds are related to the small amount of federal funds for corrections prior to COVID—19; for example, in fiscal 2019 federal funds only comprised \$531 million out of \$63.2 billion in total spending on corrections.

The increase in federal funding is likely the result of two COVID—19 relief bills that included direct allocations to state, local, territorial, and tribal governments to respond to the public health emergency and address challenges posed by the pandemic. The first, the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act), enacted in March 2020, established the Coronavirus Relief Fund (CRF) and appropriated \$150 billion. The U.S. Department of the Treasury provided in its implementation guidance an administrative accommodation that presumed work performed by public health and public safety employees during the period of March 1, 2020, through December 31, 2021, was an eligible use of CRF funds. Included in the definition of public safety workers is correctional and detention officers, meaning states could use CRF to cover correctional officer payroll costs. States may have also utilized CRF funds to purchase equipment or mitigate effects of the pandemic in correctional settings. Further, the *American Rescue Plan Act* (ARPA), enacted in March 2021, authorized the \$350 billion Coronavirus State and Local Fiscal Recovery Fund, which allocated \$195.3 billion to states and the District of Columbia and \$4.5 billion to the territories. An eligible use of these funds includes responding to the public health emer-

gency, which could include response, mitigation and prevention activities and support for congregate care facilities.

In addition to the two relief funds, states also received federal pandemic funds for specific purposes, such as \$563.1 million from the U.S. Department of Justice for the Coronavirus Emergency Supplemental Program, allocated through the CARES Act. This funding was intended to assist eligible states, local governments and tribes in preventing, preparing for, and responding to the coronavirus. Allowable projects and purchases include overtime, equipment, hiring, supplies, training and addressing the medical needs of inmates in prisons, jails and detention centers.

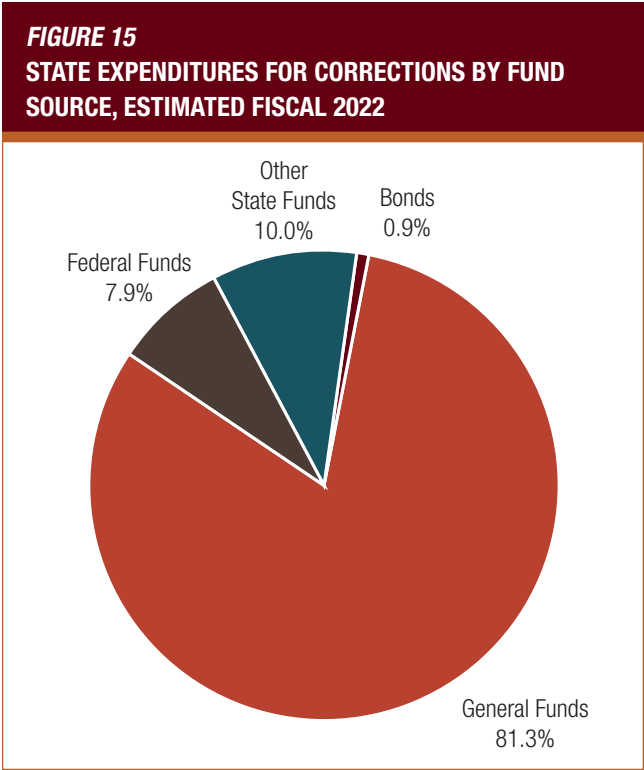
Of the forty-one states that were able to provide data, states reported spending \$1.9 billion in federal COVID—19 aid for corrections in fiscal 2020, \$7.3 billion in fiscal 2021 and an estimated \$5.4 billion in fiscal 2022. With these large increases in federal funding in fiscal 2020 through fiscal 2022, the percentage of corrections expenditures comprised of federal funds also increased. In fiscal 2019, federal funds comprised 0.8 percent, with the number increasing to 11.6 percent in fiscal 2021 and 7.9 percent in fiscal 2022. State funds (general funds and other state funds combined but excluding bonds) accounted for 91.3 percent of total state corrections spending in fiscal 2022 and bonds accounted for 0.9 percent.

State spending for corrections can also be affected by changes in correctional populations. States held 181,150 fewer prisoners at year-end 2020 than in 2019, a decline of 14.8 percent, and 325,550 less than in 2009, a decrease of 23.8 percent (Bureau of Justice Statistics). The primary cost drivers in corrections are personnel costs, care and support for inmates including health care, contract costs for community-based programs, and maintenance of a large physical plant. According to the Bureau of Justice Statistics, the COVID—19 pandemic was largely responsible for the decline in state prisoners as courts altered operations in 2020, affecting admissions, and some states expedited releases in response to the spreading pandemic. During the COVID—19 pandemic, states may have also increased spending on items like personal protective equipment, testing, masks and other mitigation responses to slow transmission among confined populations.

In fiscal 2022, corrections spending represented 2.5 percent of total state spending and 5.5 percent of general fund spending. Over the last three years, corrections spending as a percent of total general fund expenditures saw decreases, dropping from 6.5 percent in fiscal 2020 to 5.8 percent in 2021 and to 5.5 percent in 2022. The declines in corrections spending

as a percentage of total general fund expenditures is partly related to large increases in the “all other” category as a percentage of general fund spending; the “all other” category includes many expenditures related to COVID—19 response. The decline may also be attributed to larger federal funds spending on corrections during this period.

Data on capital expenditures for corrections are displayed in Chapter Eight (see Table 51).



Regional Expenditures

Table 31 shows changes in corrections expenditures by region between fiscal 2020 and fiscal 2021 and between fiscal 2021 and estimated fiscal 2022. In fiscal 2021, the New England and Mid-Atlantic regions saw increases in total corrections spending while the Southeast saw no change and the remaining regions had declines; in fiscal 2022 all regions but New England and Rocky Mountain saw increases. Looking at only state funds, several regions in fiscal 2021 experienced declines, and one experienced a decline in fiscal 2022, as federal funds increased in all regions but the Great Lakes in fiscal 2021. In fiscal 2022, all regions except the Great Lakes and Far West saw federal fund decreases.

Corrections—Expenditures Exclusions

Some states exclude certain items when reporting corrections expenditures. Twenty states wholly or partially exclude juvenile delinquency counseling from their corrections figures and 15 states wholly or partially exclude spending on juvenile institutions. Some states wholly or partially exclude spending, or do not provide state spending, on drug abuse rehabilitation centers (15), institutions for the criminally insane (34), and aid to local governments for jails (15). For details, see Table 36.

TABLE 31 REGIONAL PERCENTAGE CHANGE IN STATE CORRECTIONS EXPENDITURES, FISCAL 2020 AND 2021						
Region	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	0.4 %	172.9 %	6.0 %	0.9 %	-77.5 %	-6.0 %
Mid-Atlantic	-33.0	1,629.8	4.8	36.5	-55.8	1.5
Great Lakes	-0.6	-28.2	-2.6	2.3	210.1	11.5
Plains	-5.7	617.2	-0.3	10.5	-40.4	7.1
Southeast	-7.2	417.2	0.0	16.8	-34.8	12.0
Southwest	-10.3	40.1	-1.2	10.6	-7.1	6.0
Rocky Mountain	13.9	97.1	-1.1	-9.9	-76.1	-11.7
Far West	-1.5	54.7	-0.9	11.5	64.6	12.1
ALL STATES	-7.5 %	221.5 %	0.2 %	12.5 %	-27.2 %	7.9 %

TABLE 32
CORRECTIONS EXPENDITURES—CAPITAL INCLUSIVE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020					Actual Fiscal 2021					Estimated Fiscal 2022				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$649	\$4	\$23	\$4	\$680	\$666	\$5	\$21	\$8	\$700	\$564	\$6	\$26	\$12	\$608
Maine	189	3	2	0	194	126	74	2	0	202	197	7	2	0	206
Massachusetts	1,375	31	4	50	1,460	1,557	16	1	43	1,617	1,435	18	4	34	1,491
New Hampshire	129	0	6	2	137	129	0	9	1	139	129	10	6	2	147
Rhode Island	185	53	20	0	258	109	132	6	0	247	250	2	11	0	263
Vermont	154	5	6	0	165	124	35	4	1	164	150	16	5	0	171
MID-ATLANTIC															
Delaware	369	1	4	1	375	368	2	5	6	381	370	25	6	5	406
Maryland	1,518	34	76	47	1,675	1,461	79	65	53	1,658	1,532	285	83	34	1,934
New Jersey	1,096	149	39	0	1,284	1,066	164	35	0	1,265	1,234	80	36	0	1,350
New York*	2,880	4	97	317	3,298	1,277	2,046	96	214	3,633	1,930	1,223	89	270	3,512
Pennsylvania	2,725	27	151	41	2,944	1,498	1,428	129	40	3,095	2,782	30	125	40	2,977
GREAT LAKES															
Illinois	1,536	0	92	36	1,664	1,348	0	83	0	1,431	1,359	70	114	0	1,543
Indiana*	760	5	59	0	824	769	14	66	0	849	1,230	15	57	0	1,302
Michigan*	1,717	455	72	3	2,247	1,863	207	63	19	2,152	1,356	926	85	34	2,401
Ohio*	2,053	8	64	82	2,207	2,017	117	54	66	2,254	2,164	36	49	90	2,339
Wisconsin	1,198	3	99	0	1,300	1,247	0	95	0	1,342	1,274	1	95	0	1,370
PLAINS															
Iowa	387	1	67	0	455	387	1	79	0	467	408	0	80	0	488
Kansas	402	9	23	5	439	385	36	21	0	442	456	24	41	0	521
Minnesota	596	2	21	28	647	643	14	17	9	683	631	6	20	18	675
Missouri	655	4	63	0	722	580	2	55	0	637	653	3	55	0	711
Nebraska	351	2	72	0	425	318	39	98	0	455	347	22	94	0	463
North Dakota	115	8	3	0	126	54	62	3	0	119	81	35	2	0	118
South Dakota	108	3	3	0	114	59	54	4	0	117	108	34	10	0	152
SOUTHEAST															
Alabama	620	37	81	0	738	663	64	93	0	820	879	427	126	0	1,432
Arkansas	455	0	77	0	532	466	0	50	0	516	467	0	0	0	467
Florida	2,965	83	101	0	3,149	2,925	64	91	0	3,080	3,198	74	137	0	3,409
Georgia	1,593	15	68	62	1,738	1,621	38	75	48	1,782	1,749	12	15	22	1,798
Kentucky	701	13	37	0	751	598	78	20	0	696	705	46	31	0	782
Louisiana	668	2	33	4	707	529	2	34	5	570	883	3	52	3	941
Mississippi	317	0	34	0	351	311	20	41	0	372	324	0	30	0	354
North Carolina	1,792	13	165	3	1,973	1,271	638	143	10	2,062	1,828	71	117	12	2,028
South Carolina	619	5	85	0	709	602	8	82	0	692	647	13	96	0	756
Tennessee	996	1	49	0	1,046	754	202	74	0	1,030	1,227	14	56	0	1,297
Virginia	1,400	63	70	20	1,553	1,419	86	57	17	1,579	1,474	122	66	21	1,683
West Virginia	280	0	119	0	399	306	0	138	0	444	197	0	139	0	336
SOUTHWEST															
Arizona	891	295	139	0	1,325	1,206	28	121	0	1,355	642	678	156	0	1,476
New Mexico	391	1	45	5	442	396	1	31	5	433	397	1	41	5	444
Oklahoma	544	2	87	0	633	524	1	79	0	604	585	1	88	0	674
Texas	2,906	841	132	0	3,879	2,111	1,566	137	0	3,814	3,061	802	122	0	3,985
ROCKY MOUNTAIN															
Colorado	902	7	48	0	957	842	10	48	0	900	891	3	44	0	938
Idaho	306	4	35	0	345	303	14	28	0	345	344	5	48	0	397
Montana	205	20	16	0	241	197	41	6	0	244	206	1	17	0	224
Utah	425	3	1	350	779	811	2	0	0	813	450	7	0	0	457
Wyoming	135	0	7	0	142	66	0	68	0	134	66	0	68	0	134
FAR WEST															
Alaska	337	28	14	0	379	328	10	31	0	369	373	18	15	0	406
California	12,835	88	2,792	0	15,715	12,303	82	3,149	0	15,534	13,965	108	3,867	0	17,940
Hawaii	271	1	15	0	287	263	3	25	0	291	269	8	17	0	294
Nevada	317	13	28	0	358	311	95	39	0	445	330	8	36	0	374
Oregon	1,113	17	254	20	1,404	1,128	15	58	19	1,220	664	15	568	23	1,270
Washington	1,223	12	55	12	1,302	1,272	41	56	34	1,403	1,041	248	6	18	1,313
TOTAL	\$56,354	\$2,375	\$5,653	\$1,092	\$65,474	\$51,577	\$7,636	\$5,785	\$598	\$65,596	\$57,502	\$5,559	\$7,053	\$643	\$70,757
District of Columbia	209	24	25	2	260	230	2	29	12	272					

*See notes at the end of the chapter.

TABLE 33
CORRECTIONS EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2020	Fiscal 2021	Fiscal 2022
NEW ENGLAND			
Connecticut	2.0 %	1.9 %	1.5 %
Maine	1.8	1.7	1.6
Massachusetts	2.3	2.4	2.0
New Hampshire	1.9	1.8	1.9
Rhode Island	2.3	1.8	1.7
Vermont	2.7	2.2	2.2
MID-ATLANTIC			
Delaware	3.2	2.9	2.8
Maryland	3.4	3.0	3.0
New Jersey	1.9	1.6	1.6
New York	1.9	1.9	1.7
Pennsylvania	3.0	3.0	2.5
GREAT LAKES			
Illinois	2.1	1.2	1.3
Indiana	2.2	1.9	2.7
Michigan	3.6	3.1	3.0
Ohio	3.0	2.8	2.6
Wisconsin	2.5	2.3	2.2
PLAINS			
Iowa	1.7	1.6	1.7
Kansas	2.3	2.0	2.3
Minnesota	1.5	1.4	1.1
Missouri	2.6	2.1	2.2
Nebraska	3.3	3.0	3.0
North Dakota	1.8	1.4	1.6
South Dakota	2.4	1.7	2.2
SOUTHEAST			
Alabama	2.3	2.6	4.0
Arkansas	1.9	1.7	1.5
Florida	3.7	3.3	3.4
Georgia	2.9	2.8	3.2
Kentucky	1.9	1.6	1.7
Louisiana	2.3	1.6	2.2
Mississippi	1.7	1.7	1.4
North Carolina	3.2	3.5	3.2
South Carolina	2.6	2.3	2.3
Tennessee	2.9	2.6	2.7
Virginia	2.4	2.1	2.2
West Virginia	2.5	2.5	1.8
SOUTHWEST			
Arizona	1.8	2.0	1.8
New Mexico	2.0	1.8	1.9
Oklahoma	2.6	2.2	2.2
Texas	3.4	2.8	3.1
ROCKY MOUNTAIN			
Colorado	3.0	2.8	2.7
Idaho	2.9	3.4	3.0
Montana	2.9	2.2	2.6
Utah	4.3	4.1	1.7
Wyoming	3.2	2.4	2.4
FAR WEST			
Alaska	3.2	3.2	2.8
California	4.4	3.1	3.5
Hawaii	1.6	1.2	1.6
Nevada	2.4	2.8	1.9
Oregon	2.6	1.8	1.9
Washington	2.4	2.3	2.0
ALL STATES	2.9 %	2.5 %	2.5 %

TABLE 34
CORRECTIONS GENERAL FUND EXPENDITURES AS A PERCENT OF
TOTAL GENERAL FUND EXPENDITURES

Region/State	Fiscal 2020	Fiscal 2021	Fiscal 2022
NEW ENGLAND			
Connecticut	3.4 %	3.4 %	2.7 %
Maine	4.9	3.4	5.0
Massachusetts	4.7	5.1	4.4
New Hampshire	7.6	8.0	8.2
Rhode Island	4.7	2.7	4.6
Vermont	10.0	7.6	7.5
MID-ATLANTIC			
Delaware	8.2	8.2	7.3
Maryland	8.0	7.8	7.1
New Jersey	3.0	2.5	2.6
New York	4.0	1.9	2.4
Pennsylvania	8.0	4.4	7.4
GREAT LAKES			
Illinois	4.3	3.3	2.9
Indiana	4.6	4.3	6.3
Michigan	19.2	18.3	11.0
Ohio	9.1	8.8	9.1
Wisconsin	6.9	6.8	6.9
PLAINS			
Iowa	4.9	4.9	5.0
Kansas	5.3	5.3	4.9
Minnesota	2.5	2.7	2.4
Missouri	7.2	5.9	6.2
Nebraska	7.8	7.0	7.4
North Dakota	4.9	2.3	3.6
South Dakota	6.3	3.1	5.3
SOUTHEAST			
Alabama	6.1	6.6	7.9
Arkansas	8.3	8.5	8.1
Florida	8.7	8.2	8.8
Georgia	7.0	7.4	6.7
Kentucky	6.0	5.3	5.4
Louisiana	6.9	5.4	8.2
Mississippi	5.5	5.6	5.6
North Carolina	7.3	5.2	7.1
South Carolina	7.1	7.0	6.6
Tennessee	6.5	5.1	6.7
Virginia	6.4	6.3	6.0
West Virginia	7.5	8.3	5.9
SOUTHWEST			
Arizona	5.8	10.3	5.1
New Mexico	5.6	5.3	5.4
Oklahoma	8.4	9.4	9.4
Texas	6.5	5.0	6.3
ROCKY MOUNTAIN			
Colorado	7.4	7.5	7.1
Idaho	6.8	8.1	7.8
Montana	8.8	8.2	8.4
Utah	5.8	9.5	4.5
Wyoming	10.7	5.5	5.5
FAR WEST			
Alaska	5.9	6.3	7.0
California	8.8	7.6	5.7
Hawaii	3.4	3.0	3.0
Nevada	7.1	6.8	7.1
Oregon	5.9	6.9	3.5
Washington	5.1	5.2	3.7
ALL STATES	6.5 %	5.8 %	5.5 %

TABLE 35
ANNUAL PERCENTAGE CHANGE IN CORRECTIONS EXPENDITURES

Region/State	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	2.2 %	25.0 %	2.9 %	-14.1 %	20.0 %	-13.1 %
Maine	-33.0	2,366.7	4.1	55.5	-90.5	2.0
Massachusetts	13.0	-48.4	10.8	-7.6	12.5	-7.8
New Hampshire	2.2	—	1.5	-2.2	—	5.8
Rhode Island	-43.9	149.1	-4.3	127.0	-98.5	6.5
Vermont	-20.0	600.0	-0.6	21.1	-54.3	4.3
MID-ATLANTIC						
Delaware	0.0	100.0	1.6	0.8	1,150.0	6.6
Maryland	-4.3	132.4	-1.0	5.8	260.8	16.6
New Jersey	-3.0	10.1	-1.5	15.3	-51.2	6.7
New York	-53.9	51,050.0	10.2	47.1	-40.2	-3.3
Pennsylvania	-43.4	5,188.9	5.1	78.7	-97.9	-3.8
GREAT LAKES						
Illinois	-12.1	—	-14.0	2.9	—	7.8
Indiana	2.0	180.0	3.0	54.1	7.1	53.4
Michigan	7.7	-54.5	-4.2	-25.2	347.3	11.6
Ohio	-2.2	1,362.5	2.1	6.9	-69.2	3.8
Wisconsin	3.5	-100.0	3.2	2.0	—	2.1
PLAINS						
Iowa	2.6	0.0	2.6	4.7	-100.0	4.5
Kansas	-4.5	300.0	0.7	22.4	-33.3	17.9
Minnesota	7.0	600.0	5.6	-1.4	-57.1	-1.2
Missouri	-11.6	-50.0	-11.8	11.5	50.0	11.6
Nebraska	-1.7	1,850.0	7.1	6.0	-43.6	1.8
North Dakota	-51.7	675.0	-5.6	45.6	-43.5	-0.8
South Dakota	-43.2	1,700.0	2.6	87.3	-37.0	29.9
SOUTHEAST						
Alabama	7.8	73.0	11.1	32.9	567.2	74.6
Arkansas	-3.0	—	-3.0	-9.5	—	-9.5
Florida	-1.6	-22.9	-2.2	10.6	15.6	10.7
Georgia	2.1	153.3	2.5	4.0	-68.4	0.9
Kentucky	-16.3	500.0	-7.3	19.1	-41.0	12.4
Louisiana	-19.7	0.0	-19.4	66.1	50.0	65.1
Mississippi	0.3	—	6.0	0.6	-100.0	-4.8
North Carolina	-27.7	4,807.7	4.5	37.6	-88.9	-1.6
South Carolina	-2.8	60.0	-2.4	8.6	62.5	9.2
Tennessee	-20.8	20,100.0	-1.5	55.0	-93.1	25.9
Virginia	0.4	36.5	1.7	4.3	41.9	6.6
West Virginia	11.3	—	11.3	-24.3	—	-24.3
SOUTHWEST						
Arizona	28.8	-90.5	2.3	-39.9	2,321.4	8.9
New Mexico	-2.1	0.0	-2.0	2.6	0.0	2.5
Oklahoma	-4.4	-50.0	-4.6	11.6	0.0	11.6
Texas	-26.0	86.2	-1.7	41.6	-48.8	4.5
ROCKY MOUNTAIN						
Colorado	-6.3	42.9	-6.0	5.1	-70.0	4.2
Idaho	-2.9	250.0	0.0	18.4	-64.3	15.1
Montana	-8.1	105.0	1.2	9.9	-97.6	-8.2
Utah	90.4	-33.3	4.4	-44.5	250.0	-43.8
Wyoming	-5.6	—	-5.6	0.0	—	0.0
FAR WEST						
Alaska	2.3	-64.3	-2.6	8.1	80.0	10.0
California	-1.1	-6.8	-1.2	15.4	31.7	15.5
Hawaii	0.7	200.0	1.4	-0.7	166.7	1.0
Nevada	1.4	630.8	24.3	4.6	-91.6	-16.0
Oregon	-13.2	-11.8	-13.1	3.9	0.0	4.1
Washington	3.9	241.7	7.8	-21.2	504.9	-6.4
ALL STATES	-7.5 %	221.5 %	0.2 %	12.5 %	-27.2 %	7.9 %
MEDIAN	-2.5	102.5	1.3	6.4	-35.2	4.4

Note: State funds are defined as general funds and other state funds (bonds are excluded).

TABLE 36
ITEMS EXCLUDED FROM CORRECTIONS EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Juvenile Delinquency Counseling	Juvenile Institutions	Aid to Local Govts. for Jails	Drug Abuse Rehab. Centers	Institutions for the Criminally Insane
NEW ENGLAND							
Connecticut	X	X	P	P		P	X
Maine							X
Massachusetts	X	X				P	
New Hampshire			X	X	X		
Rhode Island			X	X	N/A		X
Vermont			X	X	X		X
MID-ATLANTIC							
Delaware					X		
Maryland							
New Jersey							X
New York	P	P					X
Pennsylvania							
GREAT LAKES							
Illinois	P	P					X
Indiana						P	X
Michigan			P				X
Ohio*						P	X
Wisconsin							X
PLAINS							
Iowa				X			
Kansas							
Minnesota			P		X	P	X
Missouri	X	X	X	X		P	X
Nebraska					N/A		
North Dakota					X		
South Dakota					X		X
SOUTHEAST							
Alabama			X	X	X		X
Arkansas			X	X			X
Florida					X	P	X
Georgia						P	X
Kentucky							X
Louisiana							N/A
Mississippi			X				X
North Carolina							
South Carolina					X	X	X
Tennessee			X	X			P
Virginia							
West Virginia							N/A
SOUTHWEST							
Arizona			P				
New Mexico			X	X	X		
Oklahoma			X	X		X	X
Texas	P	P					X
ROCKY MOUNTAIN							
Colorado			X	X			X
Idaho						P	X
Montana						P	X
Utah			X			X	N/A
Wyoming							
FAR WEST							
Alaska			P			X	X
California							X
Hawaii	P	P	X	X	N/A		X
Nevada			X	X			
Oregon	P	P	P	P	P	P	P
Washington					N/A		
ALL STATES	8	8	20	15	15	15	34
District of Columbia					N/A	P	N/A

Excluded=X Partially Excluded=P Not Applicable=N/A

Corrections Expenditures Notes

Small dollar amounts, when rounded, cause an aberration in the percentage increase. In these instances, the actual dollar amounts should be consulted to determine the exact percentage increase.

Indiana: For estimated fiscal 2022, \$400M of the large General Fund expenditure increase is due to an appropriation for the construction of a new correctional facility.

Michigan: FY 2022 reflects a fund shift of \$883 million between general fund and federal State fiscal relief funds.

New York: Pursuant to guidelines established by the U.S. Department of Treasury, the State charged eligible costs to the

Federal Coronavirus Relief Fund in FYs 2021 and 2022 which reduced General Fund spending and increased Federal Funds spending. This included payroll costs and fringe benefits for correctional officers.

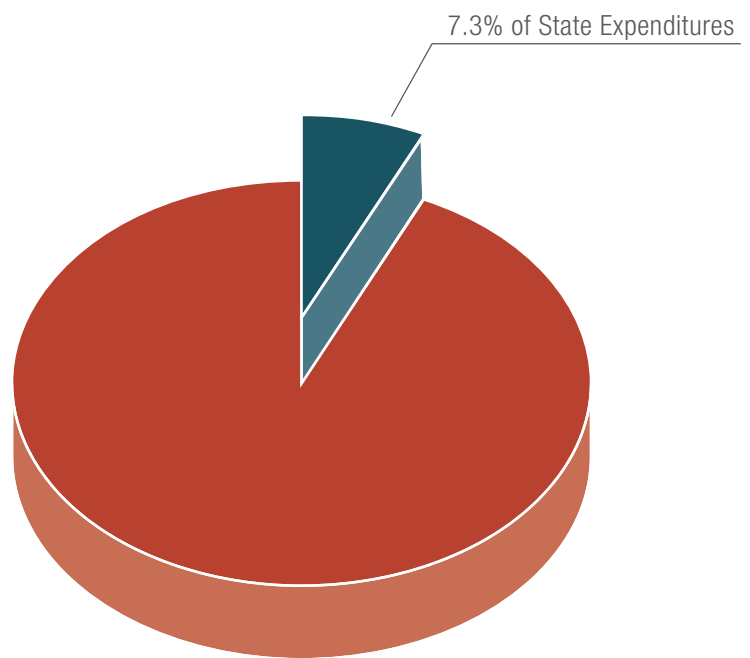
Ohio: While employer contributions to current employees' pensions and employer contributions to employee health benefits are included in the expenditure totals, agencies do not receive specific appropriations for these purposes. As of fiscal year 2016, drug recovery services within Department of Rehabilitation and Correction (DRC) institutions are provided by the Department of Mental Health and Addiction Services. However, DRC continues to fund drug abuse rehabilitation programs in community settings through per-bed or per-diem payments to Halfway Houses and Community Based Correctional Facilities.

6

CHAPTER



TRANSPORTATION EXPENDITURES



Transportation Expenditures

Transportation expenditures totaled \$208.7 billion in estimated fiscal 2022, 7.3 percent of total state spending and an increase of 19.5 percent over the previous year. State funds (general funds and other state funds combined, excluding bonds) for transportation increased 17.8 percent in fiscal 2022, while federal funds rose 16.4 percent. Median growth rates for fiscal 2022 were lower with all funds at 5.9 percent, state funds at 7.7 percent, and federal funds at 7.6 percent. In fiscal 2021, total state expenditures for transportation grew 3.0 percent. State funds increased 1.2 percent, while federal funds rose 3.9 percent. The median growth rates in fiscal 2021 were all funds (1.7 percent), state funds (-1.3 percent), and federal funds (3.2 percent).

State governments contributed 73.3 percent of transportation expenditures in fiscal 2022, while federal dollars accounted for 26.7 percent. In fiscal 2022, 57.4 percent of transportation expenditures are funded from earmarked revenues placed in special transportation funds, captured in the “Other State Funds” category in this report. The largest earmarked revenue source is states’ motor fuel excise taxes. States also contribute to transportation spending through both bonds (accounting for 9.9 percent of total transportation expenditures) and general funds (6.0 percent).

Transportation Funds

States were also asked to detail transportation fund revenue sources if the state has a transportation fund. Forty-six states reported having a separate transportation fund. All 46 states deposit some or all motor fuel tax receipts into their transportation fund, 43 include vehicle license and registration fees and 26 include vehicle sales and use taxes. In fiscal 2022, motor fuel taxes represented the largest revenue source for transportation funds (38.4 percent), followed by license and registration fees (19.8 percent), vehicle sales and use taxes (10.4 percent), tolls (1.3 percent), and all other (30.1 percent). Table A-5 in the Appendix shows transportation fund revenue sources totaled \$106.7 billion in fiscal 2020, \$112.4 billion in fiscal 2021, and \$122.9 billion in estimated fiscal 2022.

State Transportation Financing Issues

In recent years states have been responding to the diminishing buying power of fuel tax revenues resulting from more fuel-efficient vehicles. States are concerned that in the long term, the current structure of state and federal fuel tax revenue will not be able to

meet transportation needs as most gas taxes are set at fixed rates and do not rise with inflation (23 states have indexed or variable-rate gasoline taxes), new vehicle fuel economy continues to increase, and the sale of electric vehicles rapidly grows. Since 2013, thirty-three states have taken actions to raise their fuel tax revenues. Many of the actions were the result of multi-year transportation plans and were combined with other revenue-raising actions. One of the more notable recent actions has been the institution of registration fees on electric and hybrid vehicles to ensure that all vehicles pay a share of transportation system costs. Additionally, states continue to explore road usage charges, or mileage-based user fees, with a growing number conducting pilot programs. Thirty-two states also have constitutional restrictions that dedicate transportation funds for transportation purposes.

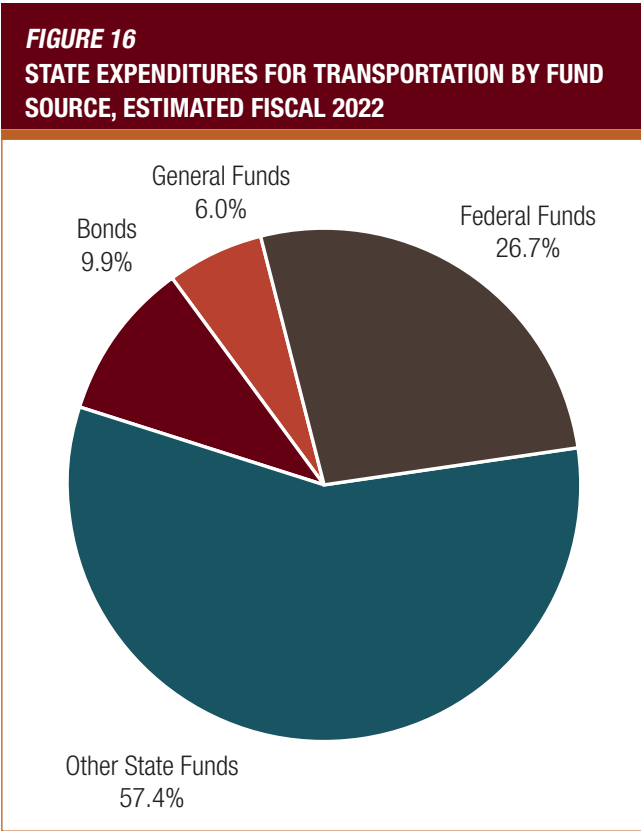
Federal Transportation Funding

The amount and structure of federal transportation funding to states have seen several recent changes brought on both by the pandemic and the passage of a bipartisan infrastructure bill. Since the pandemic began, states have received limited federal COVID—19 aid that has been eligible to use for transportation purposes, including \$10 billion in emergency funding for state transportation departments from a December 2020 relief measure. In addition, the *American Rescue Plan Act* (ARPA) permitted states to use federal funding for specified infrastructure projects. Based on figures from forty-one states, states estimated they expended \$935 million in federal COVID—19 aid for transportation in fiscal 2020, \$2.6 billion in fiscal 2021, and \$4.8 billion in fiscal 2022.

On November 15, 2021, President Biden signed the *Infrastructure Investment and Jobs Act* (IIJA), a federal transportation reauthorization replacing 2015’s *Fixing America’s Surface Transportation* (FAST) Act. IIJA includes \$550 billion in new spending over five years (fiscal year 2022 through fiscal year 2026) for roads/bridges/major projects, passenger and freight rail, public transit, broadband, airports, ports, water infrastructure, and resiliency. The bill provides a significant increase in highway funding to states compared to the FAST Act. Specific funding in the five-year legislation includes: \$351 billion for highways from the Highway Trust Fund and the General Fund; \$91 billion for transit; \$12 billion for highway safety; \$66 billion for passenger rail; a new \$27.5 billion formula-based bridge program; and a new \$5 billion electric vehicle charging infrastructure formula program.

Fund Shares

Figure 16 below provides fund shares for estimated fiscal 2022.



Regional Expenditures

Table 37 shows percentage changes in transportation expenditures by region between fiscal 2020 and fiscal 2021 and between fiscal 2021 and estimated fiscal 2022. In fiscal 2021, four regions experienced growth in total transportation spending while four regions also experienced declines. In estimated fiscal 2022, all regions experienced growth in total transportation spending except for a small decline in the Great Lakes region.

TABLE 37
REGIONAL PERCENTAGE CHANGE IN STATE TRANSPORTATION EXPENDITURES, FISCAL 2021 AND 2022

Region	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	1.8 %	11.8 %	5.6 %	13.6 %	0.0 %	16.6 %
Mid-Atlantic	0.3	2.9	5.8	6.0	40.1	15.2
Great Lakes	16.9	7.8	17.8	3.8	-15.1	-0.8
Plains	3.0	25.6	7.9	3.3	10.7	5.5
Southeast	-6.0	-0.4	-2.6	18.5	1.8	11.1
Southwest	-3.3	6.3	-0.7	10.7	-0.5	6.0
Rocky Mountain	9.3	-3.9	-6.7	41.2	11.6	31.9
Far West	2.1	-3.2	-0.6	49.9	80.3	70.0
ALL STATES	1.2 %	3.9 %	3.0 %	17.8 %	16.4 %	19.5 %

Transportation—Expenditure Exclusions

Forty-two states wholly or partially exclude state police and highway patrols from the transportation expenditures contained within the report. Additionally, 39 states wholly or partially exclude port authority operations, 24 states omit motor vehicle licensing, 17 states exclude truck enforcement regulation programs, and 12 states exclude gasoline tax and fee collections. For details, see Table 41.

TABLE 38
TRANSPORTATION EXPENDITURES—CAPITAL INCLUSIVE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020					Actual Fiscal 2021					Estimated Fiscal 2022				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$800	\$1,702	\$891	\$3,393	\$0	\$990	\$1,754	\$715	\$3,459	\$0	\$906	\$1,755	\$1,713	\$4,374
Maine	8	262	433	102	805	2	284	366	131	783	0	310	499	14	823
Massachusetts	159	698	2,231	1,345	4,433	127	795	2,425	1,683	5,030	327	717	2,611	1,625	5,280
New Hampshire	1	260	269	15	545	3	254	260	9	526	10	250	354	8	622
Rhode Island	0	318	291	175	784	0	327	262	176	765	0	470	341	465	1,276
Vermont	0	314	257	1	572	0	315	247	2	564	0	312	287	1	600
MID-ATLANTIC															
Delaware	6	299	754	0	1,059	5	355	724	21	1,105	5	319	670	92	1,086
Maryland	0	1,475	3,920	0	5,395	0	1,398	3,664	0	5,062	30	2,032	3,984	0	6,046
New Jersey	1,962	1,819	1,433	1,034	6,248	1,833	1,811	1,166	1,940	6,750	1,887	2,322	1,621	1,156	6,986
New York	458	1,646	4,851	2,239	9,194	429	1,633	5,180	3,047	10,289	435	2,026	5,161	4,766	12,388
Pennsylvania	3	1,929	8,920	281	11,133	3	2,182	9,365	204	11,754	3	3,638	9,916	203	13,760
GREAT LAKES															
Illinois	0	131	3,583	532	4,246	0	566	5,329	1,026	6,921	0	147	4,641	710	5,498
Indiana	44	979	1,758	0	2,781	40	1,162	1,787	0	2,989	45	1,279	1,705	0	3,029
Michigan	12	1,702	3,153	44	4,911	0	1,497	3,809	297	5,603	69	2,183	3,400	743	6,395
Ohio*	49	1,525	1,938	0	3,512	36	1,474	1,697	0	3,207	51	14	3,041	0	3,106
Wisconsin	153	952	2,049	0	3,154	141	1,003	2,054	0	3,198	100	1,218	2,405	0	3,723
PLAINS															
Iowa	0	672	1,507	0	2,179	0	633	1,660	0	2,293	0	788	1,671	0	2,459
Kansas	0	449	758	208	1,415	0	448	1,142	208	1,798	0	525	1,345	208	2,078
Minnesota	175	321	3,426	323	4,245	171	1,047	3,049	321	4,588	328	1,140	3,014	375	4,857
Missouri	69	76	2,006	0	2,151	62	83	2,028	0	2,173	73	87	2,123	0	2,283
Nebraska	0	467	558	0	1,025	0	484	527	0	1,011	0	521	524	0	1,045
North Dakota	13	330	331	0	674	3	352	379	0	734	0	326	296	0	622
South Dakota	5	474	300	0	779	30	455	367	0	852	26	490	331	0	847
SOUTHEAST															
Alabama	0	1,041	702	143	1,886	0	1,035	641	96	1,772	0	875	719	46	1,640
Arkansas	0	489	1,077	0	1,566	0	781	1,202	0	1,983	0	590	1,408	0	1,998
Florida	76	2,201	6,959	343	9,579	0	2,374	4,910	540	7,824	0	2,445	6,956	852	10,253
Georgia	96	1,439	2,437	152	4,124	111	1,669	2,436	152	4,368	257	1,610	2,030	145	4,042
Kentucky	7	983	1,590	0	2,580	6	998	1,471	0	2,475	7	1,020	1,782	0	2,809
Louisiana	8	774	596	109	1,487	51	805	568	135	1,559	61	836	641	113	1,651
Mississippi	0	623	535	130	1,288	0	698	543	148	1,389	0	624	711	65	1,400
North Carolina	0	1,717	4,193	364	6,274	0	1,162	3,716	846	5,724	0	1,289	5,071	329	6,689
South Carolina	0	840	1,448	0	2,288	0	732	1,260	0	1,992	52	848	1,323	0	2,223
Tennessee*	0	1,120	558	0	1,678	0	1,047	564	0	1,611	0	1,093	762	0	1,855
Virginia	0	1,194	5,713	125	7,032	0	1,062	7,006	67	8,135	343	1,361	7,060	13	8,777
West Virginia	5	18	1,402	371	1,796	3	24	1,265	386	1,678	5	21	1,323	321	1,670
SOUTHWEST															
Arizona	29	637	2,113	405	3,184	2	702	1,927	350	2,981	58	804	1,992	343	3,197
New Mexico	136	829	276	47	1,288	214	920	187	6	1,327	182	971	451	8	1,612
Oklahoma	0	705	768	94	1,567	0	735	931	6	1,672	0	821	1,039	7	1,867
Texas*	2	5,217	8,626	27	13,872	4	5,499	8,294	0	13,797	15	5,217	9,061	0	14,293
ROCKY MOUNTAIN															
Colorado	1	621	1,483	0	2,105	2	630	1,347	0	1,979	0	643	1,416	0	2,059
Idaho*	0	372	382	0	754	0	318	373	0	691	0	407	938	0	1,345
Montana	40	520	393	0	953	42	547	436	0	1,025	39	482	418	0	939
Utah	6	453	1,412	717	2,588	15	419	1,300	0	1,734	1,175	604	1,242	0	3,021
Wyoming	1	25	80	0	106	0	0	638	0	638	0	0	638	0	638
FAR WEST															
Alaska	277	951	237	0	1,465	216	938	401	0	1,555	199	1,745	367	0	2,311
California	20	4,421	12,504	435	17,380	23	4,161	12,673	109	16,966	6,671	8,282	15,911	4,787	35,651
Hawaii	0	208	1,213	421	1,842	0	369	1,146	285	1,800	0	354	1,025	267	1,646
Nevada	0	345	427	0	772	3	287	386	83	759	0	330	393	64	787
Oregon	15	35	2,453	5	2,505	34	59	2,684	21	2,798	41	53	2,399	12	2,505
Washington	3	452	1,138	1,422	3,015	3	392	1,103	1,437	2,935	2	423	972	1,286	2,683
TOTAL	\$3,839	\$46,128	\$107,143	\$12,500	\$169,610	\$3,614	\$47,911	\$108,649	\$14,447	\$174,621	\$12,496	\$55,768	\$119,743	\$20,737	\$208,744
District of Columbia	446	237	425	346	1,453	509	246	379	363	1,497					

*See notes at the end of the chapter.

TABLE 39
TRANSPORTATION EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2020	Fiscal 2021	Fiscal 2022
NEW ENGLAND			
Connecticut	9.9 %	9.3 %	10.6 %
Maine	7.6	6.5	6.6
Massachusetts	7.0	7.5	7.1
New Hampshire	7.7	7.0	8.0
Rhode Island	6.9	5.7	8.5
Vermont	9.3	7.7	7.9
MID-ATLANTIC			
Delaware	8.9	8.3	7.6
Maryland	11.1	9.2	9.2
New Jersey	9.5	8.6	8.0
New York	5.3	5.5	5.9
Pennsylvania	11.5	11.4	11.6
GREAT LAKES			
Illinois	5.5	6.0	4.5
Indiana	7.4	6.7	6.3
Michigan	7.9	8.2	7.9
Ohio	4.7	3.9	3.4
Wisconsin	6.1	5.4	5.9
PLAINS			
Iowa	8.4	8.0	8.4
Kansas	7.3	8.2	9.0
Minnesota	9.9	9.6	8.1
Missouri	7.9	7.3	7.1
Nebraska	7.9	6.7	6.8
North Dakota	9.5	8.5	8.6
South Dakota	16.1	12.6	12.0
SOUTHEAST			
Alabama	6.0	5.6	4.6
Arkansas	5.6	6.4	6.2
Florida	11.1	8.3	10.1
Georgia	6.9	6.8	7.3
Kentucky	6.7	5.8	6.2
Louisiana	4.8	4.5	3.8
Mississippi	6.3	6.2	5.4
North Carolina	10.2	9.6	10.7
South Carolina	8.3	6.6	6.9
Tennessee	4.7	4.0	3.9
Virginia	10.9	10.9	11.7
West Virginia	11.2	9.6	8.7
SOUTHWEST			
Arizona	4.4	4.5	4.0
New Mexico	5.8	5.4	6.9
Oklahoma	6.3	6.0	6.0
Texas	12.3	10.2	11.2
ROCKY MOUNTAIN			
Colorado	6.6	6.2	5.8
Idaho	6.4	6.8	10.2
Montana	11.5	9.2	10.8
Utah	14.3	8.8	11.4
Wyoming	2.4	11.4	11.3
FAR WEST			
Alaska	12.3	13.3	16.0
California	4.9	3.4	7.0
Hawaii	10.2	7.4	8.7
Nevada	5.2	4.8	4.1
Oregon	4.6	4.2	3.7
Washington	5.5	4.8	4.1
ALL STATES	7.4 %	6.6 %	7.3 %

TABLE 40
ANNUAL PERCENTAGE CHANGE IN TRANSPORTATION EXPENDITURES

Region/State	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	3.1 %	23.8 %	1.9 %	0.1 %	-8.5 %	26.5 %
Maine	-16.6	8.4	-2.7	35.6	9.2	5.1
Massachusetts	6.8	13.9	13.5	15.1	-9.8	5.0
New Hampshire	-2.6	-2.3	-3.5	38.4	-1.6	18.3
Rhode Island	-10.0	2.8	-2.4	30.2	43.7	66.8
Vermont	-3.9	0.3	-1.4	16.2	-1.0	6.4
MID-ATLANTIC						
Delaware	-4.1	18.7	4.3	-7.4	-10.1	-1.7
Maryland	-6.5	-5.2	-6.2	9.6	45.4	19.4
New Jersey	-11.7	-0.4	8.0	17.0	28.2	3.5
New York	5.7	-0.8	11.9	-0.2	24.1	20.4
Pennsylvania	5.0	13.1	5.6	5.9	66.7	17.1
GREAT LAKES						
Illinois	48.7	332.1	63.0	-12.9	-74.0	-20.6
Indiana	1.4	18.7	7.5	-4.2	10.1	1.3
Michigan	20.3	-12.0	14.1	-8.9	45.8	14.1
Ohio	-12.8	-3.3	-8.7	78.4	-99.1	-3.1
Wisconsin	-0.3	5.4	1.4	14.1	21.4	16.4
PLAINS						
Iowa	10.2	-5.8	5.2	0.7	24.5	7.2
Kansas	50.7	-0.2	27.1	17.8	17.2	15.6
Minnesota	-10.6	226.2	8.1	3.8	8.9	5.9
Missouri	0.7	9.2	1.0	5.1	4.8	5.1
Nebraska	-5.6	3.6	-1.4	-0.6	7.6	3.4
North Dakota	11.0	6.7	8.9	-22.5	-7.4	-15.3
South Dakota	30.2	-4.0	9.4	-10.1	7.7	-0.6
SOUTHEAST						
Alabama	-8.7	-0.6	-6.0	12.2	-15.5	-7.4
Arkansas	11.6	59.7	26.6	17.1	-24.5	0.8
Florida	-30.2	7.9	-18.3	41.7	3.0	31.0
Georgia*	0.6	16.0	5.9	-10.2	-3.5	-7.5
Kentucky	-7.5	1.5	-4.1	21.1	2.2	13.5
Louisiana	2.5	4.0	4.8	13.4	3.9	5.9
Mississippi	1.5	12.0	7.8	30.9	-10.6	0.8
North Carolina	-11.4	-32.3	-8.8	36.5	10.9	16.9
South Carolina	-13.0	-12.9	-12.9	9.1	15.8	11.6
Tennessee	1.1	-6.5	-4.0	35.1	4.4	15.1
Virginia	22.6	-11.1	15.7	5.7	28.2	7.9
West Virginia	-9.9	33.3	-6.6	4.7	-12.5	-0.5
SOUTHWEST						
Arizona	-9.9	10.2	-6.4	6.3	14.5	7.2
New Mexico	-2.7	11.0	3.0	57.9	5.5	21.5
Oklahoma	21.2	4.3	6.7	11.6	11.7	11.7
Texas	-3.8	5.4	-0.5	9.4	-5.1	3.6
ROCKY MOUNTAIN						
Colorado	-9.1	1.4	-6.0	5.0	2.1	4.0
Idaho	-2.4	-14.5	-8.4	151.5	28.0	94.6
Montana	10.4	5.2	7.6	-4.4	-11.9	-8.4
Utah	-7.3	-7.5	-33.0	83.8	44.2	74.2
Wyoming	687.7	-100.0	501.9	0.0	---	0.0
FAR WEST						
Alaska	20.0	-1.4	6.1	-8.3	86.0	48.6
California	1.4	-5.9	-2.4	77.9	99.0	110.1
Hawaii	-5.5	77.4	-2.3	-10.6	-4.1	-8.6
Nevada	-8.9	-16.8	-1.7	1.0	15.0	3.7
Oregon	10.1	68.6	11.6	-10.2	-10.2	-10.5
Washington	-3.1	-13.3	-2.7	-11.9	7.9	-8.6
ALL STATES	1.2 %	3.9 %	3.0 %	17.8 %	16.4 %	19.5 %
MEDIAN	-1.3	3.2	1.7	7.7	7.6	5.9

Note: State funds are defined as general funds and other state funds (bonds are excluded).
*See notes at the end of the chapter.

TABLE 41
ITEMS EXCLUDED FROM TRANSPORTATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Port Authority Operations	Gasoline Tax & Fee Collections	Truck Enforcement Reg. Programs	Train/Railroad Subsidy Programs	Road Assist. Subsidy Prog. for Local Govts.	Motor Vehicle Licensing	State Police/ Highway Patrol
NEW ENGLAND									
Connecticut			X	X	X			X	X
Maine					X			X	X
Massachusetts	P	P	X	X					
New Hampshire								X	X
Rhode Island			X				X	P	X
Vermont			N/A						X
MID-ATLANTIC									
Delaware			X						
Maryland									X
New Jersey			X						X
New York	P	P	N/A	X					X
Pennsylvania			N/A	N/A					X
GREAT LAKES									
Illinois		P	X					X	P
Indiana			X		X			X	X
Michigan			N/A					X	X
Ohio*			X		X		P	X	X
Wisconsin			N/A						
PLAINS									
Iowa			X						X
Kansas			X		X			X	X
Minnesota			X						
Missouri				X			X	X	X
Nebraska			N/A	P		N/A	N/A		
North Dakota			X		X				X
South Dakota			X		X			X	X
SOUTHEAST									
Alabama			X		P	N/A		X	X
Arkansas			X			X		X	X
Florida			X	X	X			X	X
Georgia			X		X			X	X
Kentucky									X
Louisiana			X	X	P	X		X	X
Mississippi			X	X				X	X
North Carolina			P						
South Carolina			X			X			X
Tennessee					X			X	X
Virginia									
West Virginia			N/A		N/A	N/A	N/A		N/A
SOUTHWEST									
Arizona									X
New Mexico			X		X	X	X	X	X
Oklahoma	X		X	P	X			X	X
Texas*	X	X	X		P	P	P	P	X
ROCKY MOUNTAIN									
Colorado			X	X		X	X	X	X
Idaho*						N/A	X		X
Montana			X						X
Utah						N/A	P	P	X
Wyoming									
FAR WEST									
Alaska			X	X		X	P		X
California			X						X
Hawaii			N/A			N/A	N/A	N/A	N/A
Nevada			N/A		N/A	N/A	N/A		X
Oregon			X						X
Washington			N/A						X
ALL STATES	4	4	39	12	17	14	13	24	42
District of Columbia			N/A					X	X

Excluded=X Partially Excluded=P Not Applicable=N/A

*See notes at the end of the chapter.

Transportation Expenditures Notes

Small dollar amounts, when rounded, cause an aberration in the percentage increase. In these instances, the actual dollar amounts should be consulted to determine the exact percentage increase.

Idaho: Transportation revenue transferred to local entities is not reported.

Ohio: While employer contributions to current employees' pensions and employer contributions to employee health benefits are included in the expenditure totals, agencies do not receive

specific appropriations for these purposes. The Ohio Department of Public Safety and the Ohio Public Utilities Commission are responsible for truck enforcement/regulatory programs. A portion of spending by the Ohio Public Works Commission to retire debt for local road and bridge projects is not included in road assistance subsidy programs for local government.

Tennessee: Bond estimates represent bond authorizations, while actual bonds represent bond proceeds utilized.

Texas: Port authority operations are outside of TXDOT.

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All Other Expenditures

The “all other” category reflects a substantial amount of state spending not included in the categories described in previous chapters. It includes the bulk of state government agencies. “All other” spending in states includes the Children’s Health Insurance Program (CHIP), care for the mentally ill and developmentally disabled, public health programs, child welfare and family services, constitutional officers, the legislative and judicial branches, some employer contributions to pensions and health benefits, economic development, state police, environmental protection, parks and recreation, other natural resources programs, unemployment insurance, housing, general aid to local governments, and debt service (a list of the items *excluded* from the “All Other” category is displayed in Table 46).

Total spending in the “all other” category was \$970.6 billion in estimated fiscal 2022, a 1.9 percent increase compared to fiscal 2021. State funds grew 15.8 percent while federal funds declined 18.9 percent. The median growth rates in fiscal 2022 were all funds (3.2 percent), state funds (7.5 percent), and federal funds (-7.9 percent). The slow growth rate in total spending for “all other” in fiscal 2022 follows fiscal 2021’s rapid growth rate in this category. Whereas in fiscal 2022 the “all other” category had the slowest growth rate in total state spending among all program areas, in fiscal 2021 “all other” saw the sharpest growth. A large part of the reason for fiscal 2022’s slower growth rate was due to the high baseline established in fiscal 2021. In fiscal 2021, total state spending in the “all other” category was \$952.5 billion, a \$221.4 billion increase from fiscal 2020. Total spending in the “all other” category grew 30.3 percent, with state funds growing 12.5 percent and federal funds increasing 72.5 percent. The median growth rates in fiscal 2021 were all funds (23.5 percent), state funds (5.2 percent), and federal funds (53.0 percent). Over a two-year period from fiscal 2020 to fiscal 2022, “all other” total spending grew 32.8 percent, with state funds increasing 30.3 percent and federal funds rising 39.9 percent.

The fluctuations in “all other” spending over the last few years is directly related to the COVID—19 pandemic and the recent growth in states’ tax collections. The sizeable increase in “all other” spending in fiscal 2021 is largely due to additional federal aid states received in response to the COVID—19 pandemic. In Spring 2020, the United States Congress passed a series of bills responding to the coronavirus outbreak with the largest bill being the *Coronavirus Aid, Relief, and Economic*

Security (CARES) Act. The CARES Act provided significant funding to states which they began to spend in fiscal 2020 and continued to spend in fiscal 2021. Many of the top expenditure categories for CARES Act funds fall under the “all other” category in this report including unemployment insurance, public health programs, housing assistance, emergency management, economic relief, aid to local governments, and broadband and other technology upgrades.

Additionally, in March 2021, the *American Rescue Plan Act of 2021 (ARPA)* was signed into law, allocating \$195.3 billion for states and the District of Columbia, and \$4.5 billion for territories, through the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF), in addition to multiple other funding allocations. While states have until the end of calendar year 2024 to allocate funds for CSLFRF, some states began allocating the funds towards the end of fiscal 2021. As defined by the U.S. Department of Treasury, allowable uses for CSLFRF under ARPA include public health, negative economic impacts, services to disproportionately impacted communities, premium pay, infrastructure, revenue replacement, administrative and other. States’ plans for using Fiscal Recovery Funds under ARPA include many areas that fall under the “all other” category, such as: COVID—19 vaccination, testing, and other response costs; COVID—19 prevention in congregate settings; mental health services; other public health services; household assistance; unemployment benefits; contributions to unemployment insurance trust funds; job training assistance; small business economic assistance; aid to tourism, travel or hospitality; aid to other impacted industries; and broadband. Based on 41 states that were able to provide data, states estimate they expended \$78.7 billion in federal COVID—19 aid for “all other” in fiscal 2020, \$228.0 billion in fiscal 2021, and \$125.9 billion in estimated fiscal 2022. State funds for “all other” also rapidly increased in fiscal 2021 partly due to states providing their own funding in response to the pandemic.

Whereas state funds in the “all other” category continued to sharply grow in fiscal 2022, federal funds in the “all other” category declined. The decline in federal funds in fiscal 2022 is likely due in large part to fewer unemployment benefit payments. As detailed in table 46, the majority of states include unemployment insurance benefits in the “all other” category, with 23 states either excluding or partially excluding the benefits from their totals. Unemployment insurance benefits declined in fiscal 2022 both due to the expiration of enhanced unemployment benefit programs established by the CARES Act as well as declining

unemployment levels. An example of the decline in federal “all other” spending can be seen in California, which reported \$155.9 billion in “all other” federal funds spending in fiscal 2021 and \$71.1 billion in estimated fiscal 2022; California noted the large increase in federal funds in fiscal 2021 was primarily due to an \$89 billion increase in unemployment insurance benefit payments related to the COVID—19 pandemic.

Much of the increase in “all other” state fund spending in both fiscal 2021 and fiscal 2022 is due to one-time investments related to increased state tax collections and states’ responses to the pandemic. Spending increases from state funds have included one-time stimulus payments, housing programs, other health programs besides Medicaid, children and family services, deposits to reserve funds, pension fund contributions, employee compensation, environment and conservation projects, disaster recovery, economic development, local government assistance, and debt service.

The recent shifts in “all other” spending has also brought upon changes in the composition of state spending. Before the pandemic began in 2019, the “all other” category represented 29.0 percent of total state spending. “All other” grew to 31.9 percent in fiscal 2020 and 35.8 percent in fiscal 2021 before slightly falling to 34.0 percent in fiscal 2022. The general fund category has also experienced shifts with the “all other” category going from representing 27.6 percent of general fund spending in fiscal 2019, to 26.6 percent in fiscal 2020, 28.1 percent in fiscal 2021, and an estimated 31.7 percent in fiscal 2022.

Children’s Health Insurance Program

Enacted as part of the *Balanced Budget Act of 1997*, the State Children’s Health Insurance Program (SCHIP) expanded health care coverage for previously uninsured children. The program was targeted toward children from families with incomes too high to qualify for Medicaid but too low to afford private insurance. The current Children’s Health Insurance Program (CHIP) provides health coverage to eligible children through both Medicaid and separate CHIP programs. The program is funded jointly by states and the federal government. According to the Centers for Medicare and Medicaid Services (CMS), approximately 7.1 million children were enrolled under CHIP as of July 2022. As shown in Appendix Table A-2, total spending for CHIP was \$17.2 billion in fiscal 2020, \$17.8 billion in fiscal 2021, and is estimated at \$18.6 billion in fiscal 2022.

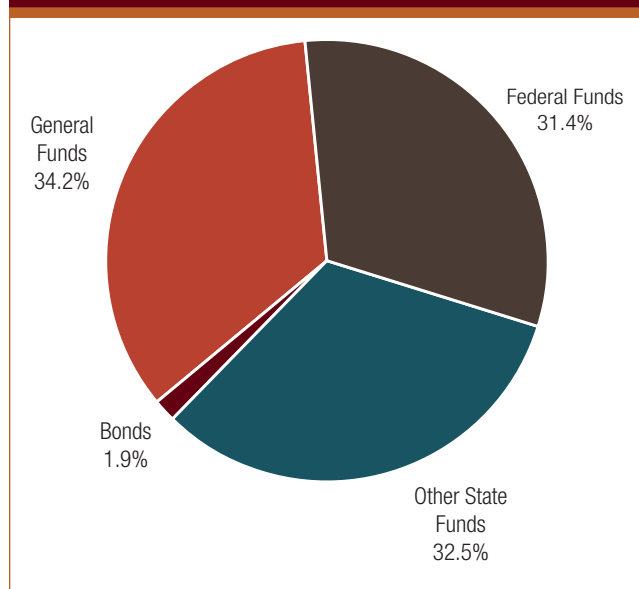
Debt Service

As in years past, states included debt service in the “all other” category of the *State Expenditure Report*. States also separately detailed their debt service spending. As shown in Appendix Table A-4, states’ spending on debt service totaled \$48.3 billion in fiscal 2020, \$57.5 billion in fiscal 2021, and \$56.9 billion in estimated fiscal 2022. In estimated fiscal 2022, general funds represented 52.7 percent of total state spending on debt service, while other state funds comprised the remaining 47.3 percent. In fiscal year 2022, debt service represented 3.3 percent of spending from state funds (general funds and other state funds combined, excluding bonds), and 2.9 percent of spending from the general fund only. Some states reflect no general fund spending for debt service because they earmark certain tax revenue streams to support bond repayments and direct those resources to state funds other than the general fund. Additionally, some states included notes further explaining their debt service practices.

Fund Shares

Figure 17 illustrates fund shares for estimated fiscal 2022. General funds comprised the largest percentage of the “all other” category at 34.2 percent, with other state funds at 32.5 percent, federal funds at 31.4 percent, and bonds at 1.9 percent. Fiscal 2022 marks a shift from fiscal 2021 when federal funds comprised the largest share of the “all other” category at 39.5 percent due to increased federal COVID—19 aid.

FIGURE 17
STATE EXPENDITURES FOR ALL OTHER PROGRAMS BY FUND SOURCE, ESTIMATED FISCAL 2022



Regional Expenditures

Table 42 shows percentage changes for “all other” expenditures for fiscal 2020–2021 and 2021–2022 by region. In fiscal 2022, the Southwest region saw the largest increase in total “all other” spending, while the Far West region experienced the

largest decline. However, in fiscal 2021 the Far West region had the largest increase in total “all other” spending with the Southwest region recording the only decline. The Far West region’s large increase and subsequent decline in total “all other” spending is likely due to shifts in the amount of spending on unemployment insurance benefits.

TABLE 42
REGIONAL PERCENTAGE CHANGE IN STATE ALL OTHER EXPENDITURES, FISCAL 2021 AND 2022

Region	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	1.3 %	48.1 %	12.9 %	10.1 %	-7.0 %	6.0 %
Mid-Atlantic	17.2	40.7	23.0	11.2	21.1	13.9
Great Lakes	35.1	83.1	43.2	5.8	37.0	13.0
Plains	7.2	77.2	29.0	6.2	9.6	8.9
Southeast	10.3	17.2	13.1	1.4	-9.4	-2.7
Southwest	-11.1	32.5	-5.4	19.0	-1.9	15.3
Rocky Mountain	7.8	35.2	16.4	9.8	-9.9	2.6
Far West	9.8	127.8	55.6	42.2	-47.8	-10.6
ALL STATES	12.5 %	72.5 %	30.3 %	15.8 %	-18.9 %	1.9 %

TABLE 43
ALL OTHER EXPENDITURES—CAPITAL INCLUSIVE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020					Actual Fiscal 2021					Estimated Fiscal 2022				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$9,778	\$1,187	\$1,977	\$418	\$13,360	\$9,830	\$2,890	\$1,970	\$686	\$15,376	\$10,864	\$2,890	\$1,970	\$1,207	\$16,931
Maine	1,026	1,521	1,508	24	4,079	1,056	2,211	1,761	14	5,042	1,050	1,392	2,432	19	4,893
Massachusetts	11,545	5,822	9,665	988	28,020	12,284	6,750	9,171	1,263	29,468	12,550	7,946	9,995	1,387	31,878
New Hampshire	633	1,281	683	38	2,635	568	1,577	695	13	2,853	478	1,320	845	29	2,672
Rhode Island	1,288	2,169	1,300	180	4,937	1,422	3,822	1,111	139	6,494	2,524	2,598	1,241	369	6,732
Vermont	559	664	241	63	1,527	677	1,480	177	48	2,382	886	1,277	13	55	2,231
MID-ATLANTIC															
Delaware	1,567	521	2,639	61	4,788	1,513	1,363	2,826	56	5,758	1,892	1,124	3,237	61	6,314
Maryland	5,312	3,317	3,193	389	12,211	5,450	6,468	4,435	396	16,749	6,949	7,481	3,937	630	18,997
New Jersey	12,404	4,384	2,528	292	19,608	17,395	5,644	2,862	116	26,017	18,465	6,783	3,438	113	28,799
New York*	19,052	12,229	12,894	2,760	46,935	18,920	17,834	20,071	3,208	60,033	24,926	18,926	19,529	3,063	66,444
Pennsylvania	7,556	8,811	11,468	266	28,101	7,708	9,851	10,935	245	28,739	8,571	15,511	11,452	235	35,769
GREAT LAKES															
Illinois*	19,076	2,107	12,726	724	34,633	24,498	5,909	34,540	920	65,867	28,797	8,596	35,597	1,032	74,022
Indiana*	2,887	2,575	2,651	0	8,113	3,676	5,910	2,850	0	12,436	4,231	6,424	2,702	0	13,357
Michigan	3,043	7,436	7,699	97	18,275	3,814	10,069	6,635	122	20,640	5,787	16,715	4,174	336	27,012
Ohio*	4,489	3,448	16,120	542	24,599	4,460	5,809	16,227	446	26,942	4,916	7,188	17,799	506	30,409
Wisconsin	3,821	3,111	13,587	0	20,519	3,979	6,503	15,632	0	26,114	4,049	7,932	15,044	0	27,025
PLAINS															
Iowa	1,626	4,106	731	0	6,463	1,610	3,987	2,434	0	8,031	1,766	3,381	1,857	0	7,004
Kansas	1,203	755	2,949	230	5,137	1,060	2,593	2,967	113	6,733	2,283	2,166	1,398	107	5,954
Minnesota	6,329	3,422	1,958	330	12,039	6,274	6,794	1,774	287	15,129	7,932	12,277	2,370	956	23,535
Missouri	2,286	2,737	1,759	35	6,817	2,362	3,889	1,817	7	8,075	2,729	3,266	2,013	13	8,021
Nebraska	1,140	357	2,961	0	4,458	1,066	1,613	3,061	0	5,740	1,175	851	3,264	0	5,290
North Dakota	511	515	1,478	17	2,521	594	1,292	1,642	41	3,569	587	648	927	9	2,171
South Dakota	408	519	502	16	1,445	499	1,828	541	0	2,868	559	1,511	561	0	2,631
SOUTHEAST															
Alabama*	2,191	3,401	3,835	27	9,454	1,870	3,313	3,736	72	8,991	2,192	4,000	4,473	62	10,727
Arkansas	612	2,296	7,303	56	10,267	589	3,512	7,720	51	11,872	715	1,728	8,027	41	10,511
Florida	8,155	10,730	2,929	1,162	22,976	9,750	10,931	6,128	1,156	27,965	7,589	11,389	6,366	1,158	26,502
Georgia*	4,511	4,968	5,106	249	14,834	4,979	5,000	5,065	236	15,280	6,594	2,358	447	229	9,628
Kentucky	2,844	5,241	2,156	0	10,241	2,839	6,396	1,954	0	11,189	3,568	4,393	1,957	0	9,918
Louisiana	2,145	2,606	2,681	0	7,432	2,772	1,728	3,726	0	8,226	3,581	6,498	5,264	0	15,343
Mississippi	1,569	1,853	1,120	402	4,944	1,589	2,789	1,142	836	6,356	1,656	3,651	2,010	1,160	8,477
North Carolina	4,993	8,134	601	118	13,846	5,152	2,706	2,244	125	10,227	4,742	721	419	74	5,956
South Carolina	2,586	1,927	1,853	0	6,366	2,596	4,211	1,979	0	8,786	3,174	3,442	1,656	0	8,272
Tennessee	3,163	3,944	2,235	0	9,342	3,151	6,770	2,373	0	12,294	4,438	9,458	2,333	0	16,229
Virginia	6,935	6,560	10,791	526	24,812	6,995	12,584	10,435	598	30,612	8,102	6,167	10,588	440	25,297
West Virginia	578	384	4,282	0	5,244	580	1,072	4,575	0	6,227	604	1,454	4,764	0	6,822
SOUTHWEST															
Arizona*	6,328	0	32,432	0	38,760	2,635	0	29,157	0	31,792	2,961	0	36,821	0	39,782
New Mexico	1,655	1,411	2,286	205	5,557	1,723	1,448	2,355	172	5,698	1,413	18	2,079	176	3,686
Oklahoma	2,059	2,792	2,048	254	7,153	1,810	4,032	3,497	286	9,625	2,020	4,501	3,904	319	10,744
Texas	819	2,554	296	378	4,047	1,000	3,473	411	509	5,393	1,063	4,267	424	593	6,347
ROCKY MOUNTAIN															
Colorado	2,665	1,200	2,578	18	6,461	2,963	823	3,778	18	7,582	2,863	367	4,281	18	7,529
Idaho	1,233	2,738	1,201	0	5,172	553	2,123	715	0	3,391	801	1,955	737	0	3,493
Montana	713	1,073	1,596	0	3,382	722	3,317	1,714	0	5,753	752	1,226	1,061	0	3,039
Utah	1,429	1,466	1,709	0	4,604	1,669	2,484	1,873	0	6,026	2,126	4,336	2,917	0	9,379
Wyoming	555	452	1,444	0	2,451	555	624	1,761	0	2,940	602	561	1,754	0	2,917
FAR WEST															
Alaska	2,719	1,712	808	0	5,239	2,492	2,131	1,048	0	5,671	2,484	2,798	1,899	0	7,181
California	31,729	65,897	31,576	4,287	133,489	38,731	155,935	28,966	4,326	227,958	88,271	71,124	34,900	2,916	197,211
Hawaii	4,659	922	4,140	669	10,390	5,292	2,486	7,202	804	15,784	5,390	2,321	2,406	625	10,742
Nevada	1,026	1,063	4,225	0	6,314	1,274	1,139	4,047	0	6,460	979	1,033	3,103	0	5,115
Oregon	10,844	5,842	16,284	159	33,129	9,607	12,666	20,150	86	42,509	11,852	11,266	18,620	189	41,927
Washington	4,398	3,832	5,105	622	13,957	4,284	6,232	5,883	419	16,818	7,538	5,745	5,990	435	19,708
TOTAL	\$230,652	\$217,992	\$265,837	\$16,602	\$731,083	\$248,887	\$376,011	\$309,768	\$17,814	\$952,480	\$332,036	\$304,980	\$314,995	\$18,562	\$970,573
District of Columbia	4,422	1,283	708	409	6,822	4,158	1,924	704	383	7,169					

*See notes at the end of the chapter.

TABLE 44
ALL OTHER EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2020	Fiscal 2021	Fiscal 2022
NEW ENGLAND			
Connecticut	39.1 %	41.2 %	41.1 %
Maine	38.7	41.7	39.1
Massachusetts	44.4	43.8	43.1
New Hampshire	37.2	37.9	34.2
Rhode Island	43.2	48.6	44.7
Vermont	24.7	32.7	29.3
MID-ATLANTIC			
Delaware	40.4	43.4	43.9
Maryland	25.1	30.4	29.0
New Jersey	29.8	33.1	33.2
New York	27.1	32.2	31.7
Pennsylvania	29.1	27.8	30.0
GREAT LAKES			
Illinois	44.5	57.0	60.4
Indiana	21.5	27.8	27.7
Michigan	29.3	30.2	33.5
Ohio	33.0	33.2	33.8
Wisconsin	39.6	44.0	43.0
PLAINS			
Iowa	24.8	28.2	23.8
Kansas	26.5	30.9	25.9
Minnesota	28.0	31.5	39.2
Missouri	25.0	27.1	25.0
Nebraska	34.6	38.1	34.4
North Dakota	35.7	41.5	30.0
South Dakota	29.8	42.3	37.3
SOUTHEAST			
Alabama	30.0	28.2	30.2
Arkansas	37.0	38.2	32.8
Florida	26.7	29.8	26.1
Georgia	25.0	23.8	17.4
Kentucky	26.5	26.4	21.8
Louisiana	24.0	23.7	35.1
Mississippi	24.3	28.6	32.9
North Carolina	22.6	17.2	9.5
South Carolina	23.1	29.3	25.6
Tennessee	25.9	30.7	33.8
Virginia	38.6	41.0	33.8
West Virginia	32.8	35.7	35.7
SOUTHWEST			
Arizona	54.0	47.6	49.4
New Mexico	25.2	23.0	15.9
Oklahoma	28.8	34.7	34.7
Texas	3.6	4.0	5.0
ROCKY MOUNTAIN			
Colorado	20.1	23.9	21.3
Idaho	44.2	33.2	26.4
Montana	40.7	51.7	34.8
Utah	25.4	30.5	35.4
Wyoming	54.7	52.3	51.8
FAR WEST			
Alaska	43.9	48.5	49.7
California	37.4	45.7	38.7
Hawaii	57.3	64.7	57.1
Nevada	42.1	41.2	26.3
Oregon	60.2	63.7	61.8
Washington	25.6	27.8	29.9
ALL STATES	31.9 %	35.8 %	34.0 %

TABLE 45
ANNUAL PERCENTAGE CHANGE IN ALL OTHER EXPENDITURES

Region/State	Fiscal 2020 to 2021			Fiscal 2021 to 2022		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	0.4 %	143.5 %	15.1 %	8.8 %	0.0 %	10.1 %
Maine	11.2	45.4	23.6	23.6	-37.0	-3.0
Massachusetts	1.2	15.9	5.2	5.1	17.7	8.2
New Hampshire	-4.0	23.1	8.3	4.8	-16.3	-6.3
Rhode Island	-2.1	76.2	31.5	48.6	-32.0	3.7
Vermont	6.8	122.9	56.0	5.3	-13.7	-6.3
MID-ATLANTIC						
Delaware	3.2	161.6	20.3	18.2	-17.5	9.7
Maryland	16.2	95.0	37.2	10.1	15.7	13.4
New Jersey	35.7	28.7	32.7	8.1	20.2	10.7
New York	22.1	45.8	27.9	14.0	6.1	10.7
Pennsylvania	-2.0	11.8	2.3	7.4	57.5	24.5
GREAT LAKES						
Illinois	85.6	180.4	90.2	9.1	45.5	12.4
Indiana	17.8	129.5	53.3	6.2	8.7	7.4
Michigan	-2.7	35.4	12.9	-4.7	66.0	30.9
Ohio	0.4	68.5	9.5	9.8	23.7	12.9
Wisconsin	12.7	109.0	27.3	-2.6	22.0	3.5
PLAINS						
Iowa	71.6	-2.9	24.3	-10.4	-15.2	-12.8
Kansas	-3.0	243.4	31.1	-8.6	-16.5	-11.6
Minnesota	-2.9	98.5	25.7	28.0	80.7	55.6
Missouri	3.3	42.1	18.5	13.5	-16.0	-0.7
Nebraska	0.6	351.8	28.8	7.6	-47.2	-7.8
North Dakota	12.4	150.9	41.6	-32.3	-49.8	-39.2
South Dakota	14.3	252.2	98.5	7.7	-17.3	-8.3
SOUTHEAST						
Alabama	-7.0	-2.6	-4.9	18.9	20.7	19.3
Arkansas	5.0	53.0	15.6	5.2	-50.8	-11.5
Florida	43.3	1.9	21.7	-12.1	4.2	-5.2
Georgia	4.4	0.6	3.0	-29.9	-52.8	-37.0
Kentucky	-4.1	22.0	9.3	15.3	-31.3	-11.4
Louisiana	34.6	-33.7	10.7	36.1	276.0	86.5
Mississippi	1.6	50.5	28.6	34.2	30.9	33.4
North Carolina	32.2	-66.7	-26.1	-30.2	-73.4	-41.8
South Carolina	3.1	118.5	38.0	5.6	-18.3	-5.9
Tennessee	2.3	71.7	31.6	22.6	39.7	32.0
Virginia	-1.7	91.8	23.4	7.2	-51.0	-17.4
West Virginia	6.1	179.2	18.7	4.1	35.6	9.6
SOUTHWEST						
Arizona	-18.0	---	-18.0	25.1	---	25.1
New Mexico	3.5	2.6	2.5	-14.4	-98.8	-35.3
Oklahoma	29.2	44.4	34.6	11.6	11.6	11.6
Texas	26.5	36.0	33.3	5.4	22.9	17.7
ROCKY MOUNTAIN						
Colorado	28.6	-31.4	17.4	6.0	-55.4	-0.7
Idaho	-47.9	-22.5	-34.4	21.3	-7.9	3.0
Montana	5.5	209.1	70.1	-25.6	-63.0	-47.2
Utah	12.9	69.4	30.9	42.4	74.6	55.6
Wyoming	15.9	38.1	20.0	1.7	-10.1	-0.8
FAR WEST						
Alaska	0.4	24.5	8.2	23.8	31.3	26.6
California	6.9	136.6	70.8	81.9	-54.4	-13.5
Hawaii	42.0	169.6	51.9	-37.6	-6.6	-31.9
Nevada	1.3	7.1	2.3	-23.3	-9.3	-20.8
Oregon	9.7	116.8	28.3	2.4	-11.1	-1.4
Washington	7.0	62.6	20.5	33.1	-7.8	17.2
ALL STATES	12.5 %	72.5 %	30.3 %	15.8 %	-18.9 %	1.9 %
MEDIAN	5.2	53.0	23.5	7.5	-7.9	3.2

Note: State funds are defined as general funds and other state funds (bonds are excluded).

TABLE 46
ITEMS EXCLUDED FROM ALL OTHER EXPENDITURES

Region/State	Employers Contribution to Pensions	Employer Contributions to Health Benefits	Child Health Insurance Program	Public Health	Community and Institutional for Mental Health	Community and Institutional for Dev. Disabled	Environmental Programs	Parks and Recreation	Housing	General Aid to Local Government	Unemployment Insurance Benefits
NEW ENGLAND											
Connecticut					P	P					X
Maine											
Massachusetts											X
New Hampshire											
Rhode Island									P		P
Vermont				P	P	P					P
MID-ATLANTIC											
Delaware											
Maryland											
New Jersey											X
New York*	P	P									X
Pennsylvania											
GREAT LAKES											
Illinois											P
Indiana											X
Michigan					N/A						X
Ohio*			X			P			P		X
Wisconsin											N/A
PLAINS											
Iowa									X		X
Kansas									N/A		
Minnesota											X
Missouri					P	P			X		
Nebraska									P		X
North Dakota											
South Dakota										X	X
SOUTHEAST											
Alabama									N/A	X	N/A
Arkansas											
Florida											
Georgia											
Kentucky									N/A		
Louisiana									X		X
Mississippi									X		
North Carolina											
South Carolina											
Tennessee											X
Virginia											
West Virginia							P				
SOUTHWEST											
Arizona											
New Mexico											
Oklahoma									P	P	X
Texas			X	X	X	X			X	X	X
ROCKY MOUNTAIN											
Colorado			X								N/A
Idaho			X						N/A	X	X
Montana											
Utah											
Wyoming											
FAR WEST											
Alaska											
California											
Hawaii	P	P									
Nevada			N/A								
Oregon											
Washington											X
ALL STATES	2	2	5	2	5	5	1	0	13	5	23
District of Columbia										N/A	

Excluded=X Partially Excluded=P Not Applicable=N/A
*See notes at the end of the chapter.

All Other Expenditures Notes

Small dollar amounts, when rounded, cause an aberration in the percentage increase. In these instances, the actual dollar amounts should be consulted to determine the exact percentage increase.

Alabama: Capital expenditures from Federal and Other State Funds are not reported separately; combined amounts are included in the Other State Funds.

Arizona: Part of the increase in expenditures in this year's report compared to prior reports is due to Arizona now including both appropriated and non-appropriated expenditures. In prior State Expenditure Reports, Arizona only included appropriated expenditures.

Georgia: Other State Funds declined in estimated fiscal 2022 due to data being based on budgeted funds rather than actual expenditures.

Illinois: The increase in fiscal 2021 Other State Funds spending is largely due to one-time spending from higher state revenues.

Indiana: Expenditure amounts for TANF now exclude the approximately \$61M transfer to Child Care Development Fund (CCDF) program. CCDF federal expenditures are included in "All Other" category.

New York: All other General Fund State Expenditures increased in FY 2022 primarily due to time limited recovery initiatives and COVID related spending, repayment of the State and Judiciary non-Medicare payroll taxes deferred from April-December 2020

as authorized in the Federal CARES Act, and a \$724 million prepayment was applied towards the State's health insurance premiums in the later years of the Updated Financial Plan. All Other Federal Funds spending increased in FY 2021 due to the receipt of Federal Funding provided in response to COVID 19 including the Coronavirus Relief Fund and Lost Wages Assistance.

Debt service increased from FY 2020 to FY 2021 due to the repayment of \$4.5 billion of PIT notes, which were issued during FY 2021 to help manage the adverse cash flow impact that resulted from the Federal extension of tax filing deadlines in response to the pandemic. In addition, debt service spending levels are impacted by prepayments. FYs 2021 and 2022 included prepayments of debt service due in future years totaling \$3.1 billion and \$7.6 billion, respectively. The net impact of these transactions and prepayments in prior years increases debt service in FY 2021 and FY 2022 and will decrease debt service costs in FYs 2024 through FY 2027.

State employee pensions and benefits are not included in the General Fund reporting of each expenditure category, but rather are included in "All Other".

Ohio: While employer contributions to current employees' pensions and employer contributions to employee health benefits are included in the expenditure totals, agencies do not receive specific appropriations for these purposes. Some expenditures in community and institutional care for the developmentally disabled are included in the Medicaid totals. Most of the expenditures of the Ohio Housing Finance Agency occur outside of the state financial system and are excluded from the housing totals.

8

CHAPTER



CAPITAL EXPENDITURES

Capital Expenditures

Capital expenditures are made for new construction, infrastructure, major repairs and improvements, land purchases and the acquisition of major equipment and existing structures. Minor repairs and routine maintenance are reported as operating expenses. The nature of capital spending often includes multi-year construction timetables and unforeseen or delayed project costs, which explains why state specific spending on capital projects can fluctuate from year-to-year. For greater detail on states' capital spending practices, see NASBO's report *Capital Budgeting in the States*, available at www.nasbo.org. The report contains information on defining capital and maintenance expenditures, the organization of the capital budget, capital budget development and execution, capital financing and debt management, and capital asset management.

The following chapter details capital expenditures for elementary and secondary education, higher education, corrections, transportation, environmental projects, housing, and "all other". Tables 47–55 display capital expenditure data.

Total Capital Expenditures

States' capital spending increased by an estimated 15.3 percent in fiscal 2022, 3.6 percent in fiscal 2021, and 4.3 percent in fiscal 2020. The fiscal 2022 growth rate of 15.3 percent is the highest annual figure since 1994. Capital spending will likely maintain high expenditure rates for the next several years as states allocate funding from the *American Rescue Plan Act (ARPA) of 2021* and the *Infrastructure Investment and Jobs Act (IIJA) of 2021*. Under ARPA, states and localities are permitted to use federal funding for investments in infrastructure, including water, sewer, and broadband services. While IIJA includes approximately \$550 billion in new spending for roads, bridges, rail, transit, the electric grid, water systems and broadband. Although states will see increased federal funding for capital and other infrastructure projects over the next several years, most of the fiscal 2022 increase in capital spending was due to increased state funds. State spending on capital (including general funds, other state funds, and bonds) increased 16.8 percent, or \$15.3 billion, in estimated fiscal 2022, while federal funds grew 11.0 percent, or \$3.6 billion. The increase in state's own spending on capital in fiscal 2022 was partly due to one-time spending on infrastructure projects resulting from revenue surpluses in fiscal 2021 and fiscal 2022. While capital spending can fluctuate from year-to-year, the historical average level of growth since

1991 is 4.6 percent. Overall, state capital spending totaled \$119.7 billion in fiscal 2020, \$124.0 billion in fiscal 2021, and is estimated to total \$142.9 billion in fiscal 2022.

Capital Fund Sources

Approximately 70 percent of state spending on capital projects is on a pay-go, or cash basis. The other 30 percent is from debt financing. States primarily use dedicated sources like the transportation fund, higher education tuition and fees, set-aside funding for capital projects, federal funds, and fund surpluses to finance capital spending. State cash sources represent 44.3 percent of capital spending in fiscal 2022, federal funds are 25.2 percent, and bonds are 30.6 percent. The vast majority of federal funds spent for capital purposes are for transportation (91.7 percent in fiscal 2022). The share of capital spending from debt financing, or bonds, rose in estimated fiscal 2022 after previously trending downward since fiscal 2011. In some states the reporting of bond fund capital spending is included in the other state funds category due to the difficulty of separating the fund sources in multiple fund source capital projects.

Capital Funds by Use

Comprising 65.3 percent (\$93.4 billion) of all capital expenditures in fiscal 2022, **transportation** is the largest category of state capital expenditures, rising from 54.1 percent in fiscal 2009. Capital spending for transportation increased by 18.7 percent in fiscal 2022. Since 2010, transportation capital spending has increased by an annual average of 5.8 percent, reflecting states' efforts at addressing both the maintenance and expansion of its transportation systems with tax and revenue actions to raise funds. The amount of reported capital spending would be larger but a dozen states treat capital spending on the construction and maintenance of roads, bridges and mass transit differently than other capital spending; those amounts are included in the total transportation spending in Table 38.

States vary greatly in the extent they provide capital funds for **elementary and secondary education**, with 22 states either fully or partially excluding capital expenditures from K–12 spending. In many states, funding provided for schools includes amounts eligible for local capital spending or debt service participation subsidies for local school bonds. In fiscal 2022, elementary and secondary education capital spending totaled \$5.2 billion, an increase of 18.5 percent from fiscal 2021, and is estimated to represent 3.6 percent of overall capital spending.

Higher education capital expenditures are estimated to rise 8.5 percent in fiscal 2022, totaling \$13.0 billion, and account for 9.1 percent of total state capital outlays. Higher education is the second largest category of state capital expenditures. The share of higher education capital spending has been trending downward from a peak of 15.2 percent in fiscal 2009.

Corrections capital spending increased 61.1 percent in fiscal 2022, totaling \$2.4 billion. Corrections accounted for only 1.6 percent of total state capital expenditures. Capital spending for corrections reflects the year-to-year fluctuations as the largest changes in spending from a prior year are normally due to major institutional construction and renovation projects. From an historical trend view, capital spending for corrections peaked twenty years ago reflecting a surge of institutional expansions at that time.

Housing capital expenditures account for just 1.6 percent of total fiscal 2022 capital spending, at \$2.2 billion. Housing capital spending increased by 17.4 percent in fiscal 2022, largely due to increases in Maryland, New York, Oregon, Texas, and Washington. About 25 percent of states report capital spending for housing and more than 85 percent of the funding is from debt financing.

State capital spending for **environmental** purposes in fiscal 2022 totaled \$7.1 billion, 5.0 percent of total capital spending, reflecting an increase of 12.2 percent from fiscal 2021. Environmental capital spending may include, but is not limited to, projects for environmental cleanup, drinking water, clean water, air quality, hazardous waste management, and river revitalization.

State spending for **“all other”** purposes totaled an estimated \$19.7 billion in fiscal 2022, or 13.8 percent of total capital spending. In fiscal 2022, “all other” capital spending is estimated to grow 2.0 percent. This includes capital expenditures not classified into one of the other categories. Examples of expenditures in the “all other” category may include items such as behavioral health and hospital facilities, parks and tourism, large information technology systems, other state facilities, community and economic development projects, and other criminal justice facilities. This broad category of capital spending is most reliant on funding from bonds, representing 52.8 percent in fiscal 2022.

FIGURE 18
CAPITAL EXPENDITURES BY TYPE, FISCAL 1991 TO 2022

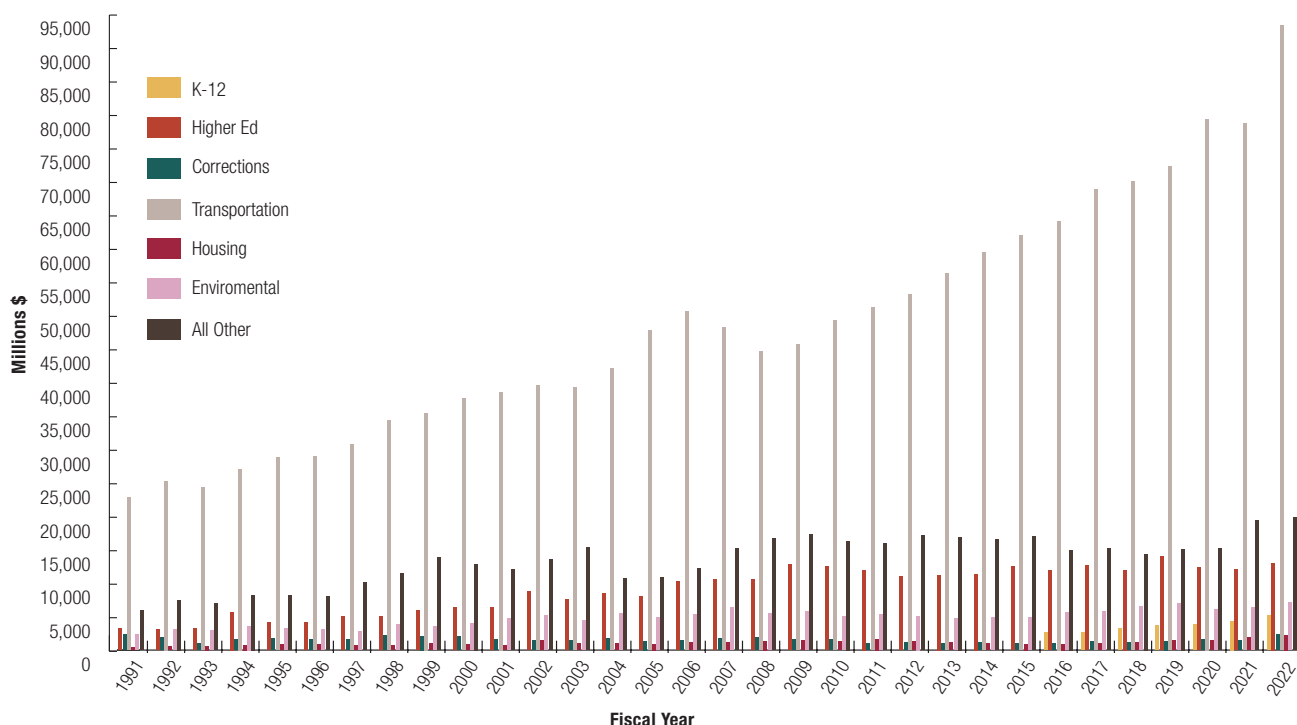


TABLE 47
CAPITAL EXPENDITURES BY PROGRAM AREA (\$ IN MILLIONS)

Year	K-12	Higher Education	Corrections	Transportation	Housing	Environmental	All Other	Total
1991		\$3,222	\$2,321	\$22,845	\$411	\$2,358	\$5,898	\$37,055
1992		3,075	1,882	25,245	515	3,027	7,476	41,221
1993		3,274	940	24,234	599	2,881	6,948	38,876
1994		5,681	1,564	27,041	761	3,594	8,232	46,872
1995		4,183	1,725	28,765	816	3,186	8,131	46,805
1996		4,133	1,618	28,869	802	3,065	8,003	46,491
1997		5,021	1,592	30,727	713	2,791	10,114	50,957
1998		5,028	2,117	34,239	711	3,816	11,446	57,488
1999		5,875	2,092	35,399	959	3,530	13,775	61,630
2000		6,325	2,084	37,596	837	3,968	12,865	63,675
2001		6,369	1,575	38,555	630	4,736	12,027	63,892
2002		8,733	1,434	39,542	1,469	5,115	13,466	69,759
2003		7,594	1,384	39,184	923	4,434	15,293	68,812
2004		8,439	1,726	42,115	963	5,404	10,739	69,386
2005		7,946	1,357	47,790	912	4,883	10,832	73,720
2006		10,241	1,466	50,629	1,192	5,338	12,162	81,028
2007		10,570	1,743	48,184	1,090	6,406	15,235	83,228
2008		10,556	1,880	44,542	1,362	5,401	16,615	80,356
2009		12,803	1,558	45,644	1,406	5,700	17,277	84,388
2010		12,514	1,554	49,184	1,289	5,076	16,287	85,904
2011		11,954	1,019	51,113	1,661	5,332	15,971	87,050
2012		10,979	1,158	53,140	1,226	5,090	17,079	88,672
2013		11,224	978	56,269	1,110	4,761	16,899	91,241
2014		11,356	1,072	59,355	946	4,883	16,574	94,186
2015		12,441	1,010	61,894	900	4,885	17,024	98,153
2016	\$2,614	11,923	956	64,092	899	5,629	14,953	100,708
2017	2,580	12,647	1,301	68,785	930	5,720	15,184	107,141
2018	3,163	11,953	1,139	69,998	1,105	6,488	14,349	108,197
2019	3,632	13,971	1,353	72,284	1,491	6,935	15,086	114,748
2020	3,779	12,381	1,623	79,315	1,373	6,026	15,206	119,702
2021	4,351	11,992	1,457	78,616	1,910	6,339	19,364	124,028
2022	\$5,158	\$13,015	\$2,347	\$93,339	\$2,242	\$7,110	\$19,742	\$142,949

FIGURE 19
ANNUAL PERCENTAGE CHANGE IN TOTAL CAPITAL EXPENDITURES

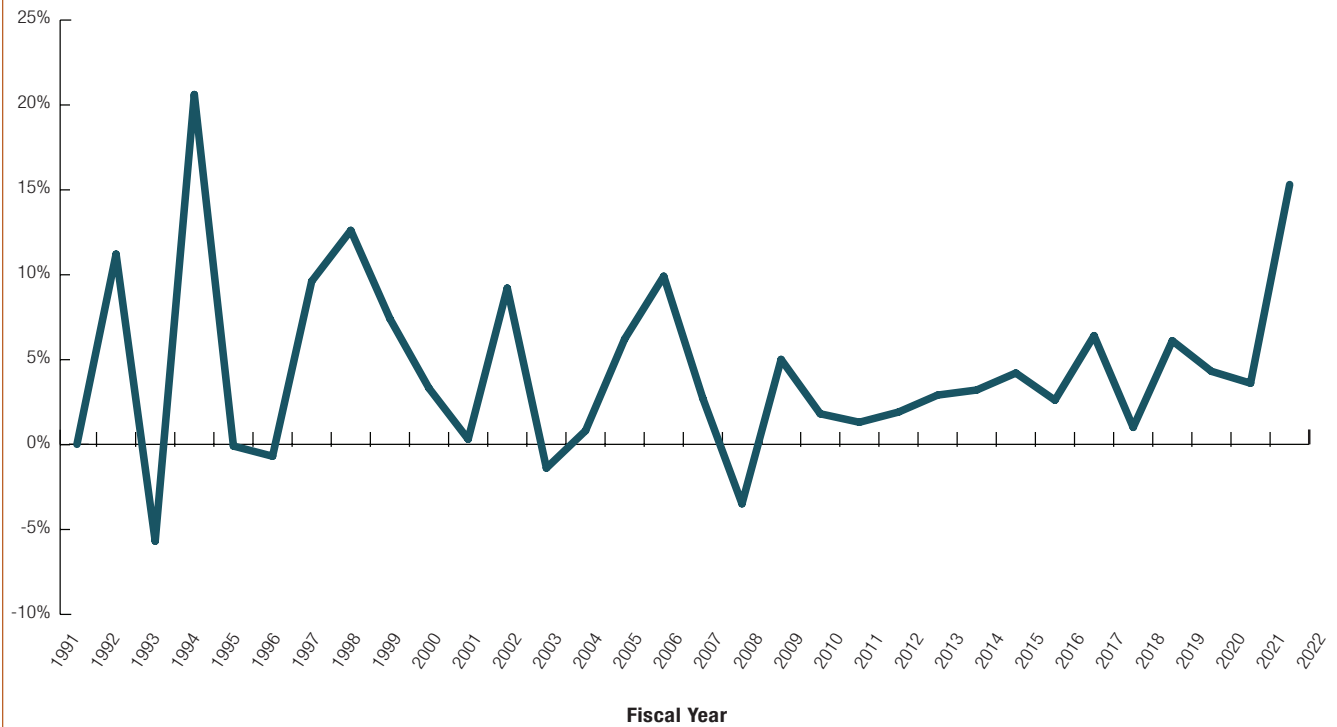


FIGURE 20
TOTAL CAPITAL EXPENDITURES BY FUNDING SOURCE,
FISCAL 2022

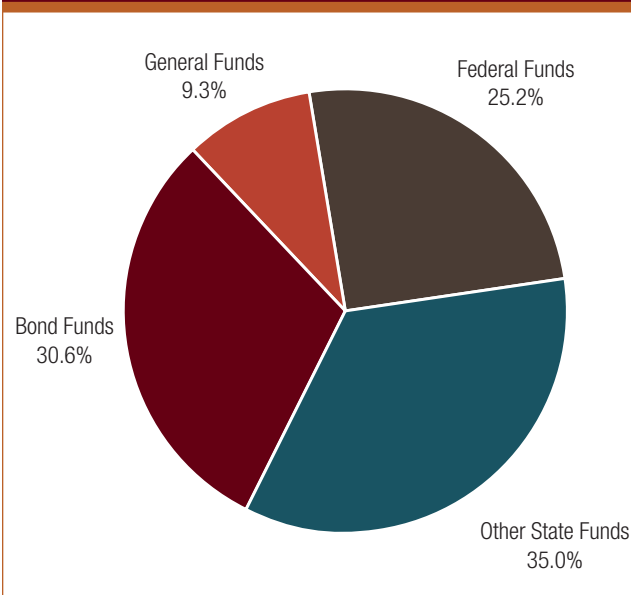


TABLE 48
TOTAL CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020					Actual Fiscal 2021					Estimated Fiscal 2022				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$562	\$19	\$1,891	\$2,472	\$0	\$478	\$16	\$2,217	\$2,711	\$0	\$474	\$22	\$3,782	\$4,278
Maine	16	179	135	98	428	5	198	63	127	393	5	220	187	17	429
Massachusetts*	0	685	0	2,503	3,188	0	775	0	3,120	3,895	0	687	0	3,196	3,883
New Hampshire	0	21	171	81	273	0	18	161	33	212	0	14	86	56	156
Rhode Island	10	393	220	399	1,021	10	562	169	365	1,105	84	520	380	1,179	2,163
Vermont	0	222	57	65	344	0	229	51	52	332	0	226	72	59	357
MID-ATLANTIC															
Delaware	0	299	375	265	939	0	355	376	287	1,018	0	319	300	381	1,000
Maryland	127	1,162	2,249	1,092	4,630	119	1,089	2,125	1,215	4,548	581	1,533	2,145	1,945	6,204
New Jersey*	1,689	2,135	922	1,326	6,072	5,491	2,246	633	2,056	10,426	3,602	2,326	785	1,302	8,016
New York	0	1,865	3,964	6,170	11,999	0	1,636	3,576	7,119	12,331	0	2,252	3,323	9,129	14,704
Pennsylvania	0	0	2,692	777	3,469	0	0	2,888	688	3,576	0	0	3,050	666	3,716
GREAT LAKES															
Illinois	0	129	3,370	1,304	4,803	0	566	3,022	1,649	5,237	0	127	2,808	1,434	4,370
Indiana*	259	0	98	0	357	378	0	49	0	427	701	0	49	0	750
Michigan*	261	1,615	780	397	3,053	159	1,410	430	483	2,481	161	2,089	561	857	3,667
Ohio	0	1,292	1,246	1,217	3,755	0	1,215	1,057	1,008	3,280	0	1,202	945	1,039	3,186
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	526	877	0	1,403	0	541	943	0	1,484	0	541	1,129	0	1,670
Kansas	87	664	277	163	1,191	77	981	334	170	1,562	406	1,131	439	151	2,127
Minnesota	0	0	0	856	856	0	0	0	713	713	0	0	0	1,444	1,444
Missouri	54	27	46	38	165	90	22	34	8	153	101	79	31	13	224
Nebraska	28	452	714	0	1,194	36	471	786	0	1,293	36	545	755	0	1,336
North Dakota	43	296	309	5	653	84	284	321	10	699	14	280	207	0	501
South Dakota	3	8	29	40	80	8	14	32	8	62	14	38	49	22	123
SOUTHEAST															
Alabama*	9	277	381	217	884	14	245	430	329	1,018	138	735	658	372	1,903
Arkansas	0	217	827	5	1,049	0	547	878	5	1,430	4	427	978	11	1,420
Florida	679	2,536	7,884	1,534	12,633	535	2,915	6,051	1,701	11,202	532	2,862	8,047	2,014	13,455
Georgia	0	0	0	1,096	1,096	0	0	0	1,130	1,130	0	0	0	935	935
Kentucky	0	0	611	0	611	0	0	520	0	520	0	0	435	0	435
Louisiana	33	614	264	220	1,131	68	624	243	372	1,307	65	649	202	337	1,253
Mississippi	16	431	301	677	1,425	16	499	310	1,053	1,878	12	427	523	1,279	2,241
North Carolina	12	1,629	2,714	983	5,338	182	1,162	2,387	1,367	5,098	258	1,239	2,539	599	4,635
South Carolina	50	59	1,836	0	1,945	29	45	1,446	0	1,520	35	32	1,595	0	1,662
Tennessee*	326	1,133	659	0	2,118	5	1,063	673	55	1,796	611	1,098	881	0	2,590
Virginia	2	25	177	1,142	1,346	1	30	153	1,182	1,366	57	47	153	912	1,169
West Virginia	13	10	960	371	1,354	20	18	991	386	1,415	18	17	1,067	321	1,423
SOUTHWEST															
Arizona	845	900	495	351	2,591	854	973	382	307	2,517	1,042	1,063	238	339	2,682
New Mexico	78	445	356	410	1,289	118	490	348	348	1,304	103	489	243	346	1,181
Oklahoma	8	522	1,185	219	1,934	8	924	1,278	144	2,354	0	0	0	0	0
Texas	199	5,355	7,819	279	13,652	197	5,513	7,354	353	13,417	553	5,209	7,864	467	14,093
ROCKY MOUNTAIN															
Colorado	183	15	77	0	275	74	35	92	0	202	255	10	129	0	394
Idaho	19	452	385	0	856	15	318	316	0	649	42	362	782	0	1,186
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	158	422	1,209	1,067	2,856	761	377	1,193	0	2,331	1,731	483	1,272	0	3,486
Wyoming	0	0	0	0	0	1	0	1	0	2	1	0	1	0	2
FAR WEST															
Alaska	180	1,077	147	0	1,404	136	1,350	68	0	1,554	495	2,036	213	0	2,744
California	344	1,966	2,708	880	5,897	86	1,856	3,472	601	6,015	1,594	3,841	3,994	4,884	14,313
Hawaii	3	194	150	1,228	1,575	1	204	218	1,211	1,634	0	241	109	1,000	1,350
Nevada	16	26	28	114	184	3	5	18	120	147	2	9	10	52	73
Oregon	0	17	0	365	382	0	21	0	273	294	4	18	0	334	356
Washington	0	55	707	2,769	3,531	0	78	876	3,038	3,992	0	56	728	2,880	3,664
TOTAL	\$5,750	\$30,909	\$50,430	\$32,613	\$119,702	\$9,579	\$32,381	\$46,764	\$35,304	\$124,028	\$13,257	\$35,954	\$49,984	\$43,754	\$142,949
District of Columbia	0	285	503	1,188	1,976	0	305	473	1,135	1,913					

*See notes at the end of the chapter.

TABLE 49

ELEMENTARY & SECONDARY EDUCATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020					Actual Fiscal 2021					Estimated Fiscal 2022				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$301	\$301	\$0	\$0	\$0	\$483	\$483	\$0	\$0	\$0	\$558	\$558
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	34	34	0	0	0	22	22	0	0	0	18	18
New Hampshire	0	0	0	13	13	0	0	0	8	8	0	0	0	1	1
Rhode Island	0	0	1	25	26	0	1	0	36	37	0	1	2	181	184
Vermont	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MID-ATLANTIC															
Delaware	0	0	0	188	188	0	0	0	181	181	0	0	0	182	182
Maryland	36	0	0	330	366	0	0	0	365	365	12	40	0	1,107	1,159
New Jersey	0	0	3	0	3	0	0	1	0	1	0	0	1	33	34
New York	0	0	21	160	181	0	0	19	106	125	0	0	14	197	211
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GREAT LAKES															
Illinois	0	0	0	37	37	0	0	0	0	0	0	0	0	0	0
Indiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Michigan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ohio	0	0	55	338	393	0	0	22	301	323	0	0	2	236	238
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas	0	0	3	0	3	0	0	3	0	3	0	0	2	0	2
Minnesota	0	0	0	6	6	0	0	0	16	16	0	0	0	1	1
Missouri	1	0	0	0	1	0	0	2	0	2	0	0	0	0	0
Nebraska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1
SOUTHEAST															
Alabama	1	0	195	41	237	1	0	195	134	330	0	0	210	197	407
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	0	0	385	0	385	0	0	391	0	391	0	0	360	0	360
Georgia	0	0	0	338	338	0	0	0	374	374	0	0	0	297	297
Kentucky	0	0	35	0	35	0	0	24	0	24	0	0	19	0	19
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	1	0	0	0	1	0	0	0	1	1	0	1	2	3	6
North Carolina	0	0	175	0	175	0	0	509	0	509	0	0	233	0	233
South Carolina	18	2	29	0	49	4	0	45	0	49	7	2	28	0	37
Tennessee	0	0	2	0	2	0	0	1	0	1	17	0	0	0	17
Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Virginia	0	0	1	0	1	1	0	1	0	2	0	0	0	0	0
SOUTHWEST															
Arizona	354	0	0	0	354	320	0	0	0	320	384	0	0	0	384
New Mexico	12	0	0	103	115	20	0	0	105	125	15	0	0	102	117
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ROCKY MOUNTAIN															
Colorado	1	0	0	0	1	0	0	0	0	0	4	0	0	0	4
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	14	0	19	0	33	14	0	19	0	33	14	0	19	0	33
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	0	0	9	0	9	1	0	0	0	1	13	0	55	0	68
California	0	0	0	0	0	0	0	0	0	0	10	0	0	0	10
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Washington	0	0	27	465	492	0	0	139	486	625	0	0	8	569	577
TOTAL	\$438	\$2	\$960	\$2,379	\$3,779	\$361	\$1	\$1,371	\$2,618	\$4,351	\$476	\$45	\$955	\$3,682	\$5,158
District of Columbia	0	0	23	370	393	0	0	5	361	366					

TABLE 50
HIGHER EDUCATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020					Actual Fiscal 2021					Estimated Fiscal 2022				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$277	\$277	\$0	\$0	\$0	\$324	\$324	\$0	\$0	\$0	\$293	\$293
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	150	150	0	0	0	162	162	0	0	0	176	176
New Hampshire	0	0	0	12	12	0	0	0	2	2	0	0	0	16	16
Rhode Island	0	0	51	19	70	1	0	17	14	32	1	0	26	163	190
Vermont	0	0	0	1	1	0	0	0	3	3	0	0	0	3	3
MID-ATLANTIC															
Delaware	0	0	0	15	15	0	0	0	23	23	0	0	0	41	41
Maryland	1	0	0	326	327	0	0	31	401	432	291	0	0	174	465
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	0	325	694	1,019	0	0	351	544	895	0	0	341	833	1,174
Pennsylvania	0	0	0	189	189	0	0	0	199	199	0	0	0	188	188
GREAT LAKES															
Illinois	0	0	0	18	18	0	0	0	0	0	0	0	0	0	0
Indiana	63	0	0	0	63	48	0	0	0	48	39	0	0	0	39
Michigan	168	0	0	253	421	150	0	0	167	317	158	0	0	80	238
Ohio	0	0	0	257	257	0	0	0	197	197	0	0	0	206	206
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	10	0	10	0	0	13	0	13	0	0	50	0	50
Kansas	5	0	96	47	148	1	0	97	49	147	1	0	127	24	152
Minnesota	0	0	0	170	170	0	0	0	81	81	0	0	0	95	95
Missouri	9	0	0	3	12	1	0	0	1	2	1	36	0	0	37
Nebraska	22	0	153	0	175	17	0	207	0	224	22	0	221	0	243
North Dakota	19	0	127	5	151	81	0	125	10	216	13	0	79	0	92
South Dakota	0	0	0	24	24	0	0	0	8	8	0	0	0	22	22
SOUTHEAST															
Alabama*	0	0	0	6	6	0	0	0	27	27	0	0	0	67	67
Arkansas	0	0	10	0	10	0	0	2	0	2	0	0	26	0	26
Florida	40	0	146	29	215	0	0	151	5	156	29	0	81	4	114
Georgia	0	0	0	295	295	0	0	0	320	320	0	0	0	242	242
Kentucky	0	0	338	0	338	0	0	307	0	307	0	0	221	0	221
Louisiana	4	0	74	34	112	9	0	99	145	253	7	0	32	98	137
Mississippi	6	10	86	145	247	7	18	93	68	186	5	45	96	51	197
North Carolina	0	0	0	498	498	0	0	0	386	386	187	0	0	184	371
South Carolina	0	5	257	0	262	0	7	167	0	174	0	1	305	0	306
Tennessee	174	0	57	0	231	0	0	47	55	102	443	0	65	0	508
Virginia	0	0	93	761	854	0	0	64	698	762	51	0	73	619	743
West Virginia	0	0	308	0	308	0	0	261	0	261	0	0	261	0	261
SOUTHWEST															
Arizona	490	450	85	302	1,327	527	458	236	301	1,522	611	454	91	338	1,494
New Mexico	31	0	65	50	146	50	0	0	60	110	45	0	0	55	100
Oklahoma	0	7	206	9	222	0	7	252	5	264	0	0	0	0	0
Texas	187	144	2,402	0	2,733	169	120	2,197	0	2,486	504	101	2,016	0	2,621
ROCKY MOUNTAIN															
Colorado	97	0	52	0	149	0	0	44	0	44	156	0	48	0	204
Idaho	7	6	9	0	22	6	0	20	0	26	9	0	18	0	27
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	0	0	0	0	159	0	0	0	159	256	0	107	0	363
Wyoming	0	0	0	0	0	1	0	0	0	1	1	0	0	0	1
FAR WEST															
Alaska	0	0	0	0	0	0	0	0	0	0	48	0	18	0	66
California	0	0	0	153	153	0	0	0	267	267	0	0	0	583	583
Hawaii	0	0	0	138	138	0	0	0	122	122	0	0	0	108	108
Nevada	11	0	27	44	82	0	0	17	82	99	1	0	8	15	24
Oregon	0	0	0	181	181	0	0	0	147	147	0	0	0	111	111
Washington	0	0	95	248	343	0	0	136	348	484	0	0	95	305	400
TOTAL	\$1,334	\$622	\$5,072	\$5,353	\$12,381	\$1,227	\$610	\$4,934	\$5,221	\$11,992	\$2,879	\$637	\$4,405	\$5,094	\$13,015
District of Columbia	0	0	0	61	61	0	0	0	16	16					

*See notes at the end of the chapter.

TABLE 51
CORRECTIONS CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020					Actual Fiscal 2021					Estimated Fiscal 2022				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$4	\$4	\$0	\$0	\$0	\$8	\$8	\$0	\$0	\$0	\$12	\$12
Maine	1	0	0	0	1	1	0	0	0	1	1	0	0	0	1
Massachusetts	0	0	0	50	50	0	0	0	43	43	0	0	0	34	34
New Hampshire	0	0	0	2	2	0	0	0	1	1	0	0	0	2	2
Rhode Island	0	0	16	0	16	0	1	5	0	6	0	0	8	0	8
Vermont	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0
MID-ATLANTIC															
Delaware	0	0	0	1	1	0	0	0	6	6	0	0	0	5	5
Maryland	0	0	0	47	47	0	0	0	53	53	0	0	0	34	34
New Jersey	11	1	0	0	12	8	4	0	0	12	15	0	0	0	15
New York	0	0	95	317	412	0	0	95	214	309	0	0	89	270	359
Pennsylvania	0	0	0	41	41	0	0	0	40	40	0	0	0	40	40
GREAT LAKES															
Illinois	0	0	0	36	36	0	0	0	0	0	0	0	0	0	0
Indiana	5	0	8	0	13	5	0	7	0	12	405	0	6	0	411
Michigan	11	0	0	3	14	9	0	0	19	28	3	0	0	34	37
Ohio	0	0	0	82	82	0	0	0	66	66	0	0	0	90	90
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas	1	0	10	0	11	7	0	9	0	16	7	0	14	0	21
Minnesota	0	0	0	28	28	0	0	0	9	9	0	0	0	18	18
Missouri	3	0	0	0	3	0	0	0	0	0	0	0	0	0	0
Nebraska	0	0	24	0	24	0	0	47	0	47	0	0	35	0	35
North Dakota	1	0	1	0	2	0	0	0	0	0	0	0	0	0	0
South Dakota	1	0	0	0	1	3	0	0	0	3	12	0	0	0	12
SOUTHEAST															
Alabama	7	0	6	0	13	12	0	7	0	19	138	400	27	0	565
Arkansas	0	0	5	0	5	0	0	4	0	4	4	0	3	0	7
Florida	34	0	0	0	34	13	0	0	0	13	31	0	0	0	31
Georgia	0	0	0	62	62	0	0	0	48	48	0	0	0	22	22
Kentucky	0	0	4	0	4	0	0	5	0	5	0	0	16	0	16
Louisiana	0	0	0	4	4	0	0	1	5	6	0	0	4	3	7
Mississippi	1	0	0	0	1	3	0	0	0	3	2	0	4	0	6
North Carolina	12	0	0	3	15	12	0	0	10	22	9	0	0	12	21
South Carolina	2	0	11	0	13	2	0	16	0	18	4	0	20	0	24
Tennessee	0	0	25	0	25	0	0	33	0	33	3	0	32	0	35
Virginia	0	0	0	20	20	0	0	0	17	17	0	0	0	21	21
West Virginia	7	0	3	0	10	8	0	1	0	9	7	0	0	0	7
SOUTHWEST															
Arizona	0	0	22	0	22	7	0	17	0	24	32	0	21	0	53
New Mexico	0	0	2	5	7	0	0	0	5	5	0	0	0	5	5
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas	7	0	39	0	46	24	0	63	0	87	46	0	105	0	151
ROCKY MOUNTAIN															
Colorado	11	0	0	0	11	0	0	0	0	0	15	0	0	0	15
Idaho	2	0	2	0	4	2	0	4	0	6	2	0	3	0	5
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	0	0	350	350	388	0	0	0	388	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	0	0	0	0	0	0	0	0	0	0	8	0	0	0	8
California	127	0	0	0	127	16	0	0	0	16	155	0	0	0	155
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	0	0	0	18	18	0	0	0	18	18	0	0	0	18	18
Oregon	0	0	0	20	20	0	0	0	19	19	0	0	0	23	23
Washington	0	0	0	12	12	0	0	2	34	36	0	0	0	18	18
TOTAL	\$244	\$1	\$273	\$1,105	\$1,623	\$520	\$5	\$316	\$616	\$1,457	\$899	\$400	\$387	\$661	\$2,347
District of Columbia	0	0	1	2	3	0	0	0	12	12					

TABLE 52
TRANSPORTATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020					Actual Fiscal 2021					Estimated Fiscal 2022				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$562	\$19	\$891	\$1,472	\$0	\$478	\$16	\$715	\$1,209	\$0	\$474	\$22	\$1,713	\$2,209
Maine	8	167	127	97	399	2	182	56	126	366	0	213	171	14	398
Massachusetts	0	685	0	1,345	2,030	0	775	0	1,683	2,458	0	687	0	1,625	2,312
New Hampshire	0	21	171	15	207	0	18	161	9	188	0	14	86	7	107
Rhode Island	0	186	19	175	380	0	269	50	176	495	0	243	99	465	807
Vermont	0	222	57	1	280	0	229	51	0	280	0	226	72	1	299
MID-ATLANTIC															
Delaware	0	299	375	0	674	0	355	376	21	752	0	319	300	92	711
Maryland	75	1,045	1,821	0	2,941	97	1,007	1,660	0	2,764	155	1,269	1,616	0	3,040
New Jersey	1,412	1,807	899	1,034	5,152	1,426	1,775	602	1,940	5,743	1,541	2,306	782	1,156	5,785
New York	0	1,559	1,390	2,239	5,188	0	1,542	1,560	3,047	6,149	0	1,892	1,420	4,766	8,078
Pennsylvania	0	0	2,663	281	2,944	0	0	2,840	204	3,044	0	0	2,947	203	3,150
GREAT LAKES															
Illinois	0	129	2,812	532	3,473	0	566	2,439	1,026	4,031	0	127	2,236	710	3,073
Indiana	0	0	19	0	19	0	0	13	0	13	0	0	22	0	22
Michigan	0	1,596	484	39	2,119	0	1,410	430	297	2,137	0	2,089	561	743	3,393
Ohio	0	1,283	1,169	0	2,452	0	1,205	1,010	0	2,215	0	1,188	921	0	2,109
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	519	819	0	1,338	0	541	881	0	1,422	0	541	998	0	1,539
Kansas	0	653	117	116	886	0	966	160	121	1,247	0	1,118	227	127	1,472
Minnesota	0	0	0	323	323	0	0	0	321	321	0	0	0	375	375
Missouri	3	0	0	0	3	0	0	0	0	0	0	0	0	0	0
Nebraska	0	442	490	0	932	0	460	484	0	944	0	521	461	0	982
North Dakota	10	271	163	0	444	3	270	196	0	469	0	258	97	0	355
South Dakota	0	0	11	0	11	0	0	17	0	17	0	0	25	0	25
SOUTHEAST															
Alabama	0	277	109	143	529	0	245	101	96	442	0	335	335	46	716
Arkansas	0	215	793	0	1,008	0	542	850	0	1,392	0	363	922	0	1,285
Florida	0	2,201	6,320	343	8,864	0	2,374	4,197	540	7,111	0	2,445	6,137	852	9,434
Georgia	0	0	0	152	152	0	0	0	152	152	0	0	0	145	145
Kentucky	0	0	22	0	22	0	0	28	0	28	0	0	14	0	14
Louisiana	8	613	166	109	896	40	623	132	135	930	42	648	130	113	933
Mississippi	0	394	208	130	732	0	452	184	148	784	0	356	278	65	699
North Carolina	0	1,629	2,539	364	4,532	0	1,162	1,878	846	3,886	0	1,239	2,200	329	3,768
South Carolina	0	0	1,380	0	1,380	0	0	1,097	0	1,097	0	0	1,141	0	1,141
Tennessee	0	1,120	558	0	1,678	0	1,047	564	0	1,611	0	1,093	762	0	1,855
Virginia	0	2	72	125	199	0	1	80	67	148	0	5	68	13	86
West Virginia	1	2	638	371	1,012	1	3	679	386	1,069	1	2	756	321	1,080
SOUTHWEST															
Arizona	1	450	388	49	888	0	515	130	6	651	15	609	126	1	751
New Mexico	5	375	250	47	677	15	405	300	6	726	10	450	200	8	668
Oklahoma	0	457	649	96	1,202	0	734	561	6	1,301	0	0	0	0	0
Texas	0	5,182	5,364	27	10,573	0	5,362	5,072	0	10,434	0	5,080	5,720	0	10,800
ROCKY MOUNTAIN															
Colorado	1	0	0	0	1	1	0	0	0	1	0	0	2	0	2
Idaho	0	338	161	0	499	0	281	176	0	457	0	354	686	0	1,040
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	418	1,108	717	2,243	2	374	982	0	1,358	1,137	470	806	0	2,413
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	98	923	64	0	1,085	68	917	58	0	1,043	124	1,650	87	0	1,861
California	0	1,926	2,681	265	4,872	0	1,818	3,383	19	5,220	148	3,805	4,078	4,227	12,258
Hawaii	0	178	145	421	744	0	190	213	285	688	0	204	108	267	579
Nevada	0	0	1	30	31	0	2	0	8	10	0	1	0	1	2
Oregon	0	0	0	5	5	0	2	0	21	23	0	0	0	12	12
Washington	0	0	402	1,422	1,824	0	0	353	1,437	1,790	0	0	270	1,286	1,556
TOTAL	\$1,622	\$28,146	\$37,643	\$11,904	\$79,315	\$1,655	\$29,097	\$34,020	\$13,844	\$78,616	\$3,173	\$32,594	\$37,889	\$19,683	\$93,339
District of Columbia	0	232	318	346	896	0	241	345	363	949					

TABLE 53
HOUSING CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020					Actual Fiscal 2021					Estimated Fiscal 2022				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$110	\$110	\$0	\$0	\$0	\$146	\$146	\$0	\$0	\$0	\$128	\$128
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	197	197	0	0	0	269	269	0	0	0	278	278
New Hampshire	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rhode Island	0	0	0	13	13	0	0	0	1	1	0	0	0	84	84
Vermont	0	0	0	1	1	0	0	0	2	2	0	0	0	2	2
MID-ATLANTIC															
Delaware	0	0	0	17	17	0	0	0	13	13	0	0	0	15	15
Maryland	15	16	56	62	149	20	23	38	101	182	16	165	35	144	360
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	0	166	185	351	0	0	8	545	553	0	0	25	580	605
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GREAT LAKES															
Illinois	0	0	0	0	0	0	0	0	70	70	0	0	0	4	4
Indiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Michigan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ohio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minnesota	0	0	0	7	7	0	0	0	8	8	0	0	0	4	4
Missouri	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nebraska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHEAST															
Alabama	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Georgia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHWEST															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	1	46	0	3	50	3	50	0	7	60	1	0	0	3	4
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas	0	29	3	252	284	0	31	2	353	386	0	28	1	467	496
ROCKY MOUNTAIN															
Colorado	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	17	51	2	0	70	18	93	2	0	113	19	17	2	0	38
California	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	0	0	0	56	56	0	0	0	38	38	0	0	0	102	102
Washington	0	0	3	65	68	0	0	2	67	69	0	0	17	105	122
TOTAL	\$33	\$142	\$230	\$968	\$1,373	\$41	\$197	\$52	\$1,620	\$1,910	\$36	\$210	\$80	\$1,916	\$2,242
District of Columbia	0	0	144	0	144	0	0	110	0	110					

TABLE 54
ENVIRONMENTAL PROJECTS CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020					Actual Fiscal 2021					Estimated Fiscal 2022				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$76	\$76	\$0	\$0	\$0	\$19	\$19	\$0	\$0	\$0	\$137	\$137
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	222	222	0	0	0	284	284	0	0	0	328	328
New Hampshire	0	0	0	8	8	0	0	0	9	9	0	0	0	12	12
Rhode Island	0	1	7	13	21	0	4	4	14	22	0	6	20	99	125
Vermont	0	0	0	24	24	0	0	0	24	24	0	0	0	21	21
MID-ATLANTIC															
Delaware	0	0	0	8	8	0	0	0	9	9	0	0	0	15	15
Maryland	0	60	372	60	492	0	59	396	60	515	7	59	494	146	706
New Jersey	71	45	5	270	391	164	21	14	103	302	419	0	0	79	498
New York	0	223	452	430	1,105	0	48	378	481	907	0	206	441	512	1,159
Pennsylvania	0	0	0	25	25	0	0	0	21	21	0	0	0	18	18
GREAT LAKES															
Illinois	0	0	558	9	567	0	0	583	3	586	0	0	572	3	575
Indiana	11	0	16	0	27	28	0	9	0	37	8	0	12	0	20
Michigan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ohio	0	0	13	186	199	0	0	10	154	164	0	0	11	155	166
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	12	0	12	0	0	14	0	14	0	0	22	0	22
Kansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minnesota	0	0	0	96	96	0	0	0	69	69	0	0	0	176	176
Missouri	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nebraska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota	2	12	15	0	29	0	0	0	0	0	1	22	31	0	54
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHEAST															
Alabama*	0	0	53	0	53	0	0	45	0	45	0	0	57	0	57
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	335	335	831	163	1,664	349	541	1,000	163	2,053	205	417	1,215	142	1,979
Georgia	0	0	0	10	10	0	0	0	5	5	0	0	0	11	11
Kentucky	0	0	8	0	8	0	0	11	0	11	0	0	9	0	9
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	16	1	3	20	0	8	2	2	12	0	11	17	2	30
North Carolina	0	0	0	52	52	0	0	0	74	74	8	0	0	61	69
South Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tennessee	22	0	6	0	28	0	0	7	0	7	58	0	17	0	75
Virginia	0	3	9	11	23	0	1	2	10	13	2	3	3	13	21
West Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHWEST															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	4	15	20	30	69	10	20	25	35	90	9	21	23	52	105
Oklahoma	0	17	170	0	187	0	10	350	0	360	0	0	0	0	0
Texas	5	0	11	0	16	4	0	20	0	24	3	0	22	0	25
ROCKY MOUNTAIN															
Colorado	0	0	13	0	13	0	0	21	0	21	0	0	19	0	19
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	12	60	8	0	80	16	67	1	0	84	20	52	8	0	80
California	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hawaii	0	0	0	11	11	0	0	0	13	13	0	0	0	13	13
Nevada	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	0	0	0	37	37	0	0	0	28	28	0	0	0	33	33
Washington	0	38	121	294	453	0	54	150	313	517	0	45	240	267	552
TOTAL	\$462	\$825	\$2,701	\$2,038	\$6,026	\$571	\$833	\$3,042	\$1,893	\$6,339	\$740	\$842	\$3,233	\$2,295	\$7,110
District of Columbia	0	3	1	7	11	0	3	2	7	12					

*See notes at the end of the chapter.

TABLE 55
ALL OTHER CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020					Actual Fiscal 2021					Estimated Fiscal 2022				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$232	\$232	\$0	\$0	\$0	\$522	\$522	\$0	\$0	\$0	\$942	\$942
Maine	7	12	8	1	28	2	16	7	1	26	4	7	16	3	30
Massachusetts	0	0	0	505	505	0	0	0	657	657	0	0	0	737	737
New Hampshire	0	0	0	31	31	0	0	0	4	4	0	0	0	18	18
Rhode Island	9	205	128	153	495	8	288	93	124	513	83	270	225	186	764
Vermont	0	0	0	38	38	0	0	0	22	22	0	0	0	32	32
MID-ATLANTIC															
Delaware	0	0	0	36	36	0	0	0	34	34	0	0	0	31	31
Maryland	0	41	0	267	308	2	0	0	235	237	100	0	0	340	440
New Jersey*	195	282	15	22	514	3,893	446	16	13	4,368	1,627	20	2	34	1,683
New York	0	83	1,515	2,145	3,743	0	46	1,165	2,182	3,393	0	154	993	1,971	3,118
Pennsylvania	0	0	29	241	270	0	0	48	224	272	0	0	103	217	320
GREAT LAKES															
Illinois	0	0	0	672	672	0	0	0	550	550	0	0	0	717	717
Indiana	180	0	55	0	235	297	0	20	0	317	248	0	9	0	257
Michigan	82	19	296	102	499	0	0	0	0	0	0	0	0	0	0
Ohio	0	9	9	354	372	0	10	15	290	315	0	14	11	352	377
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	7	36	0	43	0	0	35	0	35	0	0	59	0	59
Kansas	82	11	51	0	144	69	15	65	0	149	399	13	69	0	481
Minnesota	0	0	0	226	226	0	0	0	210	210	0	0	0	776	776
Missouri	39	27	46	35	147	88	22	32	7	149	100	43	31	13	187
Nebraska	6	10	47	0	63	19	11	48	0	78	14	24	38	0	76
North Dakota	11	13	3	0	27	0	14	0	0	14	0	0	0	0	0
South Dakota	2	8	18	16	44	5	14	15	0	34	2	37	24	0	63
SOUTHEAST															
Alabama*	1	0	18	27	46	1	0	82	72	155	0	0	29	62	91
Arkansas	0	2	19	5	26	0	5	22	5	32	0	64	27	11	102
Florida	270	0	202	999	1,471	173	0	312	993	1,478	267	0	254	1,016	1,537
Georgia	0	0	0	239	239	0	0	0	231	231	0	0	0	218	218
Kentucky	0	0	204	0	204	0	0	145	0	145	0	0	156	0	156
Louisiana	21	1	24	73	119	19	1	11	87	118	16	1	36	123	176
Mississippi	8	11	6	399	424	6	21	31	834	892	5	14	126	1,158	1,303
North Carolina	0	0	0	66	66	170	0	0	51	221	54	0	106	13	173
South Carolina	30	52	159	0	241	23	36	121	0	180	24	29	101	0	154
Tennessee	130	13	11	0	154	5	16	21	0	42	90	5	6	0	101
Virginia	2	20	3	225	250	1	28	7	390	426	4	39	9	246	298
West Virginia	5	8	10	0	23	10	15	49	0	74	10	15	50	0	75
SOUTHWEST															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	25	9	19	172	225	20	15	23	130	188	23	18	20	121	182
Oklahoma	8	41	160	114	323	8	173	115	133	429	0	0	0	0	0
Texas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ROCKY MOUNTAIN															
Colorado	74	15	12	0	101	73	35	28	0	136	80	10	61	0	151
Idaho	10	108	213	0	331	7	37	116	0	160	31	8	75	0	114
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	144	4	82	0	230	198	3	192	0	393	324	13	340	0	677
Wyoming	0	0	0	0	0	0	0	1	0	1	0	0	1	0	1
FAR WEST															
Alaska	53	43	64	0	160	33	273	7	0	313	263	317	43	0	623
California	217	40	27	462	746	70	38	88	315	511	1,281	36	-84	74	1,307
Hawaii	3	16	5	658	682	1	14	5	791	811	0	37	1	612	650
Nevada	4	26	1	21	52	3	4	0	12	19	1	8	2	18	29
Oregon	0	16	0	66	82	0	19	0	20	39	4	18	0	55	77
Washington	0	17	59	263	339	0	24	94	353	471	0	11	98	330	439
TOTAL	\$1,618	\$1,169	\$3,554	\$8,865	\$15,206	\$5,204	\$1,639	\$3,029	\$9,492	\$19,364	\$5,054	\$1,225	\$3,037	\$10,426	\$19,742
District of Columbia	0	50	16	402	468	0	61	11	376	448					

*See notes at the end of the chapter.

Capital Spending Expenditures Notes

Alabama: Higher education capital expenditures are not captured/available at state budget level. Reported Bond Funds for Higher Ed represent bond proceeds paid directly to vendors by the State's Debt Management division. Environmental and All Other capital expenditures from Federal and Other State Funds are not reported separately; combined amounts are included in the Other State Funds.

Indiana: Debt service appropriations are included in capital.

Massachusetts: Includes all spending funded by capital appropriations, including General Obligation, Special Obligation, project financed, and federal reimbursement spending. Functional categories are based in the Massachusetts Management

Accounting and Reporting System so they may not align with investment categories in the Commonwealth's capital investment plan.

Michigan: Discontinued reporting totals for grants to locals that may be used for capital expenses.

New Jersey: Regarding "all other" general fund capital spending, FY2021 and FY2022 include \$3.7B and \$1.3B, respectively, for actual and proposed deposits to the State's Debt Defeasance and Prevention Fund. Such deposits are not expected to continue at this level in the out-years.

Tennessee: Bond estimates represent bond authorizations, while actual bonds represent bond proceeds utilized.

9

CHAPTER



REVENUE SOURCES IN THE GENERAL FUND

Revenue Sources in the General Fund

General fund revenue, the largest source of state expenditures and the most discretionary, totaled an estimated \$1.18 trillion in fiscal 2022, a 15.9 percent increase over fiscal 2021. In fiscal 2021, general fund revenues increased by 16.6 percent. These figures, as with all other data in this report, are not adjusted for inflation, which has risen rapidly over the past two years.

The three main sources of general fund revenue — personal income taxes, sales and use taxes, and corporate income taxes — accounted for 83.6 percent of state general fund collections in estimated fiscal 2022. Specifically, personal income taxes accounted for 44.1 percent, sales and use taxes for 28.1 percent, and corporate income taxes for 11.4 percent of total general fund revenues in fiscal 2022. “All other” general fund revenue represented 15.5 percent of revenues, while gaming and lottery revenue were only 0.8 percent. The major sources of general fund revenues are displayed by state in Table 56, and year-over-year revenue percentage changes can be found in Table 57.

Depending on the state, “all other” general fund revenue may include cigarette and tobacco taxes, alcoholic beverage taxes, insurance premium taxes, severance taxes, franchise taxes, gaming taxes, interest income, licenses and fees for permits, inheritances taxes, and charges for state-provided services.

States use a variety of taxes and fees to finance programs, not all of which are reflected in the general fund. These include some gaming taxes, lottery proceeds, and motor vehicle fees, which often are earmarked for special purposes or specific funds, such as education or roads. In addition to collecting information on state general fund revenues, this report contains detailed information on transportation fund revenues, which can be found in Table A-5 in the Appendix.

Table 58 illustrates the major items that are excluded from general fund revenue sources. For example, property taxes are a mainstay of local government finance and the majority of states do not impose a state property tax. However, many states help reduce the amount of property taxes local governments collect through their elementary and secondary education funding formulas, as well as other aid and subsidies to local governments.

State Tax Collection Trends

Following declines in fiscal 2020, state revenues experienced double-digit growth for the second consecutive year in fiscal 2022, increasing 15.9 percent. A number of factors contributed to fiscal 2022’s revenue growth including economic gains following the initial effects of the pandemic, the role of federal COVID—19 relief aid, and the impact of inflation on both salaries and the price of goods. Strong year-over-year gains were seen in all major sources of state tax revenue. Personal income taxes were bolstered by employment growth, salary increases, and the strong stock market performance in calendar year 2021. Corporate income taxes rose as businesses saw higher profits. Sales taxes grew partly due to increased consumer spending, the shift to purchasing goods over services, and the impact of inflation on prices. Finally, states with a severance tax saw increased revenue due to higher collections from oil and gas production. The strong growth in tax collections and revenues exceeding forecasts led many states to report their largest surplus in state history.

The growth in tax collections in fiscal 2022 was widespread with half of the states reporting revenue growth above 10 percent. Most states reported revenue from all major taxes, including sales, personal income, and corporate income, experienced gains in fiscal 2022 compared to fiscal 2021. When looking at 50-state totals, all revenue sources experienced growth in fiscal 2022 including sales tax (13.6 percent), personal income tax (11.5 percent), corporate income tax (61.5 percent), gaming and lottery revenue (5.2 percent), and all other general fund revenue (10.0 percent). The median growth rates for estimated fiscal 2022 were total general fund revenue collections (10.3 percent), sales tax (10.1 percent), personal income tax (9.4 percent), corporate income tax (19.0 percent), gaming and lottery revenue (2.7 percent), and all other general fund revenue (4.3 percent). Fiscal 2022’s growth was even more notable in that it followed a high baseline established in fiscal 2021. Looking at two-year growth levels, from fiscal 2020 to fiscal 2022 total general fund revenue collections increased 35.2 percent.

State revenues also rose sharply in fiscal 2021, increasing by 16.6 percent. Several factors help explain fiscal 2021’s strong

growth including: federal stimulus measures infused additional money into the economy, which helped bolster state revenue collections; high-income earners were relatively insulated from the COVID—19 pandemic's economic effects, which limited impacts on personal tax collections; the types of consumption that were most curtailed by the pandemic (such as services) comprise a relatively small portion of states' sales tax bases; and the enabling of online sales tax collections following the U.S. Supreme Court decision in *Wayfair v. South Dakota*. Fiscal 2021 revenue collections were also impacted by the shifting of the 2020 tax deadline from April 15 to July 15. According to NASBO's Spring 2021 *Fiscal Survey of States*, 19 states reported they recognized these delayed revenues due to the deadline shift in fiscal 2021 instead of fiscal 2020, depressing fiscal 2020 revenues and leading to greater growth in fiscal 2021. The lower fiscal 2020 revenue totals also helped lead to higher year-over-year percentage growth for fiscal 2021.

The growth in tax collections in fiscal 2021 was even more widespread than fiscal 2022 with 41 states reporting revenue growth above 10 percent. Once again, most states reported revenue from all major taxes experienced gains in fiscal 2021 compared to fiscal 2020. When looking at 50-state totals, all revenue sources experienced growth in fiscal 2021 including sales tax (9.7 percent), personal income tax (18.1 percent), corporate income tax (47.1 percent), gaming and lottery revenue (15.2 percent), and all other general fund revenue (13.5 percent). The median growth rates for fiscal 2021 were total general fund revenue collections (15.7 percent), sales tax (11.7 percent), personal income tax (15.9 percent), corporate income tax (46.9 percent), gaming and lottery revenue (15.1 percent), and all other general fund revenue (6.7 percent).

FIGURE 21
REVENUE SOURCES IN THE GENERAL FUND,
ESTIMATED FISCAL 2022

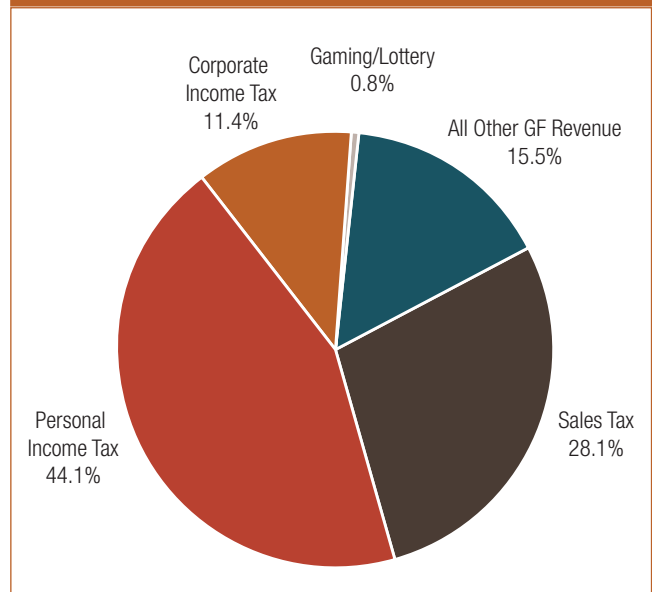


TABLE 56
REVENUE SOURCES IN THE GENERAL FUND (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020						Actual Fiscal 2021						Estimated Fiscal 2022					
	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Gaming/Lottery Revenue	All Other GF Revenue	Total	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Gaming/Lottery Revenue	All Other GF Revenue	Total	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Gaming/Lottery Revenue	All Other GF Revenue	Total
NEW ENGLAND																		
Connecticut*	\$4,318	\$9,398	\$934	\$504	\$4,039	\$19,194	\$4,793	\$10,340	\$1,153	\$639	\$3,606	\$20,531	\$4,817	\$12,091	\$1,401	\$644	\$2,993	\$21,945
Maine	1,556	1,836	216	65	297	3,970	1,804	2,070	284	71	292	4,521	2,043	2,175	333	65	245	4,861
Massachusetts	4,816	17,361	2,523	1,227	8,594	34,521	5,468	19,619	3,627	1,374	8,457	38,545	6,228	24,337	4,577	1,440	9,635	46,217
New Hampshire	0	0	410	0	1,115	1,525	0	0	632	0	1,212	1,844	0	0	750	0	1,242	1,991
Rhode Island	1,167	1,406	149	285	1,057	4,064	1,341	1,616	202	302	971	4,432	1,475	1,939	255	390	1,012	5,071
Vermont	0	764	129	0	566	1,459	0	1,232	153	0	567	1,952	0	1,268	223	0	632	2,123
MID-ATLANTIC																		
Delaware	0	1,472	116	212	2,726	4,526	0	1,888	210	216	3,077	5,391	0	1,910	314	236	3,370	5,830
Maryland	4,635	10,699	1,052	549	1,699	18,634	4,988	11,705	1,462	632	2,044	20,831	5,652	12,538	1,606	649	2,014	22,459
New Jersey	10,597	16,254	4,095	0	7,065	38,011	12,182	17,469	5,003	0	13,884	48,538	13,235	20,586	5,753	0	12,235	51,809
New York*	13,626	50,508	6,370	14	8,689	79,207	11,155	44,034	6,420	10	12,693	74,312	13,815	59,519	24,912	13	14,551	112,810
Pennsylvania	10,818	12,835	2,827	143	5,653	32,276	12,835	16,283	4,424	242	6,608	40,392	13,683	16,336	4,532	320	10,088	44,959
GREAT LAKES																		
Illinois	8,255	18,471	2,081	825	8,428	38,060	9,368	22,525	3,563	777	8,619	44,852	10,234	24,839	5,407	960	8,893	50,333
Indiana*	8,042	5,272	691	291	1,436	15,732	9,073	7,532	1,385	498	1,269	19,757	9,991	8,181	1,540	509	1,223	21,443
Michigan*	1,651	6,736	541	0	1,617	10,545	2,236	7,577	1,212	0	1,500	12,525	2,319	8,831	1,228	0	1,302	13,680
Ohio*	10,686	7,881	1,672	0	2,785	23,024	12,191	10,201	1,667	0	2,760	26,819	13,030	10,752	1,996	0	2,985	28,763
Wisconsin	5,836	8,742	1,608	0	1,346	17,532	6,374	9,283	2,560	0	1,356	19,573	6,978	9,214	2,960	0	1,396	20,548
PLAINS																		
Iowa	2,611	3,948	621	79	672	7,931	2,955	4,250	795	101	674	8,775	3,124	4,470	807	101	644	9,146
Kansas*	2,832	3,338	384	0	346	6,900	3,126	4,590	652	0	498	8,866	3,534	4,836	806	0	-1,261	7,916
Minnesota	5,746	12,135	1,539	149	3,325	22,894	6,169	14,233	2,258	205	3,717	26,582	6,603	14,477	2,376	238	3,709	27,403
Missouri	2,248	5,984	323	0	378	8,933	2,357	7,789	678	0	416	11,240	2,692	9,010	711	0	468	12,881
Nebraska	1,848	2,446	391	1	254	4,940	2,010	3,131	571	1	246	5,959	2,133	3,243	715	1	257	6,349
North Dakota	971	352	92	16	667	2,098	853	466	146	25	1,259	2,749	936	443	210	7	920	2,516
South Dakota	1,073	0	0	125	543	1,741	1,223	0	0	158	635	2,016	1,385	0	0	175	693	2,253
SOUTHEAST																		
Alabama	2,842	4,168	489	2	2,539	10,040	3,237	4,800	844	4	2,320	11,205	3,489	5,748	1,035	5	2,425	12,702
Arkansas	2,544	3,419	482	34	489	6,968	2,884	3,969	652	40	576	8,121	3,115	4,133	783	48	538	8,617
Florida	24,591	0	2,474	20	4,282	31,366	27,158	0	3,396	17	5,710	36,281	34,035	0	3,762	15	6,328	44,140
Georgia	6,175	12,408	1,233	0	5,663	25,479	6,947	14,221	1,751	0	5,673	28,592	7,156	13,818	1,426	0	5,731	28,131
Kentucky	4,071	4,765	639	271	1,820	11,567	4,561	5,144	883	289	1,950	12,827	5,063	6,048	1,187	295	2,110	14,703
Louisiana	3,697	3,780	578	355	1,419	9,831	4,131	3,957	805	431	1,140	10,465	4,584	4,438	897	428	738	11,085
Mississippi	2,496	1,820	549	116	836	5,817	2,653	2,226	845	158	859	6,741	2,940	2,200	721	155	859	6,875
North Carolina	7,821	12,415	658	0	3,045	23,939	9,024	15,823	1,512	0	3,340	29,699	10,201	17,568	1,626	0	3,812	33,207
South Carolina	3,287	5,019	423	0	1,064	9,793	3,826	5,421	669	0	1,173	11,089	4,402	6,828	1,129	0	1,295	13,654
Tennessee*	8,982	96	2,610	392	4,115	16,195	10,456	56	3,240	388	4,246	18,386	11,364	7	3,627	398	4,197	19,594
Virginia	3,845	15,419	1,032	0	1,676	21,972	4,166	17,304	1,516	0	1,893	24,879	4,558	20,410	1,979	0	1,988	28,935
West Virginia*	1,387	1,948	152	63	945	4,495	1,537	2,254	320	76	801	4,988	1,655	2,503	366	75	1,289	5,888
SOUTHWEST																		
Arizona	5,392	4,531	512	0	535	10,970	6,245	6,533	847	0	492	14,117	7,209	7,530	1,163	10	764	16,676
New Mexico	3,006	1,692	140	46	2,978	7,861	2,863	1,806	150	25	3,241	8,085	3,331	2,328	304	68	3,185	9,216
Oklahoma	2,349	2,511	238	15	1,160	6,273	2,567	2,887	452	20	1,082	7,008	2,164	2,647	209	21	1,600	6,641
Texas	30,800	0	0	1,656	24,528	56,983	32,254	0	0	1,884	26,367	60,505	38,660	0	0	1,774	35,041	75,474
ROCKY MOUNTAIN																		
Colorado	3,407	7,998	728	0	735	12,868	3,632	8,604	1,184	0	891	14,310	4,259	10,502	1,408	0	1,039	17,208
Idaho	1,689	1,905	243	0	194	4,032	2,004	2,446	349	0	210	5,009	2,195	2,603	1,039	0	361	6,198
Montana	58	1,435	187	66	787	2,533	56	1,765	267	87	789	2,964	93	2,394	294	93	1,017	3,891
Utah	2,265	3,985	356	0	638	7,244	2,625	6,111	743	0	589	10,067	3,110	6,781	942	0	672	11,505
Wyoming	487	0	0	0	714	1,201	493	0	0	0	914	1,407	513	0	0	0	604	1,117
FAR WEST																		
Alaska	0	0	102	2	1,492	1,596	0	0	103	3	1,585	1,691	0	0	15	3	3,865	3,883
California*	25,509	99,599	13,954	4	5,310	144,375	29,073	128,856	22,591	1	5,631	186,151	32,750	136,497	46,395	0	6,132	221,774
Hawaii	3,430	2,359	8	0	2,488	8,285	3,055	3,355	186	0	2,407	9,003	3,980	3,760	256	0	2,216	10,212
Nevada	1,264	0	0	623	2,190	4,077	1,381	0	0	713	2,381	4,474	1,355	0	0	739	2,303	4,397
Oregon*	0	7,192	488	0	639	8,319	0	12,773	1,553	0	968	15,293	0	12,458	1,539	0	889	14,886
Washington	12,015	0	0	0	11,802	23,817	13,290	0	0	0	13,696	26,986	16,242	0	0	0	13,832	30,074
ALL STATES	\$266,739	\$396,303	\$57,040	\$8,150	\$147,381	\$875,614	\$292,618	\$468,143	\$83,915	\$9,387	\$167,283	\$1,021,347	\$332,331	\$522,197	\$135,514	\$9,874	\$184,075	\$1,183,990
District of Columbia	913	2377	728	38	4094	8,150	951	2643	863	48	4219	8,724						

*See notes at the end of the chapter.

TABLE 57
REVENUE SOURCES IN THE GENERAL FUND (YEAR-OVER-YEAR PERCENTAGE CHANGE)

Region/State	Actual Fiscal 2021						Estimated Fiscal 2022					
	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Gaming/ Lottery Revenue	All Other GF Revenue	Total	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Gaming/ Lottery Revenue	All Other GF Revenue	Total
NEW ENGLAND												
Connecticut	11.0%	10.0%	23.4%	26.8%	-10.7%	7.0%	0.5%	16.9%	21.5%	0.7%	-17.0%	6.9%
Maine	15.9	12.7	31.5	9.2	-1.7	13.9	13.2	5.1	17.3	-8.5	-16.1	7.5
Massachusetts	13.5	13.0	43.8	12.0	-1.6	11.7	13.9	24.0	26.2	4.8	13.9	19.9
New Hampshire			54.1		8.7	20.9			18.6		2.4	8.0
Rhode Island	14.9	14.9	35.6	6.0	-8.1	9.1	10.0	20.0	26.2	29.1	4.2	14.4
Vermont		61.3	18.6		0.2	33.8		2.9	45.8		11.5	8.8
MID-ATLANTIC												
Delaware		28.3	81.0	1.9	12.9	19.1		1.2	49.5	9.3	9.5	8.1
Maryland	7.6	9.4	39.0	15.1	20.3	11.8	13.3	7.1	9.8	2.7	-1.5	7.8
New Jersey	15.0	7.5	22.2		96.5	27.7	8.6	17.8	15.0		-11.9	6.7
New York	-18.1	-12.8	0.8	-28.6	46.1	-6.2	23.8	35.2	288.0	30.0	14.6	51.8
Pennsylvania	18.6	26.9	56.5	69.2	16.9	25.1	6.6	0.3	2.4	32.2	52.7	11.3
GREAT LAKES												
Illinois	13.5	21.9	71.2	-5.8	2.3	17.8	9.2	10.3	51.8	23.6	3.2	12.2
Indiana	12.8	42.9	100.4	71.1	-11.6	25.6	10.1	8.6	11.2	2.1	-3.6	8.5
Michigan	35.4	12.5	124.0		-7.2	18.8	3.7	16.6	1.3		-13.2	9.2
Ohio	14.1	29.4	-0.3		-0.9	16.5	6.9	5.4	19.7		8.2	7.2
Wisconsin	9.2	6.2	59.2		0.7	11.6	9.5	-0.7	15.6		2.9	5.0
PLAINS												
Iowa	13.2	7.6	28.0	27.8	0.3	10.6	5.7	5.2	1.5	0.0	-4.5	4.2
Kansas	10.4	37.5	69.7		43.8	28.5	13.1	5.4	23.6		-353.2	-10.7
Minnesota	7.4	17.3	46.7	37.3	11.8	16.1	7.0	1.7	5.2	15.9	-0.2	3.1
Missouri	4.8	30.2	109.9		10.1	25.8	14.2	15.7	4.9		12.5	14.6
Nebraska	8.8	28.0	46.0	0.0	-3.1	20.6	6.1	3.6	25.2	0.0	4.5	6.5
North Dakota	-12.2	32.4	58.7	56.3	88.8	31.0	9.7	-4.9	43.8	-72.0	-26.9	-8.5
South Dakota	14.0			26.4	16.9	15.8	13.2			10.8	9.1	11.8
SOUTHEAST												
Alabama	13.9	15.2	72.6	100.0	-8.6	11.6	7.8	19.8	22.6	25.0	4.5	13.4
Arkansas	13.4	16.1	35.3	17.6	17.8	16.5	8.0	4.1	20.1	20.0	-6.6	6.1
Florida	10.4		37.3	-12.2	33.4	15.7	25.3		10.8	-15.1	10.8	21.7
Georgia	12.5	14.6	42.0		0.2	12.2	3.0	-2.8	-18.6		1.0	-1.6
Kentucky	12.0	7.9	38.1	6.5	7.1	10.9	11.0	17.6	34.4	2.0	8.2	14.6
Louisiana	11.7	4.7	39.2	21.3	-19.7	6.4	11.0	12.2	11.4	-0.8	-35.3	5.9
Mississippi	6.3	22.3	53.9	36.2	2.7	15.9	10.8	-1.2	-14.7	-1.9	0.0	2.0
North Carolina	15.4	27.5	129.8		9.7	24.1	13.0	11.0	7.5		14.1	11.8
South Carolina	16.4	8.0	58.2		10.2	13.2	15.1	26.0	68.8		10.4	23.1
Tennessee	16.4	-41.5	24.2	-1.1	3.2	13.5	8.7	-88.4	11.9	2.7	-1.1	6.6
Virginia	8.3	12.2	46.9		12.9	13.2	9.4	17.9	30.5		5.0	16.3
West Virginia	10.8	15.7	110.5		-15.2	11.0	7.7	11.0	14.4		60.9	18.0
SOUTHWEST												
Arizona	15.8	44.2	65.4		-8.0	28.7	15.4	15.3	37.3		55.3	18.1
New Mexico	-4.7	6.8	7.3	-46.3	8.8	2.9	16.3	28.9	103.1	175.3	-1.7	14.0
Oklahoma	9.3	15.0	89.9	33.3	-6.7	11.7	-15.7	-8.3	-53.8	5.0	47.9	-5.2
Texas	4.7			13.8	7.5	6.2	19.9			-5.9	32.9	24.7
ROCKY MOUNTAIN												
Colorado	6.6	7.6	62.5		21.2	11.2	17.3	22.1	19.0		16.6	20.3
Idaho	18.6	28.4	43.4		8.2	24.2	9.5	6.4	197.8		71.9	23.7
Montana	-3.4	23.0	42.8	31.8	0.3	17.0	66.1	35.6	10.1	6.9	28.9	31.3
Utah	15.9	53.3	108.7		-7.7	39.0	18.5	11.0	26.8		14.1	14.3
Wyoming	1.2				28.0	17.2	4.1				-33.9	-20.6
FAR WEST												
Alaska			1.0	50.0	6.3	6.0			-85.4	0.0	143.8	129.6
California	14.0	29.4	61.9	-66.9	6.0	28.9	12.6	5.9	105.4	-74.7	8.9	19.1
Hawaii	-10.9	42.2	2,225.0		-3.3	8.7	30.3	12.1	37.6		-7.9	13.4
Nevada*	9.2			14.4	8.7	9.7	-1.8			3.7	-3.3	-1.7
Oregon		77.6	218.1		51.5	83.8		-2.5	-0.9		-8.2	-2.7
Washington	10.6				16.0	13.3	22.2				1.0	11.4
ALL STATES	9.7%	18.1%	47.1%	15.2%	13.5%	16.6%	13.6%	11.5%	61.5%	5.2%	10.0%	15.9%
MEDIAN	11.7	15.9	46.9	15.1	6.7	15.7	10.1	9.4	19.0	2.7	4.3	10.3

*See notes at the end of the chapter.

TABLE 58
ITEMS EXCLUDED FROM REVENUE SOURCES

Region/State	Sales and Use Taxes	Personal Income Taxes	Corporate Income Taxes	Gaming Taxes	Lottery Funds	Cigarette and Tobacco Taxes	Motor Fuel Taxes	Alcoholic Beverage Taxes	Insurance Premium Taxes	Property Taxes	Utility Taxes	Severance Taxes	Federal Funds	Licenses and Fees	Other
NEW ENGLAND															
Connecticut*	P						X			X		N/A	P		
Maine							X			N/A			X	P	P
Massachusetts	P			P		P				N/A		N/A	X		
New Hampshire	N/A	N/A		X	X		X			X		N/A	X		
Rhode Island							X			N/A		N/A	X		
Vermont	X			X	X		X			P	P	X	X		
MID-ATLANTIC															
Delaware	N/A			N/A			X			X		N/A	N/A		
Maryland	P		P	X			P			X		X	X		
New Jersey				P	X	P		P	P	N/A		N/A	X	P	
New York*	P		P		X	P	X		P	N/A	P	N/A	P		
Pennsylvania	P	P		P	X	P	X		P	P		X	X	P	P
GREAT LAKES															
Illinois										X		X			
Indiana					P	P	X	P		X			X	P	
Michigan	P	P		X	X	P	X	X		X	P		P	P	P
Ohio*	P	P	P	X	X		X		P	X	P	P	X	P	P
Wisconsin				X	X		X			N/A		X	X	X	N/A
PLAINS															
Iowa				P		X	X			X			X	P	P
Kansas				P	P		X		P	X	X		N/A	P	P
Minnesota										P	X	P	P		
Missouri	P			X	X	X	X	P	P	X	X	X	P	P	P
Nebraska				N/A	P	P	X		P	X	X	N/A	X	X	
North Dakota							X			X	X		X		
South Dakota		N/A	N/A				X			X	X		X		
SOUTHEAST															
Alabama					N/A	P	X	P	P	P			X	P	
Arkansas	P				X		P			X	X	P	X	P	
Florida		N/A			X	P	X			X	X		X	P	P
Georgia				N/A	X						N/A	N/A	X	P	
Kentucky							X				N/A		X		
Louisiana				P	X		X		P	N/A	N/A		N/A		N/A
Mississippi					X		X			N/A			N/A		
North Carolina				N/A	X	P	X			N/A	N/A		X	P	
South Carolina	P			X	X		X			N/A		X	X	P	P
Tennessee*				P	P					N/A					
Virginia				X	X	P				X	X	X		P	
West Virginia*				N	P		X		P	P			N/A	P	
SOUTHWEST															
Arizona							N/A						X		
New Mexico					X		X			X			X		
Oklahoma	P	P	P	P	X	P	P	P	P	N/A	N/A	P	X	P	P
Texas		N/A	N/A	N/A						N/A		X	X		
ROCKY MOUNTAIN															
Colorado				X	X		X			N/A	N/A	X	X	X	N/A
Idaho	P			N/A	X	P	X	P	P	N/A		X	X	P	N/A
Montana							X						X		
Utah	P			N/A	N/A	P	X	P	P	X	P	P	X	P	P
Wyoming		X	X												
FAR WEST															
Alaska	X	X			X						X	X	X		
California	P	P		P	X	P	P			X	X	N/A	X	P	P
Hawaii	P			N/A	N/A	P	X		P	N/A	P	N/A	P	P	P
Nevada		N/A	N/A		N/A		X			X	X	X	X		
Oregon	N/A			X	X	P	X	P		X	X		X		
Washington		N/A	N/A	N/A	X	P	X			P		N/A	X	P	
ALL STATES	20	13	9	29	34	20	40	9	14	44	25	30	46	26	17
District of Columbia	P			X			X		P	P		N/A	X		

Excluded=X Partially Excluded=P Not Applicable=N/A

*See notes at the end of the chapter.

Revenue Sources in the General Fund Notes

California: Gaming/Lottery Revenue includes horse racing licenses, other horse racing revenues, and tribal gaming revenues which are deposited into the General Fund. All Other General Fund Revenue excludes cost recoveries from wildfires and COVID—19, as well as transfers and loans. Fiscal 2020 excludes \$4.7 billion in revenue transfers and loans from the General Fund as well as \$0.7 billion in cost recoveries for wildfires. Fiscal 2021 excludes \$7.8 billion in revenue transfers and loans to the General Fund as well as \$0.7 billion in estimated cost recoveries for COVID—19 and wildfires. Fiscal 2022 excludes \$4.2 billion in revenue transfers and loans to the General Fund as well as \$1.1 billion in cost recoveries for COVID—19 and wildfires.

Connecticut: Beginning in FY 2016, a portion of the sales and use tax is diverted to the Special Transportation Fund and the Municipal Revenue Sharing Fund.

Indiana: Reports prior to 2021 only included forecasted General Fund revenue sources. The 2021 and 2022 reports include General Fund revenue sources received and anticipated that are not part of the official forecast.

Kansas: Negative “all other” general fund revenue is primarily influenced by two transfers from the State General Fund that occurred in FY 2022. Kansas transferred from the State General Fund a total \$969.1 million to the Budget Stabilization Fund (rainy-day fund) and \$853.9 million to the Kansas Public Employees Retirement Fund.

Michigan: General fund revenues for FY20 and FY21 are totals reported in the State of Michigan Comprehensive Annual Financial Reports. FY 2022 estimates are from the May 2022 consensus revenue forecast.

New York: General Fund receipts include transfers from other funds which were used to support General Fund activities which totaled (in millions): \$2,915, \$2,245, and \$4,254 for 2020, 2021, and 2022, respectively.

The State and Local Fiscal Recovery Funds (SLFRF) provided through the *American Rescue Plan Act* is included in the State budget as a deposit of Federal aid to the General Fund to offset revenue loss, ensure the continuation of essential services and assistance provided by government, and assist with the Public Health Emergency response and recovery efforts. These funds are expected to be deposited to the General Fund over multiple years to support eligible uses and spending. In FY 2022, the State deposited \$4.5 billion of the Federal SLFRF aid to the General Fund to fund eligible costs incurred through March 31, 2022.

As part of the State's continuing response to Federal tax law changes, legislation was enacted in FY 2022 to allow an optional Pass Through Entity Tax (PTET) on the New York-sourced income of partnerships and S corporations. Qualifying entities that elect to pay PTET will pay a tax of up to 10.9 percent on their taxable income at the partnership or corporation level, and their individual partners, members and shareholders will receive a refundable PIT credit equal to the proportionate or pro rata share of taxes paid by the electing entity. Additionally, the program includes a resident tax credit that allows for reciprocity with other states that have implemented substantially similar taxes, which currently include Connecticut and New Jersey. In December 2021, entities began making Pass Through Entity Tax (PTET) payments that were recorded as business taxes and totaled \$16.4 billion in FY 2022. DOB expects the accompanying tax credits will impact PIT receipts beginning in April 2022 and will have the effect of decreasing PIT collections. DOB expects that the PTET will, on a multi-year basis, be revenue neutral for the State. However, because the PTET credits are not necessarily realized by taxpayers within the same fiscal year that PTET revenue is received by the State, the PTET will not be revenue-neutral to the State within each fiscal year.

In FY 2021 revenues reflect \$4.5 billion in PIT note sales executed in the first quarter of FY 2021, as well as the subsequent repayment within FY 2021. The borrowings were done to address liquidity needs in response to the Federal government's decision to extend the calendar year 2019 income tax filing from April 15, 2020 to July 15, 2020. The FY 2021 Enacted Budget authorized up to \$8 billion of short-term borrowing in the form of personal income tax revenue or bond anticipation notes and up to \$3 billion of credit facilities in the form of a line of credit at one or more banks. In FY 2021, the note proceeds increase All Other General Fund Revenue by \$4.5 billion, while the repayment results in a reduction of Personal Income Tax receipts of \$4.5 billion, resulting in no impact to total revenue estimates.

Ohio: Federal reimbursements for expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Also, Ohio does not have a corporate income tax but instead has a commercial activities tax which is a business privilege tax generally calculated on gross receipts.

Oregon: Fiscal 2020 revenues were impacted by the state paying out a large “kicker” refund in the spring of 2020. In addition, some fiscal 2020 revenues were shifted to fiscal 2021 following the extension of the tax deadline to July 15, 2020.

Revenue Sources in the General Fund Notes

Continued

Tennessee: Tennessee collects personal income tax on income from dividends on stocks and interest on certain bonds. Legislation was passed in 2017 to annually reduce this tax to zero by fiscal year 2022. Tax revenue estimates do not include federal funds and other departmental revenues. However, federal funds and other departmental revenues are included in the budget as funding sources for the general fund, along with state tax revenues.

West Virginia: Fiscal Year 2022 General Revenue Fund Numbers are actual collections. Most Lottery funds are deposited in either the Lottery Fund or Excess Lottery Fund. Roughly 40 percent of Insurance Premium Taxes are dedicated to special funds. More than 99.5 percent of total property taxes collected by local governments. Certain license fees are deposited in special revenue funds. Other funds include interest income and property transfer taxes and periodic miscellaneous transfers. In FY2020, other funds included \$57 million in Federal CARES funds for expense reimbursements.

APPENDIX

TABLE A-1
TOTAL STATE EXPENDITURES BY FUND SOURCE (EXCLUDES BONDS) (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020			Actual Fiscal 2021			Estimated Fiscal 2022		
	State Funds	Federal Funds	State & Federal Funds	State Funds	Federal Funds	State & Federal Funds	State Funds	Federal Funds	State & Federal Funds
NEW ENGLAND									
Connecticut	\$25,560	\$6,696	\$32,256	\$25,771	\$9,317	\$35,088	\$27,190	\$10,255	\$37,445
Maine	6,227	4,182	10,409	6,326	5,618	11,944	7,382	5,084	12,466
Massachusetts	43,792	16,726	60,518	44,566	19,482	64,048	48,031	22,767	70,798
New Hampshire	3,996	2,998	6,994	3,920	3,582	7,502	4,122	3,634	7,756
Rhode Island	6,543	4,475	11,018	6,422	6,565	12,987	8,172	5,704	13,876
Vermont	3,886	2,224	6,110	3,974	3,262	7,236	4,286	3,276	7,562
MID-ATLANTIC									
Delaware	8,892	2,706	11,598	9,015	3,956	12,971	10,034	3,962	13,996
Maryland	31,446	16,038	47,484	32,098	21,745	53,843	35,097	28,413	63,510
New Jersey	46,226	18,321	64,547	52,194	24,456	76,650	58,079	27,476	85,555
New York	106,124	60,688	166,812	107,784	71,685	179,469	120,728	79,483	200,211
Pennsylvania	59,069	36,743	95,812	59,512	43,058	102,570	63,966	54,471	118,437
GREAT LAKES									
Illinois	58,477	18,008	76,485	86,910	26,680	113,590	87,580	33,174	120,754
Indiana	22,755	14,901	37,656	24,363	20,319	44,682	25,898	22,290	48,188
Michigan	35,961	25,950	61,911	37,721	30,095	67,816	38,542	40,813	79,355
Ohio	45,759	27,578	73,337	45,855	34,351	80,206	50,827	38,183	89,010
Wisconsin	38,881	12,953	51,834	41,782	17,574	59,356	42,294	20,607	62,901
PLAINS									
Iowa	16,274	9,772	26,046	18,102	10,420	28,522	18,277	11,168	29,445
Kansas	14,240	4,649	18,889	14,485	6,925	21,410	15,456	7,148	22,604
Minnesota	29,940	12,193	42,133	29,298	18,007	47,305	32,232	26,300	58,532
Missouri	17,546	9,726	27,272	18,297	11,474	29,771	19,272	12,858	32,130
Nebraska	9,872	3,029	12,901	9,986	5,081	15,067	10,423	4,968	15,391
North Dakota	5,176	1,861	7,037	5,539	3,000	8,539	4,633	2,587	7,220
South Dakota	2,976	1,834	4,810	3,223	3,548	6,771	3,500	3,526	7,026
SOUTHEAST									
Alabama	19,238	12,056	31,294	18,974	12,615	31,589	21,382	13,749	35,131
Arkansas	18,219	9,498	27,717	18,676	12,325	31,001	19,753	12,265	32,018
Florida	53,074	31,384	84,458	56,411	35,606	92,017	60,327	39,326	99,653
Georgia	38,578	19,679	58,257	38,451	24,705	63,156	35,987	18,469	54,456
Kentucky	21,225	17,398	38,623	20,900	21,478	42,378	24,336	21,061	45,397
Louisiana	16,342	14,480	30,822	17,838	16,594	34,432	21,118	22,379	43,497
Mississippi	11,146	8,492	19,638	10,895	10,283	21,178	12,551	11,939	24,490
North Carolina	34,516	25,722	60,238	35,632	22,446	58,078	37,717	24,234	61,951
South Carolina	18,518	9,047	27,565	17,910	12,048	29,958	19,623	12,640	32,263
Tennessee	21,810	14,238	36,048	21,499	18,430	39,929	25,352	22,721	48,073
Virginia	44,082	18,680	62,762	45,764	27,479	73,243	48,913	24,880	73,793
West Virginia	11,326	4,275	15,601	11,579	5,473	17,052	11,827	6,948	18,775
SOUTHWEST									
Arizona	56,970	14,111	71,081	49,905	16,270	66,175	59,348	20,479	79,827
New Mexico	12,060	9,500	21,560	11,792	12,542	24,334	11,912	10,891	22,803
Oklahoma	15,678	8,762	24,440	16,569	10,784	27,353	18,497	12,040	30,537
Texas	64,760	47,954	112,714	63,805	70,873	134,678	70,074	56,925	126,999
ROCKY MOUNTAIN									
Colorado	21,735	10,050	31,785	20,887	10,529	31,416	24,425	10,589	35,014
Idaho	6,724	4,984	11,708	5,504	4,702	10,206	7,130	6,079	13,209
Montana	4,955	3,347	8,302	5,187	5,946	11,133	4,629	4,099	8,728
Utah	12,302	4,786	17,088	13,461	6,316	19,777	16,368	10,120	26,488
Wyoming	3,682	801	4,483	4,654	966	5,620	4,662	974	5,636
FAR WEST									
Alaska	7,123	4,807	11,930	6,817	4,883	11,700	7,794	6,652	14,446
California	201,371	148,996	350,367	220,299	272,294	492,593	309,042	191,074	500,116
Hawaii	14,071	2,835	16,906	17,939	5,251	23,190	12,643	5,176	17,819
Nevada	10,206	4,781	14,987	10,110	5,478	15,588	12,283	7,082	19,365
Oregon	40,450	14,221	54,671	44,313	22,185	66,498	44,631	22,849	67,480
Washington	37,427	14,305	51,732	39,198	18,614	57,812	42,038	21,187	63,225
TOTAL	\$1,457,206	\$793,440	\$2,250,646	\$1,532,112	\$1,087,315	\$2,619,427	\$1,720,383	\$1,084,974	\$2,805,357

Note: State funds are defined as general funds and other state funds (bonds are excluded).

TABLE A-2
CHILDREN'S HEALTH INSURANCE BLOCK GRANTS (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020				Actual Fiscal 2021				Estimated Fiscal 2022			
	General Fund	Other State Funds	Federal Funds	Total	General Fund	Other State Funds	Federal Funds	Total	General Fund	Other State Funds	Federal Funds	Total
NEW ENGLAND												
Connecticut	\$8	\$0	\$34	\$42	\$11	\$0	\$29	\$40	\$13	\$0	\$28	\$41
Maine	1	0	15	16	3	0	14	17	3	0	12	15
Massachusetts	103	0	591	694	219	0	553	772	235	0	574	809
New Hampshire	5	0	37	42	4	0	39	43	11	0	51	62
Rhode Island	15	0	85	100	26	0	75	101	33	0	82	115
Vermont	2	0	27	29	4	0	19	23	4	0	16	20
MID-ATLANTIC												
Delaware	3	5	30	38	6	4	34	44	10	0	22	32
Maryland	53	2	212	267	79	0	212	291	96	0	217	313
New Jersey	20	73	571	664	43	149	562	754	81	153	651	885
New York	0	747	1,427	2,174	0	590	1,330	1,920	0	737	1,223	1,960
Pennsylvania	32	41	377	450	63	35	287	385	46	46	253	345
GREAT LAKES												
Illinois	103	6	463	572	104	7	464	575	105	8	465	578
Indiana	0	19	243	262	0	38	208	246	48	0	203	251
Michigan	37	2	249	288	68	1	209	278	67	1	254	322
Ohio	49	0	466	515	107	0	475	582	135	0	518	653
Wisconsin	20	8	235	263	46	16	235	297	59	16	240	315
PLAINS												
Iowa	19	0	151	170	35	0	138	173	38	0	129	167
Kansas	16	0	106	123	14	13	98	125	52	21	126	199
Minnesota	3	0	13	16	4	0	11	15	6	0	11	17
Missouri	29	8	117	154	38	8	135	181	44	8	165	217
Nebraska	9	7	78	94	18	7	79	104	20	1	82	103
North Dakota	4	20	0	24	6	18	0	24	7	17	0	24
South Dakota	4	0	27	31	7	0	26	33	9	0	28	37
SOUTHEAST												
Alabama	35	0	389	424	63	0	380	443	91	0	440	531
Arkansas	11	0	240	251	29	0	197	226	37	0	200	237
Florida	66	32	475	573	86	28	381	495	139	21	393	553
Georgia	17	0	250	267	51	0	247	298	88	0	359	447
Kentucky	10	0	231	242	39	0	252	291	55	0	332	387
Louisiana	26	1	365	392	62	1	335	398	70	1	321	392
Mississippi	2	2	157	161	18	6	136	160	10	8	101	119
North Carolina	37	0	526	563	101	0	520	621	141	3	644	788
South Carolina	8	2	187	197	28	1	179	208	36	1	180	217
Tennessee	25	2	276	303	57	9	307	373	61	0	277	338
Virginia	66	14	371	451	109	14	324	447	140	14	362	516
West Virginia	1	1	52	54	7	0	47	54	7	0	53	60
SOUTHWEST												
Arizona	4	0	79	83	16	1	103	120	26	2	141	169
New Mexico	0	0	112	112	0	0	125	125	0	0	123	123
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0
Texas	186	0	1,282	1,468	360	0	1,244	1,604	343	0	1,142	1,485
ROCKY MOUNTAIN												
Colorado	0	36	152	188	3	44	120	167	21	36	114	171
Idaho	4	0	84	88	12	0	76	88	17	0	87	104
Montana	0	7	80	87	2	13	72	87	4	16	82	102
Utah	1	14	125	140	9	19	98	126	11	19	101	131
Wyoming	2	0	9	11	3	0	7	10	3	0	6	9
FAR WEST												
Alaska	6	0	28	34	7	0	18	24	8	0	19	27
California	473	0	3,035	3,508	918	0	2,855	3,773	902	0	2,665	3,567
Hawaii	10	0	51	61	16	0	46	62	17	0	42	59
Nevada	4	0	47	51	8	0	39	47	11	0	37	48
Oregon	34	0	291	325	69	0	276	345	80	0	261	341
Washington	37	0	125	162	51	0	129	180	53	0	114	167
TOTAL	\$1,602	\$1,049	\$14,574	\$17,224	\$3,029	\$1,022	\$13,744	\$17,794	\$3,493	\$1,128	\$13,946	\$18,567
District of Columbia	4	0	57	61	9	0	50	59				

TABLE A-3
MEDICARE PART D CLAWBACK PAYMENTS (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020			Actual Fiscal 2021			Estimated Fiscal 2022		
	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total
NEW ENGLAND									
Connecticut	\$170	\$0	\$170	\$149	\$0	\$149	\$162	\$0	\$162
Maine	63	0	63	52	0	52	59	0	59
Massachusetts	543	0	543	430	0	430	488	0	488
New Hampshire	45	0	45	43	0	43	52	0	52
Rhode Island	65	0	65	65	0	65	69	0	69
Vermont	36	0	36	30	0	30	33	0	33
MID-ATLANTIC									
Delaware	24	0	24	24	0	24	27	0	27
Maryland	225	0	225	118	0	118	199	0	199
New Jersey	462	0	462	459	0	459	508	0	508
New York	1,510	0	1,510	1,313	0	1,313	1,596	0	1,596
Pennsylvania	776	0	776	695	0	695	782	0	782
GREAT LAKES									
Illinois	647	0	647	647	0	647	647	0	647
Indiana	201	0	201	171	0	171	203	0	203
Michigan	232	0	232	259	0	259	332	0	332
Ohio	477	0	477	387	0	387	454	0	454
Wisconsin	241	0	241	252	0	252	246	0	246
PLAINS									
Iowa	102	0	102	99	0	99	107	0	107
Kansas	0	70	70	0	70	70	0	70	70
Minnesota	234	0	234	233	0	233	256	0	256
Missouri	156	74	230	226	0	226	248	0	248
Nebraska	68	0	68	57	0	57	61	0	61
North Dakota	19	1	20	16	1	17	16	1	17
South Dakota	22	0	22	18	0	18	20	0	20
SOUTHEAST									
Alabama	67	0	67	60	0	60	75	0	75
Arkansas	57	0	57	44	0	44	56	0	56
Florida	658	0	658	610	0	610	710	0	710
Georgia	174	0	174	137	0	137	178	0	178
Kentucky	0	103	103	0	91	91	0	97	97
Louisiana	168	0	168	137	0	137	167	0	167
Mississippi	46	9	55	24	17	41	40	0	40
North Carolina	339	0	339	270	0	270	311	0	311
South Carolina	114	0	114	86	0	86	36	1	37
Tennessee	217	0	217	210	0	210	203	0	203
Virginia	273	0	273	244	0	244	257	0	257
West Virginia	39	0	39	30	0	30	39	0	39
SOUTHWEST									
Arizona	99	28	127	81	21	102	98	25	123
New Mexico	43	0	43	34	0	34	40	0	40
Oklahoma	0	0	0	0	0	0	0	0	0
Texas	389	0	389	396	0	396	421	0	421
ROCKY MOUNTAIN									
Colorado	151	0	151	196	0	196	208	0	208
Idaho	39	0	39	28	0	28	36	0	36
Montana	22	0	22	22	0	22	26	0	26
Utah	47	0	47	37	0	37	51	0	51
Wyoming	16	0	16	13	0	13	15	0	15
FAR WEST									
Alaska	37	0	37	38	0	38	42	0	42
California	2,210	0	2,210	2,010	0	2,010	2,313	0	2,313
Hawaii	37	0	37	39	0	39	45	0	45
Nevada	35	0	35	31	4	35	33	4	37
Oregon	106	0	106	139	0	139	129	0	129
Washington	250	0	250	263	0	263	299	0	299
TOTAL	\$11,951	\$285	\$12,236	\$10,922	\$204	\$11,126	\$12,393	\$198	\$12,591
District of Columbia	16	0	16	19	0	19			

TABLE A-4
DEBT SERVICE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020			Actual Fiscal 2021			Estimated Fiscal 2022		
	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total
NEW ENGLAND									
Connecticut*	\$2,250	\$651	\$2,901	\$2,276	\$665	\$2,940	\$2,384	\$744	\$3,127
Maine	145	0	145	150	0	150	153	0	153
Massachusetts	2,442	57	2,499	2,291	128	2,419	2,417	56	2,473
New Hampshire	107	33	140	96	34	130	84	34	118
Rhode Island	167	67	235	171	72	243	181	70	251
Vermont	76	4	80	75	4	79	73	23	96
MID-ATLANTIC									
Delaware	184	252	436	187	256	443	203	233	436
Maryland	287	1,024	1,311	131	1,137	1,268	260	1,123	1,383
New Jersey	4,145	0	4,145	4,354	0	4,354	4,316	0	4,316
New York*	0	4,916	4,916	0	13,298	13,298	0	12,587	12,587
Pennsylvania	1,162	141	1,303	1,143	141	1,284	1,127	177	1,304
GREAT LAKES									
Illinois	1,870	0	1,870	1,529	0	1,529	1,230	0	1,230
Indiana*	206	117	323	319	116	435	185	269	454
Michigan	7	138	145	7	162	169	42	208	250
Ohio	1,450	352	1,802	1,217	342	1,559	1,475	304	1,779
Wisconsin	490	373	863	510	377	887	499	358	857
PLAINS									
Iowa	0	93	93	0	71	71	0	71	71
Kansas	134	523	657	132	398	530	524	392	916
Minnesota	540	893	1,433	516	1,565	2,081	592	792	1,384
Missouri	97	288	385	68	333	401	88	344	432
Nebraska	9	33	42	0	38	38	0	33	33
North Dakota	5	1	6	8	3	11	8	3	11
South Dakota	10	31	41	34	29	63	8	27	35
SOUTHEAST									
Alabama*	77	22	99	79	20	99	70	14	84
Arkansas	5	244	249	0	351	351	0	411	411
Florida	41	1,577	1,618	41	1,547	1,588	53	1,614	1,667
Georgia	1,090	0	1,090	1,024	0	1,024	1,452	0	1,452
Kentucky	697	320	1,016	703	327	1,031	693	328	1,021
Louisiana	563	61	624	544	57	601	569	153	722
Mississippi	385	19	404	436	21	457	413	18	431
North Carolina	706	101	807	694	14	708	0	664	664
South Carolina*	54	0	54	62	0	62	62	0	62
Tennessee	236	0	236	229	0	229	221	0	221
Virginia	764	45	809	810	32	842	853	38	891
West Virginia	114	148	262	131	142	273	140	149	289
SOUTHWEST									
Arizona	480	369	849	1,201	280	1,481	190	281	471
New Mexico	0	259	259	0	261	261	0	264	264
Oklahoma	0	0	0	0	0	0	0	0	0
Texas	1,200	1,102	2,302	1,180	1,116	2,296	1,182	1,218	2,400
ROCKY MOUNTAIN									
Colorado	0	0	0	0	0	0	0	0	0
Idaho*	4	15	19	4	15	19	180	15	195
Montana	8	12	20	11	7	18	14	9	23
Utah	38	440	478	52	398	450	80	394	474
Wyoming	0	0	0	0	0	0	0	0	0
FAR WEST									
Alaska	139	51	190	141	39	180	128	48	176
California*	5,183	1,978	7,161	5,116	2,018	7,134	5,248	1,961	7,209
Hawaii	837	338	1,175	791	428	1,219	961	348	1,309
Nevada	3	277	281	3	290	294	3	277	280
Oregon	337	133	470	336	129	464	377	109	486
Washington	1,179	839	2,018	1,206	828	2,034	1,265	746	2,011
TOTAL	\$29,923	\$18,338	\$48,261	\$30,008	\$27,489	\$57,496	\$30,002	\$26,906	\$56,908
District of Columbia	791	12	803	783	12	795			

*See notes at the end of the chapter.

Debt Service Notes

Alabama: Total does not include debt service payments made on revenue obligation bonds (\$413M in FY20, \$442M in FY21, \$494M Estimated in FY22). Only general obligation debt service is appropriated and calculated in the state's total expenditure reports. Revenue obligation debt service is not reported as has been the case in previous surveys.

California: Total Debt Service does not include University of California or California State University GO Bond Debt because it is paid directly from their respective state appropriations.

Connecticut: Other State Funds are Transportation Fund only.

Idaho: Regarding estimated fiscal 2022, S1387 in the 2022 legislative session provided additional funding to pay off all bonds in the state's bond portfolio, except for the Health and Welfare Blackfoot Services Complex.

Indiana: For fiscal 2021 and estimated fiscal 2022, the increase represents an acceleration of bond defeasance.

New York: All debt service is paid outside of the General Fund in Other State Funds (Debt Service Funds). A portion of debt service expenses are supported by transfers from the General Fund to Debt Service Funds. These transfers totaled (in millions): \$736, \$326, and \$340 for 2020, 2021, and 2022, respectively.

Debt service increased from FY 2020 to FY 2021 due to the repayment of \$4.5 billion of PIT notes, which were issued during FY 2021 to help manage the adverse cash flow impact that resulted from the Federal extension of tax filing deadlines in response to the pandemic. In addition, debt service spending levels are impacted by prepayments. FYs 2021 and 2022 included prepayments of debt service due in future years totaling \$3.1 billion and \$7.6 billion, respectively. The net impact of these transactions and prepayments in prior years increases debt service in FY 2021 and FY 2022 and will decrease debt service costs in FYs 2024 through FY 2027.

South Carolina: Includes appropriated debt service only.

TABLE A-5
TRANSPORTATION FUND REVENUE SOURCES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2020						Actual Fiscal 2021						Estimated Fiscal 2022					
	Motor Fuel Taxes	License & Registration Fees	Vehicle Sales & Use Taxes	Tolls	Other	Total	Motor Fuel Taxes	License & Registration Fees	Vehicle Sales & Use Taxes	Tolls	Other	Total	Motor Fuel Taxes	License & Registration Fees	Vehicle Sales & Use Taxes	Tolls	Other	Total
NEW ENGLAND																		
Connecticut	\$478	\$242	\$401	\$0	\$396	\$1,517	\$475	\$321	\$483	\$0	\$498	\$1,778	\$390	\$282	\$710	\$0	\$627	\$2,009
Maine	219	93	0	0	15	327	210	109	0	0	15	334	223	104	0	0	18	345
Massachusetts	707	598	542	0	281	2,128	662	655	694	0	76	2,087	722	621	735	0	65	2,143
New Hampshire	118	103	0	0	0	221	117	105	0	0	0	222	122	110	0	0	0	232
Rhode Island	156	98	0	15	0	269	141	104	0	34	0	278	156	99	0	40	0	294
Vermont*	71	92	70	0	49	282	67	97	89	0	44	297	72	94	91	0	51	308
MID-ATLANTIC																		
Delaware	136	204	0	197	17	554	129	237	0	170	14	549	137	243	0	206	10	596
Maryland	1,076	367	847	0	1,986	4,276	1,026	408	977	0	1,652	4,063	1,084	412	991	0	1,934	4,421
New Jersey	440	0	200	12	1,338	1,990	434	0	200	12	1,624	2,270	468	0	200	12	1,573	2,253
New York*	512	950	1,049	0	2,875	5,386	425	843	873	0	2,570	4,711	495	883	1,089	0	3,053	5,520
Pennsylvania	3,569	963	0	0	2	4,534	3,478	1,163	0	0	19	4,660	3,731	1,145	0	0	8	4,884
GREAT LAKES																		
Illinois	1,227	1,145	0	0	2,144	4,516	2,314	1,701	0	0	1,946	5,961	2,455	1,598	0	0	1,980	6,033
Indiana	947	176	0	0	43	1,166	1,008	200	0	0	48	1,256	1,231	197	0	0	55	1,483
Michigan	1,319	1,345	90	17	571	3,342	1,354	1,400	93	16	732	3,595	1,652	1,446	121	17	630	3,866
Ohio	1,058	47	0	0	1,808	2,913	1,089	51	0	0	2,053	3,193	1,165	58	0	0	1,667	2,890
Wisconsin	1,019	662	0	0	220	1,901	1,064	757	0	0	145	1,966	1,110	747	0	0	287	2,145
PLAINS																		
Iowa	635	673	375	0	74	1,757	643	728	426	0	65	1,862	640	600	400	0	40	1,680
Kansas	454	210	546	0	127	1,337	445	602	223	0	232	1,502	469	220	677	0	444	1,810
Minnesota	486	1	198	0	1,695	2,380	589	1	181	0	1,702	2,474	603	1	200	0	1,787	2,592
Missouri*	507	296	362	0	0	1,165	492	332	450	0	0	1,274	528	314	408	0	0	1,250
Nebraska	259	42	127	0	94	522	285	47	158	0	100	590	243	42	159	0	109	553
North Dakota	189	92	0	0	18	299	169	98	0	0	19	286	160	94	0	0	17	271
South Dakota	176	0	121	0	36	333	178	0	148	0	36	362	189	0	158	0	39	386
SOUTHEAST																		
Alabama*	496	102	0	0	1,166	1,764	568	112	0	0	1,148	1,828	605	113	0	0	1,190	1,908
Arkansas	416	131	0	0	215	762	429	136	0	0	248	813	444	146	0	0	309	899
Florida*	2,401	1,229	0	1,005	4,087	8,722	2,334	1,450	0	1,097	3,906	8,787	2,601	1,521	0	1,109	5,433	10,664
Georgia	1,873	0	0	0	163	2,036	1,782	0	0	0	151	1,933	1,960	0	0	0	244	2,204
Kentucky	742	122	499	0	129	1,491	748	148	621	0	125	1,642	775	152	629	0	119	1,675
Louisiana	581	52	0	0	37	670	610	59	0	0	30	699	619	52	0	0	30	701
Mississippi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Carolina	1,958	696	837	67	203	3,761	2,102	1,022	996	59	20	4,200	2,181	1,006	1,028	69	40	4,325
South Carolina	752	267	267	6	1,018	2,310	835	294	300	8	879	2,316	942	286	284	8	989	2,509
Tennessee	673	278	65	0	7	1,023	695	298	24	0	8	1,025	725	301	21	0	6	1,053
Virginia	844	343	976	0	1,444	3,607	972	363	1,166	0	1,633	4,134	1,215	350	1,271	0	1,758	4,594
West Virginia*	427	123	266	0	440	1,256	400	36	301	0	699	1,436	420	136	301	0	491	1,348
SOUTHWEST																		
Arizona	370	130	187	0	480	1,167	370	148	206	0	531	1,255	400	160	241	0	481	1,282
New Mexico	230	83	6	0	115	434	239	89	7	0	124	459	254	89	55	0	133	531
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas*	2,611	1,455	2,500	35	2,374	8,975	2,584	1,592	2,500	34	2,117	8,827	2,643	1,616	2,500	38	4,910	11,707
ROCKY MOUNTAIN																		
Colorado	625	382	155	0	63	1,225	594	234	166	0	48	1,042	630	240	142	0	60	1,072
Idaho*	322	170	0	0	23	515	343	191	0	0	25	559	360	186	0	0	81	627
Montana	251	152	0	0	0	403	265	166	0	0	0	431	272	175	0	0	0	447
Utah	504	103	0	0	7	614	551	113	0	0	1	666	570	120	0	0	3	692
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST																		
Alaska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
California*	8,728	6,281	0	0	1,164	16,173	8,574	6,778	0	0	1,265	16,617	9,506	6,849	0	0	1,292	17,647
Hawaii	80	43	213	0	1,258	1,593	69	50	148	0	1,772	2,039	80	47	227	0	1,492	1,845
Nevada	297	174	0	0	75	546	306	198	0	0	16	520	311	204	0	0	95	610
Oregon*	592	385	6	0	535	1,517	644	471	10	0	629	1,754	575	398	8	0	576	1,556
Washington	1,232	752	57	168	802	3,011	1,194	1,123	106	135	1,245	3,803	1,041	865	95	146	2,871	5,018
TOTAL	\$42,763	\$21,851	\$10,962	\$1,522	\$29,593	\$106,890	\$44,003	\$25,030	\$11,546	\$1,565	\$30,211	\$112,355	\$47,173	\$24,322	\$12,741	\$1,645	\$36,996	\$122,878
District of Columbia*	22	0	0	0	201	223	24	0	0	0	268	292						

*See notes at the end of the chapter.

Transportation Fund Notes

Alabama: “Other” includes Petroleum Commodities Inspection fees, interest income on investments, insurance recoveries, all federal grants and reimbursements, and other miscellaneous revenue.

California: Vehicle sales and uses taxes are included in overall sales tax figures.

District of Columbia: At the ‘State’ level, the District of Columbia FHWA match (from Motor Fuel Tax) is called the “Highway Trust Fund.” In addition, the District of Columbia also has a Local Transportation Fund, which supports all local transportation needs. “Other” transportation fund revenue includes right-of-way revenue, PAYGO, and borrowed funds.

Florida: The State Transportation Trust Fund is the state’s primary trust fund. The Turnpike General Reserve Trust Fund is the state’s primary trust fund used to manage Turnpike Revenue.

Idaho: Revenue includes amounts that are distributed to the local highway districts and to Idaho State Police. Other includes revenue for the Transportation and Congestion Mitigation Fund generate from cigarette tax, sales tax and interest and revenue for the Strategic Initiatives Fund from interest. General fund transfers into these accounts are not reported as revenue here as those amounts are included in the total General Fund revenue.

Missouri: Missouri has the State Highways and Transportation Department Fund made up of revenues from motor vehicle registrations, driver’s license and other fees, and motor fuel taxes. Missouri also has a State Road Fund that incorporates State Highways and Transportation Department Funds and revenues from motor vehicle sales taxes and state road bond funds.

New York: New York State maintains a number of Transportation Funds including: Metropolitan Transportation Authority Financial Assistance Fund; Mass Transportation Operating Assistance Fund; Dedicated Mass Transportation Trust Fund; Dedicated Highway and Bridge Trust Fund; and Highway Use Tax Administration Fund. Other Transportation Fund Revenue includes: Auto Rental Taxes; Petroleum Business Taxes; Highway Use Tax; and Transit Dedicated Business Taxes.

Oregon: Other revenues includes Weight Mile Taxes and MCTD Fees.

Texas: Other revenues include Lubricant Sales Tax, Special Vehicle Permit Fees, Motor Vehicle Certificates, Land Sales, Judgments & Settlements, Drivers License Fees, Drivers Record Information Fees, Vehicle Inspection Fees, and Other Misc. Government Revenues.

Vermont: Other revenues include other taxes; fees; rents and leases; fines, forfeitures, and penalties; and other revenues.

West Virginia: Other includes federal reimbursements, Litter Fees, and other miscellaneous reimbursements. Federal reimbursements totaled \$405 million in FY2020, \$374 million in FY2021 and \$474 million in FY2022. FY2021 other collections included \$50 million in Federal CARES Funds. FY2021 other collections included \$150 million in General Revenue Fund appropriations. The \$150 million in General Fund appropriations would already be reflected in the General Revenue collections. Tolls are collected by a separate West Virginia Parkways Authority and are not part of Road Fund.

Transportation Fund Names

Alabama: Public Road and Bridge Fund; Rebuild Alabama Fund

Arizona: Arizona Highway User Fund

Colorado: Highway Users Trust Fund

Connecticut: Special Transportation Fund

Delaware: Delaware Transportation Authority Transportation Trust Fund; Transportation Trust Fund

District of Columbia: Highway Trust Fund, Local Transportation Fund

Florida: State Transportation Trust Fund; Turnpike General Reserve Trust Fund

Idaho: State Highway Account

Illinois: Road Fund and Motor Fuel Tax Fund

Indiana: State Highway Fund

Iowa: Road Use Tax Fund

Kansas: State Highway Fund

Kentucky: Road Fund

Louisiana: Transportation Trust Fund

Maine: Highway Fund

Maryland: Transportation Trust Fund

Massachusetts: Commonwealth Transportation Fund

Michigan: Michigan Transportation Fund; State Trunkline Fund; State Aeronautics Fund; Comprehensive Transportation Fund; Blue Water Bridge Fund

Minnesota: Highway Users Tax Distribution Fund

Missouri: State Highways and Transportation Department Fund

Montana: Highway State Special Revenue

Nebraska: Highway Trust Fund; State Highway Capital Improvement Fund

Nevada: State Highway Fund

New Hampshire: Highway Fund

New Jersey: Transportation Trust Fund

New Mexico: State Road Fund

New York: Metropolitan Transportation Authority Financial Assistance Fund; Mass Transportation Operating Assistance Fund; Dedicated Mass Transportation Trust Fund; Dedicated Highway and Bridge Trust Fund; Highway Use Tax Administration Fund

North Carolina: Highway Fund; Highway Trust Fund

North Dakota: Highway Fund

Ohio: Highway Operating Fund

Oregon: Highway Fund

Pennsylvania: Motor License Fund

Rhode Island: Intermodal Surface Transportation Fund

South Carolina: State Highway Transportation and Infrastructure Maintenance Funds

South Dakota: Highway Fund

Tennessee: Highway Fund

Texas: State Highway Fund; Texas Mobility Fund

Utah: Transportation Fund

Vermont: Transportation Fund

Virginia: Commonwealth Transportation Fund

Washington: Washington State has 45 transportation accounts. The three largest transportation accounts are: 108 Motor Vehicle Account; 218 Multimodal Account and 20H Connecting Washington Account

West Virginia: Division of Highways

Wisconsin: Transportation Fund

Methodology

The *2022 State Expenditure Report* reflects three years of data: actual fiscal year 2020, actual fiscal year 2021, and estimated fiscal year 2022. The text of this report focuses on actual fiscal year 2021 and estimated fiscal 2022 data. Expenditure data are detailed by program area and funding source so that trends in state spending can be evaluated. Readers are cautioned that a more complete understanding of service levels within a given state would require comparisons of spending by both state and local governments, which is not the purpose of this report. In addition, the data are self-reported by the states.

This report documents state expenditures in six functional categories: elementary and secondary education, higher education, public assistance including Temporary Assistance for Needy Families and other cash assistance, Medicaid, corrections, and transportation. All other expenditures make up a seventh category. The report includes expenditures from four fund sources, including general funds, federal funds, other state funds, and bonds. Data for each category typically include employer contributions to current employees' pensions and to employee health benefits for employees. In addition, the report contains a chapter detailing revenue sources in the general fund.

Elementary and secondary education spending, detailed in chapter one, includes state and federal fund expenditures only, and excludes local funds raised for education purposes. States also were asked to include, where applicable, state expenditures that support the state's Department of Education, early education/pre-K, capital construction, transportation of school children, adult literacy programs, handicapped education programs, programs for other special populations (i.e., gifted and talented programs), anti-drug programs, and vocational education. States were asked to exclude spending for day care programs in the school system, spending for school health and immunization programs, and local funds raised and expended for education purposes.

For higher education, states were requested to include expenditures made for capital construction, community colleges, vocational education, law, medical, veterinary, nursing and technical schools, and assistance to private colleges and universities, as well as tuition, fees and student loan programs. Higher education expenditures exclude federal research grants and endowments to universities. Higher education data can be found in chapter two.

Spending for public assistance, which is examined in chapter three, includes expenditures for the Temporary Assistance for Needy Families (TANF) program and other cash assistance (i.e., state supplements to the Supplemental Security Income program, general or emergency assistance). States were asked to exclude administrative costs from reported expenditures.

Medicaid spending amounts, highlighted in chapter four, exclude administrative costs, but include spending from state funds, federal matching funds and other funds and revenue sources used as a Medicaid match such as provider taxes, fees, assessments, donations, and local funds. Medicare Part D clawback payments are included in a state's overall Medicaid expenditures, and are also listed separately in the Appendix.

For corrections, states were asked to include, where applicable, expenditures for capital construction, aid to local governments for jails, parole programs, prison industries, community corrections, drug abuse rehabilitation programs, as well as expenditures made for juvenile correction programs. Corrections data can be found in chapter five.

Transportation figures, detailed in chapter six, include capital and operating expenditures for highways, mass transit, and airports. States were also asked to include expenditures for road assistance to local governments, the administration of the Department of Transportation, truck and train/railroad programs, motor vehicle licensing, and gas tax and fee collection. The data exclude spending for port authorities, state police and highway patrol. States were also asked to separately detail transportation fund revenue sources.

The "all other" expenditure category includes all remaining programs not captured in the functional categories previously described, including the Children's Health Insurance Program and any debt service for other state programs (i.e., environmental projects, housing). States with lotteries were asked to exclude prizes paid to lottery winners. States were also asked to exclude expenditures for state-owned utilities and liquor stores. States were also asked to separately detail debt service spending, found in the appendix of the report. "All other" expenditure data can be found in chapter seven.

Capital spending is included with operating expenditures within each functional category, unless otherwise noted. Capital expenditures have also been collected separately in the following categories: elementary and secondary education, higher education, transportation, corrections, housing, environmental, and "all other." Capital expenditure data can be found in chapter eight.

Chapter nine illustrates the major sources of state revenue including sales and use taxes, personal income taxes, corporate income taxes, gaming and lottery revenue, and “all other” general fund revenue. This chapter only contains information on general fund revenue.

Tables included in four of the functional categories reflect expenditures that states have excluded from their reported data. Each table underscores the observation that state-to-state expenditure comparisons in any functional category can be misleading. For example, one state may have included its juvenile institutions in its corrections budget, while another state may have included them in its human resources budget. Comparisons for one state over time, however, should prove accurate.

All years reported are state fiscal years unless otherwise indicated. In 46 states the fiscal year begins on July 1 and ends on June 30. The exceptions are as follows: in New York, the fiscal year begins on April 1; in Texas, the fiscal year begins on September 1; and in Alabama and Michigan the fiscal year begins on October 1. Additionally, the length of budget cycles vary among states, with more than half of the states budgeting annually and the remainder enacting biennial budgets.

Definitions

General Fund: predominant fund for financing a state’s operations. Revenues are received from broad-based state taxes. There are differences in how specific functions are financed from state to state, however.

Federal Funds: funds received directly from the federal government.

Other State Funds: expenditures from revenue sources, which are restricted by law for particular governmental functions or activities. For example, a gasoline tax dedicated to a highway trust fund would appear in the “Other State Funds” column (Note: For Medicaid, other state funds include provider taxes, fees, donations, assessments and local funds).

Bonds: expenditures from the sale of bonds, generally for capital projects.

State Funds: general fund plus other state fund spending, excluding state spending from bonds.

