

FISCAL YEAR

2009

# STATE EXPENDITURE REPORT

NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

Published Fall 2010

THE NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS, founded in 1945, is the instrument through which the states collectively advance state budget practices. The major functions of the organization consist of research, policy development, education, training, and technical assistance. These are achieved primarily through NASBO's publications, membership meetings, and training sessions. Association membership is composed of the heads of state finance departments, the states' chief budget officers, and their deputies. All other state budget office staff are associate members. Association membership is organized into four standing committees—Health and Human Services; Fiscal Management and Reporting; Education; and an annual Critical Issue committee. NASBO is an independent professional and educational association and is also an affiliate of the National Governors Association.

#### **2009-2010 Executive Committee**

---

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

#### **2010-2011 Executive Committee**

---

John Nixon, Utah, President  
 John Hicks, Kentucky, President-Elect  
 Bill Newton, Alabama, Past President  
 Georgina Kawamura, Hawaii, Member-at-Large  
 David Treasure, Maryland, Member-at-Large  
 Ann Visalli, Delaware, Eastern Regional Director  
 Linda Luebbering, Missouri, Midwestern Regional Director  
 Lisa Esgar, Colorado, Western Regional Director  
 Mike Dedmon, Tennessee, Southern Regional Director  
 Kristin Dybdal, Minnesota, Chair, Health and Human Services Committee  
 David Schmiedicke, Wisconsin, Chair, Fiscal Management and Reporting Committee  
 John Arnold, Arizona, Chair, Education Committee  
 J. Pari Sabety, Ohio, Chair, Critical Issue Committee on Pension Reform  
 Scott D. Pattison, Executive Director

Copyright © 2010 by the National Association of State Budget Officers.

National Association of State Budget Officers  
 444 North Capitol Street, NW, Suite 642  
 Washington, DC 20001-1511  
 Tel: (202) 624-5382 • Fax: (202) 624-7745  
[www.nasbo.org](http://www.nasbo.org)

Price: \$40.00

# TABLE OF CONTENTS

---

Preface .....	vii
Executive Summary .....	i
General Notes .....	ii
Elementary & Secondary Education .....	13
Elementary & Secondary Education Notes .....	20
Higher Education .....	21
Higher Education Notes .....	27
Public Assistance .....	29
Other Cash Assistance .....	32
Public Assistance Notes .....	42
Medicaid Expenditures .....	43
Medicaid Notes .....	50
Corrections Expenditures .....	53
Corrections Notes .....	61
Transportation .....	63
Transportation Notes .....	70
All Other Expenditures .....	71
All Other Expenditure Notes .....	77
Capital Expenditures .....	79
Capital Spending Notes .....	89
Revenue Sources in the General Fund .....	91
Revenue Sources in the General Fund Notes .....	95
Appendix .....	97
Children's Health Insurance Block Grants Notes .....	100
Methodology .....	102

## TABLES

1. Total State Expenditures – Capital Inclusive .....	6
2. Annual Percentage Change in Total State Expenditures .....	7
3. Comparison of Shares of State Spending With Fund Sources, Fiscal 1995 to 2010 .....	8
4. Regional Percentage Change in Total Expenditures, Fiscal 2008 and 2010 .....	9
5. State Spending by Function As a Percent of Total State Expenditures, Fiscal 2009 .....	10
6. Regional Percentage Change in State Elementary and - Secondary Education Expenditures, Fiscal 2009 and 2010 .....	15

## TABLE OF CONTENTS (CONTINUED)

---

7. Elementary and Secondary Education Expenditures .....	16
8. Elementary and Secondary Education Expenditures As a Percent of Total Expenditures .....	17
9. Annual Percentage Change in Elementary and Secondary Education Expenditures .....	18
10. Items Excluded from Elementary and Secondary Education Expenditures .....	19
11. Regional Percentage Change in State Higher Education Expenditures, Fiscal 2009 and 2010 .....	22
12. Higher Education Expenditures – Capital Inclusive .....	23
13. Higher Education Expenditures As a Percent of Total Expenditures .....	24
14. Annual Percentage Change in Higher Education Expenditures .....	25
15. Items Excluded from Higher Education Expenditures .....	26
16. Regional Percentage Change in State Total Public Assistance Expenditures, Fiscal 2009 and 2010 .....	30
17. Regional Percentage Change in State TANF Expenditures, Fiscal 2009 and 2010 .....	31
18. Total Public Assistance Expenditures .....	33
19. Total Public Assistance Expenditures As a Percent of Total Expenditures .....	34
20. Annual Percentage Change in Total Public Assistance Expenditures .....	35
21. Cash Expenditures under Temporary Assistance to Needy Families Expenditures (TANF) .....	36
22. TANF Expenditures for Cash Assistance As a Percent of Total Expenditures .....	37
23. Annual Percentage Change in TANF Cash Assistance Expenditures .....	38
24. Other Cash Assistance Expenditures .....	39
25. Other Cash Assistance Expenditures As a Percent of Total Expenditures .....	40
26. Annual Percentage Change in Other Cash Assistance Expenditures .....	41
27. Regional Percentage Change in State Medicaid Expenditures, Fiscal 2009 and 2010 .....	46
28. Medicaid Expenditures .....	47
29. Medicaid Expenditures As a Percent of Total Expenditures .....	48
30. Annual Percentage Change in Medicaid Expenditures .....	49
31. Regional Percentage Change in State Corrections Expenditures, Fiscal 2009 and 2010 .....	55
32. Corrections Expenditures – Capital Inclusive .....	56
33. Corrections Expenditures As a Percent of Total Expenditures .....	57
34. Corrections General Fund Expenditures As a Percent of Total General Fund Expenditures .....	58
35. Annual Percentage Change in Corrections Expenditures .....	59
36. Items Excluded from Corrections Expenditures .....	60
37. Regional Percentage Change in State Transportation Expenditures, Fiscal 2009 and 2010 .....	65
38. Transportation Expenditures – Capital Inclusive .....	66

## TABLE OF CONTENTS (CONTINUED)

39. Transportation Expenditures As a Percent of Total Expenditures .....	67
40. Annual Percentage Change in Transportation Expenditures .....	68
41. Items Excluded from Transportation Expenditures .....	69
42. Regional Percentage Change in State All Other Expenditures, Fiscal 2009 and 2010 .....	72
43. All Other Expenditures – Capital Inclusive .....	73
44. All Other Expenditures As a Percent of Total Expenditures .....	74
45. Annual Percentage Change in All Other Expenditures .....	75
46. Items Excluded from All Other Expenditures .....	76
47. Total Capital Expenditures .....	82
48. Higher Education Capital Expenditures .....	83
49. Corrections Capital Expenditures .....	84
50. Transportation Capital Expenditures .....	85
51. Environmental Projects Capital Expenditures .....	86
52. Housing Capital Expenditures .....	87
53. All Other Capital Expenditures .....	88
54. Revenue Sources in the General Fund .....	93
55. Items Excluded from Revenue Sources .....	94
A-1. Total State Expenditures By Fund Source (Excludes Bonds) .....	98
A-2. Children's Health Insurance Block Grants .....	99
A-3. Medicare Part D Clawback Payments .....	101

## FIGURES

1. Total State Spending by Fund Source, Fiscal 1987 to 2009 .....	2
2. All Funds Percent Changes From Previous Fiscal Year For Major Spending Categories, Fiscal 2008 and 2009 .....	3
3. Total State Expenditures By Funding Source, Fiscal 2009 .....	4
4. Total State Expenditures By Function, Fiscal 2009 .....	4
5. Composition of Total State Expenditures By Function, Fiscal 1987 to 2009 .....	4
6. General Fund Expenditures, Fiscal 2009 .....	5
7. Percent Change in General Fund, Fiscal 2009 and 2010 .....	5
8. Federal Fund Expenditures, Fiscal 2009 .....	9
9. Regional Percent Change in State Funds, Fiscal 2009 and 2010 .....	9
10. State Expenditures for Elementary and Secondary Education by Fund Source, Fiscal 2009 .....	14
11. State Expenditures for Higher Education by Fund Source, Fiscal 2009 .....	22
12. State Expenditures for Total Public Assistance by Fund Source, Fiscal 2009 .....	30

## TABLE OF CONTENTS (CONTINUED)

---

13. State Expenditures for Temporary Assistance for Needy Families by Fund Source, Fiscal 2009 .....	31
14. Actual and Projected Total Medicaid Spending, 1970 to 2009 .....	45
15. Actual and Projected State Medicaid Spending, 1970 to 2009 .....	45
16. State Expenditures for Medicaid by Fund Source, Fiscal 2009 .....	46
17. State Expenditures For Corrections by Fund Source, Fiscal 2009 .....	54
18. State Expenditures for Transportation by Fund Source, Fiscal 2009 .....	64
19. State Expenditures for All Other Programs by Fund Source, Fiscal 2009 .....	72
20. Capital Expenditures by Type, Fiscal 1991 to 2010 .....	80
21. Annual Percentage Change in Total Capital Expenditures .....	81
22. Total Capital Expenditures by Funding Source, Fiscal 2009 .....	81
23. Revenue Sources in the General Fund .....	92

# 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 2008, actual fiscal 2009, and estimated fiscal 2010. 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.

## ACKNOWLEDGEMENTS

---

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

LaTaya Lucas, Alabama	Lyn Heaton, Nebraska
Sarah Brinkley, Alaska	Reese Tietje, Nevada
Duong Nguyen, Arizona	Joseph Bouchard, New Hampshire
Norm Selover, Arizona	Cathy Nonamaker, New Jersey
Josh Joyner, Arkansas	Greg Stankiewicz, New Jersey
Monica Flowers, California	Dannette Burch, New Mexico
Alexis Senger, Colorado	Carl Ortega, New Mexico
Barbara Rua, Connecticut	Christopher Warner, New York
John Nauman, Delaware	Julie Mitchel, North Carolina
Jeanine Pumphrey, Florida	Lori Anderson, North Dakota
Robert Giacomini, Georgia	Sheila Peterson, North Dakota
Karen Matsunaga, Hawaii	Jeff Newman, Ohio
Terri Ohta, Hawaii	Brandy Manek, Oklahoma
Anita Hamann, Idaho	Brian DeForest, Oregon
Jared Brunk, Illinois	Ann Bertolino, Pennsylvania
Adam Horst, Indiana	Colleen Halloran-Villandry, Rhode Island
Joel Lunde, Iowa	Brian Gaines, South Carolina
Elaine Frisbie, Kansas	David Seigler, South Carolina
Sandy Russell, Kansas	Liza Clark, South Dakota
John Hicks, Kentucky	Susan Irby, Tennessee
Mike Barbier, Louisiana	Michael Sparks, Texas
Ternisa Hutchinson, Louisiana	Phillip Jeffery, Utah
Tom Cusick, Maine	Tenielle Young, Utah
Kurt Stolzenbach, Maryland	Karen Jaquish, Vermont
Rob Dolan, Massachusetts	Mike Barton, Virginia
Colleen Gossman, Michigan	Manju Robertson, Virginia
Nancy Rooney, Minnesota	Pam Davidson, Washington
Gerald Joyner, Mississippi	Angela Leshon, West Virginia
Marty Drewel, Missouri	Kirsten Grinde, Wisconsin
Ryan Evans, Montana	Folbert Ware, Wyoming



# EXECUTIVE SUMMARY

---



## State Spending Trends, Fiscal 2009 and Fiscal 2010

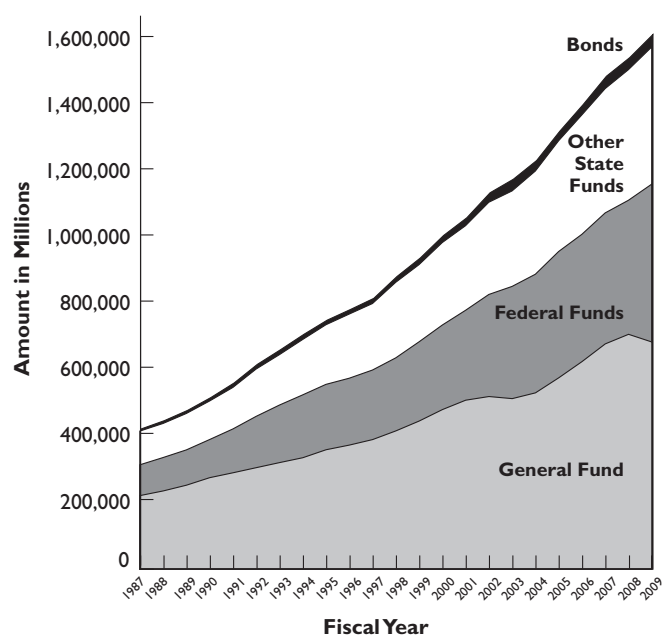
Without question, state expenditures have been significantly impacted by the national recession that began in December 2007. The economic downturn has created a unique and in some ways unprecedented fiscal situation for states. Spending from state funds (general funds and other state funds combined) declined in both fiscal 2009 and estimated fiscal 2010, marking the first occurrences in the 23-year history of the State Expenditure Report. The decline in spending from state funds was precipitated by a rapid reduction in state revenue. During the two-year period from fiscal 2008–2010 state revenues decreased nearly 12 percent, or by \$78.5 billion. It should be noted that not all components of state expenditures have declined during the recent downturn. Spending from federal funds increased sharply in both fiscal 2009 and fiscal 2010. The increase in federal funds is directly attributed to the passage of the *American Recovery and Reinvestment Act of 2009 (ARRA)*. Due to the influx of additional federal dollars, total state expenditures grew modestly in both fiscal 2009 and fiscal 2010. Looking beyond fiscal 2010, states are very concerned that state revenues will not have recovered to pre-recession levels by the time the additional federal funds wind down.

Resulting from a significant reduction in state revenue collections, the component of state spending that has been most negatively impacted by the downturn is general funds. After growing 8.5 percent in fiscal 2007 and 4.2 percent in fiscal 2008, general fund spending declined 3.3 percent in fiscal 2009. The reduction in general fund spending was across-the-board with all seven categories of general fund spending recording outright declines. A similar and in some ways more troublesome pattern has emerged in fiscal 2010. Estimated fiscal 2010 general fund spending declined 5.9 percent compared to fiscal 2009 levels. Once again, the cutbacks were widespread with all categories of spending experiencing declines with the exception of transportation. Spending from state funds (general funds and other states funds combined) also declined both years at 0.2 percent in fiscal 2009 and 3.5 percent in estimated fiscal 2010.

At the same time general fund spending was rapidly declining, federal fund spending experienced sizable increases. After growing a relatively modest 2.9 percent in fiscal 2007 and 2.4 percent in fiscal 2008, federal fund spending increased 17.7 percent in fiscal 2009 and is estimated to have increased 23.4 percent in fiscal 2010. The drastic increase in federal funds can be traced to the infusion of ARRA funds. States reported that they spent \$41.2 billion in federal Recovery Act funds in fiscal 2009 and an estimated \$114.2 billion in fiscal 2010. The growth in federal funds has been so

substantial that total state spending increased in both fiscal 2009 and fiscal 2010, even though state funds declined in both years. Total state expenditures climbed to \$1.55 trillion in fiscal 2009, a 4.6 percent increase, and are estimated to reach \$1.62 trillion in fiscal 2010, a 5 percent increase. This growth is partly a result of increased spending demand, especially in the areas of Medicaid and social services. Even so, the increase in total state expenditures was less than the historical average. Since 1987, total state expenditures have annually increased on average 6.3 percent.

**Figure 1**  
**TOTAL STATE SPENDING BY FUND SOURCE,**  
**FISCAL 1987 TO 2009**



The passage of ARRA in February 2009 produced a shift in the funding sources for state expenditures. In fiscal 2008, the last year before ARRA, general funds accounted for 45.9 percent of total state spending, federal funds were 26.3 percent, other state funds were 25.5 percent, and bonds reflected 2.4 percent of the total. In fiscal 2009, general funds accounted for 42.5 percent of total state expenditures, federal funds 29.5 percent, other state funds 25.6, and bonds were 2.3 percent of the total. The breakdown of total state expenditures has shifted even further in estimated fiscal 2010 with general funds accounting for 38.1 percent, federal funds 34.7 percent, other state funds 24.5 percent, and bonds at 2.7 percent. Therefore, over a two-year period, general funds have shrunk from representing 45.9 percent of total state expenditures to 38.1 percent while federal funds will have risen from 26.3 percent to 34.7 percent. States soon will have to contend with the loss of the additional federal funds as Recovery Act spending begins to wind down in fiscal 2011 and rapidly drops off in fiscal 2012.

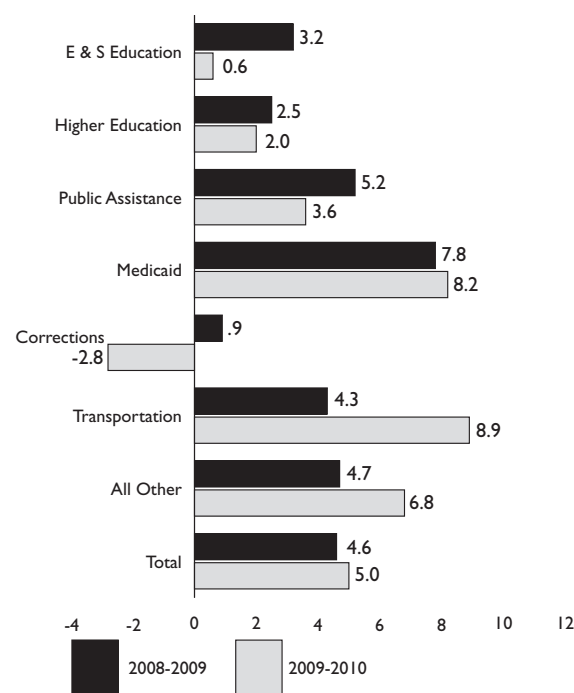
Other details of state expenditures include:

- While general fund spending decreased in all spending categories in fiscal 2009 and is estimated to have declined in all but one category in fiscal 2010, federal fund spending increased in all categories in both fiscal 2009 and estimated fiscal 2010. Several categories of federal fund spending are estimated to have increases greater than 30 percent in fiscal 2010.
- Medicaid is estimated to replace elementary and secondary education as the largest component of total state spending in fiscal 2010. Total state spending in Medicaid increased by 7.8 percent in fiscal 2009 and an estimated 8.2 percent in fiscal 2010, partly due to increased enrollment brought on by the national recession.
- When looking only at general fund spending, elementary and secondary education remains the largest category in fiscal 2009 at 35.8 percent, with Medicaid second at 15.7 percent. Those two categories, combined with higher education at 11.5 percent, account for nearly two-thirds of general fund spending.
- Elementary and secondary education total expenditures grew by 3.2 percent in fiscal 2009 and by an estimated 0.6 percent in fiscal 2010. Without the influx of federal funds, total K-12 spending would have declined both years. State K-12 funds declined by 0.5 percent in fiscal 2009 and by 5.4 percent in estimated fiscal 2010 while federal funds grew by 20.8 percent and 35.2 percent respectively.
- Higher education grew in both fiscal 2009 and fiscal 2010. Total expenditures grew 2.5 percent in fiscal 2009 and are estimated to have grown 2 percent in fiscal 2010, due mostly to an 11.4 percent increase in federal funds in fiscal 2009 and a 16.3 percent increase in fiscal 2010.
- Total public assistance grew 5.2 percent in fiscal 2009 and is estimated to grow 3.6 percent in fiscal 2010. These increases are solely due to additional federal funds. Public assistance represented 1.7 percent of total state expenditures in fiscal 2009.
- Total corrections spending rose only 0.9 percent in fiscal 2009 and is estimated to have declined by 2.8 percent in fiscal 2010. As state funds comprise approximately 95 percent of total corrections expenditures, corrections has not been as supported by the influx of federal stimulus spending. Corrections accounted for 3.4 percent of total state expenditures in fiscal 2009.
- Total transportation spending—7.8 percent of total state expenditures—increased by 4.3 percent in fiscal 2009. In fiscal

2010, total transportation spending is estimated to have grown by 8.9 percent as a result of a 22.4 percent increase in federal funds.

- Total state spending on capital projects increased by 4.7 percent in fiscal 2009 and is estimated to have grown by 5.5 percent in 2010. This is due mostly to ARRA funds and bond provisions making it easier for some states to borrow for infrastructure.

**Figure 2**  
**ALL FUNDS PERCENT CHANGES FROM PREVIOUS FISCAL YEAR**  
**FOR MAJOR SPENDING CATEGORIES, FISCAL 2009 AND 2010**



### Components of State Expenditures

This report includes three years of state expenditure data: actual fiscal 2008, actual fiscal 2009, and estimated fiscal 2010. The text primarily focuses on actual fiscal 2009 and 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 hospitals, economic development, housing, environmental programs, health programs and the Children's Health Insurance Program (CHIP), parks and recreation, natural resources, air transportation, and water transport). 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: corrections, environmental

projects, higher education, housing, transportation, and “all other”. It should also be noted that twenty-one states use a biennial budget cycle, and in many cases funds are not expended evenly in the two-year cycle. This may affect total expenditures 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, in many states, the funding of elementary and secondary education is considered primarily a local function. Some states are exceptions, such as Hawaii where 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.

While state balanced budget requirements are diverse, and governors are given significant powers to ensure a balanced budget, states operate within stricter revenue/expenditure limitations than the federal government. 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 within available resources and must either reduce spending, raise taxes, or use reserves when revenues come in below estimates. For the most part, states cannot incur an operating deficit, and must monitor their debt financing in order to avoid jeopardizing their bond ratings.

## Definitions

**General Fund:** The 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 that 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. 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 funds plus other state fund spending, excluding state spending from bonds.

Fiscal 2009 spending by fund source is detailed in Figure 3. General funds decreased as an overall percentage of state expenditures during the fiscal 2008–2010 period. Spending from state general funds was 45.9 percent of total expenditures in fiscal 2008, 42.5 percent in fiscal 2009, and is estimated to be 38.1 percent in fiscal 2010. Conversely, the share of state spending from federal funds has grown from 26.3 percent in fiscal 2008, to 29.5 percent in fiscal 2009, to an estimated 34.7 percent in fiscal 2010. The large growth in federal funds is directly related to the passage of ARRA.

**Figure 3**  
**TOTAL STATE EXPENDITURES BY FUNDING SOURCE,**  
**FISCAL 2009**

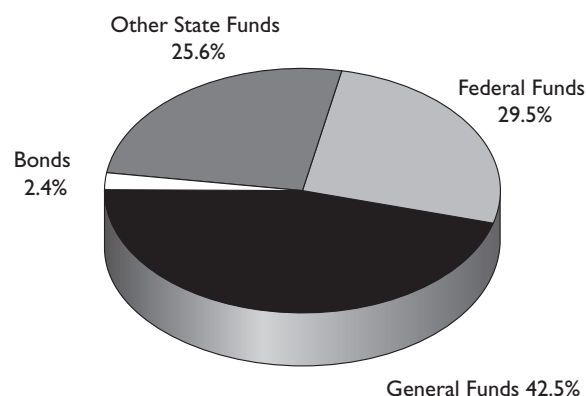
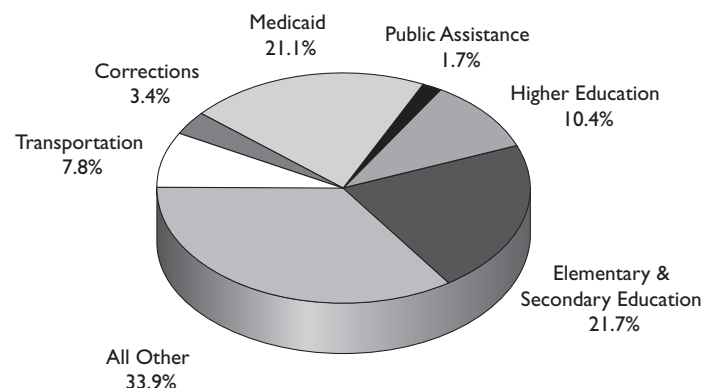
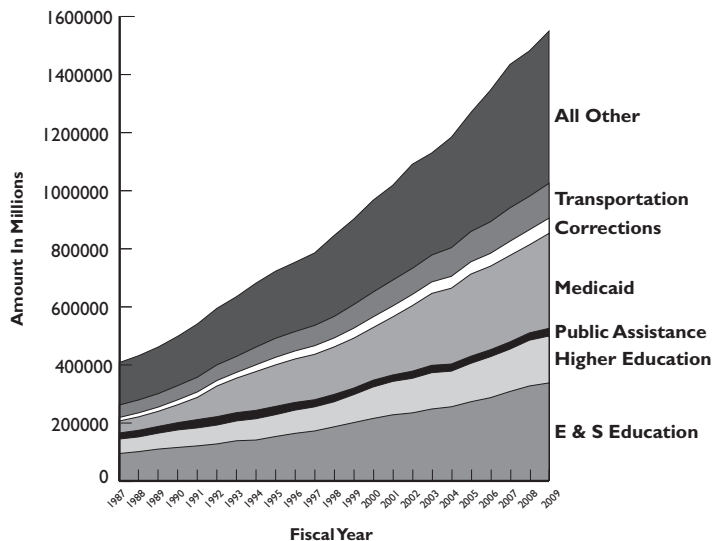


Figure 4 reflects total state expenditures by functional areas. For fiscal 2009, state spending shares are as follows: 21.7 percent for elementary and secondary education; 21.1 percent for Medicaid; 10.4 percent for higher education; 7.8 percent for transportation; 3.4 percent for corrections; 1.7 percent for public assistance; and 33.9 percent for all other.

**Figure 4**  
**TOTAL STATE EXPENDITURES BY FUNCTION,**  
**FISCAL 2009**



**Figure 5**  
**COMPOSITION OF TOTAL STATE EXPENDITURES BY FUNCTION, FISCAL 1987 TO 2009**



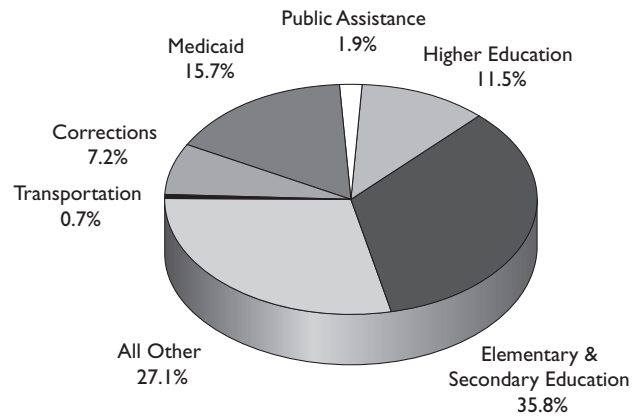
The shares of state spending for the seven functional areas tracked in the State Expenditure Report have shifted since 1987, when the report was first published. For example, Medicaid surpassed higher education as the second largest state program in 1990, and in 2003 it became the largest, displacing elementary and secondary education. Since 2003, Medicaid and elementary and secondary education have alternated as the largest share of state spending. Whereas in fiscal 2009 elementary and secondary education was the largest component, it is estimated that in fiscal 2010 Medicaid will represent the largest share, due to increased Medicaid enrollment and spending resulting from the economic decline. 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 2010. Also, Table 5, at the end of the Executive Summary, highlights the share of each state's budget represented by various programs in fiscal 2009 and shows the wide variation among states in their spending patterns.

## 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 2009, 35.8 percent of general fund spending went to elementary and secondary education. Medicaid accounted for 15.7 percent and higher education accounted for 11.5 percent of general fund spending.

Figure 7 reflects the percentage change for general fund spending in each of the functional categories. The impact of the national recession on state spending is clearly illustrated. In fiscal 2009, all

**Figure 6**  
**GENERAL FUND EXPENDITURES, FISCAL 2009**



seven categories of general fund spending declined from 2008 levels. A similar pattern emerged in fiscal 2010. All areas of general funding spending, with the exception of transportation, declined even further from fiscal 2009 levels. Overall, general fund spending declined 3.3 percent in fiscal 2009 and is estimated to have declined 5.9 percent in fiscal 2010.

**Figure 7**  
**PERCENT CHANGE IN GENERAL FUND, FISCAL 2009 AND 2010**

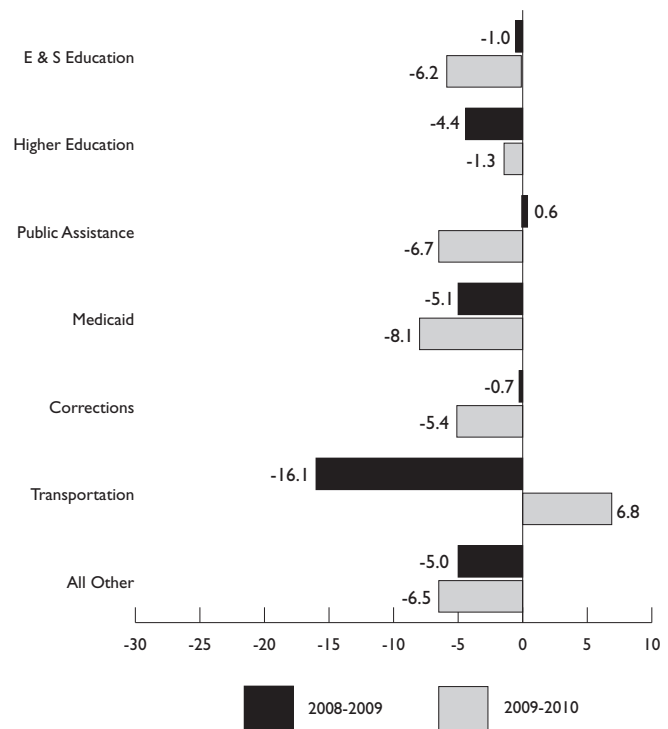


Table I

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

Region/State	Actual Fiscal 2008					Actual Fiscal 2009					Estimated Fiscal 2010				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$16,627	\$2,117	\$3,494	\$2,032	<b>\$24,270</b>	\$17,235	\$2,327	\$4,385	\$1,852	<b>\$25,799</b>	\$17,251	\$3,099	\$3,918	\$1,794	<b>\$26,062</b>
Maine	3,084	2,182	2,053	108	<b>7,427</b>	3,020	2,778	2,184	110	<b>8,092</b>	2,866	3,151	2,159	81	<b>8,257</b>
Massachusetts	28,934	2,525	10,928	1,420	<b>43,807</b>	30,016	3,405	14,004	1,568	<b>48,993</b>	28,912	5,722	16,889	1,887	<b>53,410</b>
New Hampshire	1,515	1,498	1,680	114	<b>4,807</b>	1,438	1,682	1,687	171	<b>4,978</b>	1,401	2,073	1,853	138	<b>5,465</b>
Rhode Island	3,405	1,939	1,589	185	<b>7,118</b>	3,001	2,271	1,680	149	<b>7,101</b>	2,887	3,096	2,085	94	<b>8,162</b>
Vermont	1,225	1,312	2,734	37	<b>5,308</b>	1,159	1,468	2,934	56	<b>5,617</b>	1,109	1,845	2,796	72	<b>5,822</b>
<b>MID-ATLANTIC</b>															
Delaware	3,422	1,113	3,811	275	<b>8,621</b>	3,296	1,256	3,908	281	<b>8,741</b>	3,077	1,607	3,783	253	<b>8,720</b>
Maryland	14,488	6,561	8,520	839	<b>30,408</b>	14,353	7,759	8,759	926	<b>31,791</b>	13,428	9,795	9,058	1,128	<b>33,409</b>
New Jersey	33,112	8,851	5,233	1,508	<b>48,704</b>	30,825	10,788	3,437	1,627	<b>46,677</b>	29,862	14,045	3,411	1,657	<b>48,975</b>
New York	53,385	34,680	26,122	1,869	<b>116,056</b>	54,607	38,425	25,386	3,153	<b>121,571</b>	54,262	44,843	28,569	3,263	<b>130,937</b>
Pennsylvania	26,969	18,037	12,952	738	<b>58,696</b>	27,085	20,825	13,73	999	<b>62,644</b>	25,177	29,363	14,181	1,655	<b>70,376</b>
<b>GREAT LAKES</b>															
Illinois	22,140	11,073	11,047	306	<b>44,566</b>	19,831	13,253	13,224	161	<b>46,469</b>	17,244	14,686	14,657	839	<b>47,426</b>
Indiana	12,880	7,818	3,380	161	<b>24,239</b>	13,036	9,060	3,525	98	<b>25,719</b>	12,915	10,333	3,245	169	<b>26,662</b>
Michigan	9,822	12,660	21,081	419	<b>43,982</b>	8,506	16,510	20,502	241	<b>45,759</b>	8,110	19,238	18,183	192	<b>45,723</b>
Ohio	25,722	9,655	20,633	753	<b>56,763</b>	26,783	10,342	19,819	850	<b>57,794</b>	24,141	13,029	19,827	643	<b>57,640</b>
Wisconsin	13,527	7,534	15,028	0	<b>36,089</b>	12,744	9,709	15,989	0	<b>38,442</b>	12,824	11,531	15,730	0	<b>40,085</b>
<b>PLAINS</b>															
Iowa	5,867	4,565	5,668	29	<b>16,129</b>	5,904	6,031	5,499	43	<b>17,477</b>	5,302	6,642	6,143	459	<b>18,546</b>
Kansas	6,102	3,522	2,787	278	<b>12,689</b>	6,064	3,795	3,800	301	<b>13,960</b>	5,451	4,544	4,178	324	<b>14,497</b>
Minnesota	17,600	6,264	3,891	691	<b>28,446</b>	17,555	7,563	4,180	599	<b>29,897</b>	15,567	10,400	4,792	743	<b>31,502</b>
Missouri	8,084	5,632	7,165	551	<b>21,432</b>	8,402	6,285	8,318	89	<b>23,094</b>	7,565	8,743	7,791	712	<b>24,811</b>
Nebraska	3,247	2,411	3,053	0	<b>8,711</b>	3,329	2,566	3,244	0	<b>9,139</b>	3,313	2,973	3,305	0	<b>9,591</b>
North Dakota	1,204	1,241	1,125	27	<b>3,597</b>	1,240	1,362	1,329	10	<b>3,941</b>	1,551	1,767	1,370	22	<b>4,710</b>
South Dakota	1,176	1,182	842	17	<b>3,217</b>	1,153	1,396	920	77	<b>3,546</b>	1,129	1,718	855	67	<b>3,769</b>
<b>SOUTHEAST</b>															
Alabama	8,460	6,291	4,537	552	<b>19,840</b>	7,284	6,831	5,052	593	<b>19,760</b>	6,847	10,181	7,024	406	<b>24,458</b>
Arkansas	4,274	4,806	7,756	63	<b>16,899</b>	4,380	5,425	8,337	51	<b>18,193</b>	4,207	7,091	8,862	89	<b>20,249</b>
Florida	27,513	18,754	14,916	3,196	<b>64,379</b>	23,662	19,825	15,088	2,099	<b>60,674</b>	21,195	22,744	20,733	1,833	<b>66,505</b>
Georgia	17,934	10,268	8,773	1,519	<b>38,494</b>	16,750	11,477	9,376	1,367	<b>38,970</b>	14,870	13,066	9,594	1,091	<b>38,621</b>
Kentucky	9,334	6,720	6,941	0	<b>22,995</b>	9,031	8,233	6,793	0	<b>24,057</b>	8,348	10,477	7,012	0	<b>25,837</b>
Louisiana	10,372	12,883	5,342	291	<b>28,888</b>	9,444	10,951	4,667	592	<b>25,654</b>	9,011	14,798	5,177	626	<b>29,612</b>
Mississippi	4,842	6,434	4,029	234	<b>15,539</b>	4,692	6,712	4,557	367	<b>16,328</b>	4,597	8,832	5,536	419	<b>19,384</b>
North Carolina	20,376	10,914	10,098	200	<b>41,588</b>	19,653	11,856	10,981	600	<b>43,090</b>	13,765	10,492	7,046	489	<b>31,792</b>
South Carolina	7,149	6,654	6,866	118	<b>20,787</b>	5,812	7,378	7,702	182	<b>21,074</b>	5,275	10,117	7,175	0	<b>22,567</b>
Tennessee	11,570	9,343	4,969	151	<b>26,033</b>	11,921	11,032	5,587	578	<b>29,118</b>	10,671	12,903	5,291	271	<b>29,136</b>
Virginia	15,099	6,342	13,040	849	<b>35,330</b>	16,065	7,078	15,134	1,747	<b>40,024</b>	14,989	9,327	15,001	1,456	<b>40,773</b>
West Virginia	3,824	3,287	11,422	177	<b>18,710</b>	3,901	3,824	12,592	130	<b>20,447</b>	3,779	4,418	11,919	131	<b>20,247</b>
<b>SOUTHWEST</b>															
Arizona	10,368	7,820	6,405	654	<b>25,247</b>	9,239	10,240	6,768	833	<b>27,080</b>	9,079	10,655	6,891	886	<b>27,511</b>
New Mexico	6,027	4,506	3,091	583	<b>14,207</b>	6,080	4,946	3,873	606	<b>15,505</b>	5,468	5,580	2,711	592	<b>14,351</b>
Oklahoma	6,793	9,030	4,803	104	<b>20,730</b>	6,732	9,852	4,742	104	<b>21,430</b>	6,036	10,899	4,480	144	<b>21,559</b>
Texas	41,184	25,023	12,634	2,256	<b>81,097</b>	44,214	31,102	13,358	1,291	<b>89,965</b>	44,156	38,001	13,412	2,298	<b>97,867</b>
<b>ROCKY MOUNTAIN</b>															
Colorado	7,908	4,739	12,482	0	<b>25,129</b>	7,722	6,447	14,637	0	<b>28,806</b>	7,326	8,920	12,757	0	<b>29,003</b>
Idaho	2,799	2,005	1,097	31	<b>5,932</b>	2,724	2,304	1,257	29	<b>6,314</b>	2,349	2,952	1,808	21	<b>7,130</b>
Montana	1,901	1,646	1,810	0	<b>5,357</b>	1,753	1,827	1,946	0	<b>5,526</b>	1,628	2,285	2,136	0	<b>6,049</b>
Utah	5,784	2,503	3,033	3	<b>11,323</b>	4,817	2,963	3,736	279	<b>11,795</b>	4,441	3,672	3,555	1,259	<b>12,927</b>
Wyoming	3,132	476	1,350	0	<b>4,958</b>	3,834	1,426	2,388	0	<b>7,648</b>	3,836	1,430	2,391	0	<b>7,657</b>
<b>FAR WEST</b>															
Alaska	5,090	2,314	4,226	26	<b>11,656</b>	5,407	3,042	4,730	345	<b>13,524</b>	5,375	3,178	1,193	0	<b>9,746</b>
California	102,986	56,211	26,674	8,405	<b>194,276</b>	90,940	73,090	23,844	7,602	<b>195,476</b>	86,465	95,398	23,326	12,653	<b>217,842</b>
Hawaii	5,407	1,760	3,376	617	<b>11,160</b>	5,375	1,919	3,958	570	<b>11,822</b>	4,838	2,391	3,045	674	<b>10,948</b>
Nevada	4,031	1,780	3,028	401	<b>9,240</b>	4,202	2,272	1,963	602	<b>9,039</b>	3,291	2,705	1,702	177	<b>7,875</b>
Oregon	6,601	4,625	10,763	185	<b>22,174</b>	5,889	5,914	12,466	255	<b>24,524</b>	5,969	8,275	13,203	473	<b>27,920</b>
Washington	14,616	6,678	8,617	1,821	<b>31,732</b>	14,617	8,146	8,775	2,176	<b>33,714</b>	15,036	8,662	6,849	1,996	<b>32,543</b>
<b>TOTAL*</b>	<b>\$678,911</b>	<b>\$388,184</b>	<b>\$376,894</b>	<b>\$34,793</b>	<b>\$1,478,782</b>	<b>\$656,722</b>	<b>\$456,968</b>	<b>\$396,755</b>	<b>\$36,359</b>	<b>\$1,546,804</b>	<b>\$618,191</b>	<b>\$563,692</b>	<b>\$398,607</b>	<b>\$44,176</b>	<b>\$1,624,666</b>

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

Source: National Association of State Budget Officers, 2009 State Expenditure Report

Table 2

## ANNUAL PERCENTAGE CHANGE IN TOTAL STATE EXPENDITURES

Region/State	Fiscal 2008 to 2009				Fiscal 2009 to 2010			
	General Funds	State Funds	Federal Funds	All Funds	General Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>								
Connecticut	3.7 %	7.4 %	9.9 %	6.3 %	0.1 %	-2.1 %	33.2 %	1.0 %
Maine	-2.1	1.3	27.3	9.0	-5.1	-3.4	13.4	2.0
Massachusetts	3.7	10.4	34.9	11.8	-3.7	4.0	68.0	9.0
New Hampshire	-5.1	-2.2	12.3	3.6	-2.6	4.1	23.2	9.8
Rhode Island	-11.9	-6.3	17.1	-0.2	-3.8	6.2	36.3	14.9
Vermont	-5.4	3.4	11.9	5.8	-4.3	-4.6	25.7	3.6
<b>MID-ATLANTIC</b>								
Delaware	-3.7	-0.4	12.8	1.4	-6.6	-4.8	27.9	-0.2
Maryland	-0.9	0.5	18.3	4.6	-6.4	-2.7	26.2	5.1
New Jersey	-6.9	-10.6	21.9	-4.2	-3.1	-2.9	30.2	4.9
New York	2.3	0.6	10.8	4.8	-0.6	3.5	16.7	7.7
Pennsylvania	0.4	2.3	15.5	6.7	-7.0	-3.6	41.0	12.3
<b>GREAT LAKES</b>								
Illinois	-10.4	-0.4	19.7	4.3	-13.0	-3.5	10.8	2.1
Indiana	1.2	1.9	15.9	6.1	-0.9	-2.4	14.1	3.7
Michigan	-13.4	-6.1	30.4	4.0	-4.7	-9.4	16.5	-0.1
Ohio	4.1	0.5	7.1	1.8	-9.9	-5.7	26.0	-0.3
Wisconsin	-5.8	0.6	28.9	6.5	0.6	-0.6	18.8	4.3
<b>PLAINS</b>								
Iowa	0.6	-1.1	32.1	8.4	-10.2	0.4	10.1	6.1
Kansas	-0.6	11.0	7.8	10.0	-10.1	-2.4	19.7	3.8
Minnesota	-0.3	1.1	20.7	5.1	-11.3	-6.3	37.5	5.4
Missouri	3.9	9.6	11.6	7.8	-10.0	-8.2	39.1	7.4
Nebraska	2.5	4.3	6.4	4.9	-0.5	0.7	15.9	4.9
North Dakota	3.0	10.3	9.8	9.6	25.1	13.7	29.7	19.5
South Dakota	-2.0	2.7	18.1	10.2	-2.1	-4.3	23.1	6.3
<b>SOUTHEAST</b>								
Alabama	-13.9	-5.1	8.6	-0.4	-6.0	12.4	49.0	23.8
Arkansas	2.5	5.7	12.9	7.7	-3.9	2.8	30.7	11.3
Florida	-14.0	-8.7	5.7	-5.8	-10.4	8.2	14.7	9.6
Georgia	-6.6	-2.2	11.8	1.2	-11.2	-6.4	13.8	-0.9
Kentucky	-3.2	-2.8	22.5	4.6	-7.6	-2.9	27.3	7.4
Louisiana	-8.9	-10.2	-15.0	-11.2	-4.6	0.5	35.1	15.4
Mississippi	-3.1	4.3	4.3	5.1	-2.0	9.6	31.6	18.7
North Carolina	-3.5	0.5	8.6	3.6	-30.0	-32.1	-11.5	-26.2
South Carolina	-18.7	-3.6	10.9	1.4	-9.2	-7.9	37.1	7.1
Tennessee	3.0	5.9	18.1	11.9	-10.5	-8.8	17.0	0.1
Virginia	6.4	10.9	11.6	13.3	-6.7	-3.9	31.8	1.9
West Virginia	2.0	8.2	16.3	9.3	-3.1	-4.8	15.5	-1.0
<b>SOUTHWEST</b>								
Arizona	-10.9	-4.6	30.9	7.3	-1.7	-0.2	4.1	1.6
New Mexico	0.9	9.2	9.8	9.1	-10.1	-17.8	12.8	-7.4
Oklahoma	-0.9	-1.1	9.1	3.4	-10.3	-8.3	10.6	0.6
Texas	7.4	7.0	24.3	10.9	-0.1	0.0	22.2	8.8
<b>ROCKY MOUNTAIN</b>								
Colorado	-2.4	9.7	36.0	14.6	-5.1	-10.2	38.4	0.7
Idaho	-2.7	2.2	14.9	6.4	-13.8	4.4	28.1	12.9
Montana	-7.8	-0.3	11.0	3.2	-7.1	1.8	25.1	9.5
Utah	-16.7	-3.0	18.4	4.2	-7.8	-6.5	23.9	9.6
Wyoming	22.4	38.8	199.6	54.3	0.1	0.1	0.3	0.1
<b>FAR WEST</b>								
Alaska	6.2	8.8	31.5	16.0	-0.6	-35.2	4.5	-27.9
California	-11.7	-11.5	30.0	0.6	-4.9	-4.3	30.5	11.4
Hawaii	-0.6	6.3	9.0	5.9	-10.0	-15.5	24.6	-7.4
Nevada	4.2	-12.7	27.6	-2.2	-21.7	-19.0	19.1	-12.9
Oregon	-10.8	5.7	27.9	10.6	1.4	4.5	39.9	13.8
Washington	0.0	0.7	22.0	6.2	2.9	-6.4	6.3	-3.5
<b>TOTAL*</b>	<b>-3.3 %</b>	<b>-0.2 %</b>	<b>17.7 %</b>	<b>4.6 %</b>	<b>-5.9 %</b>	<b>-3.5 %</b>	<b>23.4 %</b>	<b>5.0 %</b>

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

\*See General Notes for explanation.

Source: National Association of State Budget Officers, 2009 State Expenditure Report



Table 3

## COMPARISON OF SHARES OF STATE SPENDING WITH FUND SOURCES, FISCAL 1995 TO 2010

Fund Type & Year	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
<b>FY 1995:</b>								
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
<b>Total Funds</b>	<b>21.0</b>	<b>10.4</b>	<b>4.0</b>	<b>19.8</b>	<b>3.6</b>	<b>9.1</b>	<b>32.1</b>	<b>100.0</b>
<b>FY 1996:</b>								
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
<b>Total Funds</b>	<b>21.5</b>	<b>10.7</b>	<b>3.5</b>	<b>19.9</b>	<b>3.7</b>	<b>8.0</b>	<b>31.8</b>	<b>100.0</b>
<b>FY 1997:</b>								
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
<b>Total Funds</b>	<b>21.7</b>	<b>10.7</b>	<b>3.1</b>	<b>20.0</b>	<b>3.7</b>	<b>9.0</b>	<b>31.8</b>	<b>100.0</b>
<b>FY 1998:</b>								
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
<b>Total Funds</b>	<b>22.0</b>	<b>10.3</b>	<b>2.9</b>	<b>19.6</b>	<b>3.7</b>	<b>8.8</b>	<b>32.8</b>	<b>100.0</b>
<b>FY 1999:</b>								
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
<b>Total Funds</b>	<b>22.3</b>	<b>10.8</b>	<b>2.6</b>	<b>19.5</b>	<b>3.9</b>	<b>9.1</b>	<b>31.8</b>	<b>100.0</b>
<b>FY 2000:</b>								
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
<b>Total Funds</b>	<b>22.3</b>	<b>11.4</b>	<b>2.6</b>	<b>19.5</b>	<b>3.9</b>	<b>9.1</b>	<b>31.8</b>	<b>100.0</b>
<b>FY 2001:</b>								
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
<b>Total Funds</b>	<b>22.2</b>	<b>11.3</b>	<b>2.2</b>	<b>19.7</b>	<b>3.7</b>	<b>8.8</b>	<b>32.1</b>	<b>100.0</b>
<b>FY 2002:</b>								
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
<b>Total Funds</b>	<b>21.3</b>	<b>10.9</b>	<b>2.3</b>	<b>20.7</b>	<b>3.6</b>	<b>8.3</b>	<b>32.9</b>	<b>100.0</b>
<b>FY 2003:</b>								
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	2.5	19.1	33.1	100.0
<b>Total Funds</b>	<b>21.8</b>	<b>11.1</b>	<b>2.2</b>	<b>22</b>	<b>3.5</b>	<b>8.2</b>	<b>31.2</b>	<b>100.0</b>
<b>FY 2004:</b>								
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
<b>Total Funds</b>	<b>21.4</b>	<b>10.4</b>	<b>2.2</b>	<b>22.1</b>	<b>3.5</b>	<b>8.3</b>	<b>32.2</b>	<b>100.0</b>
<b>FY 2005:</b>								
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
<b>Total Funds</b>	<b>21.4</b>	<b>10.4</b>	<b>1.8</b>	<b>22.3</b>	<b>3.3</b>	<b>8.2</b>	<b>32.4</b>	<b>100.0</b>
<b>FY 2006:</b>								
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
<b>Total Funds</b>	<b>21.2</b>	<b>10.5</b>	<b>1.8</b>	<b>21.4</b>	<b>3.3</b>	<b>8.1</b>	<b>33.7</b>	<b>100.0</b>
<b>FY 2007:</b>								
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
<b>Total Funds</b>	<b>21.5</b>	<b>10.2</b>	<b>1.7</b>	<b>20.9</b>	<b>3.4</b>	<b>8.1</b>	<b>34.2</b>	<b>100.0</b>
<b>FY 2008:</b>								
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
<b>Total Funds</b>	<b>22.0</b>	<b>10.7</b>	<b>1.7</b>	<b>20.5</b>	<b>3.5</b>	<b>7.8</b>	<b>33.9</b>	<b>100.0</b>
<b>FY 2009:</b>								
General Funds	35.8	11.5	1.9	15.7	7.2	0.7	27.1	100.0
Other State Funds	10.0	15.8	0.1	7.4	0.6	17.2	48.9	100.0
Federal Funds	12.0	3.5	2.9	42.6	0.3	8.1	30.6	100.0
Bond Funds	15.4	19.4	0.0	0.0	3.4	29.1	32.7	100.0
<b>Total Funds</b>	<b>21.7</b>	<b>10.4</b>	<b>1.7</b>	<b>21.1</b>	<b>3.4</b>	<b>7.8</b>	<b>33.9</b>	<b>100.0</b>
<b>FY 2010:</b>								
General Funds	35.7	12.1	1.9	15.4	7.2	0.8	27.0	100.0
Other State Funds	9.8	16.2	0.1	9.1	0.7	16.6	47.4	100.0
Federal Funds	13.1	3.3	2.7	39.5	0.4	8.0	32.9	100.0
Bond Funds	7.6	14.8	0.0	0.0	3.0	33.5	41.2	100.0
<b>Total Funds</b>	<b>20.8</b>	<b>10.1</b>	<b>1.7</b>	<b>21.8</b>	<b>3.1</b>	<b>8.1</b>	<b>34.4</b>	<b>100.00</b>
<b>FY 1995-10 Combined Total:</b>								
General Funds	35.1	12.2	2.6	15.7	6.9	0.8	26.6	100.0
Other State Funds	9.2	14.1	0.3	6.9	0.8	20.4	48.1	100.0
Federal Funds	11.0	4.1	4.1	43.1	0.3	8.9	28.6	100.0
Bond Funds	15.4	19.6	0.0	0.0	4.5	27.7	32.8	100.0
<b>Total Funds</b>	<b>21.6</b>	<b>10.6</b>	<b>2.4</b>	<b>20.7</b>	<b>3.6</b>	<b>8.4</b>	<b>32.7</b>	<b>100.0</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report



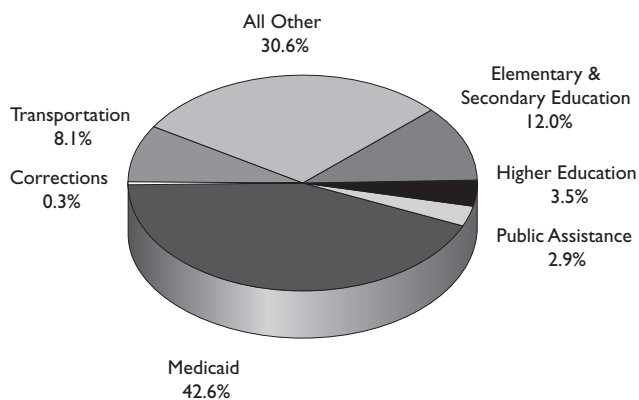
## Other State Funds Expenditures

At 17.2 percent, transportation accounts for the second largest portion of other state funds spending for fiscal 2009, second only to the “all other” category. For transportation, these funds largely represent receipts from gasoline taxes earmarked for highways. Significant portions of spending from other state funds also include elementary and secondary education at 10 percent and higher education at 15.8 percent (see Table 3).

## Federal Fund Expenditures

As reflected in Figure 8, Medicaid accounts for the largest portion of state spending from federal funds at 42.6 percent. Elementary and secondary education at 12 percent and transportation at 8.1 percent are the next largest categories.

**Figure 8**  
**FEDERAL FUND EXPENDITURES,**  
**FISCAL 2008**

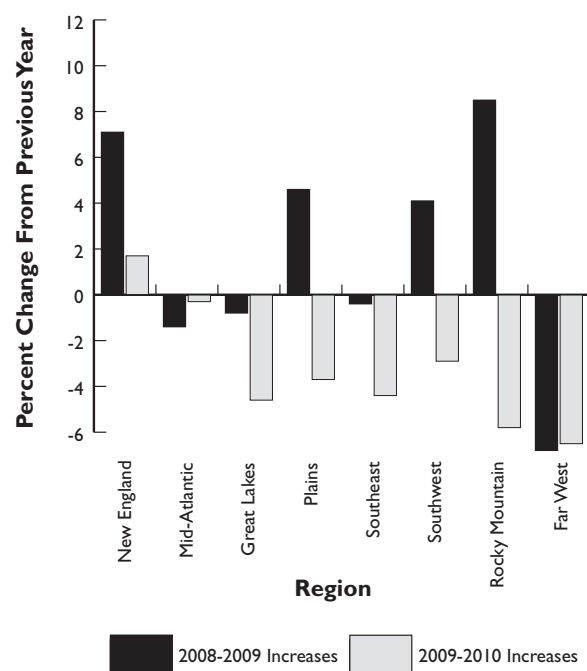


## Regional Spending Trends

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 2008–2009 growth rate for all states was 4.6 percent in fiscal 2009. In fiscal 2010, total estimated state spending grew 5 percent, with the Mid-Atlantic region having the highest growth rate at 7.7 percent and the Great Lakes region having the lowest at 1.6 percent.

Figure 9 shows the percentage change in state spending from state funds for 2008–2009 and 2009–2010. It is estimated that all but the New England region saw declines in spending from state funds in fiscal 2010. 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 2008 AND 2009**



**Table 4**  
**REGIONAL PERCENTAGE CHANGE IN TOTAL EXPENDITURES,**  
**FISCAL 2008 AND 2009**

Region	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	7.1 %	20.4 %	8.5 %	1.7 %	36.3 %	6.6 %
Mid-Atlantic	-1.4	14.2	3.4	-0.3	26.1	7.7
Great Lakes	-0.8	20.8	4.2	-4.6	16.9	1.6
Plains	4.6	16.8	7.3	-3.7	26.9	6.3
Southeast	-0.4	7.7	2.3	-4.4	21.5	3.3
Southwest	4.1	21.0	9.0	-2.9	16.0	4.7
Rocky Mountain	8.5	31.6	14.0	-5.8	28.7	4.5
Far West	-6.8	28.6	2.8	-6.5	27.8	6.5
<b>ALL STATES</b>	<b>-0.2 %</b>	<b>17.7 %</b>	<b>4.6 %</b>	<b>-3.5 %</b>	<b>23.4 %</b>	<b>5.0 %</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

Table 5

## STATE SPENDING BY FUNCTION AS A PERCENT OF TOTAL STATE EXPENDITURES, FISCAL 2009

Region/State	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
<b>NEW ENGLAND</b>								
Connecticut	14.6 %	10.8 %	1.9 %	20.9 %	2.8 %	6.0 %	43.0 %	100.0 %
Maine	17.6	3.5	2.6	29.9	2.0	7.8	36.7	100.0
Massachusetts	13.0	9.3	3.1	17.7	2.6	5.4	49.0	100.0
New Hampshire	22.4	5.2	1.9	26.5	2.2	10.8	31.1	100.0
Rhode Island	14.9	3.3	1.8	25.8	2.5	6.3	45.3	100.0
Vermont	26.2	1.6	1.9	19.6	2.3	7.1	41.3	100.0
<b>MID-ATLANTIC</b>								
Delaware	23.7	4.1	0.3	12.3	3.0	11.1	45.5	100.0
Maryland	20.3	14.7	2.4	19.5	4.4	10.7	27.9	100.0
New Jersey	24.1	8.4	0.9	20.7	3.4	11.6	30.8	100.0
New York	21.5	7.0	3.0	26.7	2.7	5.7	33.3	100.0
Pennsylvania	19.7	3.8	2.2	30.8	3.3	10.3	29.9	100.0
<b>GREAT LAKES</b>								
Illinois	23.9	6.3	0.3	30.9	3.0	9.0	26.6	100.0
Indiana	28.1	7.3	1.3	21.8	2.9	9.2	29.4	100.0
Michigan	28.9	4.9	1.1	23.0	5.0	7.4	29.6	100.0
Ohio	21.7	5.2	2.2	24.3	3.4	7.3	35.9	100.0
Wisconsin	18.6	12.5	0.2	15.4	3.3	7.5	42.4	100.0
<b>PLAINS</b>								
Iowa	17.6	25.6	0.7	17.9	2.4	7.8	28.0	100.0
Kansas	26.4	16.6	0.4	17.4	2.7	11.5	25.0	100.0
Minnesota	25.5	10.4	1.3	22.2	1.7	9.4	29.4	100.0
Missouri	22.6	5.6	0.7	32.4	2.8	10.5	25.3	100.0
Nebraska	15.1	22.7	0.6	17.6	2.4	8.2	33.4	100.0
North Dakota	14.0	22.7	0.3	14.1	2.0	11.7	35.4	100.0
South Dakota	16.7	19.0	0.8	21.7	3.0	12.9	26.1	100.0
<b>SOUTHEAST</b>								
Alabama	25.0	20.7	0.2	25.5	2.9	6.5	19.2	100.0
Arkansas	17.7	16.8	2.1	19.7	2.2	5.1	36.4	100.0
Florida	19.5	9.3	0.3	26.2	4.9	9.9	29.8	100.0
Georgia	24.2	14.9	1.3	19.5	3.0	6.5	30.7	100.0
Kentucky	19.7	23.7	0.8	22.9	2.4	8.7	21.8	100.0
Louisiana	18.9	10.6	0.5	24.0	3.3	6.7	35.9	100.0
Mississippi	19.0	16.6	0.2	26.4	2.1	7.9	27.9	100.0
North Carolina	22.5	13.5	0.6	24.9	3.6	8.8	26.1	100.0
South Carolina	17.0	21.0	0.3	23.0	2.9	6.9	28.9	100.0
Tennessee	17.0	12.8	0.4	25.4	2.7	8.9	32.8	100.0
Virginia	18.0	16.3	0.5	15.2	3.6	10.5	35.9	100.0
West Virginia	10.6	8.7	0.6	11.9	1.1	6.1	61.0	100.0
<b>SOUTHWEST</b>								
Arizona	23.9	11.7	0.4	29.4	3.8	5.9	24.8	100.0
New Mexico	19.6	17.5	1.0	20.5	2.0	8.3	30.9	100.0
Oklahoma	15.4	16.5	0.9	18.5	2.6	6.2	39.9	100.0
Texas	31.0	11.4	0.4	7.5	3.9	8.7	37.2	100.0
<b>ROCKY MOUNTAIN</b>								
Colorado	25.7	14.9	0.0	14.1	3.0	5.9	36.5	100.0
Idaho	27.4	8.2	0.3	22.8	3.6	8.9	28.8	100.0
Montana	15.8	9.9	0.7	15.2	3.3	11.5	43.5	100.0
Utah	25.5	11.3	1.1	14.6	3.5	15.1	28.8	100.0
Wyoming	11.7	5.3	0.0	7.0	1.5	13.2	61.3	100.0
<b>FAR WEST</b>								
Alaska	10.0	7.5	0.9	7.5	2.3	14.9	57.0	100.0
California	23.6	7.7	5.3	20.6	4.9	4.1	34.0	100.0
Hawaii	21.3	11.1	0.8	11.3	2.0	9.4	44.2	100.0
Nevada	20.6	9.6	0.7	14.7	5.2	16.5	32.6	100.0
Oregon	15.7	9.5	0.8	14.3	3.3	6.6	49.7	100.0
Washington	24.6	13.3	1.2	21.4	3.4	8.0	28.0	100.0
<b>ALL STATES</b>	<b>21.7 %</b>	<b>10.4 %</b>	<b>1.7 %</b>	<b>21.1 %</b>	<b>3.4 %</b>	<b>7.8 %</b>	<b>33.9 %</b>	<b>100.0 %</b>

Note: Percentages may not add to 100.

Source: National Association of State Budget Officers, 2009 State Expenditure Report

## General Notes

### 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 2008 and 2009 are based on actual expenditures during these years, regardless of the year appropriated. Fiscal 2010 amounts shown are equal to appropriations for the year, except for bond proceeds, which are estimated. It is assumed that some level of appropriations will not be expended this fiscal year.

**California:** Data are based on May 2010 Revision.

**Colorado:** All actual expenditures reflected conform to state accounting records as reported in the Colorado financial reports.

**Connecticut:** Bonds data is based on bond allocations by the State Bond Commission.

**Indiana:** Expenditure figures for “2008 Actual — General Funds” include \$149.7 million of Homestead Credits distributed as part of HEA 1001 (2008), the Governor’s property tax reform legislation. The revenue for these expenditures was provided by the 1% increase in the sales tax from 6% to 7%, effective April 1, 2008, which generated \$151.6 million during fiscal 2008. Excluding these expenditures, total General Fund expenditures for fiscal 2008 would have been \$12,730 million (instead of \$12,880 million). Expenditure figures for “2009 Actual – General Funds” include \$1,122.4 million of appropriations made in HEA 1001 (2008), the Governor’s property tax reform legislation. The revenue for these expenditures was provided by the 1% increase in the sales tax from 6% to 7% (\$879.0 million), the racino wagering tax (\$62.8 million),

the riverboat admissions tax (\$12.8 million), and the motor vehicle excise tax and FIT (\$13.0 million). Excluding these appropriations, total General Fund expenditures for fiscal 2009 would have been \$11,915 million (instead of \$13,037 million). Expenditure figures for “2010 Estimated – General Funds” include \$1,085.3 million of appropriations made in HEA 1001 (2008), the Governor’s property tax reform legislation. Excluding these appropriations, total General Fund expenditures for fiscal 2010 would have been \$11,830 million (instead of \$12,915 million). As requested, expenditure figures for “2009 Actual and 2010 Estimated – Federal Funds” include American Recovery and Reinvestment Act (ARRA) expenditures.

**Michigan:** Fiscal 2008 general funding spending is artificially high, distorting year-to-year comparisons, due to the deferral of partial fiscal 2007 payments to higher education institutions. Adjusting for this one-time action results in nominal expenditure changes of 4.4% (Total Funds) and -9.1% (General Fund) from fiscal 2008 to fiscal 2009.

**Missouri:** Total expenditures exclude refunds. Fiscal 2008 expenditures exclude refunds of \$1,307 million, including \$1,258 million general revenue. Fiscal 2009 expenditures exclude refunds of \$1,488 million, including \$1,441 million general revenue. Fiscal 2010 estimates exclude refunds of \$1,548 million, including \$1,469 million general revenue. Other funds include federal reimbursements received by the Department of Highways and Transportation and the Department of Conservation which have constitutionally created funds.

**Montana:** Fiscal 2008 total expenditures reflect over \$220 million in various one-time-only general fund expenditures including nearly \$96 million for a \$400 tax rebate and \$50 million general fund for fire fighting. Fiscal 2009 total expenditures reflect \$46 million in various one-time-only general fund expenditures. Principal and interest payments on bonds are included in total expenditures. Capital expenditures are not reported separately but are included in total expenditures.

**Nebraska:** Fiscal 2008, fiscal 2009, and fiscal 2010 totals reflect actual expenditures for each of the spending categories.

**New Jersey:** Totals include pension, post retirement medical, debt service on pension bonds, payroll taxes, and health benefits expenditures which total \$1.18 billion in State General Fund in fiscal 2009 and \$1.32 billion in fiscal 2010 spread across Education, Corrections, Transportation and All Other.

**New York:** New York budgets most employer contributions to employees' benefits and pensions centrally. The portion of employer contributions to employees' benefits not distributed to an expenditure category has been included in the All Other Expenditures category. Fiscal 2009–10 spending is adjusted to exclude the impact of paying the end-of-year school aid payment from 2009–10 in the first quarter of 2010–11, as authorized in statute.

**North Carolina:** North Carolina was unable to provide complete expenditure figures for estimated fiscal 2010 in both the Public Assistance and All Other categories.

**South Carolina:** Estimated capital expenditures are no longer collected. Therefore, no capital expenditure data is included for estimated fiscal 2010.

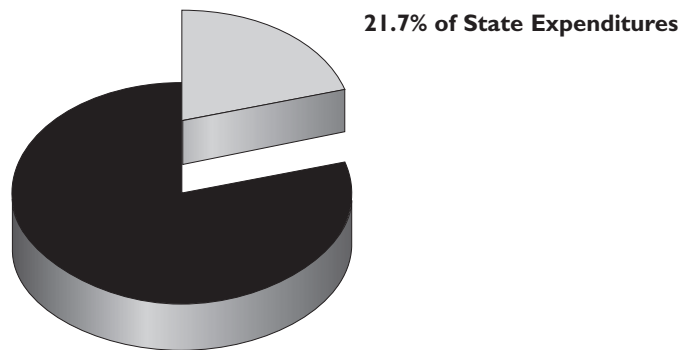
**Rhode Island:** Fiscal 2010 estimated bond payments are based on year-to-date expenditures.

**Tennessee:** Tennessee collects personal income tax on income from dividends on stocks and interest on certain bonds. 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.

**Utah:** All numerical information presented represents bond "expenditures". All bond information included in the report is for General Obligation bonds. Not included in the report is State Building Ownership Authority (SBOA) Revenue Bonds or Board of Regents Revenue Bonds.

# CHAPTER ONE ELEMENTARY & SECONDARY EDUCATION

---



State elementary and secondary education expenditures totaled \$335.3 billion in fiscal 2009, a 3.2 percent increase over the previous year. However, this increase was driven by federal funds. Federal funds increased by 20.8 percent in fiscal 2009, while state funds (general funds and other state funds combined) declined by 0.5 percent. The federal increase was mainly due to the education funds included in the *American Recovery and Reinvestment Act of 2009* (ARRA). In fiscal 2009, states received \$8.2 billion in ARRA funds for elementary and secondary education, mostly through ARRA's State Fiscal Stabilization Fund.

The education funds included in ARRA had an even a larger impact on elementary and secondary education spending in fiscal 2010. Federal funds are estimated to have increased 35.2 percent in fiscal 2010, while state funds are estimated to have declined 5.4 percent. States estimate that they received \$25.2 billion in ARRA funds for K–12 in fiscal 2010, helping lead to a 0.6 percent overall increase in elementary and secondary education spending.

In fiscal 2009, general funds comprised 70.1 percent of state elementary and secondary education spending, federal funds comprised 16.4 percent, other state funds comprised 11.8 percent, and bonds comprised 1.7 percent. In fiscal 2010, general funds are estimated to comprise 65.4 percent, federal funds 22 percent, other state funds 11.6 percent, and bonds 1 percent. Federal funds have grown from representing 14 percent of overall K–12 expenditures in fiscal 2008 to 22 percent in fiscal 2010, demonstrating states growing reliance on federal dollars to fund elementary and secondary education.

While historically the largest category of total state spending, K–12 education and Medicaid are now roughly equal. In fiscal 2009, elementary and secondary education comprised 21.7 percent of total state spending, with Medicaid comprising 21.1 percent. It is estimated that in fiscal 2010 Medicaid will replace K–12 as the largest component of total state spending at 21.8 percent, while elementary and secondary education will represent 20.8 percent.

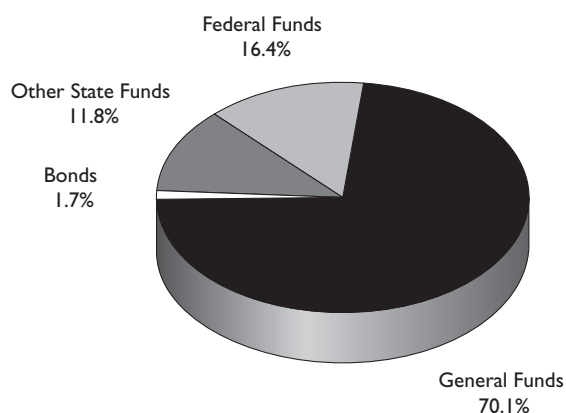
## Sources of Funding

State funding systems for education vary greatly. Over the years, a number of states have moved toward increasing their share of funding for elementary and secondary education by substituting state funds for local funds, often in order to reduce local government's reliance on property taxes. Funds are distributed to schools both through general funds on a per-pupil basis and as categorical grants to support specific programs or needs. The federal share is typically a source of supplemental funding for poor school districts and also helps pay the cost of educating children with special needs. However, federal funds through ARRA have mostly been used to maintain basic educational services.

## Fund Shares

Relative fund shares for 2009 are shown in the figure below.

**Figure 10**  
**STATE EXPENDITURES FOR ELEMENTARY AND SECONDARY**  
**EDUCATION BY FUND SOURCE, FISCAL 2009**



## Regional Expenditures

The following table shows percentage changes in expenditures for elementary and secondary education for fiscal 2008–2009 and 2009–2010 by region.

## 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. For this report, 14 states wholly or partially excluded employer contributions to teacher pensions and 15 states wholly or partially excluded contributions to health benefits. Additionally, other items that are wholly or partially excluded include: day care programs (43 states), school health care (41), Head Start (33), and libraries (26). 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 6**  
**REGIONAL PERCENTAGE CHANGE IN STATE ELEMENTARY AND SECONDARY**  
**EDUCATION EXPENDITURES, FISCAL 2009 AND 2010**

Region	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-1.3 %	28.9 %	2.2 %	-4.0 %	25.1 %	1.4 %
Mid-Atlantic	4.7	4.4	4.7	-2.9	67.2	6.2
Great Lakes	6.5	30.8	9.8	1.5	7.6	2.6
Plains	2.1	6.2	2.6	-12.1	84.1	0.7
Southeast	-3.3	7.4	-1.8	-6.3	49.3	3.6
Southwest	5.0	10.4	5.9	-15.8	77.2	-0.3
Rocky Mountain	4.2	14.6	5.2	-0.2	16.0	1.6
Far West	-12.0	60.2	1.0	-5.0	-9.4	-9.1
<b>ALL STATES</b>	<b>-0.5 %</b>	<b>20.8 %</b>	<b>3.2 %</b>	<b>-5.4 %</b>	<b>35.2 %</b>	<b>0.6 %</b>

Table 7

## ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2008					Actual Fiscal 2009					Estimated Fiscal 2010				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$2,569	\$422	\$5	\$736	\$3,732	\$2,672	\$441	\$4	\$642	\$3,759	\$2,393	\$860	\$4	\$700	\$3,957
Maine	1,211	179	3	2	1,395	1,201	218	3	0	1,422	1,171	276	10	0	1,457
Massachusetts	4,672	844	658	0	6,174	4,454	1,279	636	0	6,369	4,304	1,230	731	0	6,265
New Hampshire	0	161	898	8	1,067	0	168	898	48	1,114	0	193	797	50	1,040
Rhode Island	909	176	8	5	1,098	826	213	16	6	1,061	807	311	21	20	1,159
Vermont	46	109	1,236	9	1,400	48	119	1,294	11	1,472	52	181	1,284	10	1,527
<b>MID-ATLANTIC</b>															
Delaware	1,133	141	496	225	1,995	1,163	150	524	234	2,071	1,117	242	531	188	2,078
Maryland	5,317	901	10	0	6,228	5,548	904	13	0	6,465	5,339	1,643	25	0	7,007
New Jersey	10,973	786	18	0	11,777	10,416	832	18	0	11,266	10,167	1,968	19	0	12,154
New York	17,946	3,404	2,910	17	24,277	19,435	3,579	3,089	7	26,110	19,119	4,275	2,949	20	26,363
Pennsylvania	9,361	2,015	17	0	11,393	9,629	2,101	632	0	12,362	9,132	4,520	629	0	14,281
<b>GREAT LAKES</b>															
Illinois	8,180	1,983	28	30	10,221	8,959	2,130	26	3	11,118	8,087	2,330	20	18	10,455
Indiana*	4,801	870	36	0	5,707	5,695	1,476	51	0	7,222	7,155	1,377	104	0	8,636
Michigan*	44	1,550	11,394	0	12,988	85	2,179	10,968	0	13,232	42	2,532	10,632	0	13,206
Ohio	6,933	1,647	2,251	56	10,887	8,125	1,700	2,702	0	12,527	7,927	2,109	2,958	4	12,998
Wisconsin	5,974	688	214	0	6,876	5,623	1,327	204	0	7,154	5,946	1,131	198	0	7,275
<b>PLAINS</b>															
Iowa	2,523	380	13	0	2,916	2,598	425	56	0	3,079	2,235	507	285	0	3,027
Kansas	3,076	399	101	0	3,576	3,147	420	115	0	3,682	2,848	768	134	0	3,750
Minnesota	6,819	624	43	20	7,506	6,938	642	41	7	7,628	5,352	1,801	43	1	7,197
Missouri	2,864	848	1,404	0	5,116	3,019	888	1,321	0	5,228	2,559	1,578	1,289	0	5,426
Nebraska	980	273	34	0	1,287	1,064	270	45	0	1,379	1,071	380	42	0	1,493
North Dakota	363	121	39	0	523	388	124	39	0	551	543	232	44	0	819
South Dakota	378	150	127	0	655	381	198	12	0	591	388	196	3	0	587
<b>SOUTHEAST</b>															
Alabama*	4,497	824	169	0	5,490	3,910	859	171	0	4,940	3,661	1,575	204	0	5,440
Arkansas	1,911	453	789	0	3,153	1,949	494	774	0	3,217	1,852	699	876	0	3,427
Florida*	9,943	2,422	632	0	12,997	8,698	2,561	586	0	11,845	8,133	4,968	540	0	13,641
Georgia	7,795	1,548	0	454	9,797	7,348	1,776	0	305	9,429	6,606	2,247	0	298	9,151
Kentucky	4,016	707	17	0	4,740	4,017	707	15	0	4,739	3,840	1,169	11	0	5,020
Louisiana	3,344	1,106	363	0	4,813	3,410	1,058	387	0	4,855	3,235	1,464	329	0	5,028
Mississippi	2,180	652	332	7	3,171	2,147	645	311	4	3,107	2,115	797	504	0	3,416
North Carolina	7,977	1,199	144	0	9,320	8,142	1,450	120	0	9,712	7,487	1,503	429	0	9,419
South Carolina	2,443	682	792	0	3,917	2,150	765	678	0	3,593	1,928	901	564	0	3,393
Tennessee	3,757	842	63	0	4,662	3,967	929	46	0	4,942	3,708	1,485	62	0	5,255
Virginia	5,375	826	618	0	6,819	5,678	844	665	0	7,187	4,853	1,335	641	0	6,829
West Virginia	1,767	320	13	23	2,123	1,795	345	13	23	2,176	1,790	415	13	23	2,241
<b>SOUTHWEST</b>															
Arizona	4,547	913	1,231	102	6,793	3,954	971	1,457	96	6,478	3,275	1,664	1,067	90	6,096
New Mexico	2,513	402	11	0	2,926	2,524	504	17	0	3,045	2,326	627	1	0	2,954
Oklahoma	1,723	606	860	0	3,189	1,740	731	833	0	3,304	1,432	951	860	0	3,243
Texas	16,767	4,189	4,586	6	25,548	19,332	4,538	3,981	43	27,894	15,349	8,705	4,191	53	28,298
<b>ROCKY MOUNTAIN</b>															
Colorado*	3,024	519	3,328	0	6,871	3,215	535	3,653	0	7,403	3,240	629	3,801	0	7,670
Idaho	1,392	234	69	0	1,695	1,360	218	151	0	1,729	1,166	303	298	0	1,767
Montana*	691	140	57	0	888	661	145	66	0	872	568	207	137	0	912
Utah*	2,519	379	-14	0	2,884	2,293	552	165	0	3,010	2,271	556	59	0	2,886
Wyoming	12	74	793	0	879	7	92	794	0	893	7	93	795	0	895
<b>FAR WEST</b>															
Alaska	1,027	189	112	0	1,328	1,037	196	117	0	1,350	1,104	291	122	0	1,517
California	39,038	5,840	414	1,647	46,939	31,476	9,982	737	3,977	46,172	31,344	8,480	85	1,634	41,543
Hawaii	2,172	226	44	0	2,442	2,272	207	44	0	2,523	1,349	317	44	0	1,710
Nevada	1,303	230	0	0	1,533	1,616	243	0	0	1,859	1,395	242	0	0	1,637
Oregon	2,916	511	444	0	3,871	2,745	631	484	0	3,860	2,435	737	604	0	3,776
Washington	5,903	697	716	0	7,316	6,334	1,067	712	185	8,298	6,485	1,104	231	247	8,067
<b>TOTAL</b>	<b>\$237,624</b>	<b>\$45,401</b>	<b>\$38,526</b>	<b>\$3,347</b>	<b>\$324,898</b>	<b>\$235,191</b>	<b>\$54,828</b>	<b>\$39,684</b>	<b>\$5,591</b>	<b>\$335,294</b>	<b>\$220,708</b>	<b>\$74,104</b>	<b>\$39,220</b>	<b>\$3,356</b>	<b>\$337,388</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See Elementary and Secondary Education Notes for explanation



**Table 8**

**ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES  
AS A PERCENT OF TOTAL EXPENDITURES**

<b>Region/State</b>	<b>Fiscal 2008</b>	<b>Fiscal 2009</b>	<b>Fiscal 2010</b>
<b>NEW ENGLAND</b>			
Connecticut	15.4 %	14.6 %	15.2 %
Maine	18.8	17.6	17.6
Massachusetts	14.1	13.0	11.7
New Hampshire	22.2	22.4	19.0
Rhode Island	15.4	14.9	14.2
Vermont	26.4	26.2	26.2
<b>MID-ATLANTIC</b>			
Delaware	23.1	23.7	23.8
Maryland	20.5	20.3	21.0
New Jersey	24.2	24.1	24.8
New York	20.9	21.5	20.1
Pennsylvania	19.4	19.7	20.3
<b>GREAT LAKES</b>			
Illinois	22.9	23.9	22.0
Indiana	23.5	28.1	32.4
Michigan	29.5	28.9	28.9
Ohio	19.2	21.7	22.6
Wisconsin	19.1	18.6	18.1
<b>PLAINS</b>			
Iowa	18.1	17.6	16.3
Kansas	28.2	26.4	25.9
Minnesota	26.4	25.5	22.8
Missouri	23.9	22.6	21.9
Nebraska	14.8	15.1	15.6
North Dakota	14.5	14.0	17.4
South Dakota	20.4	16.7	15.6
<b>SOUTHEAST</b>			
Alabama	27.7	25.0	22.2
Arkansas	18.7	17.7	16.9
Florida	20.2	19.5	20.5
Georgia	25.5	24.2	23.7
Kentucky	20.6	19.7	19.4
Louisiana	16.7	18.9	17.0
Mississippi	20.4	19.0	17.6
North Carolina	22.4	22.5	29.6
South Carolina	18.8	17.0	15.0
Tennessee	17.9	17.0	18.0
Virginia	19.3	18.0	16.7
West Virginia	11.3	10.6	11.1
<b>SOUTHWEST</b>			
Arizona	26.9	23.9	22.2
New Mexico	20.6	19.6	20.6
Oklahoma	15.4	15.4	15.0
Texas	31.5	31.0	28.9
<b>ROCKY MOUNTAIN</b>			
Colorado	27.3	25.7	26.4
Idaho	28.6	27.4	24.8
Montana	16.6	15.8	15.1
Utah	25.5	25.5	22.3
Wyoming	17.7	11.7	11.7
<b>FAR WEST</b>			
Alaska	11.4	10.0	15.6
California	24.2	23.6	19.1
Hawaii	21.9	21.3	15.6
Nevada	16.6	20.6	20.8
Oregon	17.5	15.7	13.5
Washington	23.1	24.6	24.8
<b>ALL STATES</b>	<b>22.0 %</b>	<b>21.7 %</b>	<b>20.8 %</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

Table 9

## ANNUAL PERCENTAGE CHANGE IN ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES

Region/State	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	4.0 %	4.5 %	0.7 %	-10.4 %	95.0 %	5.3 %
Maine	-0.8	21.8	1.9	-1.9	26.6	2.5
Massachusetts	-4.5	51.5	3.2	-1.1	-3.8	-1.6
New Hampshire	0.0	4.3	4.4	-11.2	14.9	-6.6
Rhode Island	-8.2	21.0	-3.4	-1.7	46.0	9.2
Vermont	4.7	9.2	5.1	-0.4	52.1	3.7
<b>MID-ATLANTIC</b>						
Delaware	3.6	6.4	3.8	-2.3	61.3	0.3
Maryland	4.4	0.3	3.8	-3.5	81.7	8.4
New Jersey	-5.1	5.9	-4.3	-2.4	136.5	7.9
New York	8.0	5.1	7.6	-2.0	19.4	1.0
Pennsylvania	9.4	4.3	8.5	-4.9	115.1	15.5
<b>GREAT LAKES</b>						
Illinois	9.5	7.4	8.8	-9.8	9.4	-6.0
Indiana	18.8	69.7	26.5	26.3	-6.7	19.6
Michigan	-3.4	40.6	1.9	-3.4	16.2	-0.2
Ohio	17.9	3.2	15.1	0.5	24.1	3.8
Wisconsin	-5.8	92.9	4.0	5.4	-14.8	1.7
<b>PLAINS</b>						
Iowa	4.7	11.8	5.6	-5.0	19.3	-1.7
Kansas	2.7	5.3	3.0	-8.6	82.9	1.8
Minnesota	1.7	2.9	1.6	-22.7	180.5	-5.7
Missouri	1.7	4.7	2.2	-11.3	77.7	3.8
Nebraska	9.4	-1.1	7.1	0.4	40.7	8.3
North Dakota	6.2	2.5	5.4	37.5	87.1	48.6
South Dakota	-22.2	32.0	-9.8	-0.5	-1.0	-0.7
<b>SOUTHEAST</b>						
Alabama	-12.5	4.2	-10.0	-5.3	83.4	10.1
Arkansas	0.9	9.1	2.0	0.2	41.5	6.5
Florida	-12.2	5.7	-8.9	-6.6	94.0	15.2
Georgia	-5.7	14.7	-3.8	-10.1	26.5	-2.9
Kentucky	0.0	0.0	0.0	-4.5	65.3	5.9
Louisiana	2.4	-4.3	0.9	-6.1	38.4	3.6
Mississippi	-2.1	-1.1	-2.0	6.6	23.6	9.9
North Carolina	1.7	20.9	4.2	-4.2	3.7	-3.0
South Carolina	-12.6	12.2	-8.3	-11.9	17.8	-5.6
Tennessee	5.1	10.3	6.0	-6.1	59.8	6.3
Virginia	5.8	2.2	5.4	-13.4	58.2	-5.0
West Virginia	1.6	7.8	2.5	-0.3	20.3	3.0
<b>SOUTHWEST</b>						
Arizona	-6.4	6.4	-4.6	-19.8	71.4	-5.9
New Mexico	0.7	25.4	4.1	-8.4	24.4	-3.0
Oklahoma	-0.4	20.6	3.6	-10.9	30.1	-1.8
Texas	9.2	8.3	9.2	-16.2	91.8	1.4
<b>ROCKY MOUNTAIN</b>						
Colorado	8.1	3.1	7.7	2.5	17.6	3.6
Idaho	3.4	-6.8	2.0	-3.1	39.0	2.2
Montana	-2.8	3.6	-1.8	-3.0	42.8	4.6
Utah	-1.9	45.6	4.4	-5.2	0.7	-4.1
Wyoming	-0.5	24.3	1.6	0.1	1.1	0.2
<b>FAR WEST</b>						
Alaska	1.3	3.7	1.7	6.2	48.5	12.4
California	-18.3	70.9	-1.6	-2.4	-15.0	-10.0
Hawaii	4.5	-8.4	3.3	-39.9	53.1	-32.2
Nevada	24.0	5.7	21.3	-13.7	-0.4	-11.9
Oregon	-3.9	23.5	-0.3	-5.9	16.8	-2.2
Washington	6.5	53.1	13.4	-4.7	3.5	-2.8
<b>ALL STATES</b>	<b>-0.5 %</b>	<b>20.8 %</b>	<b>3.2 %</b>	<b>-5.4 %</b>	<b>35.2 %</b>	<b>0.6 %</b>

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

Source: National Association of State Budget Officers, 2009 State Expenditure Report

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
<b>NEW ENGLAND</b>						
Connecticut	X	X		X	X	P
Maine			X	X	X	X
Massachusetts	X					
New Hampshire			X	X	X	
Rhode Island			X	X	X	P
Vermont	N/A	X	X	X	X	X
<b>MID-ATLANTIC</b>						
Delaware					X	P
Maryland				X		P
New Jersey		P	X		X	P
New York	P	P	X		X	X
Pennsylvania				X	X	X
<b>GREAT LAKES</b>						
Illinois		P		X	P	
Indiana	P	P	X	P	P	X
Michigan*	P	P	X	X	X	X
Ohio				X	X	X
Wisconsin	X	X				X
<b>PLAINS</b>						
Iowa			X			
Kansas		X	X	X	X	X
Minnesota	P	P				X
Missouri	X	X	X	X	X	X
Nebraska	P	P	X	X	X	X
North Dakota			X	X	X	X
South Dakota					X	X
<b>SOUTHEAST</b>						
Alabama			P	X	X	X
Arkansas			P		P	P
Florida*			X		X	X
Georgia			X	X	X	
Kentucky				X	X	
Louisiana			X		X	X
Mississippi					X	
North Carolina						X
South Carolina			X	X		X
Tennessee					P	P
Virginia					X	
West Virginia			X	X	X	X
<b>SOUTHWEST</b>						
Arizona			X		X	X
New Mexico			P		X	P
Oklahoma	P		X		X	P
Texas	P	P	X	P	P	P
<b>ROCKY MOUNTAIN</b>						
Colorado			X		X	P
Idaho			X		X	X
Montana	P	P	X	P	X	X
Utah			X		X	X
Wyoming					X	
<b>FAR WEST</b>						
Alaska				X	X	X
California			X		X	X
Hawaii			X		X	X
Nevada			X	X	X	X
Oregon			X	P	X	X
Washington	P	P	X	X	X	X
<b>ALL STATES</b>	<b>14</b>	<b>15</b>	<b>33</b>	<b>26</b>	<b>43</b>	<b>41</b>

Excluded=X

Partially Excluded=P

Not Applicable=N/A

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See Elementary and Secondary Education Notes for explanation

## 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 the state budget level.

**Colorado:** Elementary and Secondary education totals include capital expenditures.

**Florida:** State appropriations to school districts for operational costs include funding intended to be expended by school districts for contributions to current employees' pensions, employee health benefits, and for the operational cost of libraries.

**Indiana:** Expenditure figures for "2009 Actual and 2010 Estimated – Elementary and Secondary Education (General Funds)" increased in part due to HEA 1001 (2008), the Governor's property tax reform legislation whereby the state assumed the responsibility for funding 100% of the K–12 tuition support formula.

**Michigan:** Figures reflect K–12 education, the Michigan Department of Education, adult education and pre-school. Employer contributions to current employees' pensions and health

benefits are reported for Department of Education employees but excluded for employees of K–12 schools. General fund revenue support increased for fiscal 2009 as support from other revenue sources in the State School Aid Fund declined. Federal revenue support increases in fiscal 2009 and fiscal 2010 are largely due to federal ARRA funding for K–12 and other education programs. Actual ARRA expenditures will be recorded with the fiscal 2010 annual financial report.

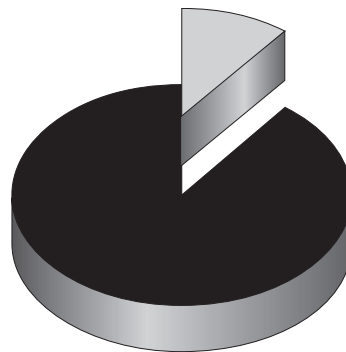
**Montana:** For fiscal 2010, general funds decreased and other state funds increased as a result of Otter Creek Coal Tract Bonus Payment (approximately \$81 million offset to general fund). Additionally, for fiscal 2010 and to a lesser extent fiscal 2009, federal funds increased and general funds decreased due to ARRA SFSE.

**Utah:** Included with the General Fund is the Education Fund (income tax revenue) which in Utah is restricted by the Utah state constitution for the sole use of public and higher education. Public education in Utah is organized to include the Utah State Office of Rehabilitation (USOR). The numbers reflected in this report for public education include USOR. The USOR amounts are as follows: fiscal 2008 — \$23 million general fund/education fund, \$40 million federal funds, \$1 million other state funds for a total of \$64 million; fiscal 2009 — does not include USOR; fiscal 2010 — does not include USOR.

## CHAPTER TWO

# HIGHER EDUCATION

---



10.4% of State Expenditures



State higher education spending reflects state financial support of public university systems, community colleges, and vocational education institutions. In fiscal 2009, states spent \$161.6 billion on higher education, 10.4 percent of total state spending, and 11.5 percent of overall general fund expenditures. General funds account for 46.9 percent of state spending on higher education, other state funds 38.7 percent, federal funds 10 percent, and bonds 4.4 percent (see Figure 11 and Table 12).

In calculating higher education expenditures for fiscal 2009, 13 states wholly or partially excluded tuition and fees, and 19 states wholly or partially excluded student loan programs. Additionally, other items that are wholly or partially excluded include: university research grants (32 states), vocational education (17), and assistance to private colleges or universities (22). Table 15 lists programs excluded from the expenditure data.

Overall, total state higher education spending grew by 2.5 percent in fiscal 2009. State funds (general funds plus other state funds) grew by a modest 1.4 percent, while federal funds, which typically represent a small share of total higher education spending, grew by 11.4 percent. This trend is being repeated in

fiscal 2010. It is estimated that state funds grew 0.8 percent in fiscal 2010, while federal funds grew 16.3 percent. The large growth in federal funds is mainly due to the passage of the *American Recovery and Reinvestment Act of 2009 (ARRA)*. In fiscal 2009, states report that a total of \$2.1 billion of the federal funds for higher education were attributable to ARRA. In estimated fiscal 2010, the amount of ARRA funds for higher education grew to \$4.3 billion. States will likely face a decline in federal funds in fiscal 2011 and fiscal 2012 as the ARRA funds begin to wind down. Overall, higher education spending increased 2.0 percent in fiscal 2010, from \$161.6 billion to \$164.8 billion.

## Capital Spending

State expenditures for higher education-related construction, renovation and other capital projects decreased by 2.5 percent in fiscal 2009, and are estimated to decrease by 11 percent in fiscal 2010 (see Table 48).

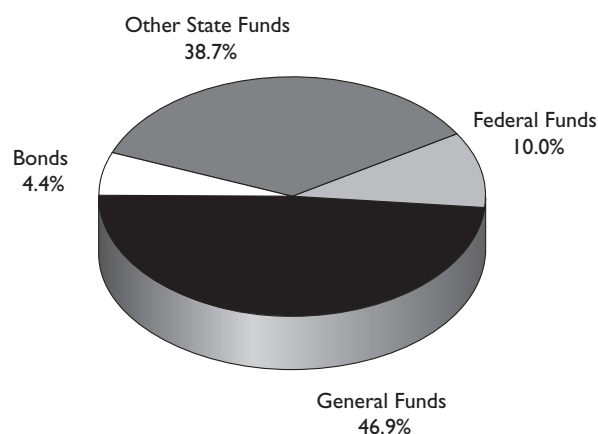
## Regional Expenditures

In fiscal 2009, the Rocky Mountain region saw the greatest percentage increase in higher education spending at 15.5 percent, while the Far West region experienced the largest decline, decreasing 8.4 percent (see Table 11).

## Financing Issues

While state funds for higher education grew a relatively modest 1.4 percent in fiscal 2009 and 0.8 percent in fiscal 2010, tuition and fees rose at a faster pace. According to The College Board, tuition and fees at four-year public institutions rose 7.9 percent between 2009 and 2010. The large increase in tuition and fees was partly ameliorated by the fact that total grant aid to public students rose 22 percent in 2010, mostly due to an increase in federal Pell grants.

**Figure 11**  
**STATE EXPENDITURES FOR HIGHER EDUCATION BY FUND SOURCE, FISCAL 2009**



**Table 11**  
**REGIONAL PERCENTAGE CHANGE IN STATE HIGHER EDUCATION EXPENDITURES, FISCAL 2008 AND 2009**

Region	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-2.9%	4.3%	-2.0%	9.6%	98.6%	12.2%
Mid-Atlantic	4.1	22.0	4.9	4.9	55.5	7.5
Great Lakes	1.0	9.9	0.3	-4.3	17.0	-1.8
Plains	6.6	12.6	6.8	0.5	19.1	2.7
Southeast	2.5	21.5	6.3	-0.9	23.6	-1.9
Southwest	2.2	5.8	2.5	15.8	1.4	15.1
Rocky Mountain	10.4	84.9	15.5	-33.4	29.6	-26.3
Far West	-7.9	1.0	-8.4	-1.7	4.3	2.1
<b>ALL STATES</b>	<b>1.4 %</b>	<b>11.4 %</b>	<b>2.5 %</b>	<b>0.8 %</b>	<b>16.3 %</b>	<b>2.0 %</b>

Table 12

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

Region/State	Actual Fiscal 2008					Actual Fiscal 2009					Estimated Fiscal 2010				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$753	\$256	\$1,416	\$211	\$2,636	\$748	\$258	\$1,524	\$257	\$2,787	\$745	\$270	\$1,530	\$300	\$2,845
Maine	260	0	3	11	274	254	7	3	19	283	249	10	3	13	275
Massachusetts	1,077	9	3,146	43	4,275	1,028	8	3,461	39	4,536	843	257	3,672	11	4,783
New Hampshire	131	9	56	34	230	142	14	63	39	258	147	21	61	43	272
Rhode Island*	190	5	595	54	844	171	4	15	44	234	161	20	711	20	912
Vermont	82	0	11	5	98	79	0	8	3	90	92	0	5	4	101
<b>MID-ATLANTIC</b>															
Delaware	253	32	73	10	368	252	36	73	1	362	227	57	80	4	368
Maryland	1,549	244	2,406	229	4,428	1,619	267	2,528	264	4,678	1,602	284	2,689	284	4,859
New Jersey	2,232	24	1,315	0	3,571	2,192	24	1,700	0	3,916	2,279	100	1,724	0	4,103
New York	3,733	192	3,754	520	8,199	3,659	210	4,091	528	8,488	4,211	399	4,338	775	9,723
Pennsylvania	2,056	0	64	201	2,321	2,024	63	16	270	2,373	1,889	93	6	270	2,258
<b>GREAT LAKES</b>															
Illinois	2,182	170	389	0	2,741	2,398	267	279	0	2,944	2,220	381	210	0	2,811
Indiana	1,736	5	10	161	1,912	1,764	5	10	98	1,877	1,712	6	17	169	1,904
Michigan*	2,111	127	95	93	2,426	1,972	192	24	55	2,243	1,893	173	1	42	2,109
Ohio	2,745	17	151	123	3,036	2,699	32	296	0	3,027	2,495	32	323	0	2,850
Wisconsin	1,336	999	2,401	0	4,736	1,414	953	2,437	0	4,804	1,279	1,104	2,567	0	4,95
<b>PLAINS</b>															
Iowa	908	455	2,694	7	4,064	935	499	3,030	3	4,467	777	508	3,193	31	4,509
Kansas	829	382	954	57	2,222	800	412	1,047	57	2,316	747	316	1,160	55	2,278
Minnesota	2,785	5	27	232	3,049	2,858	36	26	192	3,112	2,803	143	26	226	3,198
Missouri	910	2	287	0	1,199	999	3	297	0	1,299	870	155	302	0	1,327
Nebraska	620	135	1,165	0	1,920	647	189	1,238	0	2,074	647	205	1,296	0	2,148
North Dakota*	254	154	410	27	845	279	130	478	7	894	353	206	541	22	1,122
South Dakota	201	85	290	11	587	195	102	314	63	674	190	100	305	64	659
<b>SOUTHEAST</b>															
Alabama*	1,954	910	1,358	0	4,222	1,576	945	1,560	0	4,081	1,452	1,086	1,597	0	4,135
Arkansas	743	13	1,991	0	2,747	742	13	2,303	0	3,058	706	35	2,298	0	3,039
Florida*	4,163	134	975	1,123	6,395	3,703	139	878	942	5,662	3,247	461	2,018	185	5,911
Georgia	2,453	34	2,745	342	5,574	2,281	34	3,053	432	5,800	1,945	88	3,053	532	5,618
Kentucky	1,338	691	3,519	0	5,548	1,277	721	3,715	0	5,713	1,210	758	3,845	0	5,813
Louisiana	1,438	145	865	50	2,498	1,570	135	935	68	2,708	1,294	178	1,014	63	2,549
Mississippi	914	200	1,497	12	2,623	881	245	1,559	19	2,704	897	257	1,748	13	2,915
North Carolina	3,695	17	1,195	0	4,907	3,498	42	1,887	400	5,827	2,696	37	2,480	0	5,213
South Carolina*	983	508	2,670	116	4,277	753	618	2,870	182	4,423	666	653	2,561	0	3,880
Tennessee	1,844	234	1,602	84	3,764	1,588	276	1,694	163	3,721	1,483	494	1,788	10	3,775
Virginia	2,119	442	1,573	426	4,560	1,913	906	2,526	1,196	6,541	1,898	1,033	2,477	964	6,372
West Virginia	581	204	969	76	1,830	499	216	1,012	55	1,782	469	223	1,042	57	1,791
<b>SOUTHWEST</b>															
Arizona	1,449	516	954	226	3,145	1,291	558	1,101	230	3,180	1,316	527	1,153	316	3,312
New Mexico	884	448	1,314	59	2,705	867	475	1,308	69	2,719	853	533	1,372	126	2,884
Oklahoma	1,781	405	1,126	0	3,312	1,893	425	1,215	0	3,533	1,909	414	1,118	0	3,441
Texas	6,826	155	3,068	0	10,049	6,851	154	3,252	0	10,257	9,772	161	3,100	0	13,033
<b>ROCKY MOUNTAIN</b>															
Colorado	846	347	2,523	0	3,716	777	659	2,856	0	4,292	459	813	1,132	0	2,404
Idaho	348	5	136	6	495	356	5	151	6	518	305	5	230	0	540
Montana*	178	48	301	0	527	192	46	311	0	549	157	84	342	0	583
Utah*	900	9	449	1	1,359	783	37	506	9	1,335	757	68	437	39	1,301
Wyoming	36	1	13	0	50	392	11	2	0	405	392	12	2	0	406
<b>FAR WEST</b>															
Alaska	362	137	360	0	859	340	237	434	0	1,011	341	163	390	0	894
California	11,087	5,263	45	1,363	17,758	9,224	5,314	56	404	14,998	9,525	5,581	38	1,114	16,258
Hawaii	684	22	331	90	1,127	744	20	399	145	1,308	374	37	438	109	958
Nevada	658	4	176	177	1,015	664	3	21	183	871	401	3	34	86	524
Oregon	417	334	1,319	115	2,185	336	246	1,580	171	2,333	339	185	1,600	294	2,418
Washington	1,588	13	2,351	400	4,352	1,593	8	2,451	443	4,495	1,396	107	2,671	303	4,477
<b>TOTAL</b>	<b>\$79,202</b>	<b>\$14,546</b>	<b>\$57,137</b>	<b>\$6,695</b>	<b>\$157,580</b>	<b>\$75,712</b>	<b>\$16,199</b>	<b>\$62,593</b>	<b>\$7,056</b>	<b>\$161,560</b>	<b>\$74,690</b>	<b>\$18,836</b>	<b>\$64,738</b>	<b>\$6,544</b>	<b>\$164,808</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See Higher Education Notes for explanation

**Table 13**

**HIGHER EDUCATION EXPENDITURES AS A PERCENT OF  
TOTAL EXPENDITURES**

<b>Region/State</b>	<b>Fiscal 2008</b>	<b>Fiscal 2009</b>	<b>Fiscal 2010</b>
<b>NEW ENGLAND</b>			
Connecticut	10.9 %	10.8 %	10.9 %
Maine	3.7	3.5	3.3
Massachusetts	9.8	9.3	9.0
New Hampshire	4.8	5.2	5.0
Rhode Island	11.9	3.3	11.2
Vermont	1.8	1.6	1.7
<b>MID-ATLANTIC</b>			
Delaware	4.3	4.1	4.2
Maryland	14.6	14.7	14.5
New Jersey	7.3	8.4	8.4
New York	7.1	7.0	7.4
Pennsylvania	4.0	3.8	3.2
<b>GREAT LAKES</b>			
Illinois	6.2	6.3	5.9
Indiana	7.9	7.3	7.1
Michigan	5.5	4.9	4.6
Ohio	5.3	5.2	4.9
Wisconsin	13.1	12.5	12.3
<b>PLAINS</b>			
Iowa	25.2	25.6	24.3
Kansas	17.5	16.6	15.7
Minnesota	10.7	10.4	10.2
Missouri	5.6	5.6	5.3
Nebraska	22.0	22.7	22.4
North Dakota	23.5	22.7	23.8
South Dakota	18.2	19.0	17.5
<b>SOUTHEAST</b>			
Alabama	21.3	20.7	16.9
Arkansas	16.3	16.8	15.0
Florida	9.9	9.3	8.9
Georgia	14.5	14.9	14.5
Kentucky	24.1	23.7	22.5
Louisiana	8.6	10.6	8.6
Mississippi	16.9	16.6	15.0
North Carolina	11.8	13.5	16.4
South Carolina	20.6	21.0	17.2
Tennessee	14.5	12.8	13.0
Virginia	12.9	16.3	15.6
West Virginia	9.8	8.7	8.8
<b>SOUTHWEST</b>			
Arizona	12.5	11.7	12.0
New Mexico	19.0	17.5	20.1
Oklahoma	16.0	16.5	16.0
Texas	12.4	11.4	13.3
<b>ROCKY MOUNTAIN</b>			
Colorado	14.8	14.9	8.3
Idaho	8.3	8.2	7.6
Montana	9.8	9.9	9.6
Utah	12.0	11.3	10.1
Wyoming	1.0	5.3	5.3
<b>FAR WEST</b>			
Alaska	7.4	7.5	9.2
California	9.1	7.7	7.5
Hawaii	10.1	11.1	8.8
Nevada	11.0	9.6	6.7
Oregon	9.9	9.5	8.7
Washington	13.7	13.3	13.8
<b>ALL STATES</b>	<b>10.7 %</b>	<b>10.4 %</b>	<b>10.1 %</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report



Table 14

## ANNUAL PERCENTAGE CHANGE IN HIGHER EDUCATION EXPENDITURES

Region/State	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	4.7 %	0.8 %	5.7 %	0.1 %	4.7 %	2.1 %
Maine	-2.3	—	3.3	-1.9	42.9	-2.8
Massachusetts	6.3	-11.1	6.1	0.6	3,112.5	5.4
New Hampshire	9.6	55.6	12.2	1.5	50.0	5.4
Rhode Island	-76.3	-20.0	-72.3	368.8	400.0	289.7
Vermont	-6.5	—	-8.2	11.5	—	12.2
<b>MID-ATLANTIC</b>						
Delaware	-0.3	12.5	-1.6	-5.5	58.3	1.7
Maryland	4.9	9.4	5.6	3.5	6.4	3.9
New Jersey	9.7	0.0	9.7	2.9	316.7	4.8
New York	3.5	9.4	3.5	10.3	90.0	14.5
Pennsylvania	-3.8	—	2.2	-7.1	47.6	-4.8
<b>GREAT LAKES</b>						
Illinois	4.1	57.1	7.4	-9.2	42.7	-4.5
Indiana	1.6	0.0	-1.8	-2.5	20.0	1.4
Michigan	-9.5	51.2	-7.5	-5.1	-9.9	-6.0
Ohio	3.4	88.2	-0.3	-5.9	0.0	-5.8
Wisconsin	3.1	-4.6	1.4	-0.1	15.8	3.0
<b>PLAINS</b>						
Iowa	10.1	9.7	9.9	0.1	1.8	0.9
Kansas	3.6	7.9	4.2	3.2	-23.3	-1.6
Minnesota	2.6	620.0	2.1	-1.9	297.2	2.8
Missouri	8.3	50.0	8.3	-9.6	5,066.7	2.2
Nebraska	5.6	40.0	8.0	3.1	8.5	3.6
North Dakota	14.0	-15.6	5.8	18.1	58.5	25.5
South Dakota	3.7	20.0	14.8	-2.8	-2.0	-2.2
<b>SOUTHEAST</b>						
Alabama	-5.3	3.8	-3.3	-2.8	14.9	1.3
Arkansas	11.4	0.0	11.3	-1.3	169.2	-0.6
Florida	-10.8	3.7	-11.5	14.9	231.7	4.4
Georgia	2.6	0.0	4.1	-6.3	158.8	-3.1
Kentucky	2.8	4.3	3.0	1.3	5.1	1.8
Louisiana	8.8	-6.9	8.4	-7.9	31.9	-5.9
Mississippi	1.2	22.5	3.1	8.4	4.9	7.8
North Carolina	10.1	147.1	18.7	-3.9	-11.9	-10.5
South Carolina	-0.8	21.7	3.4	-10.9	5.7	-12.3
Tennessee	-4.8	17.9	-1.1	-0.3	79.0	1.5
Virginia	20.2	105.0	43.4	-1.4	14.0	-2.6
West Virginia	-2.5	5.9	-2.6	0.0	3.2	0.5
<b>SOUTHWEST</b>						
Arizona	-0.5	8.1	1.1	3.2	-5.6	4.2
New Mexico	-1.0	6.0	0.5	2.3	12.2	6.1
Oklahoma	6.9	4.9	6.7	-2.6	-2.6	-2.6
Texas	2.1	-0.6	2.1	27.4	4.5	27.1
<b>ROCKY MOUNTAIN</b>						
Colorado	7.8	89.9	15.5	-56.2	23.4	-44.0
Idaho	4.8	0.0	4.6	5.5	0.0	4.2
Montana	5.0	-4.2	4.2	-0.8	82.6	6.2
Utah	-4.4	311.1	-1.8	-7.4	83.8	-2.5
Wyoming	704.1	1,000.0	710.0	0.0	9.1	0.2
<b>FAR WEST</b>						
Alaska	7.2	73.0	17.7	-5.6	-31.2	-11.6
California	-16.6	1.0	-15.5	3.0	5.0	8.4
Hawaii	12.6	-9.1	16.1	-29.0	85.0	-26.8
Nevada	-17.9	-25.0	-14.2	-36.5	0.0	-39.8
Oregon	10.4	-26.3	6.8	1.2	-24.8	3.6
Washington	2.7	-38.5	3.3	0.6	1,237.5	-0.4
<b>ALL STATES</b>	<b>1.4 %</b>	<b>11.4 %</b>	<b>2.5 %</b>	<b>0.8 %</b>	<b>16.3 %</b>	<b>2.0 %</b>

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

Source: National Association of State Budget Officers, 2009 State Expenditure Report

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
<b>NEW ENGLAND</b>							
Connecticut	X	X				X	
Maine	P	P	X	X	X		X
Massachusetts	X						
New Hampshire	P	P	P	P	X		X
Rhode Island				P		P	X
Vermont	X	X	X	X	X	X	
<b>MID-ATLANTIC</b>							
Delaware			X		X	X	X
Maryland					P		
New Jersey					X	X	
New York	P	P			P	P	P
Pennsylvania	X	X		P	X	P	
<b>GREAT LAKES</b>							
Illinois		P	P	P	P	P	P
Indiana	P	P	X		X		X
Michigan	X	X	X	X	P		
Ohio			X		X		X
Wisconsin					P		
<b>PLAINS</b>							
Iowa							
Kansas							
Minnesota	P	P			X	X	X
Missouri	X	X	X		X	X	
Nebraska					X		
North Dakota						X	X
South Dakota							X
<b>SOUTHEAST</b>							
Alabama*							
Arkansas					P		
Florida*				X	P		
Georgia			X	X	X		X
Kentucky						P	
Louisiana					X		
Mississippi					X		X
North Carolina					X		
South Carolina							
Tennessee					X		
Virginia				X			
West Virginia				X	P	P	
<b>SOUTHWEST</b>							
Arizona							X
New Mexico	P	P	P	P		P	X
Oklahoma				X		P	
Texas	P	P	P		P	P	
<b>ROCKY MOUNTAIN</b>							
Colorado				X	X		
Idaho				X	X		X
Montana				X	X		
Utah					X		X
Wyoming							X
<b>FAR WEST</b>							
Alaska							X
California			X				
Hawaii				X	X	X	X
Nevada				X	X		X
Oregon							
Washington				X	X		X
<b>ALL STATES</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>19</b>	<b>32</b>	<b>17</b>	<b>22</b>

Excluded=X

Partially Excluded=P

Not Applicable=N/A

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See Higher Education Notes for explanation

## Higher 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:** Other state funds for Higher Education include tuition and fees as reported by institutions. Bonds issued and expended directly by institutions are not reported at the state budget level.

**Florida:** The dollar difference for Other State Funds for actual fiscal 2008–09 and Other State Funds for estimated fiscal 2009–10 is mainly attributable to university tuition. University tuition is included in Other State Funds for estimated fiscal 2009–10, but excluded in Other State Funds for actual fiscal 2008–09. Tuition revenue does not get deposited into the state's Treasury, but stays at each university. It is appropriated and reported as an "estimate" for 2009–10, but not reported as an "actual" expenditure of the state for 2007–08 and 2008–09.

State appropriations to public institutions of higher education for operational costs include funding intended to be expended by institutions for contributions to current employees' pensions and employee health benefits. State university tuition and fees appropriated were \$962.7 million for fiscal 2007–08, \$1,022.1 million for fiscal 2008–09, and \$1,180.1 million for fiscal 2009–10. Community College student fees and postsecondary workforce program student fees are not appropriated. Florida appropriates funds for merit and need-based financial aid as well as tuition assistance grants. State appropriations for the University of Florida's Institute of Food and Agricultural Sciences are included in the data reported.

**Michigan:** General Fund support in fiscal 2008 reflects a one-time increase of \$164.5 million for a one-month payment delay for universities and community colleges occurring in the prior fiscal

year. Federal fund support reflects receipt of TANF contingency revenue for student financial aid: \$109.8 million (fiscal 2008); \$172.9 million (fiscal 2009), and \$78.9 million (fiscal 2010); and federal ARRA funding for colleges, universities and postsecondary education programs. Actual ARRA expenditures will be recorded with the fiscal 2010 annual financial report.

**Montana:** For fiscal 2010, federal funds increased and general funds decreased due to ARRA SFSF.

**North Dakota:** For fiscal 2008 and fiscal 2009, the operating expenditures include all sources that were reported in the audited financial statements. The report instructions said to exclude federal research grants, but they have not been excluded, as they are not identified separately (from other federal funds) in the financial statements. The fiscal 2010 estimates are based on the annual budgets for 2009–10. Actual expenditures, especially in "other state funds", could vary significantly from budgets prepared over a year in advance. "Other state funds" include all sources other than general funds, federal funds, and bond funds. Examples include expenditures paid from tuition and fees, auxiliary services, and other institutional sales, etc. "Bond funds" include expenditures from state and revenue bonds.

**Rhode Island:** The 2008 final audit showed an increase of \$6.0 million in federal research, a \$0.5 million increase in all auxiliary services, and a \$1.3 million decrease in general tuition and fees.

**South Carolina:** Estimated capital expenditures are no longer collected. Therefore, no capital expenditure data is included for estimated fiscal 2010.

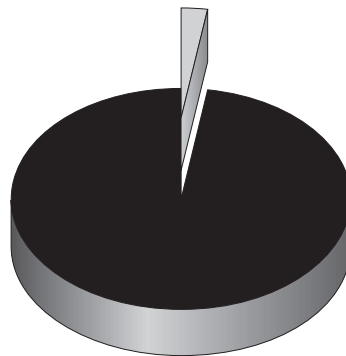
**Utah:** Included with the General Fund is the Education Fund (income tax revenue) which in Utah is restricted by the Utah state constitution for the sole use of public and higher education.



## CHAPTER THREE

# PUBLIC ASSISTANCE

---



**1.7% of State Expenditures**

## Public Assistance Expenditures

This report contains data on cash assistance provided through the Temporary Assistance for Needy Families (TANF) program and other public assistance programs. Spending for these categories totaled \$26.4 billion in fiscal 2009 and represented 1.7 percent of total state expenditures. Spending from all funds for public assistance increased by 5.2 percent from fiscal 2008 to fiscal 2009. Spending from state funds was virtually flat while spending from federal funds increased by 10.6 percent from fiscal 2008 to fiscal 2009.

Total public assistance spending from all funds increased by 3.6 percent in fiscal 2010 to total \$27.3 billion. State funds decreased by 7.4 percent and federal funds increased by 14.1 percent. The large increase in federal funds and the decrease in state funds are attributable to funds received in the American Recovery and Reinvestment Act of 2009 (ARRA). The TANF Emergency Fund, authorized under ARRA, provided up to \$5 billion to states, tribes, and territories through September 30, 2010.

The primary sources of public assistance funding for fiscal 2009 are federal funds, providing 51 percent, followed by general funds at 47.3 percent (see Figure 12). For estimated fiscal 2010, federal funds represent 56.1 percent of the total while general funds are 42.6 percent of the total.

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.

## TANF

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

The program includes specific definitions of work, work verification requirements, and penalties if states do not meet the requirements. As a result of these changes, most states have to significantly increase work participation rates. Under ARRA, however, the workload reduction credit was modified for two years as well as rules governing unspent TANF funds that are carried forward.

Since welfare reform was initially passed in 1996, states have focused on providing supportive services for families to achieve self-sufficiency rather than cash assistance. Since 1996, caseloads have declined significantly. The average monthly number of recipients fell from 12.8 million prior to the enactment of TANF to 4.3 million by March 2010, a decrease of over two-thirds.

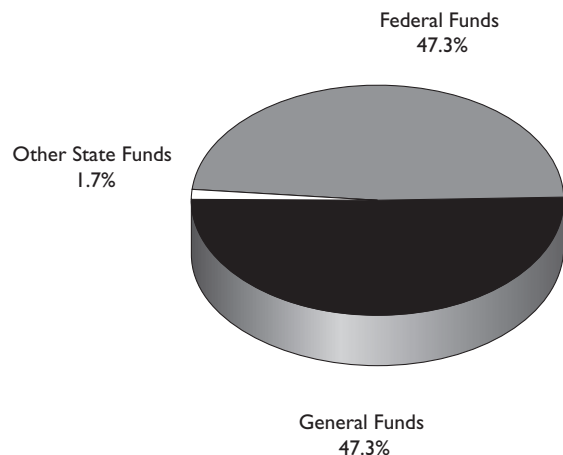
This report has information only on the cash assistance benefit levels within the program which represents approximately 41 percent of total program costs and does not reflect total TANF spending. Of the combined federal and state TANF expenditures of \$25.6 billion in fiscal 2006, states spent \$10.5 billion, or 41 percent of their total expenditures on cash assistance. States spent significant amounts on various noncash services, including work activities (\$2.4 billion), child care (\$3.5 billion), transportation and work supports (\$472 million), administrative and systems costs (\$2.4 billion), and a wide range of other benefits and services (\$6.3 billion), according to the Department of Health and Human Services' Eighth Annual Report to Congress.

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

## Fund Shares

The figure below provides fund shares for 2009.

**Figure 12**  
**STATE EXPENDITURES FOR TOTAL PUBLIC ASSISTANCE BY FUND SOURCE, FISCAL 2009**



## Regional Expenditures

The following table shows regional percentage changes in expenditures for total cash assistance for fiscal 2008–2009 and 2009–2010 by region.

**Table 16**

### REGIONAL PERCENTAGE CHANGE IN STATE TOTAL PUBLIC ASSISTANCE EXPENDITURES, FISCAL 2009 AND 2010

Region	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	1.7%	29.4%	7.7%	-9.7%	64.2%	9.7%
Mid-Atlantic	-10.7	23.5	9.7	7.6	7.5	7.5
Great Lakes	-1.9	0.9	-0.3	-37.1	10.5	-9.0
Plains	-11.3	9.5	0.0	3.9	5.6	4.9
Southeast	-8.3	4.0	-0.3	-4.5	15.2	8.9
Southwest	0.4	57.2	34.0	-31.5	23.4	6.6
Rocky Mountain	35.3	26.9	29.9	-10.1	1.7	-2.7
Far West	5.2	-0.4	2.9	-7.1	13.7	1.3
<b>ALL STATES</b>	<b>0.0 %</b>	<b>10.6 %</b>	<b>5.2 %</b>	<b>-7.4 %</b>	<b>14.1 %</b>	<b>3.6 %</b>

### Expenditures for Cash Assistance under Temporary Assistance for Needy Families (TANF) Program

State and federal funds for TANF cash assistance expenditures totaled \$16 billion in fiscal 2009, an increase of 5.9 percent from 2008 to 2009 (see Table 23). State funds increased by 5.8 percent and federal funds increased by 5.9 percent from fiscal 2008 to fiscal 2009. For fiscal 2010, total spending for TANF cash assistance expenditures increased by 4.4 percent to \$16.7 billion with federal funds rising by 9.1 percent and state spending decreasing by 5.5 percent.

States have provided funding for programs to address childcare services, 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.

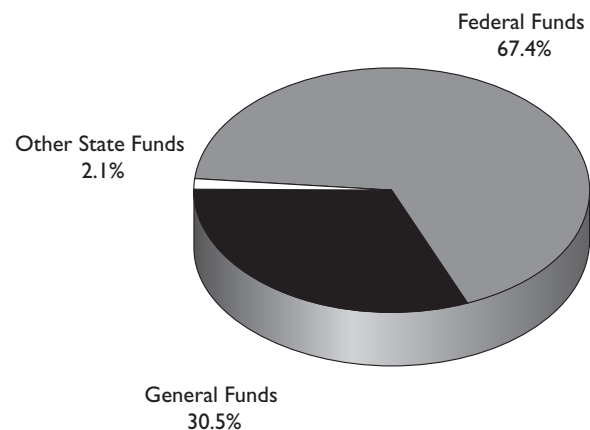
Expenditure data for TANF cash assistance can be found on Tables 21–23.

### Fund Shares

The figure below provides fund shares for 2009.

**Figure 13**

### STATE EXPENDITURES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BY FUND SOURCE, FISCAL 2009



## Regional Expenditures

The following table shows percentage changes in expenditures for TANF cash assistance for fiscal 2008-2009 and 2009-2010 by region.

**Table 17**  
**REGIONAL PERCENTAGE CHANGE IN STATE TANF EXPENDITURES,**  
**FISCAL 2009 AND 2010**

Region	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	2.7%	7.5%	4.4%	-14.6%	14.3%	-4.2%
Mid-Atlantic	-3.2	18.4	14.6	25.6	6.5	9.3
Great Lakes	-2.5	1.6	0.0	-49.2	10.0	-12.4
Plains	-16.7	9.5	1.2	8.0	5.5	6.1
Southeast	-8.6	1.7	-1.6	-7.1	4.8	1.2
Southwest	-18.0	19.8	3.5	-23.2	8.9	-2.1
Rocky Mountain	51.5	26.9	33.3	-8.0	1.7	-1.2
Far West	22.3	-1.9	5.8	5.2	12.5	9.8
<b>ALL STATES</b>	<b>5.8 %</b>	<b>5.9 %</b>	<b>5.9 %</b>	<b>-5.5 %</b>	<b>9.1 %</b>	<b>4.4 %</b>

## 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, 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-seven states spend some amount on this category of other cash assistance.

Other cash assistance programs accounted for 0.7 percent of total state spending in fiscal 2009. States spent \$10.4 billion for other cash assistance, with 73.3 percent of that amount funded from state general funds. California accounted for close to half of the total spending on other cash assistance.

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



Table 18

## TOTAL PUBLIC ASSISTANCE EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2008				Actual Fiscal 2009				Estimated Fiscal 2010			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
<b>NEW ENGLAND</b>												
Connecticut*	\$215	\$262	\$0	\$477	\$223	\$267	\$0	\$490	231	272	0	503
Maine	42	72	89	203	44	76	93	213	46	71	89	206
Massachusetts	1,371	14	0	1,385	1,417	113	0	1,530	1,227	552	0	1,779
New Hampshire	38	37	7	82	49	46	0	95	58	42	0	100
Rhode Island	63	81	0	144	38	93	0	131	30	102	0	132
Vermont	32	55	4	91	28	79	0	107	27	68	1	96
<b>MID-ATLANTIC</b>												
Delaware	7	14	3	24	23	1	1	25	22	23	1	46
Maryland	33	511	14	558	38	703	17	758	95	757	13	865
New Jersey	234	159	0	393	255	181	0	436	274	191	0	465
New York	1,404	2,184	0	3,588	1,103	2,597	0	3,700	1,188	2,721	0	3,909
Pennsylvania	591	577	26	1,194	598	771	30	1,399	621	881	7	1,509
<b>GREAT LAKES</b>												
Illinois	100	24	0	124	116	18	0	134	116	21	0	137
Indiana	73	253	4	330	73	253	4	330	69	304	9	382
Michigan	429	15	48	492	344	40	108	492	126	350	45	521
Ohio	290	1,011	1	1,302	277	1,014	1	1,292	182	792	1	975
Wisconsin	31	70	0	101	14	61	20	95	45	64	9	118
<b>PLAINS</b>												
Iowa	60	45	31	136	60	41	16	117	47	51	15	113
Kansas	39	18	0	57	39	15	0	54	28	27	0	55
Minnesota	128	247	0	375	119	283	0	402	148	285	0	433
Missouri	43	101	24	168	31	109	27	167	33	112	29	174
Nebraska	37	21	0	58	31	24	0	55	32	29	0	61
North Dakota	1	1	8	10	0	5	5	10	6	0	3	9
South Dakota	9	20	0	29	9	19	0	28	9	20	0	29
<b>SOUTHEAST</b>												
Alabama	5	32	4	41	3	34	5	42	3	34	5	42
Arkansas	137	226	13	376	142	217	14	373	139	343	27	509
Florida	125	32	0	157	125	53	0	178	125	90	0	215
Georgia	168	447	0	615	149	352	0	501	173	368	0	541
Kentucky	72	94	0	166	72	111	0	183	73	134	0	207
Louisiana	23	137	0	160	9	129	0	138	0	194	0	194
Mississippi	2	25	0	27	1	29	0	30	2	18	0	20
North Carolina*	61	186	1	248	61	180	1	242	0	0	0	0
South Carolina	24	32	19	75	23	39	0	62	20	42	0	62
Tennessee	15	95	4	114	19	102	4	125	20	221	4	245
Virginia	68	75	0	143	47	147	0	194	51	171	0	222
West Virginia	29	53	0	82	31	99	0	130	32	104	0	136
<b>SOUTHWEST</b>												
Arizona	87	34	0	121	52	64	0	116	14	75	0	89
New Mexico	17	111	0	128	17	145	0	162	14	152	0	166
Oklahoma	78	115	0	193	77	117	0	194	78	134	0	212
Texas	67	102	1	170	105	243	0	348	66	341	0	407
<b>ROCKY MOUNTAIN</b>												
Colorado*	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	9	7	0	16	9	7	0	16	9	7	0	16
Montana	14	25	0	39	14	26	0	40	12	25	0	37
Utah	26	61	2	89	15	85	31	131	23	88	18	129
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
<b>FAR WEST</b>												
Alaska	82	7	19	108	88	7	20	115	89	9	20	118
California	5,718	4,227	57	10,002	6,141	4,083	46	10,270	5,596	4,644	29	10,269
Hawaii	55	38	0	93	57	36	0	93	57	36	0	93
Nevada	35	23	0	58	32	31	0	63	32	31	0	63
Oregon	83	90	-7	166	82	108	7	197	75	175	0	250
Washington	302	104	0	406	198	207	0	405	300	190	0	490
<b>TOTAL</b>	<b>\$12,572</b>	<b>\$12,170</b>	<b>\$372</b>	<b>\$25,114</b>	<b>\$12,498</b>	<b>\$13,460</b>	<b>\$450</b>	<b>\$26,408</b>	<b>\$11,663</b>	<b>\$15,361</b>	<b>\$325</b>	<b>\$27,349</b>

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

Source: National Association of State Budget Officers, 2009 State Expenditure Report

Table 19

**TOTAL PUBLIC ASSISTANCE EXPENDITURES AS A PERCENT OF  
TOTAL EXPENDITURES**

Region/State	Fiscal 2008	Fiscal 2009	Fiscal 2010
<b>NEW ENGLAND</b>			
Connecticut	2.0 %	1.9 %	1.9 %
Maine	2.7	2.6	2.5
Massachusetts	3.2	3.1	3.3
New Hampshire	1.7	1.9	1.8
Rhode Island	2.0	1.8	1.6
Vermont	1.7	1.9	1.6
<b>MID-ATLANTIC</b>			
Delaware	0.3	0.3	0.5
Maryland	1.8	2.4	2.6
New Jersey	0.8	0.9	0.9
New York	3.1	3.0	3.0
Pennsylvania	2.0	2.2	2.1
<b>GREAT LAKES</b>			
Illinois	0.3	0.3	0.3
Indiana	1.4	1.3	1.4
Michigan	1.1	1.1	1.1
Ohio	2.3	2.2	1.7
Wisconsin	0.3	0.2	0.3
<b>PLAINS</b>			
Iowa	0.8	0.7	0.6
Kansas	0.4	0.4	0.4
Minnesota	1.3	1.3	1.4
Missouri	0.8	0.7	0.7
Nebraska	0.7	0.6	0.6
North Dakota	0.3	0.3	0.2
South Dakota	0.9	0.8	0.8
<b>SOUTHEAST</b>			
Alabama	0.2	0.2	0.2
Arkansas	2.2	2.1	2.5
Florida	0.2	0.3	0.3
Georgia	1.6	1.3	1.4
Kentucky	0.7	0.8	0.8
Louisiana	0.6	0.5	0.7
Mississippi	0.2	0.2	0.1
North Carolina	0.6	0.6	0.0
South Carolina	0.4	0.3	0.3
Tennessee	0.4	0.4	0.8
Virginia	0.4	0.5	0.5
West Virginia	0.4	0.6	0.7
<b>SOUTHWEST</b>			
Arizona	0.5	0.4	0.3
New Mexico	0.9	1.0	1.2
Oklahoma	0.9	0.9	1.0
Texas	0.2	0.4	0.4
<b>ROCKY MOUNTAIN</b>			
Colorado	0.0	0.0	0.0
Idaho	0.3	0.3	0.2
Montana	0.7	0.7	0.6
Utah	0.8	1.1	1.0
Wyoming	0.0	0.0	0.0
<b>FAR WEST</b>			
Alaska	0.9	0.9	1.2
California	5.1	5.3	4.7
Hawaii	0.8	0.8	0.8
Nevada	0.6	0.7	0.8
Oregon	0.7	0.8	0.9
Washington	1.3	1.2	1.5
<b>ALL STATES</b>	<b>1.7 %</b>	<b>1.7 %</b>	<b>1.7 %</b>

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

Table 20

## ANNUAL PERCENTAGE CHANGE IN TOTAL PUBLIC ASSISTANCE EXPENDITURES

Region/State	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	3.7 %	1.9 %	2.7 %	3.6 %	1.9 %	2.7 %
Maine	4.6	5.6	4.9	-1.5	-6.6	-3.3
Massachusetts	3.4	707.1	10.5	-13.4	388.5	16.3
New Hampshire	8.9	24.3	15.9	18.4	-8.7	5.3
Rhode Island	-39.7	14.8	-9.0	-21.1	9.7	0.8
Vermont	-22.2	43.6	17.6	0.0	-13.9	-10.3
<b>MID-ATLANTIC</b>						
Delaware	140.0	-92.9	4.2	-4.2	2,200.0	84.0
Maryland	17.0	37.6	35.8	96.4	7.7	14.1
New Jersey	9.0	13.8	10.9	7.5	5.5	6.7
New York	-21.4	18.9	3.1	7.7	4.8	5.6
Pennsylvania	1.8	33.6	17.2	0.0	14.3	7.9
<b>GREAT LAKES</b>						
Illinois	16.0	-25.0	8.1	0.0	16.7	2.2
Indiana	0.0	0.0	0.0	1.3	20.2	15.8
Michigan	-5.2	166.7	0.0	-62.2	775.0	5.9
Ohio	-4.5	0.3	-0.8	-34.2	-21.9	-24.5
Wisconsin	9.7	-12.9	-5.9	58.8	4.9	24.2
<b>PLAINS</b>						
Iowa	-16.5	-8.9	-14.0	-18.4	24.4	-3.4
Kansas	0.0	-16.7	-5.3	-28.2	80.0	1.9
Minnesota	-7.0	14.6	7.2	24.4	0.7	7.7
Missouri	-13.4	7.9	-0.6	6.9	2.8	4.2
Nebraska	-16.2	14.3	-5.2	3.2	20.8	10.9
North Dakota	-44.4	400.0	0.0	80.0	-100.0	-10.0
South Dakota	0.0	-5.0	-3.4	0.0	5.3	3.6
<b>SOUTHEAST</b>						
Alabama	-11.1	6.3	2.4	0.0	0.0	0.0
Arkansas	4.0	-4.0	-0.8	6.4	58.1	36.5
Florida	0.0	65.6	13.4	0.0	69.8	20.8
Georgia	-11.3	-21.3	-18.5	16.1	4.5	8.0
Kentucky	0.0	18.1	10.2	1.4	20.7	13.1
Louisiana	-60.9	-5.8	-13.8	-100.0	50.4	40.6
Mississippi	-50.0	16.0	11.1	100.0	-37.9	-33.3
North Carolina	0.0	-3.2	-2.4	-100.0	-100.0	-100.0
South Carolina	-46.5	21.9	-17.3	-13.0	7.7	0.0
Tennessee	21.1	7.4	9.6	4.3	116.7	96.0
Virginia	-30.9	96.0	35.7	8.5	16.3	14.4
West Virginia	6.9	86.8	58.5	3.2	5.1	4.6
<b>SOUTHWEST</b>						
Arizona	-40.2	88.2	-4.1	-73.1	17.2	-23.3
New Mexico	0.0	30.6	26.6	-17.6	4.8	2.5
Oklahoma	-1.3	1.7	0.5	1.3	14.5	9.3
Texas	54.4	138.2	104.7	-37.1	40.3	17.0
<b>ROCKY MOUNTAIN</b>						
Colorado	—	—	—	—	—	—
Idaho	0.0	0.0	0.0	0.0	0.0	0.0
Montana	0.0	4.0	2.6	-14.3	-3.8	-7.5
Utah	64.3	39.3	47.2	-10.9	3.5	-1.5
Wyoming	—	—	—	—	—	—
<b>FAR WEST</b>						
Alaska	6.9	0.0	6.5	0.9	28.6	2.6
California	7.1	-3.4	2.7	-9.1	13.7	0.0
Hawaii	3.6	-5.3	0.0	0.0	0.0	0.0
Nevada	-8.6	34.8	8.6	0.0	0.0	0.0
Oregon	17.1	20.0	18.7	-15.7	62.0	26.9
Washington	-34.4	99.0	-0.2	51.5	—	21.0
<b>ALL STATES</b>	<b>0.0 %</b>	<b>10.6 %</b>	<b>5.2 %</b>	<b>-7.4 %</b>	<b>14.1 %</b>	<b>3.6 %</b>

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

This table reflects TANF and other cash assistance expenditures.

Source: National Association of State Budget Officers, 2009 State Expenditure Report

Table 21

## CASH EXPENDITURES UNDER TEMPORARY ASSISTANCE TO NEEDY FAMILIES EXPENDITURES (TANF) (\$ IN MILLIONS)

Region/State	Actual Fiscal 2008				Actual Fiscal 2009				Estimated Fiscal 2010			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
<b>NEW ENGLAND</b>												
Connecticut	\$111	\$262	\$0	\$373	\$113	\$267	\$0	\$380	\$119	\$272	\$0	\$391
Maine	25	52	89	166	25	55	93	173	26	52	89	167
Massachusetts	485	0	0	485	516	0	0	516	397	47	0	444
New Hampshire	30	37	0	67	29	46	0	75	33	42	0	75
Rhode Island	19	37	0	56	4	49	0	53	0	62	0	62
Vermont	15	27	0	42	15	29	0	44	14	35	1	50
<b>MID-ATLANTIC</b>												
Delaware	3	14	2	19	18	1	0	19	16	22	0	38
Maryland	6	101	7	114	3	116	11	130	53	86	7	146
New Jersey	13	93	0	106	8	104	0	112	8	104	0	112
New York	205	2,184	0	2,389	173	2,597	0	2,770	271	2,721	0	2,992
Pennsylvania	326	246	0	572	327	306	4	637	323	394	5	722
<b>GREAT LAKES</b>												
Illinois	58	22	0	80	72	15	0	87	80	18	0	98
Indiana	30	137	4	171	30	137	4	171	32	163	7	202
Michigan	325	0	39	364	245	26	93	364	16	333	35	384
Ohio	263	1,011	1	1,275	252	1,014	1	1,267	157	792	1	950
Wisconsin	28	15	0	43	12	12	20	44	42	18	0	60
<b>PLAINS</b>												
Iowa	43	45	13	101	42	41	16	99	31	51	12	94
Kansas	30	18	0	48	30	15	0	45	24	27	0	51
Minnesota	58	247	0	305	42	283	0	325	71	285	0	356
Missouri	17	101	0	118	6	109	0	115	8	112	0	120
Nebraska	31	20	0	51	25	23	0	48	25	27	0	52
North Dakota*	1	1	8	10	0	5	5	10	6	0	3	9
South Dakota	9	20	0	29	9	19	0	28	9	20	0	29
<b>SOUTHEAST</b>												
Alabama	5	32	4	41	3	34	5	42	3	34	5	42
Arkansas	11	58	0	69	15	61	0	76	9	84	6	99
Florida	125	32	0	157	125	53	0	178	125	90	0	215
Georgia	168	447	0	615	149	352	0	501	173	368	0	541
Kentucky	72	94	0	166	72	111	0	183	73	134	0	207
Louisiana	23	137	0	160	9	129	0	138	0	139	0	139
Mississippi	2	25	0	27	1	29	0	30	2	18	0	20
North Carolina*	61	186	1	248	61	180	1	242	0	0	0	0
South Carolina	1	32	0	33	-1	39	0	38	0	42	0	42
Tennessee	15	95	4	114	19	102	4	125	20	221	4	245
Virginia	65	40	0	105	44	63	0	107	48	78	0	126
West Virginia	26	53	0	79	26	99	0	125	27	104	0	131
<b>SOUTHWEST</b>												
Arizona	85	34	0	119	50	64	0	114	14	75	0	89
New Mexico	9	111	0	120	8	145	0	153	7	152	0	159
Oklahoma	40	74	0	114	38	69	0	107	39	77	0	116
Texas	65	44	1	110	68	37	0	105	66	39	0	105
<b>ROCKY MOUNTAIN</b>												
Colorado*	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	0	7	0	7	0	7	0	7	0	7	0	7
Montana	14	25	0	39	14	26	0	40	12	25	0	37
Utah	17	61	2	80	5	85	31	121	16	88	18	122
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
<b>FAR WEST</b>												
Alaska	16	6	2	24	16	6	2	24	16	8	2	26
California	1,482	3,673	45	5,200	1,947	3,477	35	5,459	2,031	3,908	20	5,959
Hawaii	27	38	0	65	28	36	0	64	28	36	0	64
Nevada	27	23	0	50	25	31	0	56	25	31	0	56
Oregon	81	86	-7	160	81	101	7	189	75	168	0	243
Washington	158	103	0	261	98	205	0	303	159	188	0	347
<b>TOTAL</b>	<b>\$4,726</b>	<b>\$10,206</b>	<b>\$215</b>	<b>\$15,147</b>	<b>\$4,897</b>	<b>\$10,810</b>	<b>\$332</b>	<b>\$16,039</b>	<b>\$4,729</b>	<b>\$11,797</b>	<b>\$215</b>	<b>\$16,741</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See Public Assistance Notes for explanation

Table 22

**TANF EXPENDITURES FOR CASH ASSISTANCE AS A PERCENT OF  
TOTAL EXPENDITURES**

Region/State	Fiscal 2008	Fiscal 2009	Fiscal 2010
<b>NEW ENGLAND</b>			
Connecticut	1.5 %	1.5 %	1.5 %
Maine	2.2	2.1	2.0
Massachusetts	1.1	1.1	0.8
New Hampshire	1.4	1.5	1.4
Rhode Island	0.8	0.7	0.8
Vermont	0.8	0.8	0.9
<b>MID-ATLANTIC</b>			
Delaware	0.2	0.2	0.4
Maryland	0.4	0.4	0.4
New Jersey	0.2	0.2	0.2
New York	2.1	2.3	2.3
Pennsylvania	1.0	1.0	1.0
<b>GREAT LAKES</b>			
Illinois	0.2	0.2	0.2
Indiana	0.7	0.7	0.8
Michigan	0.8	0.8	0.8
Ohio	2.2	2.2	1.6
Wisconsin	0.1	0.1	0.1
<b>PLAINS</b>			
Iowa	0.6	0.6	0.5
Kansas	0.4	0.3	0.4
Minnesota	1.1	1.1	1.1
Missouri	0.6	0.5	0.5
Nebraska	0.6	0.5	0.5
North Dakota	0.3	0.3	0.2
South Dakota	0.9	0.8	0.8
<b>SOUTHEAST</b>			
Alabama	0.2	0.2	0.2
Arkansas	0.4	0.4	0.5
Florida	0.2	0.3	0.3
Georgia	1.6	1.3	1.4
Kentucky	0.7	0.8	0.8
Louisiana	0.6	0.5	0.5
Mississippi	0.2	0.2	0.1
North Carolina	0.6	0.6	0.0
South Carolina	0.2	0.2	0.2
Tennessee	0.4	0.4	0.8
Virginia	0.3	0.3	0.3
West Virginia	0.4	0.6	0.6
<b>SOUTHWEST</b>			
Arizona	0.5	0.4	0.3
New Mexico	0.8	1.0	1.1
Oklahoma	0.5	0.5	0.5
Texas	0.1	0.1	0.1
<b>ROCKY MOUNTAIN</b>			
Colorado	0.0	0.0	0.0
Idaho	0.1	0.1	0.1
Montana	0.7	0.7	0.6
Utah	0.7	1.0	0.9
Wyoming	0.0	0.0	0.0
<b>FAR WEST</b>			
Alaska	0.2	0.2	0.3
California	2.7	2.8	2.7
Hawaii	0.6	0.5	0.6
Nevada	0.5	0.6	0.7
Oregon	0.7	0.8	0.9
Washington	0.8	0.9	1.1
<b>ALL STATES</b>	<b>1.0 %</b>	<b>1.0 %</b>	<b>1.0 %</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

Table 23

## ANNUAL PERCENTAGE CHANGE IN TANF CASH ASSISTANCE EXPENDITURES

Region/State	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	1.8 %	1.9 %	1.9 %	5.3 %	1.9 %	2.9 %
Maine	3.5	5.8	4.2	-2.5	-5.5	-3.5
Massachusetts	6.4	—	6.4	-23.1	—	-14.0
New Hampshire	-3.3	24.3	11.9	13.8	-8.7	0.0
Rhode Island	-78.9	32.4	-5.4	-100.0	26.5	17.0
Vermont	0.0	7.4	4.8	0.0	20.7	13.6
<b>MID-ATLANTIC</b>						
Delaware	260.0	-92.9	0.0	-11.1	2,100.0	100.0
Maryland	7.7	14.9	14.0	328.6	-25.9	12.3
New Jersey	-38.5	11.8	5.7	0.0	0.0	0.0
New York	-15.6	18.9	15.9	56.6	4.8	8.0
Pennsylvania	1.5	24.4	11.4	-0.9	28.8	13.3
<b>GREAT LAKES</b>						
Illinois	24.1	-31.8	8.8	11.1	20.0	12.6
Indiana	0.0	0.0	0.0	14.7	19.0	18.1
Michigan	-7.1	—	0.0	-84.9	1,180.8	5.5
Ohio	-4.2	0.3	-0.6	-37.5	-21.9	-25.0
Wisconsin	14.3	-20.0	2.3	31.3	50.0	36.4
<b>PLAINS</b>						
Iowa	3.6	-8.9	-2.0	-25.9	24.4	-5.1
Kansas	0.0	-16.7	-6.3	-20.0	80.0	13.3
Minnesota	-27.6	14.6	6.6	69.0	0.7	9.5
Missouri	-64.7	7.9	-2.5	33.3	2.8	4.3
Nebraska	-19.4	15.0	-5.9	0.0	17.4	8.3
North Dakota	-44.4	400.0	0.0	80.0	-100.0	-10.0
South Dakota	0.0	-5.0	-3.4	0.0	5.3	3.6
<b>SOUTHEAST</b>						
Alabama	-11.1	6.3	2.4	0.0	0.0	0.0
Arkansas	36.4	5.2	10.1	0.0	37.7	30.3
Florida	0.0	65.6	13.4	0.0	69.8	20.8
Georgia	-11.3	-21.3	-18.5	16.1	4.5	8.0
Kentucky	0.0	18.1	10.2	1.4	20.7	13.1
Louisiana	-60.9	-5.8	-13.8	-100.0	7.8	0.7
Mississippi	-50.0	16.0	11.1	100.0	-37.9	-33.3
North Carolina	0.0	-3.2	-2.4	-100.0	-100.0	-100.0
South Carolina	-200.0	21.9	15.2	-100.0	7.7	10.5
Tennessee	21.1	7.4	9.6	4.3	116.7	96.0
Virginia	-32.3	57.5	1.9	9.1	23.8	17.8
West Virginia	0.0	86.8	58.2	3.8	5.1	4.8
<b>SOUTHWEST</b>						
Arizona	-41.2	88.2	-4.2	-72.0	17.2	-21.9
New Mexico	-11.1	30.6	27.5	-12.5	4.8	3.9
Oklahoma	-5.0	-6.8	-6.1	2.6	11.6	8.4
Texas	3.0	-15.9	-4.5	-2.9	5.4	0.0
<b>ROCKY MOUNTAIN</b>						
Colorado	—	—	—	—	—	—
Idaho	—	0.0	0.0	—	0.0	0.0
Montana	0.0	4.0	2.6	-14.3	-3.8	-7.5
Utah	89.5	39.3	51.3	-5.6	3.5	0.8
Wyoming	—	—	—	—	—	—
<b>FAR WEST</b>						
Alaska	0.0	0.0	0.0	0.0	33.3	8.3
California	29.8	-5.3	5.0	3.5	12.4	9.2
Hawaii	3.7	-5.3	-1.5	0.0	0.0	0.0
Nevada	-7.4	34.8	12.0	0.0	0.0	0.0
Oregon	18.9	17.4	18.1	-14.8	66.3	28.6
Washington	-38.0	99.0	16.1	62.2	-8.3	14.5
<b>ALL STATES</b>	<b>5.8 %</b>	<b>5.9 %</b>	<b>5.9 %</b>	<b>-5.5 %</b>	<b>9.1 %</b>	<b>4.4 %</b>

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

Source: National Association of State Budget Officers, 2009 State Expenditure Report

Table 24

## OTHER CASH ASSISTANCE EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2008				Actual Fiscal 2009				Estimated Fiscal 2010			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
<b>NEW ENGLAND</b>												
Connecticut	\$104	\$0	\$0	\$104	\$110	\$0	\$0	\$110	\$112	\$0	\$0	\$112
Maine	17	20	0	37	19	21	0	40	20	19	0	39
Massachusetts	886	14	0	900	902	113	0	1,015	830	505	0	1,335
New Hampshire	8	0	7	15	20	0	0	20	25	0	0	25
Rhode Island	44	44	0	88	34	44	0	78	30	40	0	70
Vermont	17	28	4	49	13	50	0	63	13	33	0	46
<b>MID-ATLANTIC</b>												
Delaware	4	0	1	5	5	0	1	6	6	1	1	8
Maryland	27	410	7	444	35	587	6	628	42	671	6	719
New Jersey	221	66	0	287	247	77	0	324	266	87	0	353
New York	1,199	0	0	1,199	930	0	0	930	917	0	0	917
Pennsylvania	265	331	26	622	271	465	26	762	298	487	2	787
<b>GREAT LAKES</b>												
Illinois	42	2	0	44	44	3	0	47	36	2	0	38
Indiana	43	116	0	159	43	116	0	159	37	141	2	180
Michigan*	104	15	9	128	99	14	15	128	110	17	10	137
Ohio	27	0	0	27	25	0	0	25	25	0	0	25
Wisconsin	3	55	0	58	2	49	0	51	4	47	9	60
<b>PLAINS</b>												
Iowa	17	0	18	35	18	0	0	18	16	0	3	19
Kansas	9	0	0	9	9	0	0	9	4	0	0	4
Minnesota	70	0	0	70	77	0	0	77	77	0	0	77
Missouri	26	0	24	50	25	0	27	52	25	0	29	54
Nebraska	6	1	0	7	6	1	0	7	7	2	0	9
North Dakota	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
<b>SOUTHEAST</b>												
Alabama	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	126	168	13	307	127	156	14	297	130	259	21	410
Florida	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
Kentucky	0	0	0	0	0	0	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0	0	0	0	55	0	55
Mississippi	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
South Carolina	23	0	19	42	24	0	0	24	20	0	0	20
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	3	35	0	38	3	84	0	87	3	93	0	96
West Virginia*	3	0	0	3	5	0	0	5	5	0	0	5
<b>SOUTHWEST</b>												
Arizona	2	0	0	2	2	0	0	2	0	0	0	0
New Mexico	8	0	0	8	9	0	0	9	7	0	0	7
Oklahoma	38	41	0	79	39	48	0	87	39	57	0	96
Texas	2	58	0	60	37	206	0	243	0	302	0	302
<b>ROCKY MOUNTAIN</b>												
Colorado	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	9	0	0	9	9	0	0	9	9	0	0	9
Montana	0	0	0	0	0	0	0	0	0	0	0	0
Utah	9	0	0	9	10	0	0	10	7	0	0	7
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
<b>FAR WEST</b>												
Alaska	66	1	17	84	72	1	18	91	73	1	18	92
California	4,236	554	12	4,802	4,194	606	11	4,811	3,565	736	9	4,310
Hawaii	28	0	0	28	29	0	0	29	29	0	0	29
Nevada	7	0	0	7	7	0	0	7	7	0	0	7
Oregon	2	4	0	6	1	7	0	8	0	7	0	7
Washington	144	1	0	145	100	2	0	102	141	2	0	143
<b>TOTAL</b>	<b>\$7,845</b>	<b>\$1,964</b>	<b>\$157</b>	<b>\$9,966</b>	<b>\$7,602</b>	<b>\$2,650</b>	<b>\$118</b>	<b>\$10,370</b>	<b>\$6,935</b>	<b>\$3,564</b>	<b>\$110</b>	<b>\$10,609</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See Public Assistance Notes for explanation

Table 25

**OTHER CASH ASSISTANCE EXPENDITURES AS A PERCENT OF  
TOTAL EXPENDITURES**

Region/State	Fiscal 2008	Fiscal 2009	Fiscal 2010
<b>NEW ENGLAND</b>			
Connecticut	0.4 %	0.4 %	0.4 %
Maine	0.5	0.5	0.5
Massachusetts	2.1	2.1	2.5
New Hampshire	0.3	0.4	0.5
Rhode Island	1.2	1.1	0.9
Vermont	0.9	1.1	0.8
<b>MID-ATLANTIC</b>			
Delaware	0.1	0.1	0.1
Maryland	1.5	2.0	2.2
New Jersey	0.6	0.7	0.7
New York	1.0	0.8	0.7
Pennsylvania	1.1	1.2	1.1
<b>GREAT LAKES</b>			
Illinois	0.1	0.1	0.1
Indiana	0.7	0.6	0.7
Michigan	0.3	0.3	0.3
Ohio	0.0	0.0	0.0
Wisconsin	0.2	0.1	0.1
<b>PLAINS</b>			
Iowa	0.2	0.1	0.1
Kansas	0.1	0.1	0.0
Minnesota	0.2	0.3	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	0.0
<b>SOUTHEAST</b>			
Alabama	0.0	0.0	0.0
Arkansas	1.8	1.6	2.0
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	0.2
Mississippi	0.0	0.0	0.0
North Carolina	0.0	0.0	0.0
South Carolina	0.2	0.1	0.1
Tennessee	0.0	0.0	0.0
Virginia	0.1	0.2	0.2
West Virginia	0.0	0.0	0.0
<b>SOUTHWEST</b>			
Arizona	0.0	0.0	0.0
New Mexico	0.1	0.1	0.0
Oklahoma	0.4	0.4	0.4
Texas	0.1	0.3	0.3
<b>ROCKY MOUNTAIN</b>			
Colorado	0.0	0.0	0.0
Idaho	0.2	0.1	0.1
Montana	0.0	0.0	0.0
Utah	0.1	0.1	0.1
Wyoming	0.0	0.0	0.0
<b>FAR WEST</b>			
Alaska	0.7	0.7	0.9
California	2.5	2.5	2.0
Hawaii	0.3	0.2	0.3
Nevada	0.1	0.1	0.1
Oregon	0.0	0.0	0.0
Washington	0.5	0.3	0.4
<b>ALL STATES</b>	<b>0.7 %</b>	<b>0.7 %</b>	<b>0.7 %</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report



Table 26

## ANNUAL PERCENTAGE CHANGE IN OTHER CASH ASSISTANCE EXPENDITURES

Region/State	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	5.8 %	— %	5.8 %	1.8 %	— %	1.8 %
Maine	11.8	5.0	8.1	5.3	-9.5	-2.5
Massachusetts	1.8	707.1	12.8	-8.0	346.9	31.5
New Hampshire	33.3	—	33.3	25.0	—	25.0
Rhode Island	-22.7	0.0	-11.4	-11.8	-9.1	-10.3
Vermont	-38.1	78.6	28.6	0.0	-34.0	-27.0
<b>MID-ATLANTIC</b>						
Delaware	20.0	—	20.0	16.7	—	33.3
Maryland	20.6	43.2	41.4	17.1	14.3	14.5
New Jersey	11.8	16.7	12.9	7.7	13.0	9.0
New York	-22.4	—	-22.4	-1.4	—	-1.4
Pennsylvania	2.1	40.5	22.5	1.0	4.7	3.3
<b>GREAT LAKES</b>						
Illinois	4.8	50.0	6.8	-18.2	-33.3	-19.1
Indiana	0.0	0.0	0.0	-9.3	21.6	13.2
Michigan	0.9	-6.7	0.0	5.3	21.4	7.0
Ohio	-7.4	—	-7.4	0.0	—	0.0
Wisconsin	-33.3	-10.9	-12.1	550.0	-4.1	17.6
<b>PLAINS</b>						
Iowa	-48.6	—	-48.6	5.6	—	5.6
Kansas	0.0	—	0.0	-55.6	—	-55.6
Minnesota	10.0	—	10.0	0.0	—	0.0
Missouri	4.0	—	4.0	3.8	—	3.8
Nebraska	0.0	0.0	0.0	16.7	100.0	28.6
North Dakota	—	—	—	—	—	—
South Dakota	—	—	—	—	—	—
<b>SOUTHEAST</b>						
Alabama	—	—	—	—	—	—
Arkansas	1.4	-7.1	-3.3	7.1	66.0	38.0
Florida	—	—	—	—	—	—
Georgia	—	—	—	—	—	—
Kentucky	—	—	—	—	—	—
Louisiana	—	—	—	—	—	—
Mississippi	—	—	—	—	—	—
North Carolina	—	—	—	—	—	—
South Carolina	-42.9	—	-42.9	-16.7	—	-16.7
Tennessee	—	—	—	—	—	—
Virginia	0.0	140.0	128.9	0.0	10.7	10.3
West Virginia	66.7	—	66.7	0.0	—	0.0
<b>SOUTHWEST</b>						
Arizona	0.0	—	0.0	-100.0	—	-100.0
New Mexico	12.5	—	12.5	-22.2	—	-22.2
Oklahoma	2.6	17.1	10.1	0.0	18.8	10.3
Texas	1,750.0	255.2	305.0	-100.0	46.6	24.3
<b>ROCKY MOUNTAIN</b>						
Colorado	—	—	—	—	—	—
Idaho	0.0	—	0.0	0.0	—	0.0
Montana	—	—	—	—	—	—
Utah	11.1	—	11.1	-30.0	—	-30.0
Wyoming	—	—	—	—	—	—
<b>FAR WEST</b>						
Alaska	8.4	0.0	8.3	1.1	0.0	1.1
California	-1.0	9.4	0.2	-15.0	21.5	-10.4
Hawaii	3.6	—	3.6	0.0	—	0.0
Nevada	0.0	—	0.0	0.0	—	0.0
Oregon	-50.0	75.0	33.3	-100.0	0.0	-12.5
Washington	-30.6	100.0	-29.7	41.0	0.0	40.2
<b>ALL STATES</b>	<b>-3.5 %</b>	<b>34.9 %</b>	<b>4.1 %</b>	<b>-8.7 %</b>	<b>34.5 %</b>	<b>2.3 %</b>

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

Source: National Association of State Budget Officers, 2009 State Expenditure Report

## Public Assistance 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.

**Colorado:** All expenditures conform to state accounting records as reported in the Colorado financial reports. Public Assistance is not reported individually in the CAFR and is not broken out in the report; Public Assistance spending is included in All Other.

**Connecticut:** Public Assistance figures exclude medical assistance under the State Administered General Assistance Program. Amounts for that purpose were \$171 million in fiscal 2008, \$188 million in fiscal 2009, and \$182 million in fiscal 2010.

**Michigan:** "Other Cash Assistance" figures do not include expenditures for child development and care programs, a large part of Michigan's public assistance program. Child development and care expenditures total \$389.2 million in fiscal 2008; \$316.6 million in fiscal 2009; and estimated at \$243.1 million in fiscal 2010. Actual ARRA expenditures will be recorded with the fiscal 2010 annual financial report.

**North Carolina:** North Carolina was unable to provide TANF figures for estimated fiscal 2010.

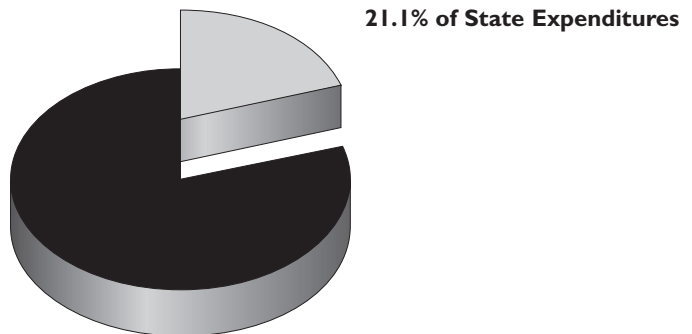
**North Dakota:** TANF – Cash Assistance includes only the direct cash benefit.

**West Virginia:** The Other Cash Assistance figures include Non-TANF EA expenditures which total approximately \$475,000 to \$600,000 per year and the WV Works Separate State program costs for two-parent families and college. The expenditures for the Two-Parent Families program were \$1,870,761 in fiscal 2008, \$3,300,000 in fiscal 2009 and an estimated \$3,600,000 in fiscal 2010. For the College Assistance program, the expenditures were approximately \$1,006,857 in fiscal 2008, \$1,281,606 in fiscal 2009 and an estimated \$1,200,000 in fiscal 2010. These programs are not claimed on the TANF report and are 100% state funded. The total Other Cash Assistance expenditures are approximately \$3,477,618 for fiscal 2008, \$5,181,606 for fiscal 2009, and an estimated \$4,800,000 for fiscal 2010.

## CHAPTER FOUR

# 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 60 million low-income individuals.

Total Medicaid spending in fiscal 2009 was \$327.1 billion, excluding administrative costs, which represents a 7.8 percent increase over fiscal 2008. State funds decreased by 3 percent and federal funds increased by 16.6 percent over fiscal 2008 amounts.

Medicaid spending for fiscal 2010 is estimated at \$353.8 billion, an increase of 8.2 percent over fiscal 2009. State funds decreased by an estimated 1 percent while federal funds increased by 14.4 percent over fiscal 2009 amounts. Declines in state funds for fiscal 2009 and fiscal 2010 represent the only declines in general fund state spending for Medicaid in the program's history.

The large increase in federal funds in both fiscal 2009 and fiscal 2010 is attributable to the enactment of the *American Recovery and Reinvestment Act of 2009 (ARRA)* which provides a temporary increase in the Federal Medicaid Assistance Percentage (FMAP). States estimate that \$19.4 billion in fiscal 2009 and \$35.3 billion in fiscal 2010 billion of the federal funds in Medicaid were attributable to the temporary increase in the FMAP under ARRA.

Under ARRA, all states receive a temporary increase in their FMAP as well as additional amounts for those states facing the highest unemployment rates. ARRA is estimated to provide approximately \$103.1 billion to states through the temporary increase in FMAP payments beginning October 2008 and now ending in June 2011—a six-month scaled back extension from what was originally enacted under ARRA. In order to receive the federal funds, maintenance of effort requirements (MOE) include not having more restrictive standards, methodologies and procedures in place than were in place July 1, 2008.

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 now part of 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 \$7 billion in fiscal 2008, \$6.9 billion in fiscal 2009, and are estimated at \$5.9 billion for fiscal 2010.

Medicaid spending accounted for 21.1 percent of *total* state spending in fiscal 2009. In fiscal 2010, it is estimated to be 21.8 percent of total spending, the single largest portion of total state spending.

**Medicaid Enrollment.** The downturn in the economy has resulted in significant increases in Medicaid enrollment as it has in previous economic slowdowns. Enrollment growth averaged 8.5 percent in fiscal 2010 with states projecting Medicaid enrollment to grow by 6.1 percent in fiscal 2011, according to the Kaiser Commission on Medicaid and the Uninsured.

**Medicaid Cost Containment.** Nearly every state implemented at least one new Medicaid policy to control spending in fiscal 2010 and fiscal 2011 with states turning to provider cuts more than any other area, according to the Kaiser Commission on Medicaid and the Uninsured's 2010 annual survey. Provider rates are linked to economic conditions and under budget pressure states are often forced to reduce rates until economic conditions improve. Based on the Kaiser Commission survey, 39 states in fiscal 2010 implemented a provider rate cut or freeze compared to 33 states in fiscal 2009. In fiscal 2011, 37 states have planned provider rate restrictions. In addition, 14 states have planned benefit restrictions in fiscal 2011 which include the elimination of covered benefits as well as the application of utilization controls or limits for existing benefits. As noted in the survey, 20 states implemented benefit restrictions in fiscal 2010, the largest number in one year since the survey began in 2001.

**Outlook: National Health Care Reform.** Under the *Affordable Care Act*, enacted in March 2010, Medicaid programs will be expanded to cover non-pregnant, non-elderly individuals with income up to 133 percent of the federal poverty level beginning in January 1, 2014. The cost for those newly eligible for coverage will be fully federally funded in calendar years 2014, 2015, and 2016 with federal financing phasing down to 90 percent by 2020. States are required to apply a 5 percent income disregard when determining Medicaid eligibility, effectively bringing the new Medicaid minimum eligibility level to 138 percent of the federal poverty level.

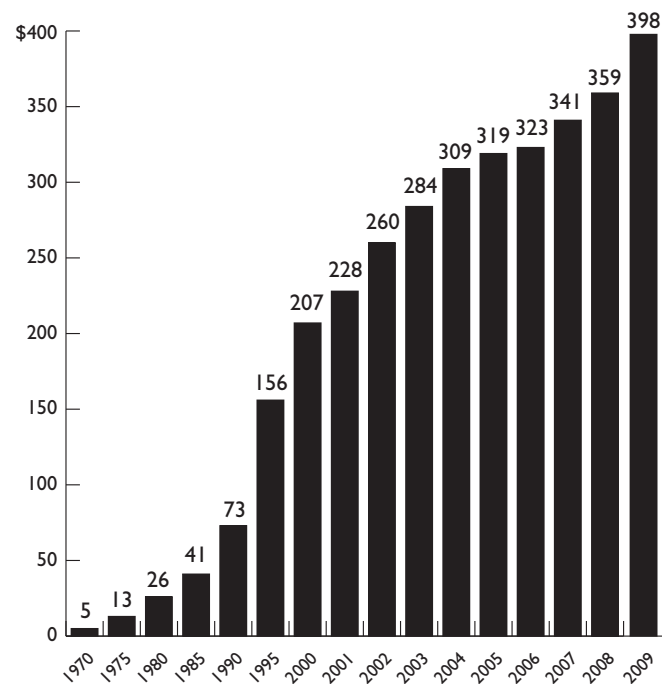
The *Affordable Care Act* imposes a maintenance of effort (MOE) requirement on eligibility standards, methodologies, and procedures for adults until an exchange is fully operational in 2014 and for children in Medicaid and CHIP through 2019. There is a limited exception during the period January 1, 2011 through December 31, 2013 for a state that certifies it has a budget deficit on or after December 31, 2010.

While the major expansions to cover the uninsured will not be taking place until January 1, 2014, other changes under national health care reform are affecting health care in states more immediately including: the maintenance of effort provisions for Medicaid and CHIP, a new option to cover childless adults in

Medicaid using the regular Medicaid match, changes to drug rebates under the Medicaid program, new long-term care options for community based care, the establishment of temporary high risk pools in each state until the exchanges are operational, and changes in the insurance markets in every state.

Figure 14, based on August 2010 projections by the Congressional Budget Office (CBO), assumes a 63 percent federal share of total Medicaid costs in 2009. Figures for 1990 and prior years are from the Federal Funds Information for States Issue Brief 94-14, Recent Trends in Medicaid Spending.

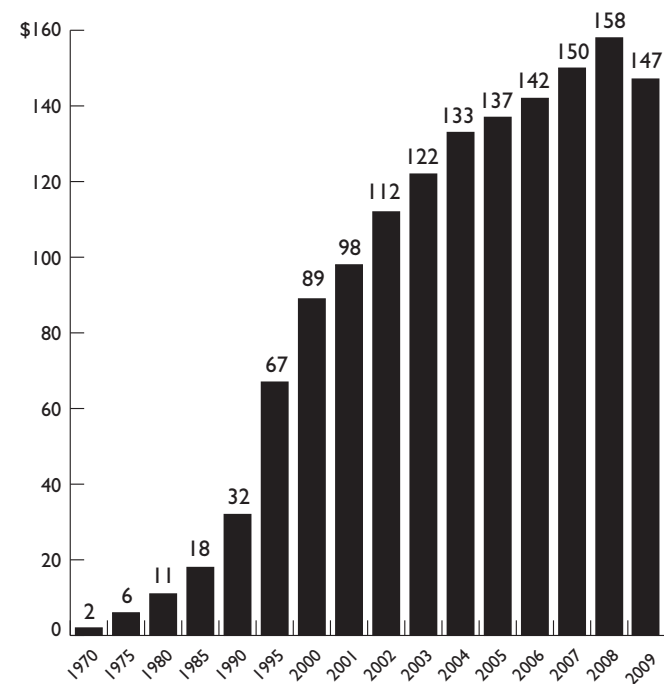
**Figure 14**  
**ACTUAL AND PROJECTED TOTAL MEDICAID SPENDING, 1970 TO 2009 (IN BILLIONS)**



Source: Congressional Budget Office and Federal Funds Information for States

Figure 15, also based on August 2010 projections by the CBO, again assumes a 63 percent federal share of total Medicaid costs. Figures for 1990 and prior years are from the Federal Funds Information for States Issue Brief 94-14, Recent Trends in Medicaid Spending.

**Figure 15**  
**ACTUAL AND PROJECTED STATE MEDICAID SPENDING, 1970 TO 2009 (IN BILLIONS)**



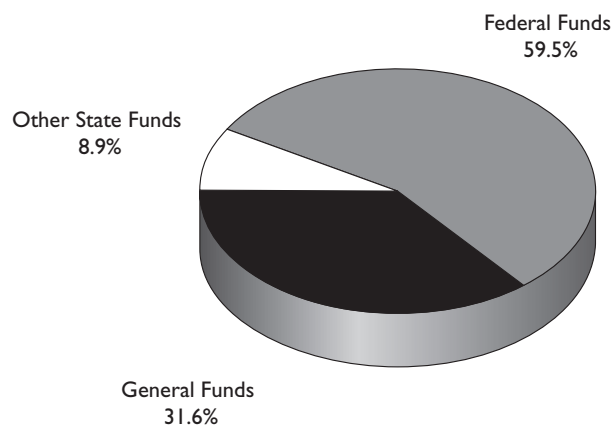
Source: Congressional Budget Office and Federal Funds Information for States

## Fund Shares

The figure below provides fund shares for 2009.

**Figure 16**

### STATE EXPENDITURES FOR MEDICAID BY FUND SOURCE, FISCAL 2009



## Regional Expenditures

The following table shows percentage changes in expenditures for Medicaid for fiscal 2008–2009 and 2009–2010 by region. For 2009, the Southwest region is well above the national average while the Mid-Atlantic region is below the national average.

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

**Table 27**

### REGIONAL PERCENTAGE CHANGE IN STATE MEDICAID EXPENDITURES, FISCAL 2008 AND 2009

Region	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	8.5%	22.7%	11.1%	1.4%	9.9%	3.2%
Mid-Atlantic	-6.1	14.8	5.7	-4.0	16.7	8.7
Great Lakes	-4.7	23.1	7.7	-9.5	17.0	4.0
Plains	0.9	12.2	6.8	-3.2	13.2	5.7
Southeast	-5.3	13.7	6.6	-6.3	14.7	7.7
Southwest	-2.0	29.2	18.1	-2.9	5.9	3.3
Rocky Mountain	-3.4	21.4	10.7	6.8	14.2	11.4
Far West	-4.1	13.9	7.2	20.9	14.3	16.5
<b>ALL STATES</b>	<b>-3.0 %</b>	<b>16.6 %</b>	<b>7.8 %</b>	<b>-1.0 %</b>	<b>14.4 %</b>	<b>8.2 %</b>

Table 28

## MEDICAID EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2008				Actual Fiscal 2009				Estimated Fiscal 2010			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
<b>NEW ENGLAND</b>												
Connecticut*	\$3,471	\$0	\$794	<b>\$4,265</b>	\$3,852	\$0	\$1,530	<b>\$5,382</b>	\$3,855	\$0	\$1,125	<b>\$4,980</b>
Maine	550	1,319	178	<b>2,047</b>	499	1,734	183	<b>2,416</b>	418	1,802	175	<b>2,395</b>
Massachusetts	8,247	0	0	<b>8,247</b>	8,679	0	0	<b>8,679</b>	9,465	0	0	<b>9,465</b>
New Hampshire	468	615	167	<b>1,250</b>	421	706	191	<b>1,318</b>	392	802	180	<b>1,374</b>
Rhode Island*	899	933	5	<b>1,837</b>	726	1,100	5	<b>1,831</b>	724	1,227	7	<b>1,958</b>
Vermont	199	595	209	<b>1,003</b>	175	707	219	<b>1,101</b>	149	837	227	<b>1,213</b>
<b>MID-ATLANTIC</b>												
Delaware	494	497	0	<b>991</b>	538	539	0	<b>1,077</b>	481	777	0	<b>1,258</b>
Maryland*	2,578	2,828	219	<b>5,625</b>	2,261	3,576	375	<b>6,212</b>	2,005	4,098	558	<b>6,661</b>
New Jersey	4,734	4,640	134	<b>9,508</b>	4,230	5,323	129	<b>9,682</b>	4,111	6,007	136	<b>10,254</b>
New York	8,568	19,102	3,370	<b>31,040</b>	7,689	21,310	3,429	<b>32,428</b>	6,296	26,060	4,669	<b>37,025</b>
Pennsylvania	6,488	9,596	1,701	<b>17,785</b>	6,312	11,348	1,604	<b>19,264</b>	5,523	12,188	1,716	<b>19,427</b>
<b>GREAT LAKES</b>												
Illinois	4,491	6,496	2,837	<b>13,824</b>	4,345	7,563	2,440	<b>14,348</b>	3,793	9,292	2,466	<b>15,551</b>
Indiana*	1,537	3,335	380	<b>5,252</b>	1,225	3,986	384	<b>5,595</b>	1,186	4,554	432	<b>6,172</b>
Michigan*	2,308	5,680	1,762	<b>9,750</b>	1,554	7,359	1,629	<b>10,542</b>	1,425	8,586	1,518	<b>11,529</b>
Ohio	9,346	2,480	1,338	<b>13,164</b>	10,237	2,886	928	<b>14,051</b>	8,613	2,992	1,049	<b>12,654</b>
Wisconsin	1,703	2,896	264	<b>4,863</b>	1,082	3,914	930	<b>5,926</b>	1,220	4,665	701	<b>6,586</b>
<b>PLAINS</b>												
Iowa	661	1,641	590	<b>2,892</b>	588	1,889	655	<b>3,132</b>	590	2,148	632	<b>3,370</b>
Kansas	871	1,395	106	<b>2,372</b>	820	1,522	81	<b>2,423</b>	727	1,686	96	<b>2,509</b>
Minnesota	3,188	3,252	0	<b>6,440</b>	3,046	3,581	0	<b>6,627</b>	2,822	3,891	61	<b>6,774</b>
Missouri*	1,375	3,005	2,287	<b>6,667</b>	1,427	3,404	2,652	<b>7,483</b>	1,422	4,020	2,629	<b>8,071</b>
Nebraska	634	890	20	<b>1,544</b>	577	1,009	22	<b>1,608</b>	532	1,095	22	<b>1,649</b>
North Dakota	190	352	2	<b>544</b>	166	384	4	<b>554</b>	190	469	6	<b>665</b>
South Dakota	261	440	0	<b>701</b>	239	529	0	<b>768</b>	219	631	0	<b>850</b>
<b>SOUTHEAST</b>												
Alabama*	471	2,899	1,030	<b>4,400</b>	622	3,212	1,214	<b>5,048</b>	701	3,250	906	<b>4,857</b>
Arkansas	615	2,494	322	<b>3,431</b>	657	2,625	295	<b>3,577</b>	609	3,302	250	<b>4,161</b>
Florida	4,453	8,114	2,355	<b>14,922</b>	3,428	9,693	2,766	<b>15,887</b>	3,018	11,993	3,799	<b>18,810</b>
Georgia	2,370	4,488	393	<b>7,251</b>	1,802	5,354	436	<b>7,592</b>	1,753	5,600	321	<b>7,674</b>
Kentucky	1,133	3,362	410	<b>4,905</b>	1,020	4,152	337	<b>5,509</b>	811	4,499	383	<b>5,693</b>
Louisiana	871	4,278	631	<b>5,780</b>	1,114	4,793	262	<b>6,169</b>	900	5,246	480	<b>6,626</b>
Mississippi	317	2,629	547	<b>3,493</b>	314	3,256	737	<b>4,307</b>	166	3,210	879	<b>4,255</b>
North Carolina	2,915	6,395	1,684	<b>10,994</b>	2,766	6,672	1,283	<b>10,721</b>	2,319	8,113	1,364	<b>11,796</b>
South Carolina	906	3,006	471	<b>4,383</b>	589	3,625	634	<b>4,848</b>	521	3,929	555	<b>5,005</b>
Tennessee*	2,525	4,675	297	<b>7,497</b>	2,588	4,514	287	<b>7,389</b>	1,917	5,536	231	<b>7,684</b>
Virginia	2,756	2,587	0	<b>5,343</b>	2,903	3,176	0	<b>6,079</b>	2,590	3,963	1	<b>6,554</b>
West Virginia	389	1,633	239	<b>2,261</b>	309	1,885	239	<b>2,433</b>	217	2,090	244	<b>2,551</b>
<b>SOUTHWEST</b>												
Arizona	1,285	3,815	546	<b>5,646</b>	1,239	5,971	762	<b>7,972</b>	1,187	5,608	868	<b>7,663</b>
New Mexico	761	2,127	86	<b>2,974</b>	641	2,430	115	<b>3,186</b>	567	2,683	113	<b>3,363</b>
Oklahoma	951	2,354	338	<b>3,643</b>	903	2,626	439	<b>3,968</b>	681	3,105	417	<b>4,203</b>
Texas	2,554	3,607	66	<b>6,227</b>	2,270	4,354	86	<b>6,710</b>	2,379	4,885	58	<b>7,322</b>
<b>ROCKY MOUNTAIN</b>												
Colorado	1,469	1,721	437	<b>3,627</b>	1,355	2,176	522	<b>4,053</b>	1,116	2,539	1,115	<b>4,770</b>
Idaho	368	848	85	<b>1,301</b>	331	1,013	97	<b>1,441</b>	288	1,116	102	<b>1,506</b>
Montana*	165	531	57	<b>753</b>	142	642	57	<b>841</b>	137	728	65	<b>930</b>
Utah	328	1,059	191	<b>1,578</b>	265	1,215	243	<b>1,723</b>	229	1,377	205	<b>1,811</b>
Wyoming	247	257	0	<b>504</b>	220	317	0	<b>537</b>	196	363	0	<b>559</b>
<b>FAR WEST</b>												
Alaska	348	612	11	<b>971</b>	329	682	7	<b>1,018</b>	314	789	17	<b>1,120</b>
California	12,708	24,857	726	<b>38,291</b>	11,707	27,990	538	<b>40,235</b>	11,170	32,147	5,009	<b>48,326</b>
Hawaii	505	740	0	<b>1,245</b>	447	884	0	<b>1,331</b>	499	957	0	<b>1,456</b>
Nevada	455	684	0	<b>1,139</b>	475	858	0	<b>1,333</b>	403	961	0	<b>1,364</b>
Oregon	873	1,902	322	<b>3,097</b>	711	2,425	369	<b>3,505</b>	681	2,880	387	<b>3,948</b>
Washington	2,954	3,219	50	<b>6,223</b>	3,528	3,633	62	<b>7,223</b>	3,415	3,950	75	<b>7,440</b>
<b>ALL STATES</b>	<b>\$108,953</b>	<b>\$166,880</b>	<b>\$27,657</b>	<b>\$303,490</b>	<b>\$103,363</b>	<b>\$194,542</b>	<b>\$29,177</b>	<b>\$327,082</b>	<b>\$94,942</b>	<b>\$222,646</b>	<b>\$36,249</b>	<b>\$353,837</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See Medicaid Notes for explanation

**Table 29**

**MEDICAID EXPENDITURES AS A PERCENT OF  
TOTAL EXPENDITURES**

Region/State	Fiscal 2008	Fiscal 2009	Fiscal 2010
<b>NEW ENGLAND</b>			
Connecticut	17.6 %	20.9 %	19.1 %
Maine	27.6	29.9	29.0
Massachusetts	18.8	17.7	17.7
New Hampshire	26.0	26.5	25.1
Rhode Island	25.8	25.8	24.0
Vermont	18.9	19.6	20.8
<b>MID-ATLANTIC</b>			
Delaware	11.5	12.3	14.4
Maryland	18.5	19.5	19.9
New Jersey	19.5	20.7	20.9
New York	26.7	26.7	28.3
Pennsylvania	30.3	30.8	27.6
<b>GREAT LAKES</b>			
Illinois	31.0	30.9	32.8
Indiana	21.7	21.8	23.1
Michigan	22.2	23.0	25.2
Ohio	23.2	24.3	22.0
Wisconsin	13.5	15.4	16.4
<b>PLAINS</b>			
Iowa	17.9	17.9	18.2
Kansas	18.7	17.4	17.3
Minnesota	22.6	22.2	21.5
Missouri	31.1	32.4	32.5
Nebraska	17.7	17.6	17.2
North Dakota	15.1	14.1	14.1
South Dakota	21.8	21.7	22.6
<b>SOUTHEAST</b>			
Alabama	22.2	25.5	19.9
Arkansas	20.3	19.7	20.5
Florida	23.2	26.2	28.3
Georgia	18.8	19.5	19.9
Kentucky	21.3	22.9	22.0
Louisiana	20.0	24.0	22.4
Mississippi	22.5	26.4	22.0
North Carolina	26.4	24.9	37.1
South Carolina	21.1	23.0	22.2
Tennessee	28.8	25.4	26.4
Virginia	15.1	15.2	16.1
West Virginia	12.1	11.9	12.6
<b>SOUTHWEST</b>			
Arizona	22.4	29.4	27.9
New Mexico	20.9	20.5	23.4
Oklahoma	17.6	18.5	19.5
Texas	7.7	7.5	7.5
<b>ROCKY MOUNTAIN</b>			
Colorado	14.4	14.1	16.4
Idaho	21.9	22.8	21.1
Montana	14.1	15.2	15.4
Utah	13.9	14.6	14.0
Wyoming	10.2	7.0	7.3
<b>FAR WEST</b>			
Alaska	8.3	7.5	11.5
California	19.7	20.6	22.2
Hawaii	11.2	11.3	13.3
Nevada	12.3	14.7	17.3
Oregon	14.0	14.3	14.1
Washington	19.6	21.4	22.9
<b>ALL STATES</b>	<b>20.5 %</b>	<b>21.1 %</b>	<b>21.8 %</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report



Table 30

## ANNUAL PERCENTAGE CHANGE IN MEDICAID EXPENDITURES

Region/State	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	26.2 %	— %	26.2 %	-7.5 %	— %	-7.5 %
Maine	-6.3	31.5	18.0	-13.0	3.9	-0.9
Massachusetts	5.2	—	5.2	9.1	—	9.1
New Hampshire	-3.6	14.8	5.4	-6.5	13.6	4.2
Rhode Island	-19.1	17.9	-0.3	0.0	11.5	6.9
Vermont	-3.4	18.8	9.8	-4.6	18.4	10.2
<b>MID-ATLANTIC</b>						
Delaware	8.9	8.5	8.7	-10.6	44.2	16.8
Maryland	-5.8	26.4	10.4	-2.8	14.6	7.2
New Jersey	-10.5	14.7	1.8	-2.6	12.8	5.9
New York	-6.9	11.6	4.5	-1.4	22.3	14.2
Pennsylvania	-3.3	18.3	8.3	-8.6	7.4	0.8
<b>GREAT LAKES</b>						
Illinois	-7.4	16.4	3.8	-7.8	22.9	8.4
Indiana	-16.1	19.5	6.5	0.6	14.2	10.3
Michigan	-21.8	29.6	8.1	-7.5	16.7	9.4
Ohio	4.5	16.4	6.7	-13.5	3.7	-9.9
Wisconsin	2.3	35.2	21.9	-4.5	19.2	11.1
<b>PLAINS</b>						
Iowa	-0.6	15.1	8.3	-1.7	13.7	7.6
Kansas	-7.8	9.1	2.2	-8.7	10.8	3.5
Minnesota	-4.5	10.1	2.9	-5.4	8.7	2.2
Missouri	11.4	13.3	12.2	-0.7	18.1	7.9
Nebraska	-8.4	13.4	4.1	-7.5	8.5	2.5
North Dakota	-11.5	9.1	1.8	15.3	22.1	20.0
South Dakota	-8.4	20.2	9.6	-8.4	19.3	10.7
<b>SOUTHEAST</b>						
Alabama	22.3	10.8	14.7	-12.5	1.2	-3.8
Arkansas	1.6	5.3	4.3	-9.8	25.8	16.3
Florida	-9.0	19.5	6.5	10.1	23.7	18.4
Georgia	-19.0	19.3	4.7	-7.3	4.6	1.1
Kentucky	-12.1	23.5	12.3	-12.0	8.4	3.3
Louisiana	-8.4	12.0	6.7	0.3	9.5	7.4
Mississippi	21.6	23.8	23.3	-0.6	-1.4	-1.2
North Carolina	-12.0	4.3	-2.5	-9.0	21.6	10.0
South Carolina	-11.2	20.6	10.6	-12.0	8.4	3.2
Tennessee	1.9	-3.4	-1.4	-25.3	22.6	4.0
Virginia	5.3	22.8	13.8	-10.7	24.8	7.8
West Virginia	-12.7	15.4	7.6	-15.9	10.9	4.8
<b>SOUTHWEST</b>						
Arizona	9.3	56.5	41.2	2.7	-6.1	-3.9
New Mexico	-10.7	14.2	7.1	-10.1	10.4	5.6
Oklahoma	4.1	11.6	8.9	-18.2	18.2	5.9
Texas	-10.1	20.7	7.8	3.4	12.2	9.1
<b>ROCKY MOUNTAIN</b>						
Colorado	-1.5	26.4	11.7	18.9	16.7	17.7
Idaho	-5.5	19.5	10.8	-8.9	10.2	4.5
Montana	-10.4	20.9	11.7	1.5	13.4	10.6
Utah	-2.1	14.7	9.2	-14.6	13.3	5.1
Wyoming	-10.9	23.3	6.5	-10.9	14.5	4.1
<b>FAR WEST</b>						
Alaska	-6.4	11.4	4.8	-1.5	15.7	10.0
California	-8.9	12.6	5.1	32.1	14.9	20.1
Hawaii	-11.5	19.5	6.9	11.6	8.3	9.4
Nevada	4.4	25.4	17.0	-15.2	12.0	2.3
Oregon	-9.6	27.5	13.2	-1.1	18.8	12.6
Washington	19.5	12.9	16.1	-2.8	8.7	3.0
<b>ALL STATES</b>	<b>-3.0 %</b>	<b>16.6 %</b>	<b>7.8 %</b>	<b>-1.0 %</b>	<b>14.4 %</b>	<b>8.2 %</b>

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2009 State Expenditure Report

## Medicaid 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 Health Care Finance Administration). Federal Funds: all federal matching funds provided pursuant to Title XIX.

As noted above, the figures reported as Other State Funds reflect the amounts reported as provider taxes, fees, donations, assessments and local funds by states. State Medicaid agencies report these amounts to the Health Care Financing Administration (HCFA) on form 37, as defined by the Medicaid Voluntary Contribution and Provider-specific Tax Amendments of 1991 (PL 102-234). However, some state budget offices are unable to align their financial reporting to separate these costs for the NASBO *State Expenditure Report*. Thus, this report does not capture 100 percent of state provider taxes, fees, donations, assessments and local funds. 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.

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

**Alabama:** Fiscal 2008 through fiscal 2010 Other State Funds includes provider taxes in the amounts of \$59 million, \$59 million, and \$66 million, respectively.

**Connecticut:** Medicaid appropriation is “gross funded” — Federal funds are deposited directly to the State Treasury. Connecticut’s FMAP is currently at 50 percent, excluding enhanced FMAP available under ARRA (\$403 million in fiscal 2009 and \$539 million in fiscal 2010). Excludes state portion of Qualified Medicare Beneficiaries and School Based Child Health as those expenditures are netted out of federal Medicaid reimbursement. Other State Funds in fiscal 2009 and fiscal 2010 includes retroactive adjustments for facilities at the Department of Developmental Services, which were claimed under the Medicaid program.

**Indiana:** As requested, expenditure figures for “2009 Actual and 2010 Estimated – Federal Funds” include American Recovery and Reinvestment Act (ARRA) expenditures. For “Medicaid”, these increased federal expenditures are partially offset by lower state general fund expenditures.

**Maryland:** Fiscal 2008 Other Funds include: \$106.7 million in tobacco settlement funds, \$65.0 million in HMO/MCO tax, \$25.8 million in nursing facility assessments, \$13.6 million in provider repayments of audit disallowance, \$7.0 million in local funds, and \$0.9 million in interest from trust fund. Fiscal 2009 Other Funds include: \$125.4 million in tobacco settlement funds, \$102.3 million in HMO/MCO tax, \$44.0 million in nursing facility assessments, \$83.8 million in Medicaid expansion fund, \$10.8 million in lottery over-attainment, \$7.7 million in local funds, and \$0.9 million in interest from trust fund. Fiscal 2010 Other Funds include: \$214.6 million in Medicaid expansion fund, \$117.5 million in tobacco settlement funds, \$115.7 million in HMO/MCO tax, \$45.8 million in hospital assessments, \$42.3 million in nursing facility assessments, \$12.1 million redirected from contributions from non-profit health plan, \$8.0 million in local funds, and \$1.5 million in interest from trust fund.

**Michigan:** Other state funds include local funds of \$101.0 million, and provider taxes of \$1,022.0 million for fiscal 2008; local funds of \$102.0 million and provider taxes of \$888.0 million for fiscal 2009; and local funds of \$78.0 million and provider taxes of \$743.0 million for fiscal 2010. The decline in provider assessment funds is due to federal ARRA FMAP increase and the elimination of the provider assessment program for HMOs as of April 1, 2009. Increases in federal revenue support are due to increases in federal ARRA/FMAP funding (\$1,042.0 million for fiscal 2009 and \$1,157.0 for fiscal 2010). Actual ARRA expenditures will be recorded with the fiscal 2010 annual financial report. Public health and community and institutional care for mentally and developmentally disabled persons are partially reported in the Medicaid totals.

**Missouri:** Medicaid data is based on total state Medicaid report. Other Funds include an estimated \$601 million in fiscal 2008, \$829 million in fiscal 2009 and \$708 million in fiscal 2010 of local funds used to match Title XIX. The Missouri Medicaid program was budgeted in fiscal years 2009 and 2010 based on the regular FMAP. Enhanced FMAP earned and claimed under ARRA provisions was deposited into a designated fund, Fund 2000, to comply with state law.

**Montana:** For fiscal 2009 and fiscal 2010, general fund decreased and federal funds increased due to ARRR enhanced FMAP rate.

**Rhode Island:** Commencing in fiscal 2009, federal expenditures for Medicaid are inclusive of “pass-through” financing for qualifying LEA-administered special education expenditures.

**Tennessee:** Regarding premium revenue: fiscal 2008 totals \$70 million, fiscal 2009 totals \$77 million, and fiscal 2010 totals \$221 million. Regarding Certified Public Expenditures – Local fund from

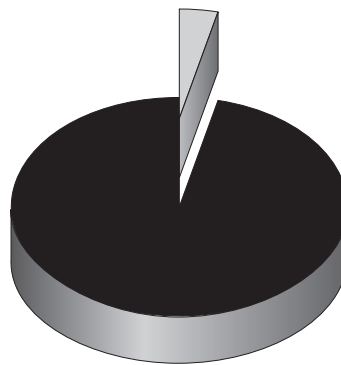
Hospitals: fiscal 2008 totals \$325 million, fiscal 2009 totals \$248 million, and fiscal 2010 totals \$198 million. Regarding Nursing Home Tax: fiscal 2008 totals \$85 million, fiscal 2009 totals \$84 million, and fiscal 2010 totals \$83 million. Regarding the ICF/MR 6 percent Gross Receipts Tax: fiscal 2008 totals \$12 million, fiscal 2009 totals \$21 million, and fiscal 2010 totals \$14 million. Regarding Intergovernmental Transfers: fiscal 2008 totals \$0 million, fiscal 2009 totals \$0 million, and fiscal 2010 totals \$0 million.



# CHAPTER FIVE

## CORRECTIONS EXPENDITURES

---



3.4% of State Expenditures

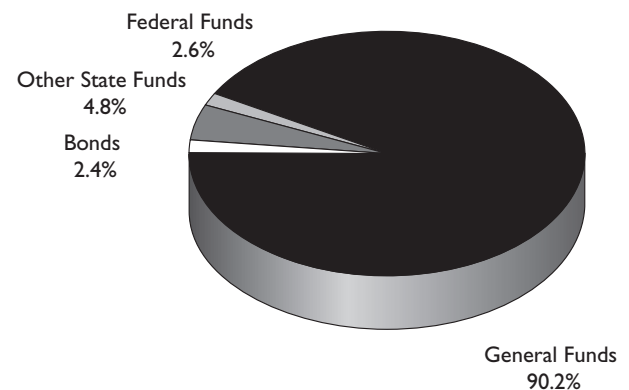
State spending on corrections reflects the costs to build and operate prison systems and may include spending on juvenile justice programs and alternatives to incarceration such as probation and parole. State spending for corrections totaled \$52.3 billion in fiscal 2009, a 0.9 percent increase compared to the previous year. The increase in spending is considerably less than the 6.2 percent spending increase in fiscal 2008. State spending on corrections in fiscal 2010 is estimated to total \$50.9 billion, a 2.8 percent decline from fiscal 2009. As with other areas of the state budget, spending growth on corrections slowed in fiscal 2009 and fiscal 2010 due to widespread revenue shortfalls. Some of the actions states took to rein in spending included closing prisons and other correctional facilities, the early release of prisoners, and employee furloughs.

In fiscal 2009, corrections spending represented 3.4 percent of total state spending and 7.2 percent of general fund spending. General fund dollars are used primarily to fund state corrections spending and account for \$47.2 billion, or 90.2 percent, of all fiscal 2009 state

corrections spending. State funds (general funds and other state funds combined, but excluding bonds) accounted for 95 percent of total state corrections spending in fiscal 2009. Federal funds accounted for 2.6 percent and bonds accounted for 2.4 percent. In fiscal 2010, state funds are estimated to remain by far the largest source of total state correction spending at 93.5 percent. However, in both fiscal 2009 and estimated fiscal 2010 the federal fund growth rate is much higher than that of state funds. Federal funds grew 64 percent in fiscal 2009 and are estimated to grow 44.9 percent in fiscal 2010. In contrast, state funds declined 0.7 percent in fiscal 2009 and are estimated to decline 4.3 percent in fiscal 2010. The large growth rate in federal funds is due to the *American Recovery and Reinvestment Act of 2009 (ARRA)* providing \$1.3 billion in corrections dollars in fiscal 2009 and an estimated \$1.8 billion in fiscal 2010.

Data on capital expenditures for corrections are displayed in Chapter Eight (Table 49).

**Figure 17**  
**STATE EXPENDITURES FOR CORRECTIONS BY**  
**FUND SOURCE, FISCAL 2009**



## Regional Expenditures

Table 31 shows changes in corrections expenditures by region between fiscal 2008 and fiscal 2009 and between fiscal 2009 and estimated fiscal 2010. Of note, fiscal 2009 corrections spending in the Far West region increased by 17.9 percent, well above the national average of 0.9 percent.

## Corrections-Expenditures Exclusions

Some states exclude certain items when reporting corrections expenditures. Twenty-one states wholly or partially excluded juvenile delinquency counseling from their corrections figures and fifteen states wholly or partially excluded spending on juvenile institutions. Seventeen states wholly or partially excluded spending on drug abuse rehabilitation centers and forty-one states wholly or partially excluded spending on institutions for the criminally insane. Twenty-two states wholly or partially excluded aid to local governments for jails. For details, see Table 36.

**Table 31**  
**REGIONAL PERCENTAGE CHANGE IN STATE CORRECTIONS EXPENDITURES,**  
**FISCAL 2009 AND 2010**

Region	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-1.5%	375.0%	1.1%	2.0%	-80.7%	-0.8%
Mid-Atlantic	-3.1	96.1	0.4	4.8	8.4	6.7
Great Lakes	-2.8	178.2	0.2	-0.6	-49.0	-2.7
Plains	2.7	-4.4	1.4	-3.7	255.8	9.7
Southeast	-1.2	13.7	1.4	-4.1	164.9	-2.3
Southwest	4.7	-35.9	3.5	-1.3	190.0	1.4
Rocky Mountain	16.4	180.0	17.9	-10.0	147.6	-6.4
Far West	-2.2	16.0	-2.0	-14.8	112.2	-14.1
<b>ALL STATES</b>	<b>-0.7 %</b>	<b>64.0 %</b>	<b>0.9 %</b>	<b>-4.3 %</b>	<b>44.9 %</b>	<b>-2.8 %</b>

Table 32

## CORRECTIONS EXPENDITURES—CAPITAL INCLUSIVE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2008					Actual Fiscal 2009					Estimated Fiscal 2010				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$697	\$3	\$0	\$3	<b>\$703</b>	\$710	\$1	\$0	\$24	<b>\$735</b>	\$664	\$2	\$0	\$2	<b>\$668</b>
Maine	152	3	2	0	<b>157</b>	160	2	2	0	<b>164</b>	158	3	2	0	<b>163</b>
Massachusetts	1,242	1	1	0	<b>1,244</b>	1,235	14	1	0	<b>1,250</b>	1,272	1	20	0	<b>1,293</b>
New Hampshire	101	1	3	1	<b>106</b>	87	17	3	3	<b>110</b>	98	1	4	3	<b>106</b>
Rhode Island	193	3	3	0	<b>199</b>	154	22	3	0	<b>179</b>	171	3	7	0	<b>181</b>
Vermont	122	1	5	3	<b>131</b>	121	1	6	2	<b>130</b>	128	1	7	0	<b>13</b>
<b>MID-ATLANTIC</b>															
Delaware	263	1	5	0	<b>269</b>	257	1	5	0	<b>263</b>	238	9	5	0	<b>252</b>
Maryland	1,194	11	75	51	<b>1,331</b>	1,235	80	62	35	<b>1,412</b>	1,168	115	145	84	<b>1,512</b>
New Jersey*	1,546	17	103	0	<b>1,666</b>	1,299	182	101	1	<b>1,583</b>	1,456	59	98	0	<b>1,613</b>
New York	2,871	182	62	254	<b>3,369</b>	2,807	167	85	279	<b>3,338</b>	3,035	117	68	264	<b>3,484</b>
Pennsylvania	1,834	21	84	36	<b>1,975</b>	1,843	25	93	90	<b>2,051</b>	1,856	193	95	224	<b>2,368</b>
<b>GREAT LAKES</b>															
Illinois	1,208	0	81	0	<b>1,289</b>	1,308	0	66	0	<b>1,374</b>	1,150	0	73	0	<b>1,223</b>
Indiana	669	0	65	0	<b>734</b>	690	0	63	0	<b>753</b>	708	1	53	0	<b>762</b>
Michigan*	2,173	92	75	3	<b>2,343</b>	1,938	306	61	0	<b>2,305</b>	2,061	133	83	1	<b>2,278</b>
Ohio	1,794	29	187	25	<b>2,035</b>	1,842	35	27	36	<b>1,940</b>	1,716	26	164	34	<b>1,940</b>
Wisconsin	1,076	3	138	0	<b>1,217</b>	1,125	4	136	0	<b>1,265</b>	1,080	16	128	0	<b>1,224</b>
<b>PLAINS</b>															
Iowa	353	1	59	4	<b>417</b>	363	1	61	1	<b>426</b>	329	0	86	216	<b>631</b>
Kansas	339	4	39	11	<b>393</b>	328	3	43	9	<b>383</b>	280	45	46	10	<b>381</b>
Minnesota	453	3	18	45	<b>519</b>	477	2	16	26	<b>521</b>	428	42	15	14	<b>499</b>
Missouri	555	19	37	2	<b>613</b>	587	10	42	0	<b>639</b>	626	4	47	0	<b>677</b>
Nebraska	197	2	23	0	<b>222</b>	189	2	26	0	<b>217</b>	159	35	26	0	<b>220</b>
North Dakota	62	3	7	0	<b>72</b>	67	4	6	0	<b>77</b>	73	4	8	0	<b>85</b>
South Dakota	81	13	7	0	<b>101</b>	77	21	8	0	<b>106</b>	77	23	6	0	<b>106</b>
<b>SOUTHEAST</b>															
Alabama	426	13	137	1	<b>577</b>	422	18	132	1	<b>573</b>	317	142	151	0	<b>610</b>
Arkansas	349	1	43	0	<b>393</b>	353	1	50	0	<b>404</b>	343	4	78	0	<b>425</b>
Florida*	2,825	86	137	0	<b>3,048</b>	2,730	83	127	30	<b>2,970</b>	2,672	49	198	170	<b>3,089</b>
Georgia	1,153	10	41	14	<b>1,218</b>	1,074	20	29	28	<b>1,151</b>	1,008	104	16	30	<b>1,158</b>
Kentucky	528	16	28	0	<b>572</b>	513	12	43	0	<b>568</b>	441	90	40	0	<b>571</b>
Louisiana	766	5	39	2	<b>812</b>	796	3	51	2	<b>852</b>	767	4	46	5	<b>822</b>
Mississippi	298	1	50	0	<b>349</b>	253	14	76	0	<b>343</b>	263	0	81	0	<b>344</b>
North Carolina	1,254	3	127	0	<b>1,384</b>	1,256	4	105	200	<b>1,565</b>	1,264	7	141	0	<b>1,412</b>
South Carolina*	487	11	129	2	<b>629</b>	471	7	130	0	<b>608</b>	405	38	128	0	<b>571</b>
Tennessee	607	1	47	35	<b>690</b>	682	1	102	4	<b>789</b>	621	48	47	0	<b>716</b>
Virginia	1,287	20	74	88	<b>1,469</b>	1,225	27	74	130	<b>1,456</b>	1,132	19	77	70	<b>1,298</b>
West Virginia	186	1	13	1	<b>201</b>	195	1	8	15	<b>219</b>	199	1	15	0	<b>215</b>
<b>SOUTHWEST</b>															
Arizona	894	30	102	0	<b>1,026</b>	922	15	91	0	<b>1,028</b>	934	67	54	0	<b>1,055</b>
New Mexico	271	3	17	0	<b>291</b>	289	1	23	1	<b>314</b>	265	20	22	1	<b>308</b>
Oklahoma	506	1	52	0	<b>559</b>	501	1	58	0	<b>560</b>	484	2	44	0	<b>530</b>
Texas	3,083	44	116	66	<b>3,309</b>	3,296	33	96	41	<b>3,466</b>	3,304	56	102	87	<b>3,549</b>
<b>ROCKY MOUNTAIN</b>															
Colorado	642	5	106	0	<b>753</b>	663	32	158	0	<b>853</b>	584	92	131	0	<b>807</b>
Idaho	206	6	29	3	<b>244</b>	199	6	21	2	<b>228</b>	180	7	38	0	<b>225</b>
Montana	157	1	10	0	<b>168</b>	166	1	13	0	<b>180</b>	167	2	11	0	<b>180</b>
Utah*	330	3	22	0	<b>355</b>	386	3	26	0	<b>415</b>	306	3	38	0	<b>347</b>
Wyoming	1	0	0	0	<b>1</b>	113	0	5	0	<b>118</b>	114	0	6	0	<b>120</b>
<b>FAR WEST</b>															
Alaska*	259	5	25	0	<b>289</b>	270	6	30	0	<b>306</b>	268	6	34	0	<b>308</b>
California	9,654	127	20	1	<b>9,802</b>	9,316	144	25	0	<b>9,485</b>	7,721	126	47	2	<b>7,896</b>
Hawaii*	222	2	12	0	<b>236</b>	220	5	12	0	<b>237</b>	207	5	11	0	<b>223</b>
Nevada	258	3	26	98	<b>385</b>	284	4	24	161	<b>473</b>	182	4	23	33	<b>242</b>
Oregon	763	21	20	31	<b>835</b>	743	23	38	15	<b>819</b>	767	69	125	15	<b>976</b>
Washington	928	4	56	171	<b>1,159</b>	964	6	53	115	<b>1,138</b>	811	189	8	46	<b>1,054</b>
<b>TOTAL</b>	<b>\$47,515</b>	<b>\$836</b>	<b>\$2,557</b>	<b>\$951</b>	<b>\$51,859</b>	<b>\$47,201</b>	<b>\$1,371</b>	<b>\$2,516</b>	<b>\$1,251</b>	<b>\$52,339</b>	<b>\$44,657</b>	<b>\$1,987</b>	<b>\$2,898</b>	<b>\$1,311</b>	<b>\$50,853</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See Corrections Notes for explanation



Table 33

**CORRECTIONS EXPENDITURES AS A PERCENT OF  
TOTAL EXPENDITURES**

Region/State	Fiscal 2008	Fiscal 2009	Fiscal 2010
<b>NEW ENGLAND</b>			
Connecticut	2.9 %	2.8 %	2.6 %
Maine	2.1	2.0	2.0
Massachusetts	2.8	2.6	2.4
New Hampshire	2.2	2.2	1.9
Rhode Island	2.8	2.5	2.2
Vermont	2.5	2.3	2.3
<b>MID-ATLANTIC</b>			
Delaware	3.1	3.0	2.9
Maryland	4.4	4.4	4.5
New Jersey	3.4	3.4	3.3
New York	2.9	2.7	2.7
Pennsylvania	3.4	3.3	3.4
<b>GREAT LAKES</b>			
Illinois	2.9	3.0	2.6
Indiana	3.0	2.9	2.9
Michigan	5.3	5.0	5.0
Ohio	3.6	3.4	3.4
Wisconsin	3.4	3.3	3.1
<b>PLAINS</b>			
Iowa	2.6	2.4	3.4
Kansas	3.1	2.7	2.6
Minnesota	1.8	1.7	1.6
Missouri	2.9	2.8	2.7
Nebraska	2.5	2.4	2.3
North Dakota	2.0	2.0	1.8
South Dakota	3.1	3.0	2.80
<b>SOUTHEAST</b>			
Alabama	2.9	2.9	2.5
Arkansas	2.3	2.2	2.1
Florida	4.7	4.9	4.6
Georgia	3.2	3.0	3.0
Kentucky	2.5	2.4	2.2
Louisiana	2.8	3.3	2.8
Mississippi	2.2	2.1	1.8
North Carolina	3.3	3.6	4.4
South Carolina	3.0	2.9	2.5
Tennessee	2.7	2.7	2.5
Virginia	4.2	3.6	3.2
West Virginia	1.1	1.1	1.1
<b>SOUTHWEST</b>			
Arizona	4.1	3.8	3.8
New Mexico	2.0	2.0	2.1
Oklahoma	2.7	2.6	2.5
Texas	4.1	3.9	3.6
<b>ROCKY MOUNTAIN</b>			
Colorado	3.0	3.0	2.8
Idaho	4.1	3.6	3.2
Montana	3.1	3.3	3.0
Utah	3.1	3.5	2.7
Wyoming	0.0	1.5	1.6
<b>FAR WEST</b>			
Alaska	2.5	2.3	3.2
California	5.0	4.9	3.6
Hawaii	2.1	2.0	2.0
Nevada	4.2	5.2	3.1
Oregon	3.8	3.3	3.5
Washington	3.7	3.4	3.2
<b>ALL STATES</b>	<b>3.5 %</b>	<b>3.4 %</b>	<b>3.1 %</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

**Table 34**

**CORRECTIONS GENERAL FUND EXPENDITURES AS A PERCENT  
OF TOTAL GENERAL FUND EXPENDITURES**

Region/State	Fiscal 2008	Fiscal 2009	Fiscal 2010
<b>NEW ENGLAND</b>			
Connecticut	4.2 %	4.1 %	3.8 %
Maine	4.9	5.3	5.5
Massachusetts	4.3	4.1	4.4
New Hampshire	6.7	6.1	7.0
Rhode Island	5.7	5.1	5.9
Vermont	10.0	10.4	11.5
<b>MID-ATLANTIC</b>			
Delaware	7.7	7.8	7.7
Maryland	8.2	8.6	8.7
New Jersey	4.7	4.2	4.9
New York	5.4	5.1	5.6
Pennsylvania	6.8	6.8	7.4
<b>GREAT LAKES</b>			
Illinois	5.5	6.6	6.7
Indiana	5.2	5.3	5.5
Michigan	22.1	22.8	25.4
Ohio	7.0	6.9	7.1
Wisconsin	8.0	8.8	8.4
<b>PLAINS</b>			
Iowa	6.0	6.1	6.2
Kansas	5.6	5.4	5.1
Minnesota	2.6	2.7	2.7
Missouri	6.9	7.0	8.3
Nebraska	6.1	5.7	4.8
North Dakota	5.1	5.4	4.7
South Dakota	6.9	6.7	6.8
<b>SOUTHEAST</b>			
Alabama	5.0	5.8	4.6
Arkansas	8.2	8.1	8.2
Florida	10.3	11.5	12.6
Georgia	6.4	6.4	6.8
Kentucky	5.7	5.7	5.3
Louisiana	7.4	8.4	8.5
Mississippi	6.2	5.4	5.7
North Carolina	6.2	6.4	9.2
South Carolina	6.8	8.1	7.7
Tennessee	5.2	5.7	5.8
Virginia	8.5	7.6	7.6
West Virginia	4.9	5.0	5.3
<b>SOUTHWEST</b>			
Arizona	8.6	10.0	10.3
New Mexico	4.5	4.8	4.8
Oklahoma	7.4	7.4	8.0
Texas	7.5	7.5	7.5
<b>ROCKY MOUNTAIN</b>			
Colorado	8.1	8.6	8.0
Idaho	7.4	7.3	7.7
Montana	8.3	9.5	10.3
Utah	5.7	8.0	6.9
Wyoming	0.0	2.9	3.0
<b>FAR WEST</b>			
Alaska	5.1	5.0	5.0
California	9.4	10.2	8.9
Hawaii	4.1	4.1	4.3
Nevada	6.4	6.8	5.5
Oregon	11.6	12.6	12.8
Washington	6.3	6.6	5.4
<b>ALL STATES</b>	<b>7.0 %</b>	<b>7.2 %</b>	<b>7.2 %</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

Table 35

## ANNUAL PERCENTAGE CHANGE IN CORRECTIONS EXPENDITURES

Region/State	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	1.9 %	-66.7 %	4.6 %	-6.5 %	100.0 %	-9.1 %
Maine	5.2	-33.3	4.5	-1.2	50.0	-0.6
Massachusetts	-0.6	1,300.0	0.5	4.5	-92.9	3.4
New Hampshire	-13.5	1,600.0	3.8	13.3	-94.1	-3.6
Rhode Island	-19.9	633.3	-10.1	13.4	-86.4	1.1
Vermont	0.0	0.0	-0.8	6.3	0.0	4.6
<b>MID-ATLANTIC</b>						
Delaware	-2.2	0.0	-2.2	-7.3	800.0	-4.2
Maryland	2.2	627.3	6.1	1.2	43.8	7.1
New Jersey	-15.1	970.6	-5.0	11.0	-67.6	1.9
New York	-1.4	-8.2	-0.9	7.3	-29.9	4.4
Pennsylvania	0.9	19.0	3.8	0.8	672.0	15.5
<b>GREAT LAKES</b>						
Illinois	6.6	—	6.6	-11.0	—	-11.0
Indiana	2.6	—	2.6	1.1	—	1.2
Michigan	-11.1	232.6	-1.6	7.3	-56.5	-1.2
Ohio	-5.7	20.7	-4.7	0.6	-25.7	0.0
Wisconsin	3.9	33.3	3.9	-4.2	300.0	-3.2
<b>PLAINS</b>						
Iowa	2.9	0.0	2.2	-2.1	-100.0	48.1
Kansas	-1.9	-25.0	-2.5	-12.1	1,400.0	-0.5
Minnesota	4.7	-33.3	0.4	-10.1	2,000.0	-4.2
Missouri	6.3	-47.4	4.2	7.0	-60.0	5.9
Nebraska	-2.3	0.0	-2.3	-14.0	1,650.0	1.4
North Dakota	5.8	33.3	6.9	11.0	0.0	10.4
South Dakota	-3.4	61.5	5.0	-2.4	9.5	0.0
<b>SOUTHEAST</b>						
Alabama	-1.6	38.5	-0.7	-15.5	688.9	6.5
Arkansas	2.8	0.0	2.8	4.5	300.0	5.2
Florida	-3.5	-3.5	-2.6	0.5	-41.0	4.0
Georgia	-7.6	100.0	-5.5	-7.2	420.0	0.6
Kentucky	0.0	-25.0	-0.7	-13.5	650.0	0.5
Louisiana	5.2	-40.0	4.9	-4.0	33.3	-3.5
Mississippi	-5.5	1,300.0	-1.7	4.6	-100.0	0.3
North Carolina	-1.4	33.3	13.1	3.2	75.0	-9.8
South Carolina	-2.4	-36.4	-3.3	-11.3	442.9	-6.1
Tennessee	19.9	0.0	14.3	-14.8	4,700.0	-9.3
Virginia	-4.6	35.0	-0.9	-6.9	-29.6	-10.9
West Virginia	2.0	0.0	9.0	5.4	0.0	-1.8
<b>SOUTHWEST</b>						
Arizona	1.7	-50.0	0.2	-2.5	346.7	2.6
New Mexico	8.3	-66.7	7.9	-8.0	1,900.0	-1.9
Oklahoma	0.2	0.0	0.2	-5.5	100.0	-5.4
Texas	6.0	-25.0	4.7	0.4	69.7	2.4
<b>ROCKY MOUNTAIN</b>						
Colorado	9.8	540.0	13.3	-12.9	187.5	-5.4
Idaho	-6.4	0.0	-6.6	-0.9	16.7	-1.3
Montana	7.2	0.0	7.1	-0.6	100.0	0.0
Utah	17.0	0.0	16.9	-16.5	0.0	-16.4
Wyoming	11,700.0	—	11,700.0	1.7	—	1.7
<b>FAR WEST</b>						
Alaska	5.6	20.0	5.9	0.7	0.0	0.7
California	-3.4	13.4	-3.2	-16.8	-12.5	-16.8
Hawaii	-0.9	150.0	0.4	-6.0	0.0	-5.9
Nevada	8.5	33.3	22.9	-33.4	0.0	-48.8
Oregon	-0.3	9.5	-1.9	14.2	200.0	19.2
Washington	3.4	50.0	-1.8	-19.5	3,050.0	-7.4
<b>ALL STATES</b>	<b>-0.7 %</b>	<b>64.0 %</b>	<b>0.9 %</b>	<b>-4.3 %</b>	<b>44.9 %</b>	<b>-2.8 %</b>

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

Source: National Association of State Budget Officers, 2009 State Expenditure Report

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
<b>NEW ENGLAND</b>							
Connecticut	X	X	X	P	X	P	X
Maine			X		X	X	X
Massachusetts	X					X	X
New Hampshire			X	X	X		
Rhode Island			X	X	X		X
Vermont			X	X	X	P	X
<b>MID-ATLANTIC</b>							
Delaware			X	X	X		X
Maryland					X	X	X
New Jersey*							X
New York	P	P	P	X	X		X
<b>GREAT LAKES</b>							
Illinois							X
Indiana					X	P	X
Michigan*			P			X	X
Ohio					P		X
Wisconsin							
<b>PLAINS</b>							
Iowa							
Kansas							
Minnesota			P		X	P	X
Missouri	X	X	X	X		P	X
Nebraska						X	X
North Dakota							X
South Dakota					X		X
<b>SOUTHEAST</b>							
Alabama					X		X
Arkansas			X	X			X
Florida					X	P	X
Georgia			X	X			X
Kentucky							
Louisiana							X
Mississippi			X	X			X
North Carolina					X		
South Carolina							
Tennessee			X	X			P
Virginia							
West Virginia					X		X
<b>SOUTHWEST</b>							
Arizona							X
New Mexico			X	X	X		X
Oklahoma					X		X
Texas	X	X			X		P
<b>ROCKY MOUNTAIN</b>							
Colorado			X	P			P
Idaho							X
Montana						P	X
Utah			X			X	X
Wyoming			X				X
<b>FAR WEST</b>							
Alaska*			P			X	X
California							X
Hawaii	P	P	X	X	X		X
Nevada			X	X	X	X	X
Oregon						P	X
Washington					X	X	X
<b>ALL STATES</b>	<b>6</b>	<b>5</b>	<b>21</b>	<b>15</b>	<b>22</b>	<b>17</b>	<b>41</b>

Excluded=X

Partially Excluded=P

Not Applicable=N/A

Source: National Association of State Budget Officers, 2009 State Expenditure Report  
 \*See Corrections Notes for explanation

## **Corrections 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.

**Alaska:** Corrections expenditures exclude substance abuse rehabilitation costs including both drugs and alcohol.

**Florida:** Adjustments were made to fiscal 2008-09 Actual Expenditures based on reductions taken during the 2009 Special Session A. Debt Service is removed from the Corrections totals and is correctly reflected in the All Other category for all three years. During the 2009 Legislative Session, the Legislature reverted \$172.9 million in General Revenue for Fixed Capital Outlay associated with prison construction; authority was provided for the bonding to finish the construction of the prison beds. Fiscal 2008-09 has been updated to account for expenditures associated with the bonding for the construction of a new prison (Blackwater River Correctional Facility) to be privately operated.

**Michigan:** Figures include adult inmate and juvenile justice expenditures. Fiscal 2009 spending reflects movement of juvenile offenders from secure placements to community settings, and closing of 3 prisons and 4 camps due to declining inmate population. Increased fiscal 2009 federal support reflects \$189.6 million from federal ARRA Government Services Funds for department of Corrections operations.

**New Jersey:** Included in the Department of Corrections' figure is funding for substance abuse programs and rehabilitation services. This has previously been included in the report but erroneously listed as "excluded".

**South Carolina:** Estimated capital expenditures are no longer collected. Therefore, no capital expenditure data is included for estimated fiscal 2010.

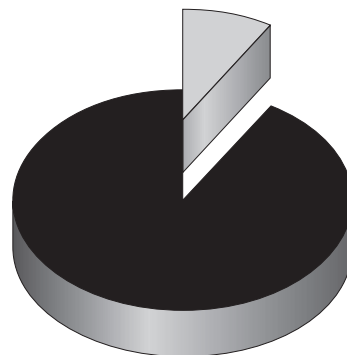
**Utah:** Expenditure amounts for Corrections do not include any amounts for prison industries. In Utah, Prison Industries is operated as an enterprise fund and does not usually receive support from state appropriations. The prison industry program has been self-sufficient for the last 10 to 15 years.



# CHAPTER SIX

# TRANSPORTATION

---



7.8% of State Expenditures

Transportation expenditures totaled \$120.1 billion in fiscal 2009, 7.8 percent of total state spending and an increase of 4.3 percent over the previous year. Approximately 56.8 percent of transportation expenditures are funded from earmarked revenues placed in special transportation trust funds, captured in the “Other State Funds” category in this report. The largest earmarked revenue source is the gasoline excise tax. While “Other State Funds” account for the majority of transportation spending, federal funds also play a large role. In fiscal 2009, federal funds accounted for 30.6 percent of total transportation spending, with bonds (8.8 percent) and general funds (3.7 percent) comprising the remaining amount.

Federal funds are estimated to represent an even a greater share (34.4 percent) of total transportation spending in fiscal 2010. This growth is mainly due to increased transportation funds flowing to states through the *American Recovery and Reinvestment Act of 2009 (ARRA)*. States estimate that in fiscal 2010 they received \$13.5 billion in ARRA funds for transportation. Due to the increased ARRA funds, federal funds for transportation are estimated to grow 22.4 percent in fiscal 2010, while state funds are estimated to decline 2.4 percent. Total transportation spending is expected to increase 8.9 percent in fiscal 2010.

## SAFETEA-LU

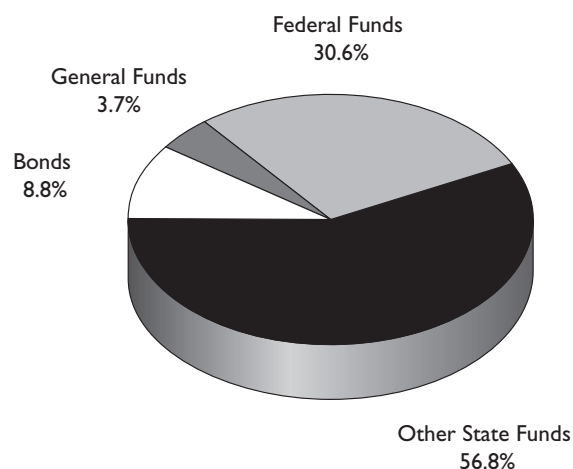
The latest surface transportation law was enacted in August 2005. The law, the *Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)* replaced the *Transportation Equity Act for the 21st Century (TEA-21)*. SAFETEA-LU set total surface transportation guaranteed spending

authority at \$286.4 billion for federal fiscal years 2004–2009, with contract authority set at \$295 billion. The funding included approximately \$228 billion for highways, \$52 billion for transit, and nearly \$6 billion for highway safety. Additionally, SAFETEA-LU raised the minimum rate of return on state contributions to the Highway Trust fund from 90.5 percent in 2005 to 92 percent by 2008. SAFETEA-LU expired at the conclusion of federal fiscal year 2009 and, as of October 2010, is being extended temporarily while Congress considers reauthorizing the program.

## Fund Shares

The figure below provides fund shares for fiscal 2009.

**Figure 18**  
**STATE EXPENDITURES FOR TRANSPORTATION BY**  
**FUND SOURCE, FISCAL 2009**





## Regional Expenditures

Table 37 shows percentage changes in transportation expenditures by region between fiscal 2008 and fiscal 2009 and between fiscal 2009 and estimated fiscal 2010. The largest growth in fiscal 2009 occurred in the Plains region.

**Table 37**  
**REGIONAL PERCENTAGE CHANGE IN STATE TRANSPORTATION EXPENDITURES,**  
**FISCAL 2009 AND 2010**

Region	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	7.7%	18.4%	6.9%	5.5%	26.1%	18.0%
Mid-Atlantic	-1.4	19.3	9.0	2.0	17.1	6.4
Great Lakes	0.3	11.2	2.3	5.1	37.1	15.6
Plains	28.2	18.9	17.5	-11.6	15.8	2.9
Southeast	1.1	4.0	1.7	-5.1	14.0	1.8
Southwest	7.2	13.8	1.8	-6.6	11.7	5.1
Rocky Mountain	7.7	8.5	12.0	-20.8	38.9	12.1
Far West	-10.7	5.7	-3.2	1.7	38.5	19.8
<b>ALL STATES</b>	<b>1.9 %</b>	<b>10.7 %</b>	<b>4.3 %</b>	<b>-2.4 %</b>	<b>22.4 %</b>	<b>8.9 %</b>

## Transportation—Expenditure Exclusions

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

Table 38

## TRANSPORTATION EXPENDITURES—CAPITAL INCLUSIVE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2008					Actual Fiscal 2009					Estimated Fiscal 2010				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$0	\$507	\$493	\$477	\$1,477	\$0	\$615	\$513	\$418	\$1,546	\$0	\$785	\$434	\$576	\$1,795
Maine*	0	156	365	73	594	0	178	392	58	628	0	246	364	34	644
Massachusetts	231	504	1,013	713	2,461	277	668	1,064	626	2,635	66	813	1,652	933	3,464
New Hampshire	1	204	336	0	541	0	182	355	0	537	1	174	330	0	505
Rhode Island	0	189	116	30	335	0	217	188	42	447	0	308	101	28	437
Vermont	0	176	207	0	383	0	196	187	13	396	0	266	191	2	459
<b>MID-ATLANTIC</b>															
Delaware	0	158	704	0	862	0	204	763	0	967	0	239	511	0	750
Maryland	0	744	2,758	0	3,502	0	762	2,648	0	3,410	0	1,006	2,365	0	3,371
New Jersey	1,390	1,349	365	1,352	4,456	1,424	2,012	400	1,559	5,395	1,352	1,791	350	1,580	5,073
New York	107	1,560	4,668	198	6,533	109	1,724	4,324	823	6,980	66	1,759	5,174	885	7,884
Pennsylvania	14	1,622	4,170	150	5,956	12	1,779	4,301	380	6,472	11	2,795	4,427	390	7,623
<b>GREAT LAKES</b>															
Illinois	122	114	3,572	72	3,880	25	116	3,990	49	4,180	76	152	5,036	437	5,701
Indiana	2	910	1,581	0	2,493	2	892	1,474	0	2,368	0	1,315	1,508	0	2,823
Michigan*	0	1,181	2,076	254	3,511	0	1,370	1,900	115	3,385	0	2,363	2,116	103	4,582
Ohio	22	1,123	2,730	329	4,204	21	1,116	2,676	385	4,198	17	1,200	2,121	360	3,698
Wisconsin	56	778	1,705	0	2,539	59	1,071	1,751	0	2,881	22	1,230	1,604	0	2,856
<b>PLAINS</b>															
Iowa	0	422	610	0	1,032	0	541	815	0	1,356	0	268	718	46	1,032
Kansas	16	440	535	121	1,112	16	448	1,014	129	1,607	9	409	784	170	1,372
Minnesota	134	286	1,980	158	2,558	104	452	2,142	124	2,822	91	651	2,276	176	3,194
Missouri*	13	64	1,576	548	2,201	16	75	2,253	89	2,433	12	386	1,740	712	2,850
Nebraska	1	264	414	0	679	1	264	485	0	750	1	284	426	0	711
North Dakota	0	239	191	0	430	0	252	209	0	461	0	294	200	0	494
South Dakota	0	222	178	0	400	0	272	184	0	456	0	375	143	0	5185
<b>SOUTHEAST</b>															
Alabama	0	793	442	8	1,243	0	766	523	0	1,289	0	1,311	501	0	1,812
Arkansas	1	394	580	0	975	1	405	529	0	935	1	467	500	0	968
Florida	85	2,180	4,003	627	6,895	0	2,120	3,446	468	6,034	0	2,272	3,489	927	6,688
Georgia	22	891	564	586	2,063	23	1,005	1,127	395	2,550	7	1,787	646	37	2,477
Kentucky	6	849	1,617	0	2,472	5	630	1,459	0	2,094	4	813	1,268	0	2,085
Louisiana	18	16	1,452	84	1,570	0	19	1,363	341	1,723	360	31	1,588	353	2,332
Mississippi	0	781	501	69	1,351	0	597	627	60	1,284	0	550	684	36	1,270
North Carolina	0	943	2,850	0	3,793	0	943	2,850	0	3,793	0	833	2,632	0	3,465
South Carolina*	5	439	1,118	0	1,562	2	448	1,002	0	1,452	0	643	1,026	0	1,669
Tennessee*	0	834	623	0	1,457	0	1,533	985	88	2,606	0	860	761	168	1,789
Virginia*	151	912	3,035	174	4,272	41	852	3,180	138	4,211	27	944	2,747	23	3,741
West Virginia	6	382	609	77	1,074	6	477	718	37	1,238	11	657	721	51	1,440
<b>SOUTHWEST</b>															
Arizona*	0	574	899	326	1,799	0	623	472	507	1,602	0	610	466	480	1,556
New Mexico	51	448	456	76	1,031	0	635	651	0	1,286	0	360	446	55	861
Oklahoma	0	602	520	55	1,177	0	766	490	71	1,327	0	1,017	418	119	1,554
Texas	303	2,710	2,828	1,978	7,819	3	2,908	3,804	1,111	7,826	31	3,521	3,702	1,427	8,681
<b>ROCKY MOUNTAIN</b>															
Colorado	25	459	1,172	0	1,656	29	510	1,164	0	1,703	0	629	787	0	1,416
Idaho	0	254	363	0	617	0	199	366	0	565	0	541	461	0	1,002
Montana	7	331	264	0	602	8	358	271	0	637	8	435	253	0	696
Utah	389	367	883	0	1,639	33	361	1,183	209	1,786	1	420	722	1,119	2,262
Wyoming	267	5	302	0	574	573	108	327	0	1,008	573	109	328	0	1,010
<b>FAR WEST</b>															
Alaska*	480	597	408	26	1,511	337	885	454	345	2,021	538	753	372	0	1,663
California	1,416	3,265	3,948	987	9,616	1,333	3,157	2,408	1,026	7,924	1,517	5,172	2,397	2,571	11,657
Hawaii	0	229	764	119	1,112	0	254	733	123	1,110	0	229	755	80	1,064
Nevada	23	234	700	92	1,049	41	345	938	165	1,489	0	390	899	21	1,310
Oregon	4	29	1,440	1	1,474	0	39	1,586	5	1,630	8	53	1,761	8	1,830
Washington	2	514	1,331	843	2,690	2	465	1,556	689	2,712	1	529	1,304	879	2,713
<b>TOTAL</b>	<b>\$5,370</b>	<b>\$33,244</b>	<b>\$66,015</b>	<b>\$10,603</b>	<b>\$115,232</b>	<b>\$4,503</b>	<b>\$36,814</b>	<b>\$68,240</b>	<b>\$10,588</b>	<b>\$120,145</b>	<b>\$4,811</b>	<b>\$45,045</b>	<b>\$66,205</b>	<b>\$14,786</b>	<b>\$130,847</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See Transportation Notes for explanation

Table 39

**TRANSPORTATION EXPENDITURES AS A PERCENT OF  
TOTAL EXPENDITURES**

Region/State	Fiscal 2008	Fiscal 2009	Fiscal 2010
<b>NEW ENGLAND</b>			
Connecticut	6.1 %	6.0 %	6.9 %
Maine	8.0	7.8	7.8
Massachusetts	5.6	5.4	6.5
New Hampshire	11.3	10.8	9.2
Rhode Island	4.7	6.3	5.4
Vermont	7.2	7.1	7.9
<b>MID-ATLANTIC</b>			
Delaware	10.0	11.1	8.6
Maryland	11.5	10.7	10.1
New Jersey	9.1	11.6	10.4
New York	5.6	5.7	6.0
Pennsylvania	10.1	10.3	10.8
<b>GREAT LAKES</b>			
Illinois	8.7	9.0	12.0
Indiana	10.3	9.2	10.6
Michigan	8.0	7.4	10.0
Ohio	7.4	7.3	6.4
Wisconsin	7.0	7.5	7.1
<b>PLAINS</b>			
Iowa	6.4	7.8	5.6
Kansas	8.8	11.5	9.5
Minnesota	9.0	9.4	10.1
Missouri	10.3	10.5	11.5
Nebraska	7.8	8.2	7.4
North Dakota	12.0	11.7	10.5
South Dakota	12.4	12.9	13.7
<b>SOUTHEAST</b>			
Alabama	6.3	6.5	7.4
Arkansas	5.8	5.1	4.8
Florida	10.7	9.9	10.1
Georgia	5.4	6.5	6.4
Kentucky	10.8	8.7	8.1
Louisiana	5.4	6.7	7.9
Mississippi	8.7	7.9	6.6
North Carolina	9.1	8.8	10.9
South Carolina	7.5	6.9	7.4
Tennessee	5.6	8.9	6.1
Virginia	12.1	10.5	9.2
West Virginia	5.7	6.1	7.1
<b>SOUTHWEST</b>			
Arizona	7.1	5.9	5.7
New Mexico	7.3	8.3	6.0
Oklahoma	5.7	6.2	7.2
Texas	9.6	8.7	8.9
<b>ROCKY MOUNTAIN</b>			
Colorado	6.6	5.9	4.9
Idaho	10.4	8.9	14.1
Montana	11.2	11.5	11.5
Utah	14.5	15.1	17.5
Wyoming	11.6	13.2	13.2
<b>FAR WEST</b>			
Alaska	13.0	14.9	17.1
California	4.9	4.1	5.4
Hawaii	10.0	9.4	9.7
Nevada	11.4	16.5	16.6
Oregon	6.6	6.6	6.6
Washington	8.5	8.0	8.3
<b>ALL STATES</b>	<b>7.8 %</b>	<b>7.8 %</b>	<b>8.1 %</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

Table 40

## ANNUAL PERCENTAGE CHANGE IN TRANSPORTATION EXPENDITURES

Region/State	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	4.1 %	21.3 %	4.7 %	-15.4 %	27.6 %	16.1 %
Maine	7.4	14.1	5.7	-7.1	38.2	2.5
Massachusetts	7.8	32.5	7.1	28.1	21.7	31.5
New Hampshire	5.3	-10.8	-0.7	-6.8	-4.4	-6.0
Rhode Island	62.1	14.8	33.4	-46.3	41.9	-2.2
Vermont	-9.7	11.4	3.4	2.1	35.7	15.9
<b>MID-ATLANTIC</b>						
Delaware	8.4	29.1	12.2	-33.0	17.2	-22.4
Maryland	-4.0	2.4	-2.6	-10.7	32.0	-1.1
New Jersey	3.9	49.1	21.1	-6.7	-11.0	-6.0
New York	-7.2	10.5	6.8	18.2	2.0	13.0
Pennsylvania	3.1	9.7	8.7	2.9	57.1	17.8
<b>GREAT LAKES</b>						
Illinois	8.7	1.8	7.7	27.3	31.0	36.4
Indiana	-6.8	-2.0	-5.0	2.2	47.4	19.2
Michigan	-8.5	16.0	-3.6	11.4	72.5	35.4
Ohio	-2.0	-0.6	-0.1	-20.7	7.5	-11.9
Wisconsin	2.8	37.7	13.5	-10.2	14.8	-0.9
<b>PLAINS</b>						
Iowa	33.6	28.2	31.4	-11.9	-50.5	-23.9
Kansas	86.9	1.8	44.5	-23.0	-8.7	-14.6
Minnesota	6.2	58.0	10.3	5.4	44.0	13.2
Missouri	42.8	17.2	10.5	-22.8	414.7	17.1
Nebraska	17.1	0.0	10.5	-12.1	7.6	-5.2
North Dakota	9.4	5.4	7.2	-4.3	16.7	7.2
South Dakota	3.4	22.5	14.0	-22.3	37.9	13.6
<b>SOUTHEAST</b>						
Alabama	18.3	-3.4	3.7	-4.2	71.1	40.6
Arkansas	-8.8	2.8	-4.1	-5.5	15.3	3.5
Florida	-15.7	-2.8	-12.5	1.2	7.2	10.8
Georgia	96.2	12.8	23.6	-43.2	77.8	-2.9
Kentucky	-9.8	-25.8	-15.3	-13.1	29.0	-0.4
Louisiana	-7.3	18.8	9.7	42.9	63.2	35.3
Mississippi	25.1	-23.6	-5.0	9.1	-7.9	-1.1
North Carolina	0.0	0.0	0.0	-7.6	-11.7	-8.6
South Carolina	-10.6	2.1	-7.0	2.2	43.5	14.9
Tennessee	58.1	83.8	78.9	-22.7	-43.9	-31.4
Virginia	1.1	-6.6	-1.4	-13.9	10.8	-11.2
West Virginia	17.7	24.9	15.3	1.1	37.7	16.3
<b>SOUTHWEST</b>						
Arizona	-47.5	8.5	-11.0	-1.3	-2.1	-2.9
New Mexico	28.4	41.7	24.7	-31.5	-43.3	-33.0
Oklahoma	-5.8	27.2	12.7	-14.7	32.8	17.1
Texas	21.6	7.3	0.1	-1.9	21.1	10.9
<b>ROCKY MOUNTAIN</b>						
Colorado	-0.3	11.1	2.8	-34.0	23.3	-16.9
Idaho	0.8	-21.7	-8.4	26.0	171.9	77.3
Montana	3.0	8.2	5.8	-6.5	21.5	9.3
Utah	-4.4	-1.6	9.0	-40.5	16.3	26.7
Wyoming	58.2	2,060.0	75.6	0.1	0.9	0.2
<b>FAR WEST</b>						
Alaska	-10.9	48.2	33.8	15.0	-14.9	-17.7
California	-30.3	-3.3	-17.6	4.6	63.8	47.1
Hawaii	-4.1	10.9	-0.2	3.0	-9.8	-4.1
Nevada	35.4	47.4	41.9	-8.2	13.0	-12.0
Oregon	9.8	34.5	10.6	11.5	35.9	12.3
Washington	16.9	-9.5	0.8	-16.2	13.8	0.0
<b>ALL STATES</b>	<b>1.9 %</b>	<b>10.7 %</b>	<b>4.3 %</b>	<b>-2.4 %</b>	<b>22.4 %</b>	<b>8.9 %</b>

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2009 State Expenditure Report

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
<b>NEW ENGLAND</b>									
Connecticut	X	X		X				X	X
Maine*			X	X	X			X	X
Massachusetts	X		X	X					
New Hampshire								X	X
Rhode Island			X		X	X	X	X	X
Vermont			X						X
<b>MID-ATLANTIC</b>									
Delaware			P						
Maryland				X	P				X
New Jersey			X						X
New York	P	P	N/A	X					X
Pennsylvania			P	P					X
<b>GREAT LAKES</b>									
Illinois	P	P	X					X	X
Indiana			X						X
Michigan			X						X
Ohio			X						P
Wisconsin			X						
<b>PLAINS</b>									
Iowa									
Kansas			X		X			X	X
Minnesota			X						
Missouri*				X			X	X	X
Nebraska			X						X
North Dakota			X		X				X
South Dakota			X		X			X	X
<b>SOUTHEAST</b>									
Alabama			X		P	X	X	X	
Arkansas			X			X		X	X
Florida			X	X	X			X	X
Georgia			X		P			X	X
Kentucky			X						X
Louisiana			X		P	X		X	X
Mississippi				P		X		X	X
North Carolina			X						
South Carolina			X		X	X	X	X	X
Tennessee				X	X			X	X
Virginia*									X
West Virginia			P	X	X	X	X		X
<b>SOUTHWEST</b>									
Arizona*			P				P		
New Mexico			X		X		P	X	X
Oklahoma				X			P		
Texas	X	X	X		P			P	X
<b>ROCKY MOUNTAIN</b>									
Colorado			X	X	X	X	X	X	X
Idaho					X				X
Montana			X						X
Utah						X	P	P	X
Wyoming			X						
<b>FAR WEST</b>									
Alaska*			X			X	X		X
California			X	X	X				X
Hawaii*			X		X	X	X	X	X
Nevada			X	X	X	X	X	X	X
Oregon			X						X
Washington			X		X				X
<b>ALL STATES</b>	<b>5</b>	<b>4</b>	<b>39</b>	<b>15</b>	<b>21</b>	<b>12</b>	<b>13</b>	<b>22</b>	<b>40</b>

Excluded=X

Partially Excluded=P

Not Applicable=N/A

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See Transportation Notes for explanation

## Transportation 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.

**Alaska:** As of this year's State Expenditure Report submission, Transportation expenditures includes Division of Motor Vehicle costs as well as costs associated with gas tax and fee collections.

**Arizona:** A portion of the gross "Gasoline Tax & Fee Collections" is distributed to local governments.

**Maine:** Previous reports inadvertently excluded motor vehicle licensing and gas tax and fee collections from Transportation expenditures. This report includes those costs for all three years of the report. This correction caused the numbers to change only for Other State Funds.

**Michigan:** Federal revenue support is expected to increase in fiscal 2010 largely due to the continuing expenditure of federal ARRA dollars for state transportation programs. Actual ARRA expenditures will be recorded with the fiscal 2010 annual financial report.

**Missouri:** Fringe benefits are appropriated and paid centrally and are therefore included in all other expenditures with the exception of retirement and health care costs for Transportation employees and Highway Patrol employees in the Department of Public Safety.

**South Carolina:** Estimated capital expenditures are no longer collected. Therefore, no capital expenditure data is included for estimated fiscal 2010.

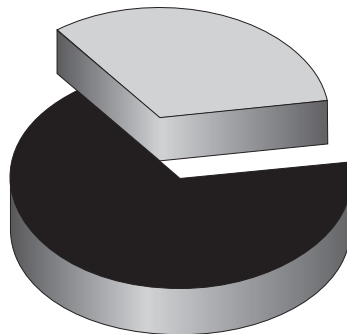
**Tennessee:** Bond estimates represent bond authorizations, while actual bonds represent bond proceeds utilized.

**Virginia:** State Police and Highway Patrol funding is included in Public Safety.

# CHAPTER SEVEN

## ALL OTHER EXPENDITURES

---



**33.9% of State Expenditures**

The “All Other” category reflects a substantial amount of state spending not included in the categories described in previous chapters. “All Other” spending in states includes the Children’s Health Insurance Program (CHIP), institutional and community care for the mentally ill and developmentally disabled, public health programs, employer contributions to pensions and health benefits, economic development, environmental projects, state police, parks and recreation, housing, and general aid to local governments (a list of the items excluded from the “All Other” category is displayed in Table 46).

The “All Other” category of expenditures totaled \$524 billion for fiscal 2009, or 33.9 percent of total state spending. Total spending in the “All Other” category increased 4.7 percent from fiscal 2008 to fiscal 2009, and is estimated to grow by 6.8 percent from fiscal 2009 to fiscal 2010. The total spending increase in the “All Other” category is attributable to the growth in federal funds. While state funds for “All Other” was virtually flat in fiscal 2009 and declined by an estimated 4.5 percent in fiscal 2010, federal funds increased by 21.4 percent in fiscal 2009 and are estimated to increase by 32.9 percent in fiscal 2010.

## Children’s Health Insurance Program

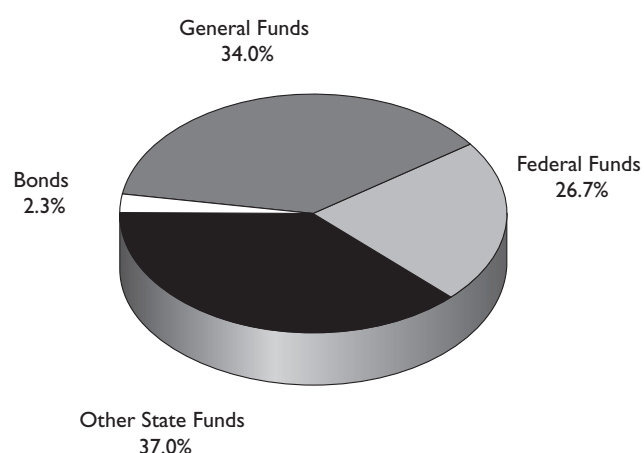
Enacted as part of the *Balanced Budget Act of 1997*, the State Children’s Health Insurance Program (SCHIP) expanded health coverage for previously uninsured children. The program is targeted toward children from families with incomes too high to qualify for Medicaid but too low to afford private insurance. SCHIP’s original ten-year authorization ran through September 30, 2007. Legislation was signed in January 2008 that extended SCHIP until March 2009 at levels that would provide coverage for the current enrollment population. In February 2009, the Children’s Health Insurance Program Reauthorization Act (CHIPRA) was signed into law. Along with renaming the program, the reauthorization act expanded children’s coverage and added \$33 billion in federal funds through 2013, financed mostly by increased federal tobacco taxes.

According to the Centers for Medicare and Medicaid Services (CMS), approximately 7.4 million children were enrolled under CHIP during fiscal 2008. As shown in Appendix Table A-2, total spending for CHIP was \$9.7 billion in fiscal 2008, \$10.3 billion in fiscal 2009, and is estimated at \$10.9 billion in fiscal 2010.

## Fund Shares

The figure below illustrates fund shares for fiscal 2009.

**Figure 19**  
**STATE EXPENDITURES FOR ALL OTHER PROGRAMS BY FUND SOURCE, FISCAL 2009**



## Regional Expenditures

The following table shows percentage changes for “All Other” expenditures for fiscal 2008–2009 and 2009–2010 by region. For fiscal 2009, the Rocky Mountain region was well above the national average while the Mid-Atlantic region was well below the national average.

**Table 42**  
**REGIONAL PERCENTAGE CHANGE IN STATE ALL OTHER EXPENDITURES, FISCAL 2009 AND 2010**

Region	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	12.5%	13.5%	12.4%	2.2%	67.4%	7.5%
Mid-Atlantic	-4.6	11.9	-0.9	0.3	38.0	8.5
Great Lakes	-4.7	17.0	-0.1	-9.4	17.9	-2.8
Plains	1.2	28.5	9.2	4.7	30.6	13.9
Southeast	1.7	-1.8	0.5	-4.3	23.8	3.3
Southwest	5.1	21.7	12.6	1.7	7.7	5.6
Rocky Mountain	13.2	52.7	21.2	1.9	42.8	12.1
Far West	-4.5	63.1	6.5	-15.5	63.8	12.8
<b>ALL STATES</b>	<b>0.0 %</b>	<b>21.4 %</b>	<b>4.7 %</b>	<b>-4.5 %</b>	<b>32.9 %</b>	<b>6.8 %</b>



Table 43

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

Region/State	Actual Fiscal 2008					Actual Fiscal 2009					Estimated Fiscal 2010				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$8,922	\$667	\$787	\$605	<b>\$10,981</b>	\$9,030	\$746	\$814	\$511	<b>\$11,101</b>	\$9,363	\$910	\$825	\$217	<b>\$11,315</b>
Maine*	869	453	1,413	22	<b>2,757</b>	862	563	1,508	33	<b>2,966</b>	824	743	1,516	34	<b>3,117</b>
Massachusetts	12,095	1,153	6,110	664	<b>20,022</b>	12,925	1,323	8,843	904	<b>23,995</b>	11,735	2,868	10,816	942	<b>26,361</b>
New Hampshire	776	471	213	71	<b>1,531</b>	739	549	177	81	<b>1,546</b>	705	840	481	42	<b>2,068</b>
Rhode Island*	1,151	552	862	96	<b>2,661</b>	1,086	622	1,453	58	<b>3,219</b>	994	1,125	1,238	26	<b>3,383</b>
Vermont	744	376	1,062	20	<b>2,202</b>	708	366	1,220	27	<b>2,321</b>	661	492	1,081	56	<b>2,290</b>
<b>MID-ATLANTIC</b>															
Delaware	1,272	270	2,530	40	<b>4,112</b>	1,063	325	2,542	46	<b>3,976</b>	992	260	2,655	61	<b>3,968</b>
Maryland	3,817	1,322	3,038	559	<b>8,736</b>	3,652	1,467	3,116	627	<b>8,862</b>	3,219	1,892	3,263	760	<b>9,134</b>
New Jersey*	12,003	1,876	3,298	156	<b>17,333</b>	11,009	2,234	1,089	67	<b>14,399</b>	10,223	3,929	1,084	77	<b>15,313</b>
New York*	18,756	8,056	11,357	880	<b>39,049</b>	19,805	8,838	10,368	1,516	<b>40,527</b>	20,347	9,512	11,371	1,319	<b>42,549</b>
Pennsylvania	6,625	4,206	6,890	351	<b>18,072</b>	6,667	4,738	7,059	259	<b>18,723</b>	6,145	8,693	7,301	771	<b>22,910</b>
<b>GREAT LAKES</b>															
Illinois	5,857	2,286	4,140	204	<b>12,487</b>	2,680	3,160	6,424	109	<b>12,373</b>	1,802	2,511	6,852	384	<b>11,549</b>
Indiana*	4,062	2,445	1,304	0	<b>7,811</b>	3,587	2,448	1,539	0	<b>7,574</b>	2,085	2,776	1,122	0	<b>5,983</b>
Michigan*	2,757	4,016	5,630	69	<b>12,472</b>	2,612	5,065	5,812	71	<b>13,560</b>	2,564	5,100	3,790	46	<b>11,500</b>
Ohio	4,592	3,348	13,975	220	<b>22,135</b>	3,582	3,559	13,189	429	<b>20,759</b>	3,191	5,878	13,211	245	<b>22,525</b>
Wisconsin	3,351	2,100	10,306	0	<b>15,757</b>	3,427	2,379	10,511	0	<b>16,317</b>	3,230	3,322	10,524	0	<b>17,076</b>
<b>PLAINS</b>															
Iowa	1,362	1,621	1,671	18	<b>4,672</b>	1,360	2,635	866	39	<b>4,900</b>	1,324	3,160	1,214	166	<b>5,864</b>
Kansas	932	884	1,052	89	<b>2,957</b>	914	975	1,500	106	<b>3,495</b>	812	1,293	1,958	89	<b>4,152</b>
Minnesota	4,093	1,847	1,823	236	<b>7,999</b>	4,013	2,567	1,955	250	<b>8,785</b>	3,923	3,587	2,371	326	<b>10,207</b>
Missouri*	2,324	1,593	1,550	1	<b>5,468</b>	2,323	1,796	1,726	0	<b>5,845</b>	2,043	2,488	1,755	0	<b>6,286</b>
Nebraska	778	826	1,397	0	<b>3,001</b>	820	808	1,428	0	<b>3,056</b>	871	945	1,493	0	<b>3,309</b>
North Dakota	334	371	468	0	<b>1,173</b>	340	463	588	3	<b>1,394</b>	386	562	568	0	<b>1,516</b>
South Dakota	245	252	241	6	<b>744</b>	253	256	403	14	<b>926</b>	247	374	399	3	<b>1,023</b>
<b>SOUTHEAST</b>															
Alabama	1,107	820	1,397	543	<b>3,867</b>	751	997	1,447	592	<b>3,787</b>	713	2,783	3,660	406	<b>7,562</b>
Arkansas	518	1,225	4,018	63	<b>5,824</b>	536	1,670	4,372	51	<b>6,629</b>	557	2,241	4,833	89	<b>7,720</b>
Florida	5,919	5,786	6,814	1,446	<b>19,965</b>	4,978	5,176	7,285	659	<b>18,098</b>	4,000	2,911	10,689	551	<b>18,151</b>
Georgia	3,973	2,850	5,030	123	<b>11,976</b>	4,073	2,936	4,731	207	<b>11,947</b>	3,378	2,872	5,558	194	<b>12,002</b>
Kentucky	2,241	1,001	1,350	0	<b>4,592</b>	2,127	1,900	1,224	0	<b>5,251</b>	1,969	3,014	1,465	0	<b>6,448</b>
Louisiana	3,911	7,196	1,992	155	<b>13,254</b>	2,544	4,814	1,669	181	<b>9,208</b>	2,456	7,682	1,721	205	<b>12,064</b>
Mississippi	1,131	2,148	1,103	146	<b>4,528</b>	1,095	1,926	1,246	283	<b>4,550</b>	1,155	4,001	1,639	371	<b>7,166</b>
North Carolina*	4,474	2,171	4,097	200	<b>10,942</b>	3,930	2,565	4,735	0	<b>11,230</b>	0	0	0	489	<b>489</b>
South Carolina*	2,301	1,976	1,667	0	<b>5,944</b>	1,824	1,876	2,388	0	<b>6,088</b>	1,735	3,911	2,341	0	<b>7,987</b>
Tennessee	2,822	2,662	2,333	32	<b>7,849</b>	3,077	3,677	2,469	323	<b>9,546</b>	2,922	4,259	2,398	93	<b>9,672</b>
Virginia	3,342	1,481	7,739	161	<b>12,723</b>	4,259	1,127	8,690	283	<b>14,359</b>	4,439	1,863	9,058	399	<b>15,759</b>
West Virginia	866	694	9,579	0	<b>11,139</b>	1,066	801	10,602	0	<b>12,469</b>	1,061	928	9,884	0	<b>11,873</b>
<b>SOUTHWEST</b>															
Arizona*	2,106	1,938	2,673	0	<b>6,717</b>	1,781	2,038	2,885	0	<b>6,704</b>	2,353	2,104	3,283	0	<b>7,740</b>
New Mexico	1,530	967	1,207	448	<b>4,152</b>	1,742	756	1,759	536	<b>4,793</b>	1,443	1,205	757	410	<b>3,815</b>
Oklahoma	1,754	4,947	1,908	49	<b>8,658</b>	1,618	5,187	1,707	33	<b>8,545</b>	1,452	5,276	1,623	25	<b>8,376</b>
Texas	11,584	14,216	1,969	206	<b>27,975</b>	12,357	18,872	2,139	96	<b>33,464</b>	13,255	20,332	2,259	731	<b>36,577</b>
<b>ROCKY MOUNTAIN</b>															
Colorado	1,901	1,689	4,916	0	<b>8,506</b>	1,683	2,536	6,285	0	<b>10,504</b>	1,926	4,217	5,791	0	<b>11,934</b>
Idaho	475	651	415	23	<b>1,564</b>	469	857	472	21	<b>1,819</b>	401	973	680	21	<b>2,075</b>
Montana	689	570	1,121	0	<b>2,380</b>	570	608	1,228	0	<b>2,406</b>	579	804	1,328	0	<b>2,711</b>
Utah	1,292	625	1,500	2	<b>3,419</b>	1,042	710	1,582	61	<b>3,395</b>	854	1,160	2,076	101	<b>4,191</b>
Wyoming	2,569	139	242	0	<b>2,950</b>	2,529	898	1,260	0	<b>4,687</b>	2,554	853	1,260	0	<b>4,667</b>
<b>FAR WEST</b>															
Alaska	2,532	767	3,291	0	<b>6,590</b>	3,006	1,029	3,668	0	<b>7,703</b>	2,721	1,167	238	0	<b>4,126</b>
California	23,365	12,632	21,464	4,407	<b>61,868</b>	21,743	22,420	20,034	2,195	<b>66,392</b>	19,592	39,248	15,721	7,332	<b>81,893</b>
Hawaii	1,769	503	2,225	408	<b>4,905</b>	1,635	513	2,770	302	<b>5,220</b>	2,352	810	1,797	485	<b>5,444</b>
Nevada	1,300	601	2,126	34	<b>4,061</b>	1,090	789	979	93	<b>2,951</b>	878	1,075	745	37	<b>2,735</b>
Oregon	1,545	1,738	7,225	38	<b>10,546</b>	1,272	2,442	8,402	64	<b>12,180</b>	1,664	4,176	8,726	156	<b>14,722</b>
Washington	2,939	2,127	4,113	407	<b>9,586</b>	1,998	2,760	3,941	744	<b>9,443</b>	2,628	2,593	2,560	521	<b>8,302</b>
<b>TOTAL</b>	<b>\$187,672</b>	<b>\$115,111</b>	<b>\$184,631</b>	<b>\$184,631</b>	<b>\$500,612</b>	<b>\$178,252</b>	<b>\$139,762</b>	<b>\$194,099</b>	<b>\$11,874</b>	<b>\$523,987</b>	<b>\$166,723</b>	<b>\$185,718</b>	<b>\$188,978</b>	<b>\$18,180</b>	<b>\$559,599</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See All Other Expenditures Notes for explanation

**Table 44**

**ALL OTHER EXPENDITURES AS A PERCENT OF  
TOTAL EXPENDITURES**

Region/State	Fiscal 2008	Fiscal 2009	Fiscal 2010
<b>NEW ENGLAND</b>			
Connecticut	45.2 %	43.0 %	43.4 %
Maine	37.1	36.7	37.7
Massachusetts	45.7	49.0	49.4
New Hampshire	31.8	31.1	37.8
Rhode Island	37.4	45.3	41.4
Vermont	41.5	41.3	39.3
<b>MID-ATLANTIC</b>			
Delaware	47.7	45.5	45.5
Maryland	28.7	27.9	27.3
New Jersey	35.6	30.8	31.3
New York	33.6	33.3	32.5
Pennsylvania	30.8	29.9	32.6
<b>GREAT LAKES</b>			
Illinois	28.0	26.6	24.4
Indiana	32.2	29.4	22.4
Michigan	28.4	29.6	25.2
Ohio	39.0	35.9	39.1
Wisconsin	43.7	42.4	42.6
<b>PLAINS</b>			
Iowa	29.0	28.0	31.6
Kansas	23.3	25.0	28.6
Minnesota	28.1	29.4	32.4
Missouri	25.5	25.3	25.3
Nebraska	34.5	33.4	34.5
North Dakota	32.6	35.4	32.2
South Dakota	23.1	26.1	27.1
<b>SOUTHEAST</b>			
Alabama	19.5	19.2	30.9
Arkansas	34.5	36.4	38.1
Florida	31.0	29.8	27.3
Georgia	31.1	30.7	31.1
Kentucky	20.0	21.8	25.0
Louisiana	45.9	35.9	40.7
Mississippi	29.1	27.9	37.0
North Carolina	26.3	26.1	1.5
South Carolina	28.6	28.9	35.4
Tennessee	30.2	32.8	33.2
Virginia	36.0	35.9	38.7
West Virginia	59.5	61.0	58.6
<b>SOUTHWEST</b>			
Arizona	26.6	24.8	28.1
New Mexico	29.2	30.9	26.6
Oklahoma	41.8	39.9	38.9
Texas	34.5	37.2	37.4
<b>ROCKY MOUNTAIN</b>			
Colorado	33.8	36.5	41.1
Idaho	26.4	28.8	29.1
Montana	44.4	43.5	44.8
Utah	30.2	28.8	32.4
Wyoming	59.5	61.3	61.0
<b>FAR WEST</b>			
Alaska	56.5	57.0	42.3
California	31.8	34.0	37.6
Hawaii	44.0	44.2	49.7
Nevada	44.0	32.6	34.7
Oregon	47.6	49.7	52.7
Washington	30.2	28.0	25.5
<b>ALL STATES</b>	<b>33.9 %</b>	<b>33.9 %</b>	<b>34.4 %</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

Table 45

## ANNUAL PERCENTAGE CHANGE IN ALL OTHER EXPENDITURES

Region/State	Fiscal 2008 to 2009			Fiscal 2009 to 2010		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	1.4 %	11.8 %	1.1 %	3.5 %	22.0 %	1.9 %
Maine	3.9	24.3	7.6	-1.3	32.0	5.1
Massachusetts	19.6	14.7	19.8	3.6	116.8	9.9
New Hampshire	-7.4	16.6	1.0	29.5	53.0	33.8
Rhode Island	26.1	12.7	21.0	-12.1	80.9	5.1
Vermont	6.8	-2.7	5.4	-9.6	34.4	-1.3
<b>MID-ATLANTIC</b>						
Delaware	-5.2	20.4	-3.3	1.2	-20.0	-0.2
Maryland	-1.3	11.0	1.4	-4.2	29.0	3.1
New Jersey	-20.9	19.1	-16.9	-6.5	75.9	6.3
New York	0.2	9.7	3.8	5.1	7.6	5.0
Pennsylvania	1.6	12.6	3.6	-2.0	83.5	22.4
<b>GREAT LAKES</b>						
Illinois	-8.9	38.2	-0.9	-4.9	-20.5	-6.7
Indiana	-4.5	0.1	-3.0	-37.4	13.4	-21.0
Michigan	0.4	26.1	8.7	-24.6	0.7	-15.2
Ohio	-9.7	6.3	-6.2	-2.2	65.2	8.5
Wisconsin	2.1	13.3	3.6	-1.3	39.6	4.7
<b>PLAINS</b>						
Iowa	-26.6	62.6	4.9	14.0	19.9	19.7
Kansas	21.7	10.3	18.2	14.7	32.6	18.8
Minnesota	0.9	39.0	9.8	5.5	39.7	16.2
Missouri	4.5	12.7	6.9	-6.2	38.5	7.5
Nebraska	3.4	-2.2	1.8	5.2	17.0	8.3
North Dakota	15.7	24.8	18.8	2.8	21.4	8.8
South Dakota	35.0	1.6	24.5	-1.5	46.1	10.5
<b>SOUTHEAST</b>						
Alabama	-12.2	21.6	-2.1	99.0	179.1	99.7
Arkansas	8.2	36.3	13.8	9.8	34.2	16.5
Florida	-3.7	-10.5	-9.4	19.8	-43.8	0.3
Georgia	-2.2	3.0	-0.2	1.5	-2.2	0.5
Kentucky	-6.7	89.8	14.4	2.5	58.6	22.8
Louisiana	-28.6	-33.1	-30.5	-0.9	59.6	31.0
Mississippi	4.8	-10.3	0.5	19.4	107.7	57.5
North Carolina	1.1	18.1	2.6	-100.0	-100.0	-95.6
South Carolina	6.1	-5.1	2.4	-3.2	108.5	31.2
Tennessee	7.6	38.1	21.6	-4.1	15.8	1.3
Virginia	16.9	-23.9	12.9	4.2	65.3	9.7
West Virginia	11.7	15.4	11.9	-6.2	15.9	-4.8
<b>SOUTHWEST</b>						
Arizona	-2.4	5.2	-0.2	20.8	3.2	15.5
New Mexico	27.9	-21.8	15.4	-37.2	59.4	-20.4
Oklahoma	-9.2	4.9	-1.3	-7.5	1.7	-2.0
Texas	7.0	32.8	19.6	7.0	7.7	9.3
<b>ROCKY MOUNTAIN</b>						
Colorado	16.9	50.1	23.5	-3.2	66.3	13.6
Idaho	5.7	31.6	16.3	14.9	13.5	14.1
Montana	-0.7	6.7	1.1	6.1	32.2	12.7
Utah	-6.0	13.6	-0.7	11.7	63.4	23.4
Wyoming	34.8	546.0	58.9	0.7	-5.0	-0.4
<b>FAR WEST</b>						
Alaska	14.6	34.2	16.9	-55.7	13.4	-46.4
California	-6.8	77.5	7.3	-15.5	75.1	23.3
Hawaii	10.3	2.0	6.4	-5.8	57.9	4.3
Nevada	-39.6	31.3	-27.3	-21.6	36.2	-7.3
Oregon	10.3	40.5	15.5	7.4	71.0	20.9
Washington	-15.8	29.8	-1.5	-12.6	-6.1	-12.1
<b>ALL STATES</b>	<b>0.0 %</b>	<b>21.4 %</b>	<b>4.7 %</b>	<b>-4.5 %</b>	<b>32.9 %</b>	<b>6.8 %</b>

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2009 State Expenditure Report

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
<b>NEW ENGLAND</b>										
Connecticut										
Maine										
Massachusetts										
New Hampshire										
Rhode Island										
Vermont										
<b>MID-ATLANTIC</b>										
Delaware										
Maryland										
New Jersey										
New York*	P	P								
<b>GREAT LAKES</b>										
Illinois	P				P	P			X	
Indiana										
Michigan*				P	P	P				
Ohio									X	
Wisconsin										
<b>PLAINS</b>										
Iowa									X	
Kansas							N/A		N/A	
Minnesota										
Missouri*									X	
Nebraska									X	
North Dakota										
South Dakota										X
<b>SOUTHEAST</b>										
Alabama									P	P
Arkansas										
Florida										
Georgia				P	P	P				
Kentucky										
Louisiana										
Mississippi									P	
North Carolina										
South Carolina										X
Tennessee										X
Virginia										
West Virginia										
<b>SOUTHWEST</b>										
Arizona*										P
New Mexico									P	
Oklahoma									X	P
Texas										
<b>ROCKY MOUNTAIN</b>										
Colorado										
Idaho									X	X
Montana										
Utah										
Wyoming										
<b>FAR WEST</b>										
Alaska							P		P	
California						P				
Hawaii	P	P								
Nevada										X
Oregon										
Washington				P						X
<b>ALL STATES</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>12</b>	<b>9</b>

Excluded=X

Partially Excluded=P

Not Applicable=N/A

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See All Other Expenditures Notes for explanation

## **All Other Expenditure 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.

**Arizona:** Some of the "General Aid to Local Government" assistance items are revenue distributions.

**Indiana:** Expenditure figures for "2010 Estimated – All Other State Expenditures (General Funds)" decreased in part due to HEA 1001 (2008), the Governor's property tax reform legislation whereby the state assumed the responsibility for funding a number of levies previously supported by local property taxes. Consequently, the state eliminated Property Tax Replacement Credits, which previously were included in the "All Other State Expenditures" category.

**Maine:** Previous reports inadvertently included motor vehicle licensing and gas tax and fee collection costs in All Other expenditures. This report excludes those costs for all three years of the report and instead includes them in Transportation expenditures. This correction caused the numbers to change only for Other State Funds.

**Michigan:** Public health and community and institutional care for mentally and developmentally disabled persons are partially reported in the Medicaid totals. Federal revenue support increased in fiscal 2009 largely due to the expenditure of federal ARRA funding for a variety of programs. Actual ARRA expenditures will be recorded with the fiscal 2010 annual financial report.

**Missouri:** Fringe benefits are appropriated and paid centrally and are therefore included in all other expenditures with the exception of retirement and health care costs for Transportation employees and Highway Patrol employees in the Department of Public Safety.

**New Jersey:** All Other expenditures reflected in this survey do not include a significant amount of related costs incurred by independent authorities such as Higher Education Student Assistance Authority (HESAA), New Jersey Housing and Mortgage Finance Agency (HMFA), etc.

**New York:** New York budgets most employer contributions to employees' benefits and pensions centrally. The portion of employer contributions to employees' benefits not distributed to an expenditure category has been included in the All Other Expenditures category.

**North Carolina:** North Carolina was unable to provide All Other figures for estimated fiscal 2010.

**Rhode Island:** Fiscal 2010 federal funds "All Other State Expenditures" includes an increase in unemployment compensation due to the unemployment extension under the federal stimulus program.

**South Carolina:** Estimated capital expenditures are no longer collected. Therefore, no capital expenditure data is included for estimated fiscal 2010.



# CHAPTER EIGHT

# 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. Given the long-term nature of capital projects, states often find it difficult to report capital expenditures for one specific fiscal year. This is because the amount of money appropriated when a project initially is undertaken usually will not be the amount spent in a single year. For greater detail on states' capital spending practices, see the report *Capital Budgeting in the States*, available at [www.nasbo.org](http://www.nasbo.org) in the publications section.

The following chapter includes capital expenditures for higher education, corrections, transportation, environmental projects, housing, and "all other". Due to differences in states' reporting capabilities, or expenditures for items not easily classified, capital expenditures not included in these categories are included in the "All Other" category. Tables 47–53 display capital expenditure data.

## Total Capital Expenditures

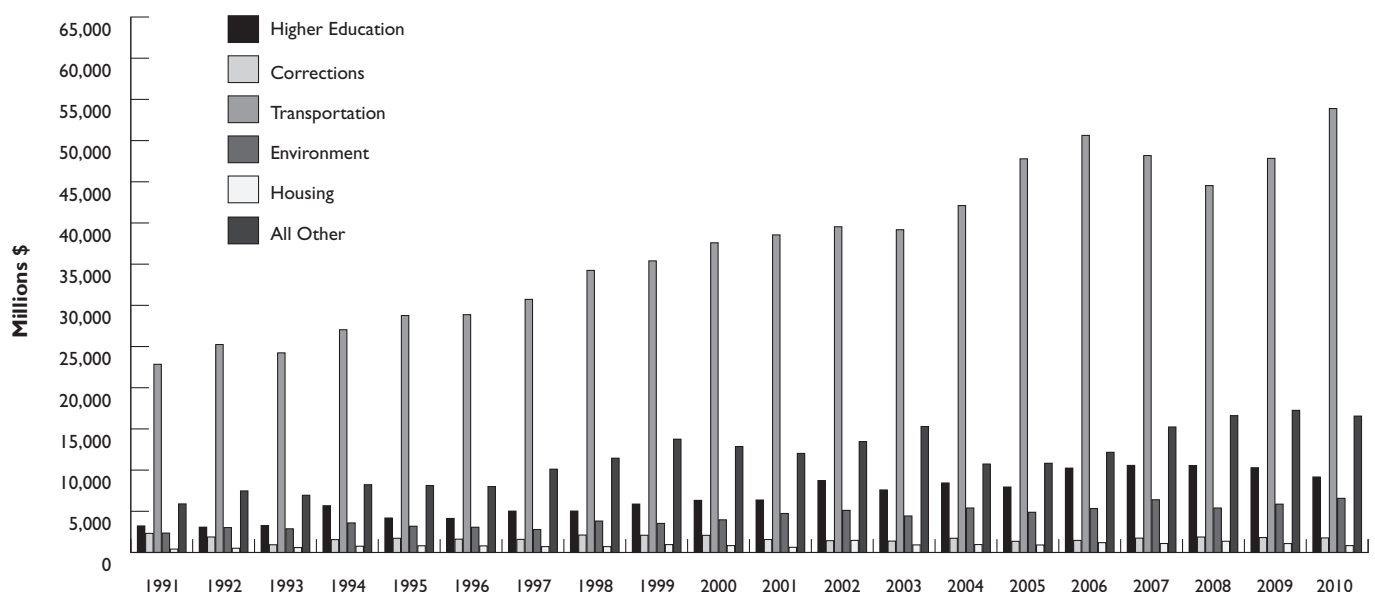
Because of the nature of capital spending, such as long construction timetables and unforeseen or delayed project costs, increases in state spending on capital projects are generally followed by a slowdown or decrease in spending. States decreased capital

spending in fiscal 2008 by 3.5 percent following four straight years of growth. Unlike some previous declines in capital spending, this decline was short-lived. Fiscal 2009 capital spending grew 4.7 percent from fiscal 2008 levels and fiscal 2009 capital spending is estimated to grow 5.5 percent. The increase is partly due to the passage of the *American Recovery and Reinvestment Act of 2009* (ARRA). Along with providing increased federal funds to states, ARRA also included a number of bond provisions such as Build America Bonds, Recovery Zone Economic Development Bonds, and School Construction Bonds. While general fund capital spending decreased by 35.4 percent in fiscal 2009 and other state funds grew by a modest 3.3 percent, federal funds increased by 15.3 percent and bonds increased by 10.6 percent. Overall, state capital spending totaled \$80.3 billion in fiscal 2008, \$84.2 billion in fiscal 2009, and is estimated to total \$88.8 billion in fiscal 2010.

## Capital Fund Sources

State spending on capital projects traditionally has come from non-general fund sources. Other state funds such as dedicated fees and fund surpluses (35.1 percent in fiscal 2009) and bonds (32.5 percent) combine to account for 67.6 percent of total state spending on capital projects. Federal funds (26.5 percent) and state general funds (5.9 percent) also contribute to capital spending.

**Figure 20**  
**CAPITAL EXPENDITURES BY TYPE, FISCAL 1991 TO 2010**





## Capital Funds by Use

Comprising 56.8 percent (\$47.8 billion) of all capital expenditures in fiscal 2009, **transportation** is the largest category of state capital expenditures. Capital spending for transportation increased by 7.4 percent in fiscal 2009, and is expected to increase by 12.6 percent in fiscal 2010.

**Higher education** capital expenditures decreased by 2.5 percent in fiscal 2009, totaling \$10.3 billion. In fiscal 2010, higher education capital spending is estimated to decrease by 11 percent. In fiscal 2009, higher education accounted for 12.2 percent of total state capital outlays.

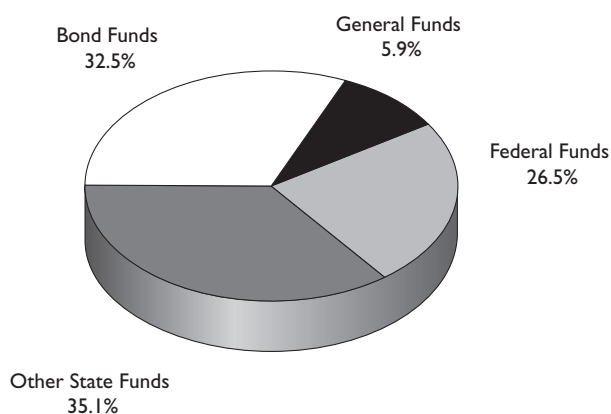
State capital spending for **environmental** purposes in fiscal 2009 totaled \$5.9 billion, 7 percent of total capital spending and an 8.7 percent increase from fiscal 2008. Environmental capital expenditures are estimated to increase 12 percent in fiscal 2010.

**Corrections** capital spending experienced a decrease of 3.5 percent in fiscal 2009, totaling \$1.81 billion. Corrections accounted for 2.2 percent of total state capital expenditures. Fiscal 2010 estimates indicate spending of \$1.77 billion, a 2.5 percent decrease.

**Housing** capital expenditures account for just 1.3 percent of total fiscal 2009 capital spending, at approximately \$1.1 billion. Housing capital spending decreased by 20.5 percent in fiscal 2009, and is estimated to decrease by 22.9 percent in fiscal 2010.

State spending for **“all other”** purposes totaled \$17.3 billion in fiscal 2009, or 20.5 percent of total capital spending. This includes capital expenditures not easily classified into one of the other categories. Examples of expenditures in the “all other” category may include items such as public school facilities, zoo improvements, health care infrastructure, or sports facilities.

**Figure 22**  
**TOTAL CAPITAL EXPENDITURES BY FUNDING SOURCE, FISCAL 2009**



**Figure 21**  
**ANNUAL PERCENTAGE CHANGE IN TOTAL CAPITAL EXPENDITURES**

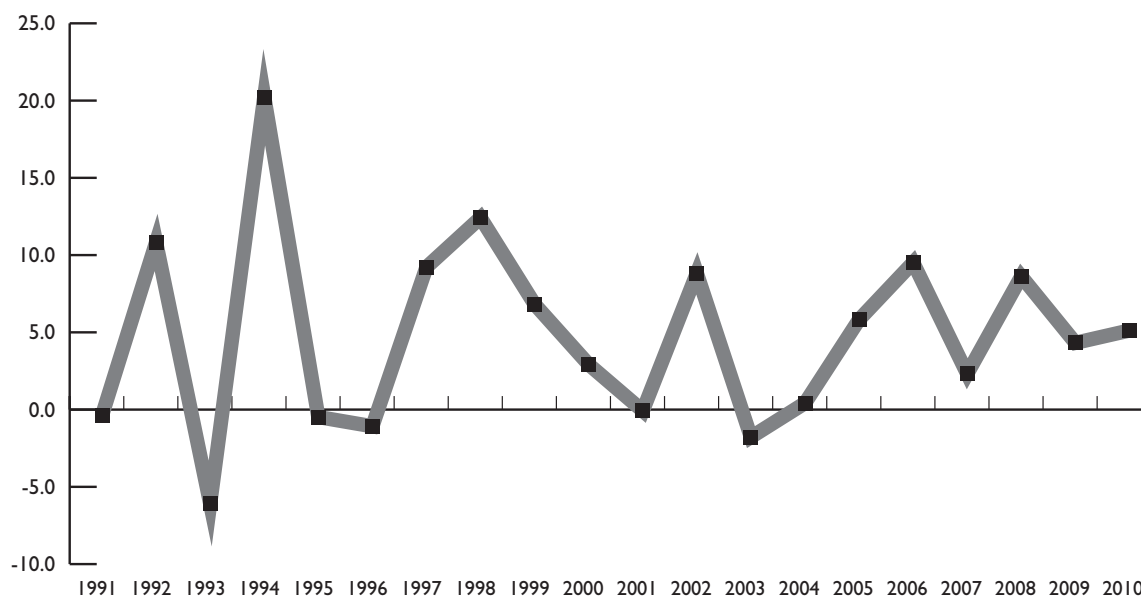


Table 47

## TOTAL CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2008					Actual Fiscal 2009					Estimated Fiscal 2010				
	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
<b>NEW ENGLAND</b>															
Connecticut*	\$0	\$0	\$0	\$2,032	<b>\$2,032</b>	\$0	\$0	\$0	\$1,852	<b>\$1,852</b>	\$0	\$0	\$0	\$1,794	<b>\$1,794</b>
Maine*	3	110	57	65	<b>235</b>	1	122	84	60	<b>267</b>	0	181	76	41	<b>298</b>
Massachusetts	0	495	72	1,419	<b>1,985</b>	0	655	43	1,568	<b>2,266</b>	0	687	42	1,887	<b>2,615</b>
New Hampshire	0	33	154	113	<b>300</b>	0	11	157	172	<b>340</b>	0	8	151	137	<b>296</b>
Rhode Island*	1	167	76	185	<b>429</b>	1	75	65	149	<b>290</b>	1	325	177	94	<b>597</b>
Vermont	0	139	49	37	<b>225</b>	0	157	44	56	<b>257</b>	0	220	45	72	<b>337</b>
<b>MID-ATLANTIC</b>															
Delaware	0	156	221	275	<b>652</b>	0	201	224	281	<b>706</b>	0	239	170	253	<b>662</b>
Maryland	25	730	1,386	839	<b>2,980</b>	16	740	1,221	926	<b>2,903</b>	0	1,166	1,135	1,128	<b>3,429</b>
New Jersey	1,938	1,399	51	1,508	<b>4,896</b>	1,800	2,429	110	1,627	<b>5,966</b>	1,096	1,775	19	1,657	<b>4,547</b>
New York	0	1,755	2,507	1,869	<b>6,131</b>	0	1,852	1,826	3,153	<b>6,831</b>	0	1,952	1,897	3,263	<b>7,112</b>
Pennsylvania	0	0	0	738	<b>738</b>	0	0	0	999	<b>999</b>	0	0	0	1,655	<b>1,655</b>
<b>GREAT LAKES</b>															
Illinois	0	121	1,979	278	<b>2,378</b>	0	120	2,337	151	<b>2,608</b>	0	156	3,251	785	<b>4,192</b>
Indiana*	280	0	36	161	<b>477</b>	236	0	39	98	<b>373</b>	219	0	59	169	<b>447</b>
Michigan*	231	839	462	300	<b>1,832</b>	237	1,078	278	231	<b>1,824</b>	233	2,023	323	192	<b>2,771</b>
Ohio	2	1,021	1,228	753	<b>3,004</b>	1	1,088	2,503	850	<b>4,442</b>	1	1,200	2,788	643	<b>4,632</b>
Wisconsin	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>
<b>PLAINS</b>															
Iowa	0	290	282	26	<b>598</b>	0	371	404	28	<b>803</b>	0	188	240	298	<b>726</b>
Kansas	24	424	236	98	<b>782</b>	25	436	736	95	<b>1,292</b>	13	384	533	142	<b>1,072</b>
Minnesota	23	90	699	691	<b>1,503</b>	46	82	930	599	<b>1,657</b>	27	150	895	743	<b>1,815</b>
Missouri*	87	24	109	3	<b>223</b>	23	21	111	0	<b>155</b>	33	50	119	0	<b>202</b>
Nebraska	12	283	556	0	<b>851</b>	9	281	665	0	<b>955</b>	15	307	600	0	<b>922</b>
North Dakota	32	213	131	27	<b>403</b>	45	244	131	10	<b>430</b>	86	289	133	22	<b>530</b>
South Dakota	10	3	44	17	<b>74</b>	4	4	92	77	<b>177</b>	6	4	24	67	<b>101</b>
<b>SOUTHEAST</b>															
Alabama*	20	486	198	552	<b>1,256</b>	16	450	240	593	<b>1,299</b>	0	978	199	406	<b>1,583</b>
Arkansas	0	12	72	23	<b>107</b>	0	27	62	14	<b>103</b>	0	48	121	47	<b>216</b>
Florida	645	2,436	6,394	3,196	<b>12,671</b>	292	2,530	5,246	2,099	<b>10,167</b>	69	2,927	4,199	1,833	<b>9,028</b>
Georgia	0	1,125	1,015	1,089	<b>3,229</b>	18	824	686	1,193	<b>2,721</b>	5	1,533	240	939	<b>2,717</b>
Kentucky	0	0	875	0	<b>875</b>	0	0	832	0	<b>832</b>	0	0	1,069	0	<b>1,069</b>
Louisiana	178	34	1,207	291	<b>1,710</b>	86	45	1,043	592	<b>1,766</b>	949	60	1,271	626	<b>2,906</b>
Mississippi	30	803	317	234	<b>1,384</b>	23	448	398	367	<b>1,236</b>	31	409	506	419	<b>1,366</b>
North Carolina*	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>
South Carolina*	40	33	245	118	<b>436</b>	57	12	260	183	<b>512</b>	0	0	0	0	<b>0</b>
Tennessee*	264	834	360	151	<b>1,609</b>	70	1,533	661	554	<b>2,818</b>	40	862	444	268	<b>1,614</b>
Virginia	370	11	175	636	<b>1,192</b>	37	31	313	1,517	<b>1,898</b>	7	26	183	1,166	<b>1,381</b>
West Virginia	18	387	532	154	<b>1,091</b>	34	506	502	107	<b>1,149</b>	28	687	532	108	<b>1,355</b>
<b>SOUTHWEST</b>															
Arizona	41	440	314	439	<b>1,234</b>	39	496	139	594	<b>1,268</b>	35	522	183	441	<b>1,181</b>
New Mexico	323	0	6	537	<b>866</b>	55	0	16	562	<b>633</b>	41	0	4	350	<b>396</b>
Oklahoma	83	857	457	174	<b>1,572</b>	97	1,098	526	235	<b>1,956</b>	82	759	429	131	<b>1,401</b>
Texas	49	0	50	49	<b>148</b>	57	0	55	40	<b>152</b>	64	1	144	70	<b>279</b>
<b>ROCKY MOUNTAIN</b>															
Colorado*	557	0	1,241	0	<b>1,798</b>	324	0	1,247	0	<b>1,571</b>	128	0	1,079	0	<b>1,207</b>
Idaho	23	226	200	30	<b>479</b>	13	175	127	29	<b>344</b>	10	496	184	27	<b>717</b>
Montana*	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>
Utah*	792	274	666	3	<b>1,735</b>	251	297	974	279	<b>1,801</b>	75	372	524	1,259	<b>2,230</b>
Wyoming	126	9	104	0	<b>239</b>	214	39	98	0	<b>351</b>	215	40	98	0	<b>353</b>
<b>FAR WEST</b>															
Alaska	1,302	859	419	26	<b>2,606</b>	676	1,394	989	345	<b>3,404</b>	866	1,187	105	0	<b>2,158</b>
California	138	1,157	1,327	2,588	<b>5,210</b>	118	1,268	800	1,490	<b>3,676</b>	125	2,208	1,058	4,962	<b>8,353</b>
Hawaii	0	212	218	617	<b>1,047</b>	0	240	160	570	<b>970</b>	0	240	264	674	<b>1,178</b>
Nevada	23	236	580	401	<b>1,240</b>	41	348	609	602	<b>1,600</b>	0	390	654	177	<b>1,221</b>
Oregon	17	15	93	185	<b>310</b>	13	30	133	255	<b>431</b>	0	43	131	473	<b>647</b>
Washington	0	572	1,183	1,821	<b>3,576</b>	0	502	1,419	2,179	<b>4,100</b>	0	652	829	1,996	<b>3,477</b>
<b>TOTAL*</b>	<b>\$7,706</b>	<b>\$19,310</b>	<b>\$28,583</b>	<b>\$24,749</b>	<b>\$80,347</b>	<b>\$4,975</b>	<b>\$22,260</b>	<b>\$29,535</b>	<b>\$27,381</b>	<b>\$84,151</b>	<b>\$4,501</b>	<b>\$25,742</b>	<b>\$27,128</b>	<b>\$31,413</b>	<b>\$88,784</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See Capital Spending Notes for explanation

Table 48

## HIGHER EDUCATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2008					Actual Fiscal 2009					Estimated Fiscal 2010				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$0	\$0	\$0	\$211	\$211	\$0	\$0	\$0	\$257	\$257	\$0	\$0	\$0	\$300	\$300
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	43	43	0	0	0	39	39	0	0	0	11	11
New Hampshire	0	0	0	34	34	0	0	0	39	39	0	0	0	43	43
Rhode Island	0	3	17	54	74	0	0	15	44	59	0	20	18	20	58
Vermont	0	0	0	5	5	0	0	0	3	3	0	0	0	4	4
<b>MID-ATLANTIC</b>															
Delaware	0	0	0	10	10	0	0	0	1	1	0	0	0	4	4
Maryland	0	0	30	229	259	0	0	33	264	297	0	0	27	284	311
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	0	66	520	586	0	0	67	528	595	0	0	83	775	858
Pennsylvania	0	0	0	201	201	0	0	0	270	270	0	0	0	270	270
<b>GREAT LAKES</b>															
Illinois	0	0	0	56	56	0	0	0	39	39	0	0	0	81	81
Indiana	72	0	0	161	233	31	0	0	98	129	0	0	0	169	169
Michigan*	119	0	0	93	212	126	0	0	55	181	132	0	0	42	174
Ohio	0	0	161	123	284	0	0	288	0	288	0	0	313	0	313
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>PLAINS</b>															
Iowa	0	0	17	7	24	0	0	32	3	35	0	0	37	31	68
Kansas	4	0	72	28	104	5	1	74	31	111	6	26	71	32	135
Minnesota	0	0	0	232	232	0	0	0	192	192	0	0	0	226	226
Missouri	0	0	68	0	68	3	0	75	0	78	4	6	67	0	77
Nebraska	9	1	159	0	169	7	1	193	0	201	12	1	186	0	199
North Dakota	10	0	23	27	60	17	0	30	7	54	45	9	17	22	93
South Dakota	0	0	0	11	11	0	0	0	63	63	0	0	0	64	64
<b>SOUTHEAST</b>															
Alabama*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	0	0	9	0	9	0	0	9	0	9	0	0	19	0	19
Florida	111	0	142	1,123	1,376	16	0	57	942	1,015	4	0	49	185	238
Georgia	0	0	0	342	342	0	0	0	432	432	0	0	0	532	532
Kentucky	0	0	446	0	446	0	0	498	0	498	0	0	482	0	482
Louisiana	59	3	39	50	151	47	7	54	68	176	33	1	68	63	165
Mississippi	21	7	80	12	120	19	5	84	19	127	24	5	85	13	127
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	19	3	179	116	317	12	2	212	182	408	0	0	0	0	0
Tennessee	206	0	10	84	300	16	0	0	163	179	2	0	0	10	12
Virginia	254	1	80	422	757	27	16	222	1,189	1,454	3	1	164	937	1,105
West Virginia	0	0	279	76	355	0	0	168	55	223	0	0	174	57	231
<b>SOUTHWEST</b>															
Arizona	36	11	10	175	232	36	1	10	135	182	33	1	12	74	120
New Mexico	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oklahoma	0	11	138	115	264	0	4	210	164	378	0	6	215	12	233
Texas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>ROCKY MOUNTAIN</b>															
Colorado	99	0	213	0	312	115	0	185	0	300	30	0	183	0	213
Idaho	14	0	8	5	27	12	0	9	6	27	10	0	9	6	25
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	79	0	3	1	83	26	0	1	9	36	0	0	0	39	39
Wyoming	27	1	0	0	28	39	1	0	0	40	39	1	0	0	40
<b>FAR WEST</b>															
Alaska	59	21	36	0	116	14	120	80	0	214	4	30	0	0	34
California	0	0	0	1,311	1,311	0	0	0	402	402	0	0	0	1,094	1,094
Hawaii	0	0	0	90	90	0	0	0	145	145	0	0	7	109	116
Nevada	0	0	120	177	297	0	0	14	183	197	0	0	0	86	86
Oregon	17	0	72	115	204	12	0	107	171	290	0	0	110	294	404
Washington	0	0	143	400	543	0	0	186	443	629	0	0	87	303	390
<b>TOTAL</b>	<b>\$1,215</b>	<b>\$62</b>	<b>\$2,620</b>	<b>\$6,659</b>	<b>\$10,556</b>	<b>\$580</b>	<b>\$158</b>	<b>\$2,913</b>	<b>\$6,641</b>	<b>\$10,292</b>	<b>\$381</b>	<b>\$107</b>	<b>\$2,483</b>	<b>\$6,192</b>	<b>\$9,163</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See Capital Spending Notes for explanation

Table 49

## CORRECTIONS CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2008					Actual Fiscal 2009					Estimated Fiscal 2010				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$0	\$0	\$0	\$3	\$3	\$0	\$0	\$0	\$24	\$24	\$0	\$0	\$0	\$2	\$2
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Hampshire	0	0	0	1	1	0	0	0	3	3	0	0	0	3	3
Rhode Island	0	4	3	0	7	0	0	3	0	3	0	0	7	0	7
Vermont	0	0	0	3	3	0	0	0	2	2	0	0	0	0	0
<b>MID-ATLANTIC</b>															
Delaware	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maryland	0	0	0	51	51	0	0	0	35	35	0	10	0	84	94
New Jersey	3	1	0	0	4	4	4	0	1	9	5	0	0	0	5
New York	0	0	0	254	254	0	0	0	279	279	0	0	0	264	264
Pennsylvania	0	0	0	36	36	0	0	0	90	90	0	0	0	224	224
<b>GREAT LAKES</b>															
Illinois	0	0	0	12	12	0	0	0	8	8	0	0	0	8	8
Indiana	53	0	16	0	69	55	0	14	0	69	55	0	12	0	67
Michigan	48	0	0	3	51	48	0	0	0	48	47	0	0	1	48
Ohio	0	0	0	14	14	0	0	0	36	36	0	0	0	34	34
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>PLAINS</b>															
Iowa	0	0	7	4	11	0	0	4	2	6	0	0	3	216	219
Kansas	4	0	2	8	14	3	0	2	7	12	2	0	6	6	14
Minnesota	4	1	1	45	51	10	0	1	26	37	6	0	0	14	20
Missouri	0	14	0	2	16	0	5	0	0	5	0	0	6	0	6
Nebraska	1	0	0	0	1	1	0	0	0	1	1	0	1	0	2
North Dakota	2	0	0	0	2	3	0	0	0	3	2	0	1	0	3
South Dakota	1	0	0	0	1	1	0	0	0	1	3	0	0	0	3
<b>SOUTHEAST</b>															
Alabama	16	0	1	1	18	3	0	1	1	5	0	0	3	0	3
Arkansas	0	0	2	0	2	0	0	5	0	5	0	0	9	0	9
Florida	171	1	0	0	172	130	0	0	30	160	0	0	0	170	170
Georgia	0	0	0	14	14	0	0	0	28	28	0	0	0	30	30
Kentucky	0	0	6	0	6	0	0	9	0	9	0	0	4	0	4
Louisiana	10	2	4	2	18	9	1	2	2	14	1	0	2	5	8
Mississippi	2	0	1	0	3	1	0	1	0	2	1	0	1	0	2
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	5	3	3	2	13	8	0	12	0	20	0	0	0	0	0
Tennessee	3	0	29	35	67	0	0	85	4	89	0	0	30	0	30
Virginia	40	2	4	88	134	4	10	3	130	147	3	2	4	70	79
West Virginia	3	0	1	1	5	3	0	1	15	19	3	0	6	0	9
<b>SOUTHWEST</b>															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	264	0	0	0	264	1	0	0	0	1	0	0	0	0	0
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas	35	0	1	49	85	41	0	1	40	82	44	0	1	70	115
<b>ROCKY MOUNTAIN</b>															
Colorado	21	0	29	0	50	25	0	81	0	106	21	0	64	0	85
Idaho	8	0	3	3	14	1	0	0	2	3	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	55	0	0	0	55	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>FAR WEST</b>															
Alaska	9	0	0	0	9	13	0	0	0	13	7	0	0	0	7
California	101	0	0	1	102	87	0	0	1	88	99	0	0	2	101
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	0	0	0	98	98	0	0	0	161	161	0	0	0	33	33
Oregon	0	0	0	31	31	0	0	0	15	15	0	0	0	15	15
Washington	0	0	3	171	174	0	0	6	115	121	0	0	0	46	46
<b>TOTAL</b>	<b>\$804</b>	<b>\$28</b>	<b>\$116</b>	<b>\$932</b>	<b>\$1,880</b>	<b>\$506</b>	<b>\$20</b>	<b>\$231</b>	<b>\$1,057</b>	<b>\$1,814</b>	<b>\$300</b>	<b>\$12</b>	<b>\$160</b>	<b>\$1,297</b>	<b>\$1,769</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

Table 50

## TRANSPORTATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2008					Actual Fiscal 2009					Estimated Fiscal 2010				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$0	\$0	\$0	\$477	<b>\$477</b>	\$0	\$0	\$0	\$418	<b>\$418</b>	\$0	\$0	\$0	\$576	<b>\$576</b>
Maine	0	105	52	57	<b>214</b>	0	112	78	47	<b>237</b>	0	172	72	28	<b>272</b>
Massachusetts	0	495	72	713	<b>1,280</b>	0	655	43	626	<b>1,324</b>	0	687	42	933	<b>1,662</b>
New Hampshire	0	33	154	0	<b>187</b>	0	11	157	0	<b>168</b>	0	8	151	0	<b>159</b>
Rhode Island	0	126	2	30	<b>158</b>	0	63	6	42	<b>111</b>	0	256	9	28	<b>293</b>
Vermont	0	139	49	0	<b>188</b>	0	157	44	13	<b>214</b>	0	220	45	2	<b>267</b>
<b>MID-ATLANTIC</b>															
Delaware	0	156	221	0	<b>377</b>	0	201	224	0	<b>425</b>	0	239	170	0	<b>409</b>
Maryland	0	665	821	0	<b>1,486</b>	0	668	751	0	<b>1,419</b>	0	917	731	0	<b>1,648</b>
New Jersey	895	1,303	27	1,352	<b>3,577</b>	895	1,999	74	1,559	<b>4,527</b>	895	1,754	13	1,580	<b>4,242</b>
New York	0	1,495	1,833	198	<b>3,526</b>	0	1,646	1,325	823	<b>3,794</b>	0	1,684	1,298	885	<b>3,867</b>
Pennsylvania	0	0	0	150	<b>150</b>	0	0	0	380	<b>380</b>	0	0	0	390	<b>390</b>
<b>GREAT LAKES</b>															
Illinois	0	113	1,772	72	<b>1,957</b>	0	113	2,074	49	<b>2,236</b>	0	152	2,987	482	<b>3,621</b>
Indiana*	2	0	0	0	<b>2</b>	2	0	0	0	<b>2</b>	0	0	21	0	<b>21</b>
Michigan	0	676	335	135	<b>1,146</b>	0	896	163	105	<b>1,164</b>	0	1,839	153	103	<b>2,095</b>
Ohio	0	1,021	782	329	<b>2,132</b>	0	1,088	797	385	<b>2,270</b>	0	1,200	1,016	360	<b>2,576</b>
Wisconsin	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>
<b>PLAINS</b>															
Iowa	0	290	182	0	<b>472</b>	0	371	274	0	<b>645</b>	0	188	87	0	<b>275</b>
Kansas	7	415	162	50	<b>634</b>	7	428	635	53	<b>1,123</b>	0	358	428	100	<b>886</b>
Minnesota	0	49	664	158	<b>871</b>	0	26	881	124	<b>1,031</b>	0	53	793	176	<b>1,022</b>
Missouri*	1	0	0	0	<b>1</b>	4	0	0	0	<b>4</b>	6	8	0	0	<b>14</b>
Nebraska	0	259	354	0	<b>613</b>	0	258	430	0	<b>688</b>	0	280	360	0	<b>640</b>
North Dakota	0	187	81	0	<b>268</b>	0	211	72	0	<b>283</b>	0	250	81	0	<b>331</b>
South Dakota	0	1	15	0	<b>16</b>	0	0	15	0	<b>15</b>	0	0	17	0	<b>17</b>
<b>SOUTHEAST</b>															
Alabama	0	486	113	8	<b>607</b>	0	450	172	0	<b>622</b>	0	978	119	0	<b>1,097</b>
Arkansas	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>
Florida	85	2,180	2,984	627	<b>5,876</b>	0	2,120	2,445	468	<b>5,033</b>	0	2,272	2,438	927	<b>5,637</b>
Georgia	0	1,125	1,015	251	<b>2,391</b>	18	824	686	348	<b>1,876</b>	5	1,533	240	34	<b>1,812</b>
Kentucky	0	0	14	0	<b>14</b>	0	0	17	0	<b>17</b>	0	0	24	0	<b>24</b>
Louisiana	17	5	970	84	<b>1,076</b>	0	6	830	341	<b>1,177</b>	358	10	1,047	353	<b>1,768</b>
Mississippi	0	577	176	69	<b>822</b>	0	386	237	60	<b>683</b>	0	343	267	36	<b>646</b>
North Carolina	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>
South Carolina	0	1	14	0	<b>15</b>	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>
Tennessee	0	834	321	0	<b>1,155</b>	0	1,533	576	88	<b>2,197</b>	0	860	412	168	<b>1,440</b>
Virginia	0	0	70	52	<b>122</b>	0	0	70	43	<b>113</b>	0	0	18	4	<b>22</b>
West Virginia	3	373	215	77	<b>668</b>	3	468	265	37	<b>773</b>	7	637	265	51	<b>960</b>
<b>SOUTHWEST</b>															
Arizona	0	427	299	264	<b>990</b>	0	493	125	459	<b>1,077</b>	0	519	166	367	<b>1,052</b>
New Mexico	9	0	1	213	<b>223</b>	26	0	3	271	<b>300</b>	31	0	2	140	<b>173</b>
Oklahoma	0	600	216	55	<b>871</b>	0	764	187	71	<b>1,022</b>	0	412	81	119	<b>612</b>
Texas	0	0	49	0	<b>49</b>	0	0	54	0	<b>54</b>	0	1	143	0	<b>144</b>
<b>ROCKY MOUNTAIN</b>															
Colorado	25	0	907	0	<b>932</b>	29	0	913	0	<b>942</b>	0	0	713	0	<b>713</b>
Idaho	0	226	65	0	<b>291</b>	0	175	65	0	<b>240</b>	0	496	147	0	<b>643</b>
Montana	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>
Utah	384	270	643	0	<b>1,297</b>	32	294	943	209	<b>1,478</b>	1	371	490	1,119	<b>1,981</b>
Wyoming	87	2	99	0	<b>188</b>	154	29	88	0	<b>271</b>	154	29	88	0	<b>271</b>
<b>FAR WEST</b>															
Alaska	255	595	112	26	<b>988</b>	96	883	161	345	<b>1,485</b>	296	748	60	0	<b>1,104</b>
California	0	1,078	1,232	925	<b>3,235</b>	0	1,241	699	703	<b>2,643</b>	0	2,129	879	2,108	<b>5,116</b>
Hawaii	0	189	82	119	<b>390</b>	0	229	58	123	<b>410</b>	0	202	71	80	<b>353</b>
Nevada	23	234	447	92	<b>796</b>	41	345	571	165	<b>1,122</b>	0	390	654	21	<b>1,065</b>
Oregon	0	3	0	1	<b>4</b>	0	4	0	5	<b>9</b>	0	1	0	8	<b>9</b>
Washington	0	482	485	843	<b>1,810</b>	0	414	714	689	<b>1,817</b>	0	542	544	879	<b>1,965</b>
<b>TOTAL</b>	<b>\$1,793</b>	<b>\$17,215</b>	<b>\$18,107</b>	<b>\$7,427</b>	<b>\$44,542</b>	<b>\$1,307</b>	<b>\$19,561</b>	<b>\$17,922</b>	<b>\$9,049</b>	<b>\$47,839</b>	<b>\$1,753</b>	<b>\$22,738</b>	<b>\$17,342</b>	<b>\$12,057</b>	<b>\$53,890</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See Capital Spending Notes for explanation

Table 51

## ENVIRONMENTAL PROJECTS CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2008					Actual Fiscal 2009					Estimated Fiscal 2010				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$0	\$0	\$0	\$372	\$372	\$0	\$0	\$0	\$366	\$366	\$0	\$0	\$0	\$15	\$15
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	204	204	0	0	0	218	218	0	0	0	164	164
New Hampshire	0	0	0	5	5	0	0	0	4	4	0	0	0	5	5
Rhode Island	1	4	6	26	37	1	4	3	13	21	1	44	7	9	61
Vermont	0	0	0	7	7	0	0	0	7	7	0	0	0	44	44
<b>MID-ATLANTIC</b>															
Delaware	0	0	0	3	3	0	0	0	2	2	0	0	0	2	2
Maryland	7	42	496	30	575	8	55	362	58	483	0	168	350	160	678
New Jersey	86	6	6	60	158	101	4	17	42	164	64	6	5	65	140
New York	0	129	353	129	611	0	86	154	353	593	0	114	293	171	578
Pennsylvania	0	0	0	7	7	0	0	0	0	0	0	0	0	5	5
<b>GREAT LAKES</b>															
Illinois	0	8	204	20	232	0	7	249	12	268	0	4	263	12	279
Indiana	38	0	2	0	40	40	0	2	0	42	34	0	2	0	36
Michigan	9	9	52	37	107	5	14	53	29	101	2	19	73	9	103
Ohio	1	0	0	87	88	0	0	33	156	189	0	0	39	102	141
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>PLAINS</b>															
Iowa	0	0	15	0	15	0	0	18	8	26	0	0	29	11	40
Kansas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Minnesota	8	4	18	15	45	11	10	28	11	60	7	12	76	14	109
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	2	11	15	0	28	6	11	27	0	44
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SOUTHEAST</b>															
Alabama*	0	0	42	29	71	1	0	21	16	38	0	0	18	17	35
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	171	255	1,011	398	1,835	36	410	901	423	1,770	1	655	219	472	1,347
Georgia	0	0	0	28	28	0	0	0	80	80	0	0	0	45	45
Kentucky	0	0	5	0	5	0	0	0	0	0	0	0	33	0	33
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	1	7	4	12	0	8	9	14	31	0	6	7	7	20
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	0	14	23	0	37	1	2	9	0	12	0	0	0	0	0
Tennessee	0	0	0	0	0	2	0	0	0	2	0	0	0	0	0
Virginia	1	6	3	20	30	0	4	11	21	36	0	10	6	39	55
West Virginia	0	10	10	0	20	0	12	13	0	25	0	21	13	0	34
<b>SOUTHWEST</b>															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oklahoma	4	21	16	0	41	8	45	35	0	88	2	60	51	0	113
Texas	14	0	0	0	14	16	0	0	0	16	20	0	0	0	20
<b>ROCKY MOUNTAIN</b>															
Colorado*	2	0	1	0	3	1	0	3	0	4	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
<b>FAR WEST</b>															
Alaska	40	56	3	0	99	47	149	1	0	197	37	52	6	0	95
California	21	4	-5	344	364	24	26	20	384	454	25	79	45	1,848	1,997
Hawaii	0	0	0	3	3	0	0	0	7	7	0	0	0	0	0
Nevada	0	0	0	5	5	0	0	0	5	5	0	0	0	3	3
Oregon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Washington	0	53	113	133	299	0	64	188	280	532	0	63	76	194	333
<b>TOTAL</b>	<b>\$405</b>	<b>\$634</b>	<b>\$2,396</b>	<b>\$1,966</b>	<b>\$5,401</b>	<b>\$304</b>	<b>\$911</b>	<b>\$2,145</b>	<b>\$2,509</b>	<b>\$5,869</b>	<b>\$199</b>	<b>\$1,324</b>	<b>\$1,638</b>	<b>\$3,413</b>	<b>\$6,574</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See Capital Spending Notes for explanation

Table 52

## HOUSING CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2008					Actual Fiscal 2009					Estimated Fiscal 2010				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$0	\$0	\$0	\$16	\$16	\$0	\$0	\$0	\$10	\$10	\$0	\$0	\$0	\$22	\$22
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	172	172	0	0	0	186	186	0	0	0	174	174
New Hampshire	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rhode Island*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vermont	0	0	0	2	2	0	0	0	3	3	0	0	0	2	2
<b>MID-ATLANTIC</b>															
Delaware	0	0	0	4	4	0	0	0	4	4	0	0	0	2	2
Maryland	6	16	36	7	65	7	15	37	8	67	0	52	27	19	98
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	3	0	129	132	0	3	0	139	142	0	3	0	143	146
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>GREAT LAKES</b>															
Illinois	0	0	0	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	0	0	0
Michigan	2	140	30	5	177	0	147	40	2	189	0	148	49	6	203
Ohio	0	0	0	1	1	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
<b>PLAINS</b>															
Iowa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Minnesota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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
<b>SOUTHEAST</b>															
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	377	0	377	0	0	251	0	251	0	0	31	0	31
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	1	1	0	0	0	1	1
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
<b>SOUTHWEST</b>															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	00
<b>ROCKY MOUNTAIN</b>															
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
<b>FAR WEST</b>															
Alaska	300	23	35	0	358	1	90	47	0	138	2	21	38	0	61
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	0	0	0	0	0	0	0	0	0	0	0	0
Washington	0	0	7	51	58	0	0	3	89	92	0	0	0	95	95
<b>TOTAL</b>	<b>\$308</b>	<b>\$182</b>	<b>\$485</b>	<b>\$387</b>	<b>\$1,362</b>	<b>\$8</b>	<b>\$255</b>	<b>\$378</b>	<b>\$442</b>	<b>\$1,083</b>	<b>\$2</b>	<b>\$224</b>	<b>\$145</b>	<b>\$464</b>	<b>\$835</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See Capital Spending Notes for explanation

Table 53

## ALL OTHER CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2008					Actual Fiscal 2009					Estimated Fiscal 2010				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$0	\$0	\$0	\$953	\$953	\$0	\$0	\$0	\$777	\$777	\$0	\$0	\$0	\$880	\$880
Maine	3	5	5	8	21	1	10	6	13	30	0	9	4	13	26
Massachusetts	0	0	0	288	288	0	0	0	500	500	0	0	0	604	604
New Hampshire	0	0	0	73	73	0	0	0	126	126	0	0	0	86	86
Rhode Island*	0	30	48	75	153	0	8	38	51	97	0	6	136	37	179
Vermont	0	0	0	20	20	0	0	0	28	28	0	0	0	20	20
<b>MID-ATLANTIC</b>															
Delaware	0	0	0	258	258	0	0	0	274	274	0	0	0	245	245
Maryland	12	7	3	522	544	1	2	38	561	602	0	19	0	581	600
New Jersey	954	89	18	96	1,157	800	422	19	25	1,266	132	15	1	12	160
New York	0	128	255	639	1,022	0	117	280	1,031	1,428	0	151	223	1,025	1,399
Pennsylvania	0	0	0	344	344	0	0	0	259	259	0	0	0	766	766
<b>GREAT LAKES</b>															
Illinois	0	0	3	118	121	0	0	14	43	57	0	0	1	202	203
Indiana	115	0	18	0	133	108	0	23	0	131	130	0	24	0	154
Michigan	54	14	45	28	141	58	21	21	40	140	52	17	49	31	149
Ohio	1	0	285	199	485	1	0	1,385	273	1,659	1	0	1,420	147	1,568
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>PLAINS</b>															
Iowa	0	0	61	15	76	0	0	76	15	91	0	0	84	40	124
Kansas	9	9	0	12	30	10	7	25	4	46	5	0	28	4	37
Minnesota	11	36	16	241	304	25	46	20	246	337	14	85	26	313	438
Missouri	86	10	41	1	138	16	16	36	0	68	23	36	46	0	105
Nebraska	2	23	43	0	68	1	22	42	0	65	2	26	53	0	81
North Dakota	18	14	12	0	44	23	22	14	3	62	33	19	7	0	59
South Dakota	9	2	29	6	46	3	4	77	14	98	3	4	7	3	17
<b>SOUTHEAST</b>															
Alabama*	4	0	42	514	560	12	0	46	576	634	0	0	59	389	448
Arkansas	0	12	61	23	96	0	27	48	14	89	0	48	93	47	188
Florida	107	0	1,880	1,048	3,035	110	0	1,592	236	1,938	64	0	1,462	79	1,605
Georgia	0	0	0	454	454	0	0	0	305	305	0	0	0	298	298
Kentucky	0	0	404	0	404	0	0	308	0	308	0	0	526	0	526
Louisiana	92	24	194	155	465	30	31	157	181	399	557	49	154	205	965
Mississippi	8	219	52	149	428	3	49	67	272	391	5	55	146	364	570
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	16	12	26	0	54	36	8	27	1	72	0	0	0	0	0
Tennessee	55	0	0	32	87	52	0	0	299	351	38	2	2	90	132
Virginia	75	3	18	54	150	6	1	7	134	148	1	13	-9	116	121
West Virginia	12	4	27	0	43	28	26	55	0	109	18	29	74	0	1218
<b>SOUTHWEST</b>															
Arizona	5	2	5	0	12	3	2	4	0	9	2	2	5	0	9
New Mexico	50	0	5	324	379	28	0	13	291	332	11	0	3	210	224
Oklahoma	79	225	87	4	395	89	285	93	0	467	80	281	82	0	443
Texas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>ROCKY MOUNTAIN</b>															
Colorado	410	0	92	0	502	154	0	65	0	219	77	0	119	0	196
Idaho	0	0	125	23	148	0	0	53	21	74	0	0	27	21	48
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	329	4	20	2	355	138	3	30	61	232	74	1	34	101	210
Wyoming	12	6	5	0	23	21	9	10	0	40	22	10	10	0	42
<b>FAR WEST</b>															
Alaska	639	164	233	0	1,036	505	152	700	0	1,357	520	336	1	0	857
California	16	75	100	7	198	7	1	81	0	89	1	0	134	-90	45
Hawaii	0	23	136	405	564	0	11	102	295	408	0	38	186	485	709
Nevada	0	2	13	30	45	0	3	25	89	117	0	0	0	34	34
Oregon	0	12	21	38	71	1	26	26	64	117	0	42	21	156	219
Washington	0	37	432	223	692	0	24	322	563	909	0	47	122	479	648
<b>TOTAL*</b>	<b>\$3,183</b>	<b>\$1,191</b>	<b>\$4,860</b>	<b>\$7,381</b>	<b>\$16,615</b>	<b>\$2,270</b>	<b>\$1,355</b>	<b>\$5,945</b>	<b>\$7,685</b>	<b>\$17,255</b>	<b>\$1,865</b>	<b>\$1,340</b>	<b>\$5,360</b>	<b>\$7,993</b>	<b>\$16,558</b>

Source: National Association of State Budget Officers, 2009 State Expenditure Report

\*See Capital Spending Notes for explanation



## Capital Spending Notes

---

**Alabama:** Capital expenditures for higher education are not captured/available at the state budget level. Capital expenditures for Environmental and All Other from Federal and Other State Funds are not reported separately, combined amounts are included in the Other State Funds.

**Colorado:** Colorado financial reports (Colorado Comprehensive Annual Financial Report) do not break expenditures down by program, only by department. Hence, housing and environmental spending may occur within a department but it is not noted here due to the way the information is reported. Capital expenditures of federal funds are not published/available.

**Connecticut:** Bonds data is based on bond allocations by the State Bond Commission.

**Indiana:** Transportation capital expenditures for "Other State Funds" increase from zero in fiscal 2009 to \$21M in fiscal 2010 because of a decision by the State Budget Agency and the Indiana General Assembly to move appropriations/expenses previously included in the Indiana Department of Transportation's operating budget to the capital section of the budget bill. These do not reflect an increase of expenditures, but rather a different way of accounting for these capital expenditures.

**Maine:** Including motor vehicle licensing and gas tax and fee collections in Transportation expenditures instead of All Other expenditures in this year's report did not affect capital spending totals.

**Michigan:** Higher education capital expenditures made from non-state funds are excluded.

**Missouri:** Housing Capital Expenditures do not include expenditures made by the Missouri Housing Development Commission, a body corporate and politic. Road maintenance and construction expenditures are included in the operating figures for the Department of Transportation.

**Montana:** Capital expenditures are not reported separately but are included in total expenditures.

**North Carolina:** North Carolina was unable to break out capital expenditures.

**Rhode Island:** Capital expenditures for "Housing" are under the auspices of the Rhode Island Housing Resources Commission and the Rhode Island Housing and Mortgage Finance Corporation (RIHMF). Both are quasi-public agencies. Debt service for the Neighborhood Opportunities Program is displayed in the "All Other" category. Issuance and expenditure of GO Bond proceeds totaling \$25.0 million to finance RIHMF's deferred payment loan program for affordable housing are not displayed in the capital expenditures category. Fiscal 2010 estimated bond funds are based on year-to-date expenditures.

**South Carolina:** Estimated capital expenditures are no longer collected. Therefore, no capital expenditure data is included for estimated fiscal 2010.

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

**Utah:** Numerous revolving loan programs have been established by the State of Utah. These loan funds are typically provided startup General Fund appropriations when established. Some loan funds receive periodic General Fund appropriations to enhance the loan programs. Once established, loan repayments generally remain within the loan programs in order to provide additional monies for future loans. One revolving loan program provides low-interest loans and grants to Utah residents for low-income housing. This loan fund is the Olene Walker Housing Trust Fund (\$6 million available in fiscal 2008, \$7 million available in fiscal 2009, and \$10 million projected available for fiscal 2010). These funds were shown under capital for housing in previous years, but were reclassified in the 2002 expenditure report to a footnote.

Several revolving loan programs provide low-interest loans to local governments, such as cities and counties, to provide water and sewer systems. These loan funds include: 1) Water Resources Construction Fund (\$9 million available in fiscal 2008, \$5 million

available in fiscal 2009, and \$11 million projected available for fiscal 2010); 2) Water Resources Cities Water Loan Fund (\$0 available in fiscal 2008, \$1 million available in fiscal 2009, and \$4 million projected available for fiscal 2010); 3) Water Resources Conservation and Development Fund (\$20 million available in fiscal 2008, \$28 million available in fiscal 2009, and \$44 million projected available for fiscal 2010); 4) Water Quality Loan Fund (\$18 million available in fiscal 2008, \$29 million available in fiscal 2009, and \$37 million projected available for fiscal 2010); and 5) Drinking Water Loan Fund (\$14 million available in fiscal 2008, \$20 million available in fiscal 2009, and \$32 million projected available for fiscal 2010).

All numerical information presented represents bond "expenditures". All bond information included in the report is for General Obligation bonds. Not included in the report is State Building Ownership Authority (SBOA) Revenue Bonds or Board of Regents Revenue Bonds.

# **CHAPTER NINE**

## **REVENUE SOURCES**

### **IN THE GENERAL FUND**

---



General fund revenue, the source of most state expenditures, totaled \$603.3 billion in fiscal 2009. The three main sources of general fund revenue, personal income taxes, sales and compensating use taxes, and corporate income taxes accounted for 79.5 percent of general fund collections. Specifically, personal income taxes accounted for 40.3 percent of the total, sales and compensating use taxes for 32.4 percent, and corporate income taxes for 6.8 percent of total general fund revenues in 2009. Other taxes and fees represent 19.7 percent of general fund revenues, while gaming taxes were 0.8 percent. The major sources of general fund revenues are displayed by state in Table 54.

Depending on the state, "other taxes and fees" may include cigarette and tobacco taxes, alcoholic beverage taxes, insurance premiums, severance taxes, 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.

Table 55 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 exclude them from both their general funds and their revenue bases. However, many states use aid to local governments or other subsidies to help reduce the amount of property taxes local governments collect.

## State Tax Collection Trends

State general fund revenues declined sharply in fiscal 2009 and fiscal 2010 due to the downturn in the national economy. States collected \$670.5 billion in general fund revenues in fiscal 2008, but that total fell to \$603.3 billion in fiscal 2009 and fell even further in fiscal 2010 to an estimated \$592 billion. In total, revenues declined \$78.5 billion during the two-year period. On a percentage basis, revenues declined 10 percent in fiscal 2009 compared to fiscal 2008, and are estimated to have declined an additional 1.9 percent in fiscal 2010.

Unlike some previous recessions, all of the various sources of state revenue have experienced sharp declines since fiscal 2008. Corporate income taxes have experienced the largest two-year decline at 24.8 percent, followed by personal income tax at 14.9 percent, other taxes and fees at 8.8 percent, sales tax at 6.5 percent, and gaming tax at 4.6 percent.

**Figure 23**  
**REVENUE SOURCES IN THE GENERAL FUND**

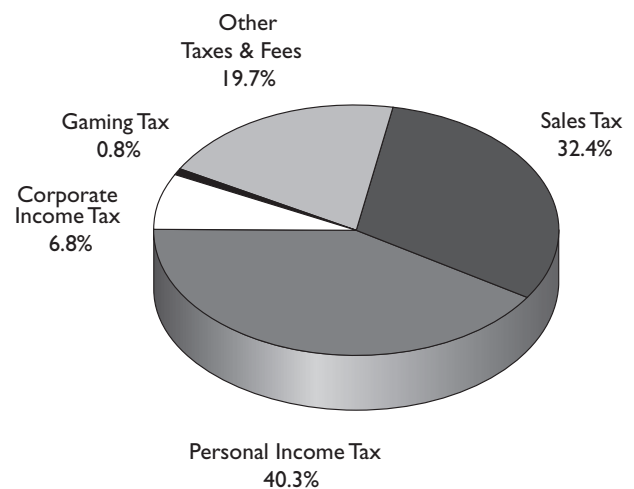


Table 54

## REVENUE SOURCES IN THE GENERAL FUND (\$ IN MILLIONS)

Region/state	Actual Fiscal 2008						Actual Fiscal 2009						Estimated Fiscal 2010					
	Personal		Corp.	Other		Total	Personal		Corp.	Other		Total	Personal		Corp.	Other		Total
	Sales Tax	Income Tax	Income Tax	Gaming Tax	Taxes & Fees		Sales Tax	Income Tax	Income Tax	Gaming Tax	Taxes & Fees		Sales Tax	Income Tax	Income Tax	Gaming Tax	Taxes & Fees	
NEW ENGLAND																		
Connecticut	\$3,582	\$7,513	\$734	\$699	\$3,891	\$16,419	\$3,319	\$6,386	\$616	\$665	\$4,715	\$15,701	\$3,136	\$6,561	\$672	\$677	\$6,482	\$17,527
Maine	1,035	1,444	185	0	424	3,088	975	1,243	143	0	450	2,811	954	1,298	175	0	329	2,756
Massachusetts	4,087	12,484	1,512	0	2,796	20,879	3,869	10,584	1,549	0	2,258	18,260	4,612	10,110	1,600	0	2,217	18,540
New Hampshire	0	0	618	3	1,746	2,367	0	0	674	3	1,541	2,218	0	0	504	3	1,737	2,244
Rhode Island	844	1,074	150	354	1,007	3,429	808	941	104	338	834	3,025	788	919	115	348	849	3,019
Vermont	226	622	75	0	278	1,201	214	532	61	0	282	1,089	206	492	63	0	270	1,031
MID-ATLANTIC																		
Delaware	0	1,007	179	0	2,171	3,357	0	911	152	0	2,085	3,148	0	853	88	0	2,294	3,235
Maryland	3,675	6,940	552	0	2,379	13,546	3,620	6,477	551	0	2,252	12,900	3,482	6,198	532	0	2,490	12,702
New Jersey	8,916	12,606	3,133	902	7,181	32,738	8,264	10,476	2,810	906	6,604	29,060	8,067	10,393	2,270	935	5,673	27,338
New York	10,592	36,564	6,018	23	2,670	55,867	10,274	36,840	5,556	22	2,521	55,213	9,871	34,752	5,371	19	2,041	52,054
Pennsylvania	8,497	10,908	2,418	0	6,105	27,928	8,136	10,199	1,980	0	5,215	25,530	8,091	10,005	1,855	0	8,349	28,300
GREAT LAKES																		
Illinois	7,215	10,320	1,860	564	4,886	24,845	6,773	9,223	1,710	430	4,441	22,577	6,200	8,460	1,310	470	4,812	21,252
Indiana*	5,686	4,838	909	583	1,066	13,082	6,153	4,314	839	608	1,021	12,935	5,915	3,876	592	659	1,145	12,187
Michigan*	988	5,107	2,125	15	1,123	9,358	748	3,959	1,555	12	1,092	7,366	853	3,564	1,135	0	1,103	6,655
Ohio	7,614	9,115	754	0	9,176	26,659	7,113	7,628	521	0	11,423	26,685	7,077	7,247	142	0	10,484	24,950
Wisconsin	4,268	6,714	838	0	1,223	13,043	4,084	6,223	630	0	1,177	12,113	3,944	6,089	835	0	1,264	12,132
PLAINS																		
Iowa	1,954	2,849	347	115	820	6,085	2,284	2,720	272	116	542	5,934	2,187	2,472	193	124	426	5,402
Kansas	1,958	2,897	432	0	620	5,907	1,925	2,682	240	0	561	5,408	1,883	2,563	245	0	505	5,196
Minnesota	4,571	7,759	1,020	48	2,838	16,236	4,344	6,988	708	43	2,730	14,813	4,155	6,720	631	40	2,702	14,248
Missouri*	1,931	5,210	459	0	404	8,004	1,813	4,876	358	0	404	7,451	1,732	4,434	288	0	320	6,774
Nebraska	1,322	1,726	233	1	224	3,506	1,326	1,600	198	1	232	3,357	1,290	1,515	154	1	245	3,205
North Dakota	555	307	140	10	349	1,361	622	375	99	10	248	1,354	588	303	90	8	526	1,515
South Dakota	645	0	0	0	532	1,177	659	0	0	0	495	1,154	643	0	0	1	488	1,132
SOUTHEAST																		
Alabama*	2,067	2,971	501	2	2,688	8,229	1,781	2,586	447	2	2,028	6,844	1,858	2,734	342	3	1,743	6,680
Arkansas	2,110	2,763	354	11	337	5,575	2,081	2,706	383	11	380	5,561	1,966	2,579	424	13	448	5,430
Florida	18,429	0	2,217	27	3,440	24,112	16,531	0	1,833	20	2,641	21,026	15,967	0	1,730	25	3,336	21,057
Georgia	5,797	8,830	942	0	3,160	18,728	5,307	7,815	695	0	2,951	16,767	4,965	6,916	578	0	2,749	15,208
Kentucky	2,878	3,483	435	0	1,868	8,664	2,858	3,315	268	0	1,985	8,426	2,794	3,154	238	0	2,039	8,225
Louisiana	3,165	3,169	940	429	2,529	10,232	3,023	2,966	825	419	2,153	9,386	2,537	2,217	306	380	1,842	7,282
Mississippi	1,947	1,542	501	194	754	4,938	1,922	1,475	422	172	739	4,730	1,781	1,340	402	155	773	4,451
North Carolina	4,982	10,902	1,112	0	1,836	18,832	4,678	9,470	836	0	1,795	16,779	5,565	9,048	1,198	0	1,934	17,745
South Carolina	2,463	2,864	269	0	796	6,392	2,248	2,327	207	0	762	5,544	2,137	2,053	114	0	722	5,026
Tennessee	6,459	192	790	0	2,816	10,257	5,966	142	609	0	2,519	9,236	5,857	123	605	0	2,707	9,292
Virginia	3,076	10,115	808	0	1,769	15,767	2,903	9,481	648	0	1,283	14,315	3,043	8,960	731	0	1,255	13,989
West Virginia	992	1,519	388	0	1,030	3,929	1,110	1,557	270	0	964	3,901	1,144	1,522	231	0	891	3,788
SOUTHWEST																		
Arizona*	4,490	3,555	832	0	710	9,587	3,756	2,568	592	0	1,360	8,276	3,382	2,416	413	0	2,114	8,325
New Mexico	1,923	1,214	355	56	2,584	6,132	1,902	959	163	69	2,696	5,789	1,760	998	160	65	2,555	5,538
Oklahoma	1,750	2,239	279	1	1,713	5,981	1,805	1,960	266	15	1,500	5,545	1,643	1,709	168	14	1,087	4,621
Texas	21,516	0	0	0	20,153	41,669	20,935	0	0	0	17,042	37,977	21,075	0	0	0	15,593	36,668
ROCKY MOUNTAIN																		
Colorado*	2,318	4,974	508	0	351	8,151	2,108	4,333	293	3	346	7,083	2,004	4,045	309	16	333	6,706
Idaho	1,142	1,430	190	0	147	2,909	1,022	1,168	141	0	134	2,465	950	1,125	131	0	143	2,349
Montana	60	867	160	74	793	1,954	57	815	166	73	697	1,808	66	718	88	63	692	1,627
Utah	1,739	2,612	416	0	446	5,213	1,547	2,339	269	0	412	4,567	1,430	2,229	217	0	344	4,220
Wyoming	505	0	0	0	815	1,320	492	0	0	0	572	1,064	433	0	0	0	493	926
FAR WEST																		
Alaska*	0	0	789	10	9,709	10,508	0	0	613	3	4,968	5,584	0	0	500	3	4,939	5,442
California	26,613	54,182	11,849	2	9,876	102,522	23,753	43,376	9,536	3	6,104	82,772	26,852	44,021	9,386	2	6,260	86,521
Hawaii	2,619	1,544	85	0	997	5,245	2,418	1,338	54	0	1,198	5,008	2,421	1,466	47	0	949	4,883
Nevada	986	0	0	804	1,265	3,054	860	0	0	692	1,188	2,739	758	0	0	678	1,490	2,926
Oregon	0	4,973	441	0	476	5,890	0	5,117	244	0	475	5,836	0	4,993	331	0	658	5,982
Washington	8,216	0	0	0	6,398	14,614	7,330	0	0	0	6,828	14,158	6,887	0	0	0	6,793	13,680
STATES	\$208,402	\$273,943	\$49,852	\$4,927	\$133,363	\$670,486	\$195,716	\$242,989	\$41,105	\$4,635	\$118,842	\$603,286	\$194,949	\$233,189	\$37,507	\$4,702	\$121,632	\$591,980

\*See Revenue Sources in the General Fund Notes for explanation

Table 55

## ITEMS EXCLUDED FROM REVENUE SOURCES

Region/State	Sales and Compensating 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
<b>NEW ENGLAND</b>															
Connecticut							X			X					
Maine												X	X	P	
Massachusetts										X		X	X	X	
New Hampshire	X	X										X			
Rhode Island							X			X		X	X		
Vermont	P			X	X	X	X			P	P	X	X		
<b>MID-ATLANTIC</b>															
Delaware	X			X								X	X		
Maryland				X			P			X		X	X		
New Jersey	P		P	X		P		P	P	X	P	X	X	P	
New York					X		X			X		X	X	X	X
Pennsylvania	P			X	X	P	X		P	P		X	X	P	P
<b>GREAT LAKES</b>															
Illinois							P			X		X	X		
Indiana					X		X			X	P	X	X		
Michigan	P	P	P	X	X	P	X	P		X			P	P	P
Ohio				X	X		X			X		X			
Wisconsin				X	X		X			X		X	X	X	
<b>PLAINS</b>															
Iowa				P			X			X			X		
Kansas				P	X		X			P	X		X	P	P
Minnesota										X					
Missouri				X	X	X	X		P	X	X	X	P	P	P
Nebraska				P	X	P	X		P	X	P	P	X	P	P
North Dakota							X			X	X		X		
South Dakota		X	X				X			X	X		X		
<b>SOUTHEAST</b>															
Alabama					X	P	X	P		P			X		
Arkansas					X					X					
Florida		X			X		X			X	X		X	P	X
Georgia				X	X								X		
Kentucky				X			X						X	X	
Louisiana	P			P	X	P	X		P	X	P	P	X	P	P
Mississippi					X		P				X		X	X	
North Carolina				X	X					X	X	X			
South Carolina				X	X		X			X		X	X		
Tennessee				X	P					X					
Virginia				X	X	P	X			X	X	X	X	P	
West Virginia				X	P		X				X		X		
<b>SOUTHWEST</b>															
Arizona				X		P	X	P		P			P		
New Mexico					X		X			X			X		
Oklahoma	P	P	P	P	X	P	P	P	P	X	X	P	X	P	P
Texas		X	X	X						X			X		
<b>ROCKY MOUNTAIN</b>															
Colorado*				P	X		X			X	P	X		X	
Idaho				X	X	P	X	P		X	X	X	X	X	
Montana	P					P	X	P	P	P		P	P	P	P
Utah				X	X					P					
Wyoming		X	X	X	X										
<b>FAR WEST</b>															
Alaska	X	X			X								X		
California	P	P		P	X	P	X			X	X	X	X	P	P
Hawaii	P			N/A	N/A	p	x		p	N/A	p	N/A	P	P	P
Nevada		X	X		X		X			X	X	X	X		
Oregon	X			X	X	P	X	P		X	X		X		
Washington		X	X	X			X					X	X	P	
<b>ALL STATES</b>	<b>13</b>	<b>11</b>	<b>8</b>	<b>31</b>	<b>32</b>	<b>16</b>	<b>36</b>	<b>8</b>	<b>8</b>	<b>40</b>	<b>22</b>	<b>29</b>	<b>40</b>	<b>22</b>	<b>12</b>

Excluded=X

Partially Excluded=P

Not Applicable=N/A

\*See Revenue Sources in the General Fund Notes for explanation

## **Revenue Sources in the General Fund**

**Alabama:** Fiscal 2008 revenue amounts exclude a transfer from the Proration Prevention Fund of \$439,372,515. Fiscal 2009 revenue amounts exclude a transfer from the Proration Prevention Fund of \$129,590 and a transfer from the Education Trust Fund Rainy Day Account of \$221,136,679.

**Alaska:** As of this year's State Expenditure Report submission, Alaska is reporting \$0 under Sales and Compensating Use Taxes; this is a departure from recent years' erroneous reporting in this column. The Other Taxes and Total columns excludes unrestricted investment revenue.

**Colorado:** A portion of gaming taxes were diverted to the general fund due to budgetary constraints in fiscal 2008-09 and fiscal 2009-10. Fiscal pressures in fiscal 2007-08 did not exist and did not require gaming revenues to be diverted to the general fund. Only state sales taxes on lottery sales were included in the general fund. Motor fuel use taxes are collected as cash funds and are not part of the general fund. Property taxes are collected at the local government level. State sales taxes on energy sales and use were collected for a portion of fiscal 2009-10 as part of a budget balancing measure (suspending this sales tax exemption). Severance taxes are collected as cash funds and are not part of the general fund. In addition to annual federal assistance for public benefits, discretionary and non-discretionary ARRA funds were used to balance FY 2008-09 and FY 2009-10 budgets. Licensing fees are collected as cash funds and are not part of the general fund. Other revenue includes parimutuel and court receipts.

**Indiana:** Revenue figures for "2008 Actual - Sales and Compensating Use Taxes" include 2 months of sales tax revenue at 7%, rather than 6% (\$151.6 million). The sales tax was increased from 6% to 7% on April 1, 2008 as part of HEA 1001

(2008), the Governor's property tax reform legislation whereby the state assumed the responsibility for funding a number of levies previously supported by local property taxes. Revenue figures for "2009 Actual - Sales and Compensating Use Taxes" include a full year of sales tax revenue at 7%, rather than 6% (\$879.0 million). Revenue figures for "2009 Actual - Gaming Taxes" include \$62.8 million of Racino Wagering Taxes collected between January 1st and June 30th of 2009. HEA 1001 (2008) directed these revenues to the General Fund beginning January 1, 2009, as part of the Governor's property tax reform legislation. Revenue figures for "2009 Actual - Other Taxes and Fees" include \$25.8 million of revenues from HEA 1001 (2008), including \$12.8 million from the Riverboat Admissions Tax and \$13.0 million from the Motor Vehicle Excise Tax and FIT. HEA 1001 (2008) directed these revenues to the General Fund beginning January 1, 2009, as part of the Governor's property tax reform legislation. Normalizing for the impact of HEA 1001 (2008), "2009 Actual" revenues decreased by 7.4% compared with "2008 Actual" revenues, and "2010 Estimated" revenues decreased by 5.6% compared with "2009 Actual" revenues.

**Michigan:** Actual fiscal 2008 and fiscal 2009 amounts reflect general fund non-dedicated revenue as contained in the respective State of Michigan Comprehensive Annual Financial Reports. Effective for fiscal 2010, a temporary casino tax enacted in fiscal 2004 will no longer be in effect; all casino tax revenue received by the state will be deposited to the School Aid Fund. Revenue figures have been adjusted to put them on a basis comparable to the consensus estimates. Fiscal 2010 estimates are the May 2010 consensus revenue estimates.

**Missouri:** Revenue sources exclude refunds of \$1,258 million in fiscal 2008, \$1,441 million in fiscal 2009, and \$1,469 million in fiscal 2010.





## APPENDIX

---



Table A-1

## TOTAL STATE EXPENDITURES BY FUND SOURCE (EXCLUDES BONDS) (\$ IN MILLIONS)

Region/State	Actual Fiscal 2008			Actual Fiscal 2009			Estimated Fiscal 2010		
	State Funds	Federal Funds	State & Federal Funds	State Funds	Federal Funds	State & Federal Funds	State Funds	Federal Funds	State & Federal Funds
<b>NEW ENGLAND</b>									
Connecticut	\$20,121	\$2,117	\$22,238	\$21,620	\$2,327	\$23,947	\$21,169	\$3,099	\$24,268
Maine	5,137	2,182	7,319	5,204	2,778	7,982	5,025	3,151	8,176
Massachusetts	39,862	2,525	42,387	44,020	3,405	47,425	45,801	5,722	51,523
New Hampshire	3,195	1,498	4,693	3,125	1,682	4,807	3,254	2,073	5,327
Rhode Island	4,994	1,939	6,933	4,681	2,271	6,952	4,972	3,096	8,068
Vermont	3,959	1,312	5,271	4,093	1,468	5,561	3,905	1,845	2,796
<b>MID-ATLANTIC</b>									
Delaware	7,233	1,113	8,346	7,204	1,256	8,460	6,860	1,607	8,467
Maryland	23,008	6,561	29,569	23,112	7,759	30,871	22,486	9,795	32,281
New Jersey	38,345	8,851	47,196	34,262	10,788	45,050	33,273	14,045	47,318
New York	79,507	34,680	114,187	79,993	38,425	118,418	82,831	44,843	127,674
Pennsylvania	39,921	18,037	57,958	40,820	20,825	61,645	39,358	29,363	68,721
<b>GREAT LAKES</b>									
Illinois	33,187	11,073	44,260	33,055	13,253	46,308	31,901	14,686	46,587
Indiana	16,260	7,818	24,078	16,561	9,060	25,621	16,160	10,333	26,493
Michigan	30,903	12,660	43,563	29,008	16,510	45,518	26,293	19,238	45,531
Ohio	46,355	9,655	56,010	46,602	10,342	56,944	43,968	13,029	56,997
Wisconsin	28,555	7,534	36,089	28,733	9,709	38,442	28,554	11,531	40,085
<b>PLAINS</b>									
Iowa	11,535	4,565	16,100	11,403	6,031	17,434	11,445	6,642	18,087
Kansas	8,889	3,522	12,411	9,864	3,795	13,659	9,629	4,544	14,173
Minnesota	21,491	6,264	27,755	21,735	7,563	29,298	20,359	10,400	30,759
Missouri	15,249	5,632	20,881	16,720	6,285	23,005	15,356	8,743	24,099
Nebraska	6,300	2,411	8,711	6,573	2,566	9,139	6,618	2,973	9,591
North Dakota	2,329	1,241	3,570	2,569	1,362	3,931	2,921	1,767	4,688
South Dakota	2,018	1,182	3,200	2,073	1,396	3,469	1,984	1,718	3,702
<b>SOUTHEAST</b>									
Alabama	12,997	6,291	19,288	12,336	6,831	19,167	13,871	10,181	24,052
Arkansas	12,030	4,806	16,836	12,717	5,425	18,142	13,069	7,091	20,160
Florida	42,429	18,754	61,183	38,750	19,825	58,575	41,928	22,744	64,672
Georgia	26,707	10,268	36,975	26,126	11,477	37,603	24,464	13,066	37,530
Kentucky	16,275	6,720	22,995	15,824	8,233	24,057	15,360	10,477	25,837
Louisiana	15,714	12,883	28,597	14,111	10,951	25,062	14,188	14,798	28,986
Mississippi	8,871	6,434	15,305	9,249	6,712	15,961	10,133	8,832	18,965
North Carolina	30,474	10,914	41,388	30,634	11,856	42,490	20,811	10,492	31,303
South Carolina	14,015	6,654	20,669	13,514	7,378	20,892	12,450	10,117	22,567
Tennessee	16,539	9,343	25,882	17,508	11,032	28,540	15,962	12,903	28,865
Virginia	28,139	6,342	34,481	31,199	7,078	38,277	29,990	9,327	39,317
West Virginia	15,246	3,287	18,533	16,493	3,824	20,317	15,698	4,418	20,116
<b>SOUTHWEST</b>									
Arizona	16,773	7,820	24,593	16,007	10,240	26,247	15,970	10,655	26,625
New Mexico	9,118	4,506	13,624	9,953	4,946	14,899	8,179	5,580	13,759
Oklahoma	11,596	9,030	20,626	11,474	9,852	21,326	10,516	10,899	21,415
Texas	53,818	25,023	78,841	57,572	31,102	88,674	57,568	38,001	95,569
<b>ROCKY MOUNTAIN</b>									
Colorado	20,390	4,739	25,129	22,359	6,447	28,806	20,083	8,920	29,003
Idaho	3,896	2,005	5,901	3,981	2,304	6,285	4,157	2,952	7,109
Montana	3,711	1,646	5,357	3,699	1,827	5,526	3,764	2,285	6,049
Utah	8,817	2,503	11,320	8,553	2,963	11,516	7,996	3,672	11,668
Wyoming	4,482	476	4,958	6,222	1,426	7,648	6,227	1,430	7,657
<b>FAR WEST</b>									
Alaska	9,316	2,314	11,630	10,137	3,042	13,179	6,568	3,178	9,746
California	129,660	56,211	185,871	114,784	73,090	187,874	109,791	95,398	205,189
Hawaii	8,783	1,760	10,543	9,333	1,919	11,252	7,883	2,391	10,274
Nevada	7,059	1,780	8,839	6,165	2,272	8,437	4,993	2,705	7,698
Oregon	17,364	4,625	21,989	18,355	5,914	24,269	19,172	8,275	27,447
Washington	23,233	6,678	29,911	23,392	8,146	31,538	21,885	8,662	30,547
<b>TOTAL</b>	<b>\$1,055,805</b>	<b>\$388,184</b>	<b>\$1,443,989</b>	<b>\$1,053,477</b>	<b>\$456,968</b>	<b>\$1,510,445</b>	<b>\$1,016,798</b>	<b>\$563,692</b>	<b>\$1,580,490</b>

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2009 State Expenditure Report

Table A-2

## CHILDREN'S HEALTH INSURANCE BLOCK GRANTS (\$ IN MILLIONS)

Regions/state	Actual Fiscal 2008				Actual Fiscal 2009				Estimated Fiscal 2010			
	General Fund	Other State Funds	Federal Funds	Total	General Fund	Other State Funds	Federal Funds	Total	General Fund	Other State Funds	Federal Funds	Total
<b>NEW ENGLAND</b>												
Connecticut*	\$33	\$0	\$0	\$33	\$35	\$0	\$0	\$35	\$35	\$0	\$0	\$35
Maine	11	0	32	43	11	0	33	44	12	0	37	49
Massachusetts	131	0	245	376	181	0	228	408	114	0	298	412
New Hampshire	5	9	0	14	5	10	0	15	6	11	0	17
Rhode Island	27	0	53	80	15	0	31	46	13	0	26	39
Vermont	2	0	6	8	2	0	6	8	2	0	7	9
<b>MID-ATLANTIC</b>												
Delaware	4	0	10	14	4	1	10	15	4	3	12	19
Maryland	64	1	118	183	67	2	124	193	60	8	123	191
New Jersey	152	60	301	513	201	64	401	666	223	90	506	819
New York	0	306	326	632	0	345	357	702	0	325	332	657
Pennsylvania	69	37	219	325	89	27	254	370	100	30	294	424
<b>GREAT LAKES</b>												
Illinois	174	7	337	518	132	7	259	398	140	7	275	422
Indiana	0	30	85	115	0	30	88	118	0	33	100	133
Michigan*	55	13	164	232	55	13	176	244	23	3	75	101
Ohio	82	0	216	298	97	0	362	459	78	0	225	303
Wisconsin	41	0	98	139	22	0	56	78	42	0	107	149
<b>PLAINS</b>												
Iowa	15	5	56	76	14	3	18	35	13	1	25	39
Kansas	15	2	44	61	16	2	47	65	16	2	48	66
Minnesota	9	29	64	102	9	18	48	75	9	0	18	27
Missouri*	20	8	81	109	26	8	96	130	22	15	113	150
Nebraska	11	5	32	48	12	5	31	48	6	6	33	45
North Dakota	2	0	7	9	2	0	6	8	2	0	7	9
South Dakota	5	0	14	19	6	0	16	22	6	0	16	22
<b>SOUTHEAST</b>												
Alabama	27	5	112	144	29	5	120	154	34	5	141	180
Arkansas	22	0	95	117	18	0	78	96	21	0	89	110
Florida	25	91	259	375	30	94	258	382	49	98	297	444
Georgia	83	19	267	369	52	16	206	274	63	4	208	275
Kentucky	20	3	85	108	32	0	107	139	32	0	121	153
Louisiana	36	0	150	186	44	0	180	224	52	0	185	237
Mississippi	18	8	132	158	11	17	151	179	10	19	153	182
North Carolina	59	1	158	218	67	0	202	269	77	0	223	300
South Carolina	14	0	55	69	22	0	84	106	24	0	92	116
Tennessee*	21	0	54	75	37	0	117	154	42	0	129	171
Virginia	51	14	120	185	62	14	141	217	71	14	163	248
West Virginia	8	0	36	44	9	0	37	46	9	0	42	51
<b>SOUTHWEST</b>												
Arizona	35	0	115	150	28	0	98	126	20	0	73	93
New Mexico	30	0	119	149	54	0	222	276	74	0	292	366
Oklahoma	26	2	94	122	31	2	105	138	34	3	112	149
Texas	250	3	660	913	287	3	730	1020	324	1	775	1100
<b>ROCKY MOUNTAIN</b>												
Colorado	6	36	77	119	1	48	88	137	3	62	119	184
Idaho	9	0	33	42	11	0	39	50	10	0	39	49
Montana	0	7	24	31	1	8	30	39	0	11	37	48
Utah	2	11	45	58	2	13	55	70	0	19	75	94
Wyoming	5	0	10	15	5	0	9	14	5	0	9	14
<b>FAR WEST</b>												
Alaska	7	0	15	22	8	0	15	23	9	0	16	25
California*	707	0	1259	1966	628	0	1139	1767	658	23	1265	1946
Hawaii	6	0	15	21	7	0	15	22	13	0	27	40
Nevada	12	0	26	38	12	0	24	36	11	0	22	32
Oregon	-1	21	52	72	8	36	126	170	8	36	102	146
Washington	0	7	14	21	4	4	16	24	8	0	18	26
<b>TOTAL</b>	<b>\$2,404</b>	<b>\$740</b>	<b>\$6,589</b>	<b>\$9,733</b>	<b>\$2,499</b>	<b>\$796</b>	<b>\$7,039</b>	<b>\$10,333</b>	<b>\$2,587</b>	<b>\$829</b>	<b>\$7,499</b>	<b>\$10,915</b>

\*See Children's Health Insurance Block Grants Notes for explanation

## Children's Health Insurance Block Grants

---

**California:** Included in the actual General Fund amount for FFY 2008 & 2009 are the prenatal expenditures which Proposition 99 Funds are used as the match to the federal funds.

**Connecticut:** CHIP Appropriation is "gross funded": federal funds are deposited directly to the State Treasury. Connecticut's FMAP is currently at 65 percent of CHIP benefit costs.

**Michigan:** Michigan received federal approval of the Adult Benefit Waiver (ABW) to expand health care coverage to childless adults using SCHIP funds in fiscal 2004. As of January 1, 2010, the ABW

program was converted to a Medicaid (Title XIX) financed waiver. Enrollment in the traditional program for children ("MIChild") has grown from an average 29,800 in fiscal 2008 to 30,600 in the third quarter of fiscal 2010.

**Missouri:** Medicaid and SCHIP data are from the CMS 64 Report used for federal reporting of Medicaid expenditures. The split between the General Revenue Fund and Other Funds is an estimate.

**Tennessee:** Tennessee began receiving funds for the Child Health Insurance Block Grant in fiscal 2007.

Table A-3

## MEDICARE PART D CLAWBACK PAYMENTS (\$ IN MILLIONS)

Region/State	Actual Fiscal 2008			Actual Fiscal 2009			Estimated Fiscal 2010		
	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total
<b>NEW ENGLAND</b>									
Connecticut	\$117	\$0	\$117	\$126	\$0	\$126	\$88	\$0	\$88
Maine	44	0	44	45	0	45	35	0	35
Massachusetts	223	0	223	257	0	257	167	0	167
New Hampshire	29	0	29	30	0	30	23	0	23
Rhode Island	40	0	40	45	0	45	26	0	26
Vermont	20	0	20	21	0	21	13	0	13
<b>MID-ATLANTIC</b>									
Delaware	13	0	13	13	0	13	10	0	10
Maryland	92	0	92	99	0	99	70	0	70
New Jersey*	279	0	279	296	0	296	200	0	200
New York*	738	0	738	697	0	697	839	0	839
Pennsylvania	384	0	384	419	0	419	452	0	452
<b>GREAT LAKES</b>									
Illinois	348	0	348	355	0	355	247	0	247
Indiana	89	0	89	91	0	91	71	0	71
Michigan	177	0	177	177	0	177	89	0	89
Ohio	243	0	243	251	0	251	174	0	174
Wisconsin	140	0	140	130	0	130	115	0	115
<b>PLAINS</b>									
Iowa	67	0	67	71	0	71	47	0	47
Kansas	0	47	47	0	48	48	0	52	52
Minnesota	143	0	143	151	0	151	108	0	108
Missouri	169	0	169	175	0	175	106	0	106
Nebraska	40	0	40	38	0	38	34	0	34
North Dakota*	8	1	9	9	0	9	6	1	7
South Dakota	14	0	14	12	0	12	8	2	10
<b>SOUTHEAST</b>									
Alabama	0	64	64	0	66	66	0	67	67
Arkansas	33	2	35	35	2	37	24	2	26
Florida	347	0	347	395	0	395	245	0	245
Georgia	127	0	127	124	0	124	63	0	63
Kentucky	75	0	75	86	0	86	47	0	47
Louisiana	74	0	74	78	0	78	58	0	58
Mississippi	18	19	37	10	35	44	7	22	29
North Carolina	232	0	232	241	0	241	144	0	144
South Carolina	70	0	70	66	6	72	49	1	50
Tennessee	232	0	232	240	0	240	131	0	131
Virginia	157	0	157	164	0	164	117	0	117
West Virginia	29	0	29	28	0	28	32	0	32
<b>SOUTHWEST</b>									
Arizona	48	10	58	53	9	62	39	7	46
New Mexico	18	0	18	21	0	21	14	0	14
Oklahoma	58	0	58	63	0	63	40	0	40
Texas	302	0	302	325	0	325	351	0	351
<b>ROCKY MOUNTAIN</b>									
Colorado	71	0	71	74	0	74	58	0	58
Idaho	17	0	17	20	0	20	14	0	14
Montana*	11	0	11	12	0	12	9	0	9
Utah	22	0	22	24	0	24	17	0	17
Wyoming	10	0	10	10	0	10	9	0	9
<b>FAR WEST</b>									
Alaska	18	0	18	20	0	20	13	0	13
California	1214	0	1214	865	0	865	1141	0	1141
Hawaii	23	0	23	25	0	25	27	0	27
Nevada	22	0	22	26	0	26	21	0	21
Oregon	61	0	61	55	0	55	45	0	45
Washington	137	0	137	147	0	147	100	0	100
<b>TOTAL</b>	<b>\$6,843</b>	<b>\$143</b>	<b>\$6,986</b>	<b>\$6,713</b>	<b>\$166</b>	<b>\$6,879</b>	<b>\$5,743</b>	<b>\$154</b>	<b>\$5,896</b>

## **Medicare Part D Clawback Notes**

---

**Montana:** For fiscal 2010, the ARRA enhanced FMAP reduced the premium payable by states.

**New Jersey:** 2010 estimate is net of clawback reduction savings.

**New York:** Fiscal 2009 annual decrease in clawback payments reflects the prepayment of fiscal 2009 payments during fiscal 2008.

**North Dakota:** Clawback for state fiscal year 2010 is the estimated amount to be paid, and therefore is net of the ARRA credit.

## Methodology

---

The Fiscal Year 2009 State Expenditure Report reflects three years of data: actual fiscal year 2008, actual fiscal year 2009, and estimated fiscal year 2010. The text of this report focuses on actual fiscal year 2009 data, with a secondary focus on estimated fiscal 2010.

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. States were asked to include spending from the *American Recovery and Reinvestment Act of 2009 (ARRA)* in the federal funds totals for the seven categories. Data for each category typically include employer contributions to current employees' pensions and to employee health benefits for employees.

Elementary and secondary education spending 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, 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 and spending for school health and immunization programs.

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.

Spending for public assistance includes expenditures for cash assistance under 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 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, and community corrections, as well as expenditures made for juvenile correction programs. States were asked to exclude expenditures for drug abuse rehabilitation programs and institutions for the criminally insane.

Transportation figures 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.

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.

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: corrections, environmental projects, higher education, housing, and transportation. Capital expenditure data can be found in Chapter Eight.

Chapter Nine illustrates the major sources of state revenue including sales taxes, personal income taxes, corporate income taxes, gaming taxes, and other taxes and fees. 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 Texas, the fiscal year begins on September 1; in Alabama and Michigan the fiscal year begins on October 1; and in New York, the fiscal year begins on April 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.