

FISCAL YEAR

2010

STATE EXPENDITURE REPORT

EXAMINING FISCAL 2009-2011 STATE SPENDING

NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

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Price: \$40.00

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PREFACE

Since its inception in 1987, the State Expenditure Report has developed into a definitive baseline for the analysis of state spending. This edition of the report includes data from actual fiscal 2009, actual fiscal 2010, and estimated fiscal 2011. 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, Stacey Mazer and Michael Streepey. 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:

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Ann Franklin, Alabama	Lyn Heaton, Nebraska
Sarah Brinkley, Alaska	Maud Naroll, Nevada
Richard Greene, Arizona	Joseph Bouchard, New Hampshire
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Monica Flowers, California	Michael Marcelli, New Mexico
Phuong La, California	Duffy Rodriguez, New Mexico
Alexis Senger, Colorado	Christopher Warner, New York
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EXECUTIVE SUMMARY



Overview

State expenditures have been severely impacted by the national recession and downturn that began in December 2007. The economic downturn 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 in fiscal 2010, marking the first occurrences of outright spending declines in the 24-year history of the *State Expenditure Report*. The reduction in spending from state funds was due to a rapid decline in state revenue. During the two-year period from fiscal 2008-2010 state general fund revenues decreased nearly 12 percent, or by \$78 billion.

Not all components of state expenditures declined during the recent downturn. Spending from federal funds increased sharply in both fiscal 2009 and fiscal 2010. This increase in federal funds is directly attributed to the passage of the *American Recovery and Reinvestment Act of 2009 (ARRA)*, also known as the Recovery Act or stimulus. Due to the influx of these additional federal dollars, total state expenditures grew modestly in both fiscal 2009 and fiscal 2010. It is estimated that in fiscal 2011 total state expenditures will once again experience moderate growth. In addition to continued growth in federal funds, both general funds and state revenue are estimated to have increased in fiscal 2011 for the first time since fiscal 2008. However, even after this growth, general funds and state revenue remain well below pre-recession levels.

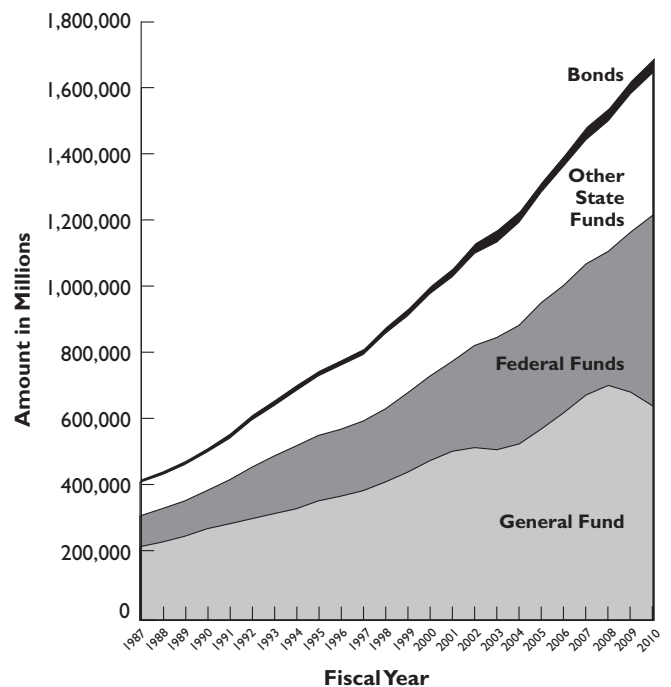
State Spending Trends, Fiscal 2010 and Fiscal 2011

General fund spending, the component of state budgets that comes from revenues sources such as income and sales taxes, was most negatively impacted during the downturn. After growing 8.5 percent in fiscal 2007 and 4.2 percent in fiscal 2008, general fund spending declined 2.9 percent in fiscal 2009 and an additional 6.1 percent in fiscal 2010. The reduction in general fund spending was nearly across-the-board with all seven categories of general fund spending, with the exception of transportation, recording outright declines in 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 19.3 percent in fiscal 2009 and 19.4 percent in fiscal 2010. The drastic increase in federal funds for states can be traced to the infusion of ARRA or Recovery Act funds. States reported that they spent \$43.2 billion in federal Recovery Act funds in fiscal 2009 and \$120.3 billion in fiscal 2010.

The growth in federal funds was so substantial that total state spending increased in both fiscal 2009 and fiscal 2010, even though spending from state funds declined in both years. Total state expenditures climbed to \$1.56 trillion in fiscal 2009, a 5.4 percent increase, and reached \$1.62 trillion in fiscal 2010, a 4 percent increase. In fiscal 2011, total state expenditures are estimated to have once again grown roughly 4 percent, increasing to \$1.69 trillion. Although total state expenditures grew approximately 4 percent in both fiscal 2010 and estimated fiscal 2011, the fund sources that make up state spending grew at widely different levels. After growing 19.4 percent in fiscal 2010, federal funds are estimated to have grown only 4 percent in fiscal 2011 largely due to the winding down of ARRA funds; states estimated that they spent \$98 billion in Recovery Act funds in fiscal 2011 compared to \$120 billion in fiscal 2010. In contrast to federal funds which experienced slower growth in estimated fiscal 2011, general funds grew an estimated 2.8 percent in fiscal 2011 compared to a 6.1 percent decline in fiscal 2010. Even after 2.8 percent growth in fiscal 2011, general fund expenditures remain 6.3 percent less than fiscal 2008 levels.

The growth in total state expenditures in fiscal 2009, fiscal 2010, and estimated fiscal 2011 is partly due to increased spending demand, especially in the areas of Medicaid and social services. Even so, the increase in total state expenditures has been less than the historical average. Since 1987, total state expenditures have annually increased on average 6.2 percent.

Figure 1
TOTAL STATE SPENDING BY FUND SOURCE, FISCAL 1987 TO 2010

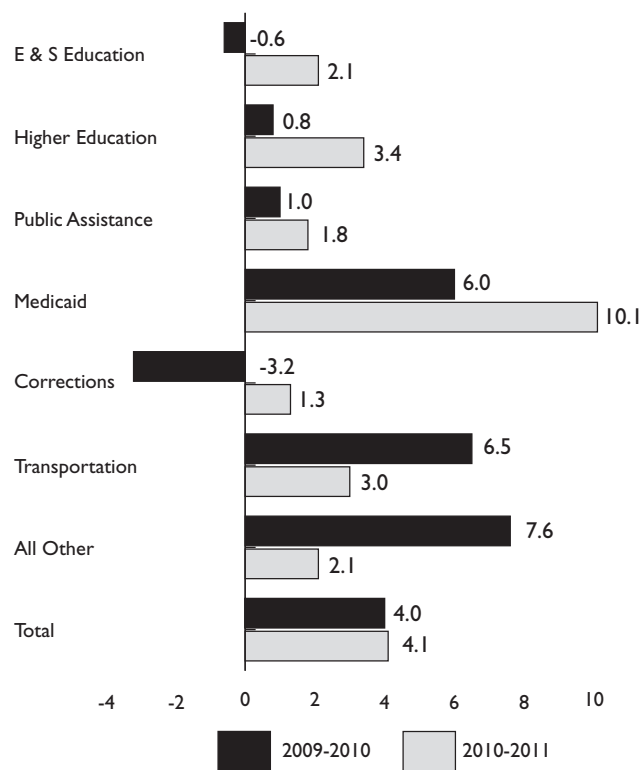


The passage of ARRA in February 2009 produced a shift in the funding sources for state expenditures. In fiscal 2008, the last year before ARRA, general funds accounted for 45.9 percent of total state spending, federal funds were 26.3 percent, other state funds were 25.5 percent, and bonds reflected 2.4 percent of the total. By fiscal 2010, general funds accounted for 38.2 percent of total state expenditures, federal funds 34.1 percent, other state funds 25.4, and bonds were 2.3 percent of the total. Therefore, over a two-year period, general funds shrunk from representing 45.9 percent of total state expenditures to 38.2 percent while federal funds rose from 26.3 percent to 34.1 percent. General fund spending is expected to decrease even further in fiscal 2011 to 37.7 percent of total state expenditures, but will likely make up a larger component of total state expenditures in fiscal 2012 as states deal with the rapid decline of ARRA funds.

Other details of state expenditures include:

- Medicaid continues to rise as a percentage of total state expenditures, due to ARRA and a continued rise in enrollment and health care costs. Medicaid in fiscal 2009 represented 21.9 percent of total state expenditures, 22.3 percent in fiscal 2010, and is estimated to represent 23.6 percent in fiscal 2011. At the same time, elementary and secondary education has gone from representing 21.5 percent of total state expenditures in fiscal 2009, to 20.5 percent in fiscal 2010, and an estimated 20.1 percent in fiscal 2011.
- Total state expenditures for Medicaid rose 6 percent in fiscal 2010 and an estimated 10.1 percent in fiscal 2011. Federal funds for Medicaid grew 13.2 percent in fiscal 2010 and are estimated to have grown 6.9 percent in fiscal 2011. State funds, on the other hand, declined 5 percent in fiscal 2010 and are estimated to have grown 16 percent in fiscal 2011. The growth in state funds in fiscal 2011 is partly due to the wind down of ARRA Medicaid funds.
- When looking only at general fund spending, elementary and secondary education remains the largest category in fiscal 2010 at 35.3 percent, with Medicaid second at 15.8 percent. Those two categories, combined with higher education at 11.6 percent, account for nearly two-thirds of general fund spending.
- Elementary and secondary education total expenditures declined by 0.6 percent in fiscal 2010, even after a 25.2 percent increase in federal funds. State funds for K-12 declined by 5.1 percent in fiscal 2010, or \$13.5 billion. In fiscal 2011, it is estimated that K-12 total expenditures grew by 2.1 percent, with state funds growing by 1.2 percent and federal funds increasing by 3.2 percent.
- Total expenditures for higher education grew 0.8 percent in fiscal 2010 and are estimated to have grown 3.4 percent in fiscal 2011. State funds for higher education declined by 0.8 percent in fiscal 2010 and are estimated to have risen by 5.3 percent in fiscal 2011, while federal funds grew 13.6 percent in fiscal 2010 and an estimated 0.1 percent in fiscal 2011.
- Total public assistance grew 1 percent in fiscal 2010 and is estimated to grow 1.8 percent in fiscal 2011. These increases are solely due to additional federal funds, as state funds declined by 8 percent in fiscal 2010 and an estimated 0.5 percent in fiscal 2011. Public assistance represented 1.6 percent of total state expenditures in fiscal 2010.
- Total corrections spending declined by 3.2 percent in fiscal 2010 and are estimated to have increased by only 1.3 percent in fiscal 2011. As state funds comprise approximately 94 percent of total corrections expenditures, corrections has not been as supported by the influx of federal stimulus spending. Corrections accounted for 3.1 percent of total state expenditures in fiscal 2010.
- Total transportation spending—7.7 percent of total state expenditures—increased by 6.5 percent in fiscal 2010 with state funds declining by 1 percent and federal funds increasing by 11.8 percent. In fiscal 2011, total transportation spending is estimated to have grown by 3 percent with state funds growing by 3 percent and federal funds increasing by 3.3 percent.
- Total state spending on capital projects increased by 2 percent in fiscal 2010 and is estimated to have declined by less than 0.1 percent in 2011. Capital spending growth would likely have been even slower if not for 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 2010 AND 2011



Explanation of Report Data: Components of State Expenditures

This report includes three years of state expenditure data: actual fiscal 2009, actual fiscal 2010, and estimated fiscal 2011. The text primarily focuses on actual fiscal 2010 with a secondary emphasis on estimated fiscal 2011 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 do not and cannot incur operating deficits, and must manage their finances in ways to keep or improve positive bond ratings.

Explanation of Report Data: Definitions

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

Federal Funds: Funds received directly from the federal government.

Other State Funds: Expenditures from revenue sources that are restricted by law for 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 2010 spending by fund source is detailed in Figure 3. General funds have decreased as an overall percentage of state expenditures since fiscal 2008. Spending from state general funds was 45.9 percent of total expenditures in fiscal 2008, 42.3 percent in fiscal 2009, 38.2 percent in fiscal 2010, and is estimated to be 37.7 percent in fiscal 2011. Conversely, the share of state spending from federal funds has grown from 26.3 percent in fiscal 2008, to 29.7 percent in fiscal 2009, to 34.1 percent in fiscal 2010, and is estimated at 34.1 percent in fiscal 2011. The large growth in federal funds is directly related to the passage of ARRA.

Figure 3
TOTAL STATE EXPENDITURES BY FUNDING SOURCE, FISCAL 2010

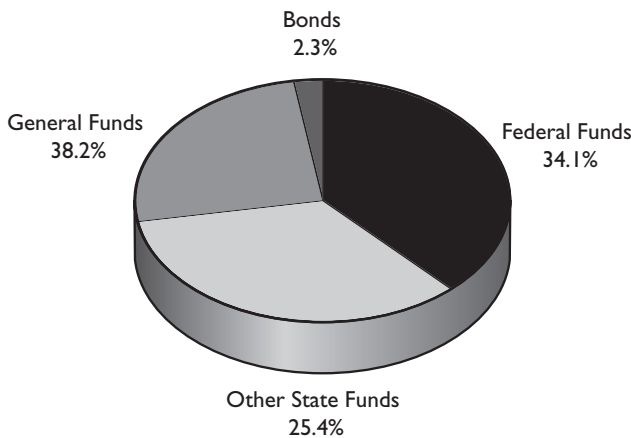


Figure 4 reflects total state expenditures by functional areas. For fiscal 2010, state spending shares are as follows: 22.3 percent for Medicaid; 20.5 percent for elementary and secondary education; 10.2 percent for higher education; 7.7 percent for transportation; 3.1 percent for corrections; 1.6 percent for public assistance; and 34.6 percent for all other.

Figure 4
TOTAL STATE EXPENDITURES BY FUNCTION, FISCAL 2010

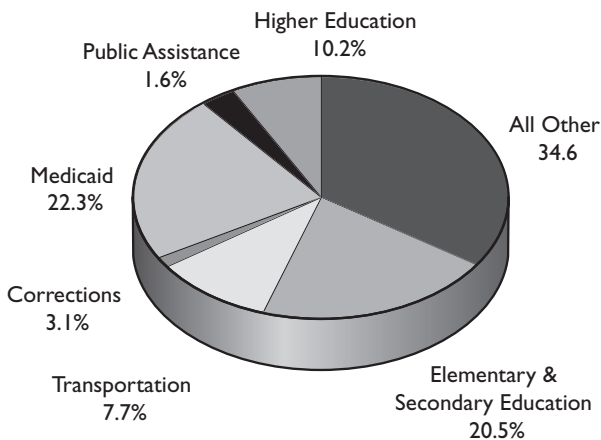
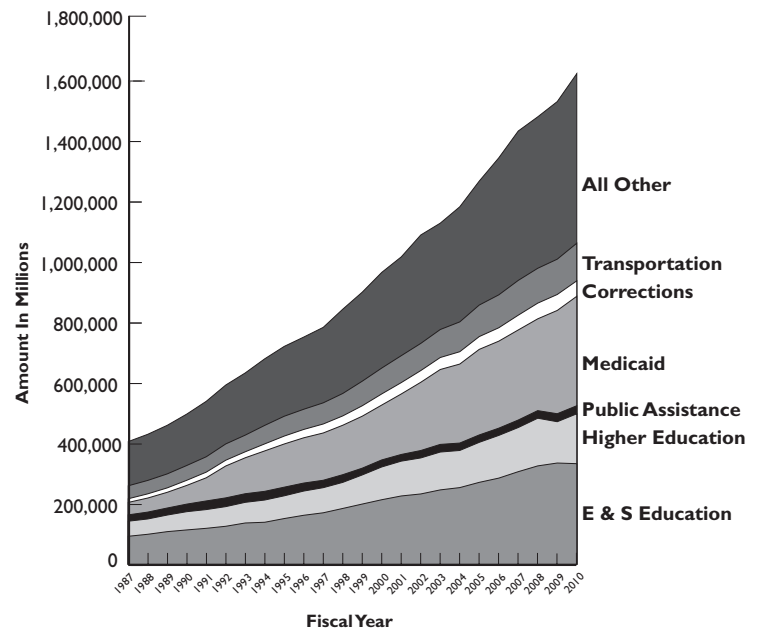


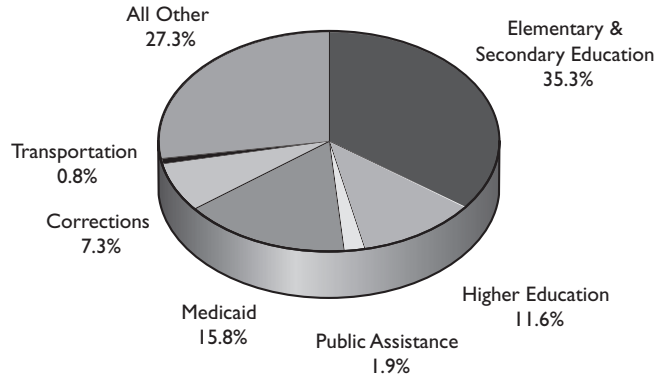
Figure 5
COMPOSITION OF TOTAL STATE EXPENDITURES BY FUNCTION, FISCAL 1987 TO 2010



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 total state spending. Whereas in fiscal 2009 elementary and secondary education was the largest component, in fiscal 2010 Medicaid represented the largest share, due to increased Medicaid enrollment and spending resulting from the economic decline. In fiscal 2011 it is estimated that Medicaid will continue to grow as a percentage of total state expenditures, representing 23.6 percent, while K-12 will decline to 20.1 percent. Figure 5 documents the changes in state expenditures by category since 1987. Table 3 reflects shares of state spending in functional areas, by fund source, from 1995 to 2011. Also, Table 5, at the end of the Executive Summary, highlights the share of each state's budget represented by various programs in fiscal 2010 and shows the wide variation among states in their spending patterns.

General Fund Expenditures

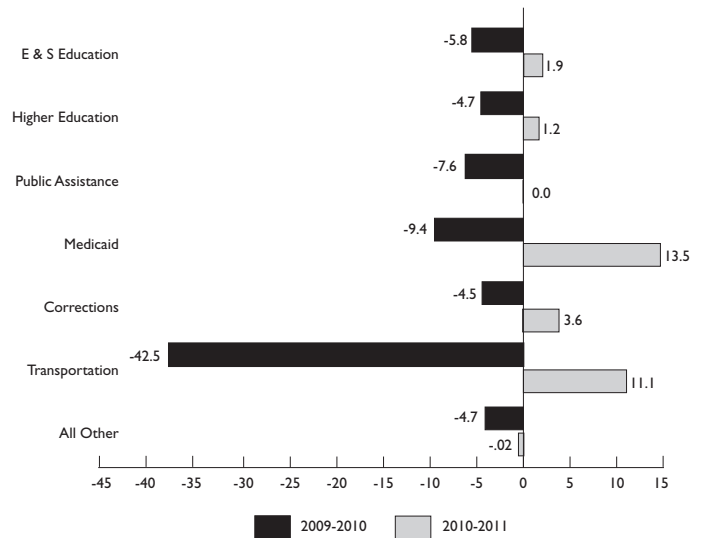
Figure 6
GENERAL FUND EXPENDITURES, FISCAL 2010



Expenditures for elementary and secondary education continue to constitute the largest share of state general fund spending. As Figure 6 shows, in fiscal 2010, 35.3 percent of general fund spending went to elementary and secondary education. Medicaid accounted for 15.8 percent and higher education accounted for 11.6 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 2010, all seven categories of general fund spending, with the exception of transportation, declined from 2009 levels. Fiscal 2011 estimates show a more varied pattern with four categories of general fund spending experiencing growth and three categories experiencing declines. Overall, general fund spending declined 6.1 percent in fiscal 2010 and is estimated to have increased 2.8 percent in fiscal 2011.

Figure 7
PERCENT CHANGE IN GENERAL FUND, FISCAL 2010 AND 2011



Other State Funds Expenditures

At 15.6 percent, transportation accounts for the second largest portion of other state funds spending for fiscal 2010, 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 higher education at 15.3 percent and elementary and secondary education at 9.7 percent (see Table 3).

Table I

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

Region/State	Actual Fiscal 2009					Actual Fiscal 2010					Estimated Fiscal 2011				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$11,496	\$1,860	\$4,090	\$1,852	\$19,298	\$11,851	\$2,567	\$3,457	\$1,819	\$19,694	\$11,969	\$2,520	\$3,675	\$2,381	\$20,545
Maine	3,020	2,778	2,184	110	8,092	2,866	3,151	2,159	81	8,257	2,858	3,000	2,191	122	8,171
Massachusetts	29,662	3,305	14,107	1,568	48,642	27,582	3,932	17,037	1,873	50,424	28,468	3,739	17,719	1,835	51,761
New Hampshire	1,438	1,680	1,687	171	4,976	1,380	2,072	1,876	138	5,466	1,322	1,938	2,042	133	5,435
Rhode Island	3,001	2,271	1,933	149	7,354	2,864	2,813	2,032	101	7,810	2,974	3,085	2,121	112	8,292
Vermont	773	1,475	2,015	56	4,319	774	1,865	1,954	74	4,667	822	1,864	2,055	86	4,827
MID-ATLANTIC															
Delaware	3,296	1,256	3,908	281	8,741	3,077	1,607	3,783	253	8,720	3,271	1,848	3,090	203	8,412
Maryland	14,353	7,759	8,759	1,062	31,933	13,442	9,825	8,766	1,071	33,104	13,262	10,621	9,830	1,082	34,795
New Jersey	30,825	11,384	3,437	1,641	47,287	28,926	13,687	3,482	1,669	47,764	29,322	13,518	3,694	1,701	48,235
New York	54,607	34,668	29,144	3,153	121,572	54,262	40,834	30,578	3,263	128,937	53,313	44,707	31,163	3,582	132,765
Pennsylvania	27,085	20,825	13,735	999	62,644	24,942	27,669	13,842	1,655	68,108	25,142	29,977	14,409	561	70,089
GREAT LAKES															
Illinois	29,788	14,262	13,539	151	57,740	26,301	16,050	17,410	892	60,653	22,902	16,185	15,296	1,839	56,222
Indiana	13,036	9,060	3,525	98	25,719	12,915	10,333	3,245	169	26,662	13,037	10,596	3,309	100	27,042
Michigan	8,506	17,074	20,004	242	45,826	7,696	19,541	20,254	267	47,758	8,386	22,415	19,018	201	50,020
Ohio	28,160	11,462	17,131	1,040	57,793	25,412	14,236	16,864	1,128	57,640	27,649	14,431	17,217	1,017	60,314
Wisconsin	12,744	9,709	15,989	0	38,442	12,824	11,532	15,730	0	40,086	13,565	12,236	17,043	0	42,844
PLAINS															
Iowa	5,904	5,201	6,329	43	17,477	5,302	6,174	6,050	111	17,637	5,348	6,088	6,534	568	18,538
Kansas	6,064	3,795	3,800	301	13,960	5,269	5,188	3,270	318	14,045	5,727	3,865	4,824	362	14,778
Minnesota	17,555	7,563	4,181	599	29,898	15,425	9,389	4,573	746	30,133	16,478	9,468	5,289	847	32,082
Missouri	8,402	8,484	7,252	89	24,227	7,565	10,919	6,330	712	25,526	7,616	10,294	6,371	447	24,728
Nebraska	3,329	2,566	3,258	0	9,153	3,313	2,973	3,320	0	9,606	3,322	3,220	3,260	0	9,802
North Dakota	1,240	1,362	1,329	10	3,941	1,585	1,852	1,388	20	4,845	1,585	1,801	1,567	21	4,974
South Dakota	1,154	1,397	921	77	3,549	1,132	1,729	892	67	3,820	1,148	1,671	912	50	3,781
SOUTHEAST															
Alabama	7,285	7,246	4,613	593	19,737	6,588	8,692	4,913	391	20,584	6,507	9,067	4,910	359	20,843
Arkansas	4,380	5,425	8,337	51	18,193	4,223	6,894	8,716	89	19,922	4,442	7,026	8,782	83	20,333
Florida	23,662	19,725	15,245	2,042	60,674	21,216	22,763	16,725	1,345	62,049	24,046	24,999	20,096	1,377	70,518
Georgia	16,476	11,473	11,083	1,151	40,183	14,575	14,647	10,058	1,161	40,441	15,954	14,217	8,326	669	39,166
Kentucky	9,031	8,233	6,796	0	24,060	8,450	10,477	7,014	0	25,941	8,787	9,763	6,978	0	25,528
Louisiana	9,490	10,996	6,966	592	28,044	9,061	11,859	7,573	641	29,134	7,951	12,406	9,237	580	30,174
Mississippi	4,802	7,794	4,419	367	17,382	4,278	8,731	4,855	419	18,283	4,344	9,578	5,589	266	19,777
North Carolina	19,652	15,108	11,957	600	47,317	18,512	17,162	12,583	488	48,745	18,503	17,605	14,543	473	51,124
South Carolina	5,812	7,068	7,704	182	20,766	5,146	7,691	7,380	85	20,302	5,080	12,844	7,767	0	25,691
Tennessee	11,921	11,032	5,629	490	29,072	9,914	12,951	5,484	100	28,449	11,227	13,930	5,554	193	30,904
Virginia	15,020	6,772	13,539	1,632	36,963	14,989	9,327	15,001	1,456	40,773	16,435	9,832	14,839	1,364	42,470
West Virginia	3,901	3,824	12,592	130	20,447	3,682	4,475	12,122	77	20,356	3,793	4,638	12,998	63	21,492
SOUTHWEST															
Arizona	9,239	10,240	6,768	982	27,229	9,079	10,655	6,891	1,055	27,680	8,676	10,499	9,654	435	29,264
New Mexico	6,080	4,843	3,873	583	15,379	5,258	5,429	3,953	606	15,246	5,203	5,716	3,910	0	14,829
Oklahoma	6,817	9,708	4,922	188	21,635	6,225	10,362	4,455	565	21,607	6,475	10,048	5,267	277	22,067
Texas	41,779	32,728	16,411	1,378	92,296	39,465	36,672	15,924	1,060	93,121	40,541	35,901	16,742	1,259	94,443
ROCKY MOUNTAIN															
Colorado	7,722	6,447	14,637	0	28,806	7,326	9,223	14,515	0	31,064	6,984	8,813	12,665	0	28,462
Idaho	2,724	2,305	1,258	29	6,316	2,338	2,573	1,455	27	6,393	2,388	3,014	1,621	27	7,050
Montana	1,753	1,827	1,946	0	5,526	1,628	2,285	2,136	0	6,049	1,701	2,380	2,083	0	6,164
Utah	4,817	2,963	3,736	43	11,559	4,441	3,607	4,550	2,393	14,991	4,710	3,954	4,662	46	13,372
Wyoming	3,874	1,426	1,340	0	6,640	3,836	1,430	2,391	0	7,657	3,364	1,737	2,940	0	8,041
FAR WEST															
Alaska	7,176	3,007	2,054	345	12,582	5,626	2,925	1,208	0	9,759	8,878	3,174	1,643	228	13,923
California	90,940	73,090	23,844	7,602	195,476	87,237	89,088	23,514	6,250	206,089	91,480	91,459	31,219	13,195	227,353
Hawaii	5,375	1,919	3,958	570	11,822	4,838	2,391	3,045	674	10,948	4,969	2,554	3,117	582	11,222
Nevada	3,777	2,525	2,935	255	9,492	3,050	2,792	2,318	124	8,284	3,401	2,642	2,284	222	8,549
Oregon	5,889	5,914	12,465	255	24,523	6,371	8,378	17,336	469	32,554	6,107	9,334	17,507	507	33,455
Washington	14,617	8,146	8,775	2,176	33,714	15,036	9,238	7,284	2,029	33,587	14,825	8,543	7,037	2,025	32,430
TOTAL*	\$659,449	\$462,980	\$400,059	\$35,928	\$1,558,416	\$619,093	\$552,655	\$411,691	\$37,931	\$1,621,370	\$636,257	\$574,760	\$434,599	\$41,480	\$1,687,096

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

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 2
ANNUAL PERCENTAGE CHANGE IN TOTAL STATE EXPENDITURES

Region/State	Fiscal 2009 to 2010				Fiscal 2010 to 2011			
	General Funds	State Funds	Federal Funds	All Funds	General Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND								
Connecticut	3.1%	-1.8%	38.0%	2.1%	1.0%	2.2%	-1.8%	4.3%
Maine	-5.1	-3.4	13.4	2.0	-0.3	0.5	-4.8	-1.0
Massachusetts	-7.0	1.9	19.0	3.7	3.2	3.5	-4.9	2.7
New Hampshire	-4.0	4.2	23.3	9.8	-4.2	3.3	-6.5	-0.6
Rhode Island	-4.6	-0.8	23.9	6.2	3.8	4.1	9.7	6.2
Vermont	0.1	-2.2	26.4	8.1	6.2	5.5	-0.1	3.4
MID-ATLANTIC								
Delaware	-6.6	-4.8	27.9	-0.2	6.3	-7.3	15.0	-3.5
Maryland	-6.3	-3.9	26.6	3.7	-1.3	4.0	8.1	5.1
New Jersey	-6.2	-5.4	20.2	1.0	1.4	1.9	-1.2	1.0
New York	-0.6	1.3	17.8	6.1	-1.7	-0.4	9.5	3.0
Pennsylvania	-7.9	-5.0	32.9	8.7	0.8	2.0	8.3	2.9
GREAT LAKES								
Illinois	-11.7	0.9	12.5	5.0	-12.9	-12.6	0.8	-7.3
Indiana	-0.9	-2.4	14.1	3.7	0.9	1.2	2.5	1.4
Michigan	-9.5	-2.0	14.4	4.2	9.0	-2.0	14.7	4.7
Ohio	-9.8	-6.7	24.2	-0.3	8.8	6.1	1.4	4.6
Wisconsin	0.6	-0.6	18.8	4.3	5.8	7.2	6.1	6.9
PLAINS								
Iowa	-10.2	-7.2	18.7	0.9	0.9	4.7	-1.4	5.1
Kansas	-13.1	-13.4	36.7	0.6	8.7	23.6	-25.5	5.2
Minnesota	-12.1	-8.0	24.1	0.8	6.8	8.8	0.8	6.5
Missouri	-10.0	-11.2	28.7	5.4	0.7	0.7	-5.7	-3.1
Nebraska	-0.5	0.7	15.9	4.9	0.3	-0.8	8.3	2.0
North Dakota	27.8	15.7	36.0	22.9	0.0	6.0	-2.8	2.7
South Dakota	-1.9	-2.5	23.8	7.6	1.4	1.8	-3.4	-1.0
SOUTHEAST								
Alabama	-9.6	-3.3	20.0	4.3	-1.2	-0.7	4.3	1.3
Arkansas	-3.6	1.7	27.1	9.5	5.2	2.2	1.9	2.1
Florida	-10.3	-2.5	15.4	2.3	13.3	16.3	9.8	13.6
Georgia	-11.5	-10.6	27.7	0.6	9.5	-1.4	-2.9	-3.2
Kentucky	-6.4	-2.3	27.3	7.8	4.0	1.9	-6.8	-1.6
Louisiana	-4.5	1.1	7.8	3.9	-12.3	3.3	4.6	3.6
Mississippi	-10.9	-1.0	12.0	5.2	1.5	8.8	9.7	8.2
North Carolina	-5.8	-1.6	13.6	3.0	-0.0	6.3	2.6	4.9
South Carolina	-11.5	-7.3	8.8	-2.2	-1.3	2.6	67.0	26.5
Tennessee	-16.8	-12.3	17.4	-2.1	13.2	9.0	7.6	8.6
Virginia	-0.2	5.0	37.7	10.3	9.6	4.3	5.4	4.2
West Virginia	-5.6	-4.2	17.0	-0.4	3.0	6.2	3.6	5.6
SOUTHWEST								
Arizona	-1.7	-0.2	4.1	1.7	-4.4	14.8	-1.5	5.7
New Mexico	-13.5	-7.5	12.1	-0.9	-1.0	-1.1	5.3	-2.7
Oklahoma	-8.7	-9.0	6.7	-0.1	4.0	9.9	-3.0	2.1
Texas	-5.5	-4.8	12.1	0.9	2.7	3.4	-2.1	1.4
ROCKY MOUNTAIN								
Colorado	-5.1	-2.3	43.1	7.8	-4.7	-10.0	-4.4	-8.4
Idaho	-14.2	-4.7	11.6	1.2	2.1	5.7	17.1	10.3
Montana	-7.1	1.8	25.1	9.5	4.5	0.5	4.2	1.9
Utah	-7.8	5.1	21.7	29.7	6.1	4.2	9.6	-10.8
Wyoming	-1.0	19.4	0.3	15.3	-12.3	1.2	21.5	5.0
FAR WEST								
Alaska	-21.6	-26.0	-2.7	-22.4	57.8	54.0	8.5	42.7
California	-4.1	-3.5	21.9	5.4	4.9	10.8	2.7	10.3
Hawaii	-10.0	-15.5	24.6	-7.4	2.7	2.6	6.8	2.5
Nevada	-19.2	-20.0	10.6	-12.7	11.5	5.9	-5.4	3.2
Oregon	8.2	29.2	41.7	32.7	-4.1	-0.4	11.4	2.8
Washington	2.9	-4.6	13.4	-0.4	-1.4	-2.1	-7.5	-3.4
TOTAL*	-6.1%	-2.7%	19.4%	4.0%	2.8%	3.9%	4.0%	4.1%

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, 2010 State Expenditure Report

Table 3

COMPARISON OF SHARES OF STATE SPENDING WITH FUND SOURCES, FISCAL 1995 TO 2011

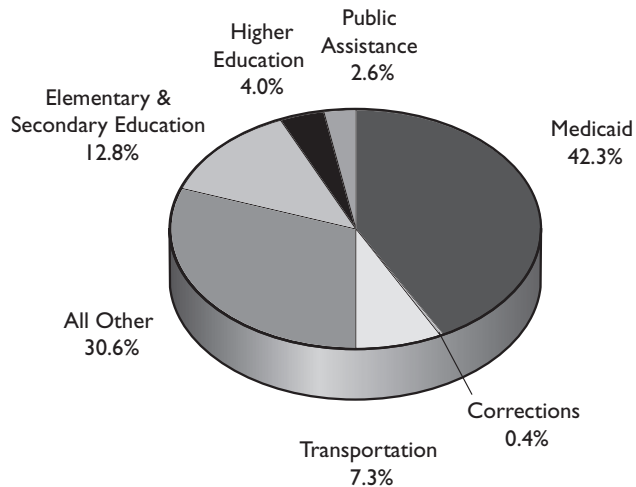
Fund Type & Year	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
FY 1995:								
General Funds	33.4	12.9	4.4	14.4	6.7	0.7	27.4	100.0
Other State Funds	9.5	13.3	0.5	6.9	0.8	23.8	45.2	100.0
Federal Funds	9.8	2.7	6.5	42.7	0.1	9.8	28.3	100.0
Bond Funds	4.9	20.8	0.0	0.0	10.2	26.3	37.7	100.0
Total Funds	21.0	10.4	4.0	19.8	3.6	9.1	32.1	100.0
FY 1996:								
General Funds	34.4	12.9	3.9	14.7	6.9	0.6	25.6	100.0
Other State Funds	9.2	13.7	0.4	6.8	0.8	22.9	46.2	100.0
Federal Funds	9.9	2.9	5.9	43.5	0.2	9.5	28.0	100.0
Bond Funds	15.2	21.4	0.0	0.0	6.5	26.1	30.8	100.0
Total Funds	21.5	10.7	3.5	19.9	3.7	8.0	31.8	100.0
FY 1997:								
General Funds	34.5	13.0	3.6	14.6	6.8	0.8	26.7	100.0
Other State Funds	10.1	13.8	0.4	6.4	0.9	23.0	44.6	100.0
Federal Funds	9.8	2.9	5.1	44.1	0.4	8.8	28.9	100.0
Bond Funds	12.5	20.2	0.0	0.0	6.6	26.5	34.2	100.0
Total Funds	21.7	10.7	3.1	20.0	3.7	9.0	31.8	100.0
FY 1998:								
General Funds	35.2	13.1	3.0	14.8	6.9	0.7	26.4	100.0
Other State Funds	9.4	11.3	1.0	6.3	0.8	22.2	49.1	100.0
Federal Funds	10.5	3.4	5.0	43.3	0.4	8.7	28.8	100.0
Bond Funds	12.4	18.4	0.0	0.0	6.0	33.4	29.8	100.0
Total Funds	22.0	10.3	2.9	19.6	3.7	8.8	32.8	100.0
FY 1999:								
General Funds	35.7	12.4	2.7	14.4	7.0	0.9	26.7	100.0
Other State Funds	9.0	13.0	0.6	6.5	1.0	23.4	46.5	100.0
Federal Funds	10.2	5.2	4.3	42.9	0.4	9.3	27.7	100.0
Bond Funds	21.0	17.2	0.0	0.0	6.5	25.6	29.8	100.0
Total Funds	22.3	10.8	2.6	19.5	3.9	9.1	31.8	100.0
FY 2000:								
General Funds	35.7	12.8	2.7	14.4	7.0	0.9	26.7	100.0
Other State Funds	8.6	14.2	0.8	4.2	0.9	22.9	48.4	100.0
Federal Funds	10.3	5.3	4.2	42.8	0.4	9.3	27.7	100.0
Bond Funds	20.2	18.1	0.0	0.0	5.7	26.2	29.8	100.0
Total Funds	22.3	11.4	2.6	19.5	3.9	9.1	31.8	100.0
FY 2001:								
General Funds	35.2	12.7	2.3	15.2	6.9	1.2	26.6	100.0
Other State Funds	9.2	15.0	0.2	5.9	0.9	21.1	47.0	100.0
Federal Funds	10.3	4.8	4.0	42.7	0.3	9.5	28.3	100.0
Bond Funds	18.9	17.5	0.0	0.0	4.0	31.3	28.4	100.0
Total Funds	22.2	11.3	2.2	19.7	3.7	8.8	32.1	100.0
FY 2002:								
General Funds	35.1	12.4	2.3	15.8	6.9	0.7	25.9	100.0
Other State Funds	8.9	13.8	0.3	6.6	0.9	19.4	49.8	100.0
Federal Funds	10.1	5.0	4.2	43.7	0.4	9.2	27.4	100.0
Bond Funds	12.7	20.4	0.0	0.0	3.4	25.0	38.5	100.0
Total Funds	21.3	10.9	2.3	20.7	3.6	8.3	32.9	100.0
FY 2003:								
General Funds	35.8	12.5	2.3	17.2	7.2	0.6	24.5	100.0
Other State Funds	9.2	14.3	0.3	7.5	0.9	20	47.9	100.0
Federal Funds	10.6	5.7	4.1	43.8	0.3	8.6	26.9	100.0
Bond Funds	28.3	16.9	0	0	2.5	19.1	33.1	100.0
Total Funds	21.8	11.1	2.2	22	3.5	8.2	31.2	100.0
FY 2004:								
General Funds	35.8	11.7	2.3	16.9	7.0	0.5	25.8	100.0
Other State Funds	8.5	13.6	0.2	7.4	0.7	19.9	49.8	100.0
Federal Funds	11.3	4.7	3.6	44.6	0.7	8.4	26.9	100.0
Bond Funds	20.9	21.2	0.0	0.0	2.6	26.8	28.4	100.0
Total Funds	21.4	10.4	2.2	22.1	3.5	8.3	32.2	100.0
FY 2005:								
General Funds	35.4	11.6	2.2	17.1	6.9	0.5	26.2	100.0
Other State Funds	8.5	14.1	0.1	8.3	0.7	19.5	48.9	100.0
Federal Funds	11.6	4.4	3.2	44.2	0.3	8.7	27.4	100.0
Bond Funds	17.0	25.3	0.0	0.0	2.8	25.5	29.4	100.0
Total Funds	21.4	10.4	1.8	22.3	3.3	8.2	32.4	100.0
FY 2006:								
General Funds	34.4	11.3	2.1	17.4	6.7	0.8	27.2	100.0
Other State Funds	8.1	14.2	0.1	7.3	0.7	18.5	51.1	100.0
Federal Funds	12.1	4.6	3.0	42.9	0.2	8.7	28.5	100.0
Bond Funds	17.9	24.0	0.0	0.0	3.4	26.1	28.6	100.0
Total Funds	21.2	10.5	1.8	21.4	3.3	8.1	33.7	100.0
FY 2007:								
General Funds	34.1	11.0	2.0	16.6	6.8	1.1	28.4	100.0
Other State Funds	9.4	14.5	0.1	7.3	0.7	17.7	50.3	100.0
Federal Funds	12.0	4.1	3.1	43.1	0.3	8.6	28.9	100.0
Bond Funds	12.4	18.1	0.0	0.0	3.2	32.4	33.8	100.0
Total Funds	21.5	10.2	1.7	20.9	3.4	8.1	34.2	100.0
FY 2008:								
General Funds	35.0	11.7	1.9	16.0	7.0	0.8	27.6	100.0
Other State Funds	10.2	15.2	0.1	7.3	0.7	17.5	49.0	100.0
Federal Funds	11.7	3.7	3.1	43.0	0.2	8.6	29.7	100.0
Bond Funds	9.6	19.2	0.0	0.0	2.7	30.5	37.9	100.0
Total Funds	22.0	10.7	1.7	20.5	3.5	7.8	33.9	100.0
FY 2009:								
General Funds	35.2	11.5	1.9	16.3	7.2	0.7	26.8	100.0
Other State Funds	10.1	15.2	0.1	6.8	0.6	16.4	50.8	100.0
Federal Funds	12.2	4.2	2.9	44.6	0.3	7.8	28.0	100.0
Bond Funds	15.0	20.9	0.0	0.0	3.0	30.0	31.0	100.0
Total Funds	21.5	10.5	1.7	21.9	3.4	7.5	33.4	100.0
FY 2010:								
General Funds	35.3	11.6	1.9	15.8	7.3	0.8	27.3	100.0
Other State Funds	9.7	15.3	0.1	7.5	0.6	15.6	51.2	100.0
Federal Funds	12.8	4.0	2.6	42.3	0.4	7.3	30.6	100.0
Bond Funds	7.8	19.1	0.0	0.0	2.8	39.1	31.1	100.0
Total Funds	20.5	10.2	1.6	22.3	3.1	7.7	34.6	100.0
FY 2011:								
General Funds	35.0	11.5	1.8	17.4	7.4	0.5	26.5	100.0
Other State Funds	9.0	16.0	0.1	8.8	0.6	15.8	49.8	100.0
Federal Funds	12.7	3.9	2.6	43.5	0.2	7.2	29.8	100.0
Bond Funds	10.6	13.4	0.0	0.0	1.7	36.5	37.8	100.0
Total Funds	20.1	10.1	1.6	23.6	3.1	7.6	33.9	100.0
FY 1995-11 Combined Total								
General Funds	35.0	11.7	2.5	16.1	7.0	0.7	26.6	100.0
Other State Funds	9.2	14.1	0.3	6.9	0.8	20.0	48.6	100.0
Federal Funds	11.1	4.2	4.0	43.4	0.3	8.7	28.3	100.0
Bond Funds	15.1	19.5	0.0	0.0	4.3	28.6	32.4	100.0
Total Funds	21.5	10.6	2.3	20.9	3.5	8.3	32.7	100.0

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Federal Fund Expenditures

As reflected in Figure 8, Medicaid accounts for the largest portion of state spending from federal funds at 42.3 percent. Elementary and secondary education at 12.8 percent and transportation at 7.3 percent are the next largest categories.

Figure 8
FEDERAL FUND EXPENDITURES, FISCAL 2010



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 2009-2010 growth rate for all states was 4 percent in fiscal 2010. In fiscal 2011, total estimated state spending grew 4.1 percent, with the Far West region having the highest growth rate at 8.5 percent and the Rocky Mountain region having the lowest at -4.6 percent.

Table 4
REGIONAL PERCENTAGE CHANGE IN TOTAL EXPENDITURES, FISCAL 2010 AND 2011

Region	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	0.6%	22.7%	3.9%	3.1%	-1.5%	2.8%
Mid-Atlantic	-2.1%	23.4%	5.3%	0.8%	7.5%	2.7%
Great Lakes	-2.3%	16.4%	3.2%	-0.8%	5.8%	1.6%
Plains	-7.5%	25.9%	3.3%	7.0%	-4.8%	2.9%
Southeast	-3.0%	18.3%	3.3%	5.8%	7.5%	6.1%
Southwest	-4.8%	9.7%	0.7%	5.7%	-1.5%	1.9%
Rocky Mountain	1.8%	27.7%	12.4%	-3.4%	4.1%	-4.6%
Far West	-2.7%	21.4%	4.7%	8.8%	2.5%	8.5%
ALL STATES	-2.7%	19.4%	4.0%	3.9%	4.0%	4.1%

Figure 9 shows the percentage change in state spending from state funds for 2009-2010 and 2010-2011. In fiscal 2010, all but the New England and Rocky Mountain regions saw declines in spending from state funds while in fiscal 2011 it is estimated that all but the Great Lakes and Rocky Mountain regions saw increases in spending from state funds. 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 2010 AND 2011

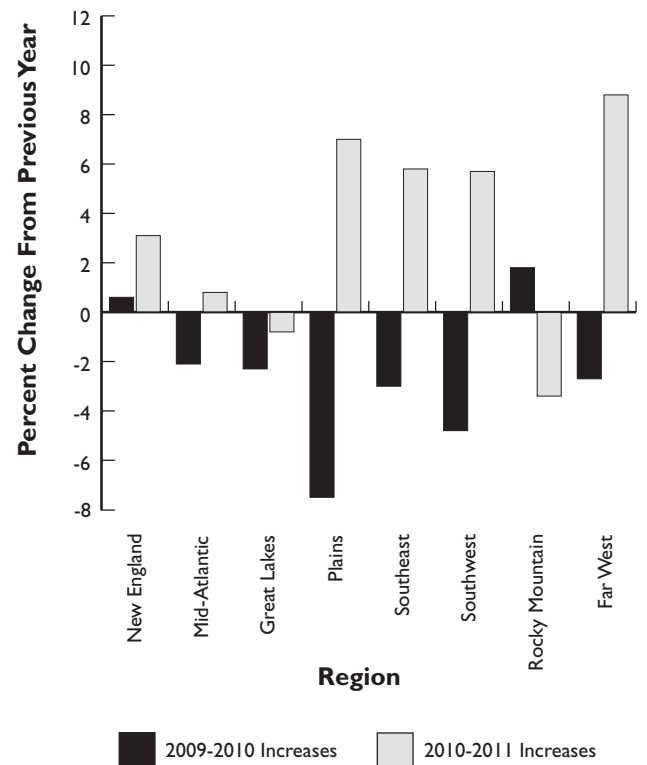


Table 5**STATE SPENDING BY FUNCTION AS A PERCENT OF TOTAL STATE EXPENDITURES, FISCAL 2010**

Region/State	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
NEW ENGLAND								
Connecticut	20.1%	13.9%	2.5%	25.4%	3.4%	9.5%	25.2%	100.0%
Maine	17.6	3.3	2.6	28.6	2.0	7.8	38.1	100.0
Massachusetts	12.9	7.9	2.5	18.8	2.5	6.9	48.6	100.0
New Hampshire	19.0	5.0	1.8	24.9	1.9	9.2	38.1	100.0
Rhode Island	14.1	11.8	1.5	25.0	2.2	5.3	40.1	100.0
Vermont	33.0	2.2	2.2	25.9	2.9	9.8	23.8	100.0
MID-ATLANTIC								
Delaware	23.8	4.2	0.5	14.4	2.9	8.6	45.5	100.0
Maryland	21.0	14.4	3.1	20.4	4.7	4.6	31.8	100.0
New Jersey	24.6	7.9	0.9	21.3	3.5	9.9	32.0	100.0
New York	20.4	7.5	3.0	28.7	2.7	6.1	31.5	100.0
Pennsylvania	19.8	3.3	2.2	29.6	3.4	10.1	31.6	100.0
GREAT LAKES								
Illinois	18.2	4.5	0.2	23.6	2.0	8.1	43.3	100.0
Indiana	32.4	7.1	1.4	23.1	2.9	10.6	22.4	100.0
Michigan	28.4	4.5	1.1	24.2	4.7	7.4	29.7	100.0
Ohio	20.2	4.9	1.8	21.3	3.4	4.9	43.5	100.0
Wisconsin	18.1	12.3	0.3	17.1	3.1	7.1	41.9	100.0
PLAINS								
Iowa	17.3	24.4	0.7	18.6	2.4	9.1	27.5	100.0
Kansas	25.5	16.1	0.4	18.8	2.6	8.3	28.3	100.0
Minnesota	21.7	10.7	1.5	25.1	1.6	9.8	29.6	100.0
Missouri	21.3	5.2	0.7	34.4	2.7	11.2	24.6	100.0
Nebraska	15.7	22.4	0.6	17.2	2.3	7.4	34.4	100.0
North Dakota	16.6	20.7	0.2	13.7	1.8	11.3	35.8	100.0
South Dakota	15.4	17.3	0.8	21.7	2.8	13.7	28.5	100.0
SOUTHEAST								
Alabama	24.3	21.4	0.2	25.8	2.9	8.2	17.1	100.0
Arkansas	17.2	15.3	2.2	20.0	2.1	4.9	38.2	100.0
Florida	20.5	7.7	0.3	30.0	4.8	9.4	27.2	100.0
Georgia	24.6	17.1	1.4	19.5	3.0	6.2	28.3	100.0
Kentucky	19.4	22.4	0.8	21.9	2.2	8.0	25.2	100.0
Louisiana	18.1	8.0	0.6	23.7	2.9	10.9	35.7	100.0
Mississippi	17.1	15.3	0.2	22.9	1.8	7.3	35.4	100.0
North Carolina	19.3	12.4	0.5	24.2	2.9	7.1	33.5	100.0
South Carolina	17.1	20.9	0.3	22.6	2.8	9.1	27.0	100.0
Tennessee	17.7	13.1	0.5	28.8	2.3	6.4	31.3	100.0
Virginia	16.7	15.6	0.5	16.1	3.2	9.2	38.7	100.0
West Virginia	10.6	11.9	0.6	12.6	1.1	5.8	57.4	100.0
SOUTHWEST								
Arizona	22.0	12.6	0.3	27.7	3.8	5.6	28.0	100.0
New Mexico	21.1	18.0	1.1	22.1	1.9	8.8	27.0	100.0
Oklahoma	13.5	19.5	1.0	17.1	2.4	7.2	39.3	100.0
Texas	29.3	10.0	0.3	24.6	4.0	7.2	24.6	100.0
ROCKY MOUNTAIN								
Colorado	24.7	14.2	0.0	15.3	2.6	4.6	38.6	100.0
Idaho	27.4	7.7	0.3	23.0	3.3	10.4	27.9	100.0
Montana	15.1	9.6	0.6	15.4	3.0	11.5	44.8	100.0
Utah	18.9	9.5	0.9	11.9	2.6	25.9	30.4	100.0
Wyoming	11.7	5.3	0.0	7.3	1.6	13.2	61.0	100.0
FAR WEST								
Alaska	14.6	8.6	1.2	12.0	3.2	17.0	43.4	100.0
California	19.6	8.1	4.9	18.9	3.9	5.3	39.2	100.0
Hawaii	15.6	8.8	0.8	13.3	2.0	9.7	49.7	100.0
Nevada	21.5	10.8	0.7	18.3	3.9	11.4	33.5	100.0
Oregon	11.6	7.1	0.4	13.1	3.0	5.6	59.2	100.0
Washington	24.4	13.2	1.4	23.0	3.2	9.1	25.8	100.0
ALL STATES	20.5%	10.2%	1.6%	22.3%	3.1%	7.7%	34.6%	100.0%

Note: Percentages may not add to 100.

Source: National Association of State Budget Officers, 2010 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 2009 and 2010 are based on actual expenditures during these years, regardless of the year appropriated. Fiscal 2011 amounts shown are equal to actual expenditures through 9 months and then annualized for the year.

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

Indiana: Expenditure figures for “2009 Actual – General Funds” include \$1,122.4M 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% (\$879.0M), the racino wagering tax (\$62.8M), the riverboat admissions tax (\$12.8M), and the motor vehicle excise tax and FIT (\$13.0M). Excluding these appropriations, total General Fund expenditures for FY 2009 would have been \$11,915M (instead of \$13,036M). Expenditure figures for “2010 Actual – General Funds” include \$1,085.3M of appropriations made in HEA 1001 (2008), the Governor’s property tax reform legislation. Excluding these appropriations, total General Fund expenditures for FY 2010 would have been \$11,830 (instead of \$12,915M).

Missouri: Principal and interest payments on bonds are included in total expenditures. Capital expenditures are not reported separately but are included in total expenditures.

New Jersey: In some cases 2009 Actuals have been updated to reflect corrections/changes.

New York: Prior to the submission of the FY 2011 Executive Budget, the Division of the Budget adjusted their methodology for reporting certain State and Federal funds to be comparable with the fund structure reported by the State’s Comptroller. The fiscal impact of the adjustment resulted in approximately \$3 billion in annual funding shifting from a Federal to State funding classification. Total expenditures are not adjusted for the impact of delaying the end-of-year school aid payment (\$2.06 billion) from March 2010 to the statutory deadline of June 1, 2010, which was done to carry forward the FY 2010 budget shortfall into FY 2011. General State Charges are counted centrally in the General Fund, and by agency, as Fringe Benefits, in other funds.

Oklahoma: Fiscal 2011 expenditures are estimates based on historical averages and trends.

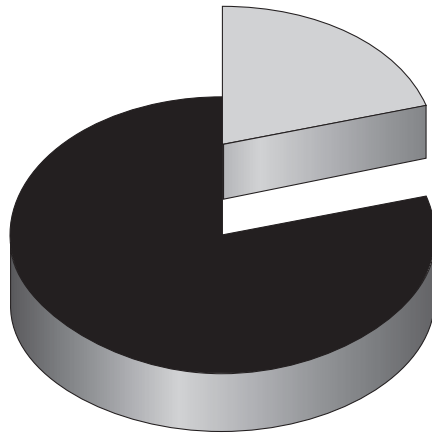
Tennessee: Tennessee collects personal income tax on income from dividends on stocks and interest on certain bonds. Tax revenue estimates do not include federal funds and other departmental revenues. However, federal funds and other departmental revenues are included in the budget as funding sources 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.

Vermont: In fiscal 2009 the General Fund had \$773 million in expenditures and \$386 million in fund transfer out of the General Fund to Other State Funds where the expenditures were recorded. Total expenditures and transfers out for the General Fund were \$1159 million. In fiscal 2010 the General Fund had \$774 million in expenditures and \$317 million in fund transfer out of the General Fund to Other State Funds where the expenditures were recorded. Total expenditures and transfers out for the General Fund were \$1091 million. In fiscal 2011 the General Fund had an estimated \$822 million in expenditures and \$322 million in fund transfer out of the General Fund to Other State Funds where the expenditures were recorded. Total estimated expenditures and transfers out for the General Fund were \$1144 million.

CHAPTER ONE ELEMENTARY & SECONDARY EDUCATION

20.5 % of State Expenditures



State elementary and secondary education expenditures totaled \$332.2 billion in fiscal 2010, a 0.6 percent decrease over the previous year. The decline would have been even larger if not for a substantial increase in federal funds. Federal funds increased by 25.2 percent in fiscal 2010, while state funds (general funds and other state funds combined) declined by 5.1 percent. The federal increase was mainly due to the education funds included in the *American Recovery and Reinvestment Act of 2009 (ARRA)*. In fiscal 2010, states received \$24 billion in ARRA funds for elementary and secondary education, mostly through ARRA's State Fiscal Stabilization Fund.

In fiscal 2011, it is estimated that elementary and secondary expenditures grew by 2.1 percent, with state funds growing by 1.2 percent and federal funds growing by 3.2 percent. States estimate that they received \$21.5 billion in ARRA funds for K-12 in fiscal 2011. It should be noted that states will receive substantially less federal dollars for elementary and secondary education in fiscal 2012 as Recovery Act funds wind down.

In fiscal 2010, general funds comprised 65.8 percent of state elementary and secondary education spending, federal funds comprised 21.3 percent, other states funds comprised 12.1 percent, and bonds comprised 0.9 percent. Federal funds have grown from representing 14 percent of overall K-12 expenditures in fiscal 2008, the last year before ARRA, to 21 percent in fiscal 2010, demonstrating states growing reliance on federal dollars to fund elementary and secondary education during this time period.

While historically the largest category of total state spending, Medicaid surpassed K-12 in fiscal 2009. In fiscal 2010, Medicaid comprised 22.3 percent of total state spending and K-12 represented 20.5 percent. Elementary and secondary education remains by far the largest component of general fund spending in fiscal 2010 at 35.3 percent compared to 15.8 percent for Medicaid.

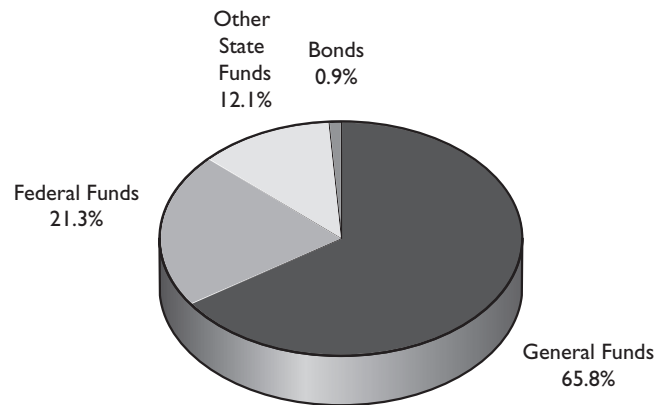
Sources of Funding

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 fiscal 2010 are shown in the figure below.

Figure 10
STATE EXPENDITURES FOR ELEMENTARY AND SECONDARY EDUCATION BY FUND SOURCE, FISCAL 2010



Regional Expenditures

The following table shows percentage changes in expenditures for elementary and secondary education for fiscal 2009-2010 and 2010-2011 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, 13 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 (42 states), school health care (40), Head Start (31), and libraries (28). 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 2010 AND 2011

Region	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-4.1%	38.6%	3.2%	0.9%	-5.5%	-2.5%
Mid-Atlantic	-4.1	59.4	4.1	1.1	7.8	2.3
Great Lakes	3.4	14.8	5.6	-2.4	1.2	-1.6
Plains	-13.0	62.3	-2.9	8.9	-2.4	6.4
Southeast	-6.1	46.0	2.9	2.6	9.2	4.0
Southwest	-13.1	22.4	-6.1	-0.2	-11.0	-3.0
Rocky Mountain	-0.1	11.5	1.2	-4.8	15.7	-2.3
Far West	-4.9	-14.5	-10.6	2.7	7.6	6.9
ALL STATES	-5.1%	25.2%	-0.6%	1.2%	3.2%	2.1%

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

Region/State	Actual Fiscal 2009					Actual Fiscal 2010					Estimated Fiscal 2011				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$2,672	\$441	\$4	\$642	\$3,759	\$2,393	\$861	\$4	\$700	\$3,958	\$2,439	\$834	\$4	\$390	\$3,667
Maine	1,201	218	3	0	1,422	1,171	276	10	0	1,457	1,132	298	9	0	1,439
Massachusetts	4,454	1,189	636	0	6,279	4,302	1,484	731	0	6,517	4,275	1,261	658	0	6,194
New Hampshire	0	168	898	48	1,114	0	193	795	50	1,038	0	201	933	57	1,191
Rhode Island	826	213	16	6	1,061	803	260	17	20	1,100	846	299	26	4	1,175
Vermont	48	119	1,309	11	1,487	49	181	1,301	10	1,541	55	183	1,305	7	1,550
MID-ATLANTIC															
Delaware	1,163	150	524	234	2,071	1,117	242	531	188	2,078	1,092	243	575	150	2,060
Maryland	5,548	904	13	0	6,465	5,330	1,610	24	0	6,964	4,985	1,751	448	0	7,184
New Jersey	10,416	832	18	0	11,266	9,559	2,156	16	0	11,731	10,719	1,112	18	0	11,849
New York	19,435	3,559	3,108	7	26,109	19,119	4,255	2,969	20	26,363	18,146	6,090	3,277	9	27,522
Pennsylvania	9,629	2,101	632	0	12,362	9,119	3,766	629	0	13,514	8,914	3,777	754	0	13,445
GREAT LAKES															
Illinois	7,442	3,050	44	0	10,536	7,328	3,690	42	0	11,060	6,901	4,127	47	0	11,075
Indiana	5,695	1,476	51	0	7,222	7,155	1,377	104	0	8,636	7,256	1,105	149	0	8,510
Michigan	85	2,179	10,968	0	13,232	51	2,857	10,638	0	13,546	42	2,891	10,770	0	13,703
Ohio	6,950	1,698	2,597	6	11,251	6,712	2,111	2,831	7	11,661	6,727	2,254	1,661	3	10,645
Wisconsin	5,623	1,327	204	0	7,154	5,946	1,131	198	0	7,275	6,249	926	232	0	7,407
PLAINS															
Iowa	2,598	425	56	0	3,079	2,239	533	280	0	3,052	2,531	568	123	0	3,222
Kansas	3,147	420	115	0	3,682	2,710	736	138	0	3,584	3,019	612	248	0	3,879
Minnesota	6,931	642	41	7	7,621	5,339	1,157	43	1	6,540	6,090	1,173	46	1	7,310
Missouri	3,019	888	1,321	0	5,228	2,559	1,578	1,289	0	5,426	2,647	1,457	1,349	0	5,453
Nebraska	1,064	270	59	0	1,393	1,071	380	57	0	1,508	1,040	500	63	0	1,603
North Dakota	388	124	39	0	551	527	234	44	0	805	576	148	49	0	773
South Dakota	381	198	12	0	591	388	196	3	0	587	388	242	2	0	632
SOUTHEAST															
Alabama	3,912	857	178	0	4,947	3,582	1,241	179	0	5,002	3,718	1,597	188	0	5,503
Arkansas	1,949	494	774	0	3,217	1,852	699	876	0	3,427	1,943	786	794	0	3,523
Florida	8,698	1,878	1,276	0	11,852	8,224	3,257	1,214	0	12,695	9,159	3,876	1,217	0	14,252
Georgia	7,348	1,775	13	105	9,241	6,587	3,036	16	298	9,937	7,067	2,812	17	171	10,067
Kentucky	4,017	707	15	0	4,739	3,840	1,169	11	0	5,020	3,917	1,080	11	0	5,008
Louisiana	3,410	1,058	387	0	4,855	3,224	1,229	828	0	5,281	3,205	1,539	955	0	5,699
Mississippi	2,148	645	311	4	3,108	1,906	739	485	0	3,130	1,907	803	440	0	3,150
North Carolina	8,142	1,263	135	0	9,540	7,487	1,503	429	0	9,419	7,262	1,549	549	0	9,360
South Carolina	2,150	765	678	0	3,593	1,920	943	611	0	3,474	1,832	705	561	0	3,098
Tennessee	3,967	929	46	0	4,942	3,661	1,337	33	0	5,031	3,645	1,963	70	0	5,678
Virginia	5,678	844	665	0	7,187	4,853	1,335	641	0	6,829	4,832	1,288	579	0	6,699
West Virginia	1,795	345	13	23	2,176	1,728	386	11	23	2,148	1,750	420	13	23	2,206
SOUTHWEST															
Arizona	3,954	971	1,457	96	6,478	3,275	1,664	1,067	90	6,096	3,594	1,328	421	90	5,433
New Mexico	2,524	402	17	0	2,943	2,547	669	1	0	3,217	2,323	593	1	0	2,917
Oklahoma	1,740	731	833	0	3,304	1,438	845	634	0	2,917	1,542	874	689	0	3,105
Texas	19,081	6,233	3,987	43	29,344	16,228	7,029	3,996	39	27,292	16,516	6,287	4,047	14	26,864
ROCKY MOUNTAIN															
Colorado	3,215	535	3,653	0	7,403	3,240	629	3,809	0	7,678	2,963	888	3,535	0	7,386
Idaho	1,360	218	151	0	1,729	1,166	291	296	0	1,753	1,232	322	104	0	1,658
Montana	661	145	66	0	872	568	207	137	0	912	618	252	63	0	933
Utah	2,293	552	165	0	3,010	2,271	499	62	0	2,832	2,322	447	83	0	2,852
Wyoming	7	92	794	0	893	7	93	795	0	895	6	80	831	0	917
FAR WEST															
Alaska	1,076	196	78	0	1,350	1,138	203	84	0	1,425	1,280	255	10	0	1,545
California	31,476	9,843	737	3,977	46,033	31,269	7,805	86	1,278	40,438	32,717	8,503	92	3,347	44,659
Hawaii	2,272	207	44	0	2,523	1,349	317	44	0	1,710	1,336	323	52	1	1,712
Nevada	1,413	463	140	0	2,016	1,270	352	155	0	1,777	1,239	416	150	0	1,805
Oregon	2,745	631	484	0	3,860	2,435	737	604	0	3,776	2,321	826	600	0	3,747
Washington	6,334	1,067	712	185	8,298	6,496	1,200	236	247	8,179	6,321	1,097	254	122	7,794
TOTAL*	\$232,080	\$56,437	\$40,477	\$5,394	\$334,388	\$218,548	\$70,678	\$40,034	\$2,971	\$332,231	\$222,636	\$72,961	\$39,072	\$4,389	\$339,058

Source: National Association of State Budget Officers, 2010 State Expenditure Report

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

Region/State	Fiscal 2009	Fiscal 2010	Fiscal 2011
NEW ENGLAND			
Connecticut	19.5%	20.1%	17.8%
Maine	17.6	17.6	17.6
Massachusetts	12.9	12.9	12.0
New Hampshire	22.4	19.0	21.9
Rhode Island	14.4	14.1	14.2
Vermont	34.4	33.0	32.1
MID-ATLANTIC			
Delaware	23.7	23.8	24.5
Maryland	20.2	21.0	20.6
New Jersey	23.8	24.6	24.6
New York	21.5	20.4	20.7
Pennsylvania	19.7	19.8	19.2
GREAT LAKES			
Illinois	18.2	18.2	19.7
Indiana	28.1	32.4	31.5
Michigan	28.9	28.4	27.4
Ohio	19.5	20.2	17.6
Wisconsin	18.6	18.1	17.3
PLAINS			
Iowa	17.6	17.3	17.4
Kansas	26.4	25.5	26.2
Minnesota	25.5	21.7	22.8
Missouri	21.6	21.3	22.1
Nebraska	15.2	15.7	16.4
North Dakota	14.0	16.6	15.5
South Dakota	16.7	15.4	16.7
SOUTHEAST			
Alabama	25.1	24.3	26.4
Arkansas	17.7	17.2	17.3
Florida	19.5	20.5	20.2
Georgia	23.0	24.6	25.7
Kentucky	19.7	19.4	19.6
Louisiana	17.3	18.1	18.9
Mississippi	17.9	17.1	15.9
North Carolina	20.2	19.3	18.3
South Carolina	17.3	17.1	12.1
Tennessee	17.0	17.7	18.4
Virginia	19.4	16.7	15.8
West Virginia	10.6	10.6	10.3
SOUTHWEST			
Arizona	23.8	22.0	18.6
New Mexico	19.1	21.1	19.7
Oklahoma	15.3	13.5	14.1
Texas	31.8	29.3	28.4
ROCKY MOUNTAIN			
Colorado	25.7	24.7	26.0
Idaho	27.4	27.4	23.5
Montana	15.8	15.1	15.1
Utah	26.0	18.9	21.3
Wyoming	13.4	11.7	11.4
FAR WEST			
Alaska	10.7	14.6	11.1
California	23.5	19.6	19.6
Hawaii	21.3	15.6	15.3
Nevada	21.2	21.5	21.1
Oregon	15.7	11.6	11.2
Washington	24.6	24.4	24.0
TOTAL*	21.5%	20.5%	20.1%

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 9**ANNUAL PERCENTAGE CHANGE IN ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES**

Region/State	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	-10.4%	95.2%	5.3%	1.9%	-3.1%	-7.4%
Maine	-1.9	26.6	2.5	-3.4	8.0	-1.2
Massachusetts	-1.1	24.8	3.8	-2.0	-15.0	-5.0
New Hampshire	-11.5	14.9	-6.8	17.4	4.1	14.7
Rhode Island	-2.6	22.1	3.7	6.3	15.0	6.8
Vermont	-0.5	52.1	3.6	0.7	1.1	0.6
MID-ATLANTIC						
Delaware	-2.3	61.3	0.3	1.2	0.4	-0.9
Maryland	-3.7	78.1	7.7	1.5	8.8	3.2
New Jersey	-8.2	159.1	4.1	12.1	-48.4	1.0
New York	-2.0	19.6	1.0	-3.0	43.1	4.4
Pennsylvania	-5.0	79.2	9.3	-0.8	0.3	-0.5
GREAT LAKES						
Illinois	-1.5	21.0	5.0	-5.7	11.8	0.1
Indiana	26.3	-6.7	19.6	2.0	-19.8	-1.5
Michigan	-3.3	31.1	2.4	1.2	1.2	1.2
Ohio	0.0	24.3	3.6	-12.1	6.8	-8.7
Wisconsin	5.4	-14.8	1.7	5.5	-18.1	1.8
PLAINS						
Iowa	-5.1	25.4	-0.9	5.4	6.6	5.6
Kansas	-12.7	75.2	-2.7	14.7	-16.8	8.2
Minnesota	-22.8	80.2	-14.2	14.0	1.4	11.8
Missouri	-11.3	77.7	3.8	3.8	-7.7	0.5
Nebraska	0.4	40.7	8.3	-2.2	31.6	6.3
North Dakota	33.7	88.7	46.1	9.5	-36.8	-4.0
South Dakota	-0.5	-1.0	-0.7	-0.3	23.5	7.7
SOUTHEAST						
Alabama	-8.0	44.8	1.1	3.9	28.7	10.0
Arkansas	0.2	41.5	6.5	0.3	12.4	2.8
Florida	-5.4	73.4	7.1	9.9	19.0	12.3
Georgia	-10.3	71.0	7.5	7.3	-7.4	1.3
Kentucky	-4.5	65.3	5.9	2.0	-7.6	-0.2
Louisiana	6.7	16.2	8.8	2.7	25.2	7.9
Mississippi	-2.8	14.6	0.7	-1.8	8.7	0.6
North Carolina	-4.4	19.0	-1.3	-1.3	3.1	-0.6
South Carolina	-10.5	23.3	-3.3	-5.5	-25.2	-10.8
Tennessee	-7.9	43.9	1.8	0.6	46.8	12.9
Virginia	-13.4	58.2	-5.0	-1.5	-3.5	-1.9
West Virginia	-3.8	11.9	-1.3	1.4	8.8	2.7
SOUTHWEST						
Arizona	-19.8	71.4	-5.9	-7.5	-20.2	-10.9
New Mexico	0.3	66.4	9.3	-8.8	-11.4	-9.3
Oklahoma	-19.5	15.6	-11.7	7.7	3.4	6.4
Texas	-12.3	12.8	-7.0	1.7	-10.6	-1.6
ROCKY MOUNTAIN						
Colorado	2.6	17.6	3.7	-7.8	41.2	-3.8
Idaho	-3.2	33.5	1.4	-8.6	10.7	-5.4
Montana	-3.0	42.8	4.6	-3.4	21.7	2.3
Utah	-5.1	-9.6	-5.9	3.1	-10.4	0.7
Wyoming	0.1	1.1	0.2	4.4	-14.0	2.5
FAR WEST						
Alaska	5.9	3.6	5.6	5.6	25.6	8.4
California	-2.7	-20.7	-12.2	4.6	8.9	10.4
Hawaii	-39.9	53.1	-32.2	-0.4	1.9	0.1
Nevada	-8.2	-24.0	-11.9	-2.5	18.2	1.6
Oregon	-5.9	16.8	-2.2	-3.9	12.1	-0.8
Washington	-4.5	12.5	-1.4	-2.3	-8.6	-4.7
TOTAL*	-5.1%	25.2%	-0.6%	1.2%	3.2%	2.1%

Note: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 10**ITEMS EXCLUDED FROM ELEMENTARY & SECONDARY EDUCATION EXPENDITURES**

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Head Start	Libraries	Day Care Programs	School Health Care/ Immunization
NEW ENGLAND						
Connecticut	X	X		X	X	P
Maine			X	X	X	P
Massachusetts	X					
New Hampshire			X	X	X	
Rhode Island			X	X	X	P
Vermont			X	X	X	X
MID-ATLANTIC						
Delaware					X	P
Maryland				X		P
New Jersey		P	X		X	P
New York	P	P	X		X	X
Pennsylvania				X	X	X
GREAT LAKES						
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
PLAINS						
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
SOUTHEAST						
Alabama				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
SOUTHWEST						
Arizona			X		X	X
New Mexico				P	P	P
Oklahoma			X	X	X	X
Texas			X	P	P	P
ROCKY MOUNTAIN						
Colorado	X	X	X	P	X	P
Idaho			X		X	X
Montana	P	P	X	P	X	X
Utah			X		X	X
Wyoming						
FAR WEST						
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
ALL STATES	13	15	31	28	42	40

Note: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2010 State Expenditure Report

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: School personnel are paid at the school district level — state costs for employer contributions to employee pensions and health benefits only reflect Colorado Dept. of Education personnel. Funds library-related programs across the state.

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.

Hawaii: Employer contributions to current employees' pensions and health benefits: general fund amounts are budgeted centrally (except for Elementary and Secondary Education and Higher Education) and reported in "All Other State Expenditures." For non-general funds, employer contributions are shown in each functional area.

Indiana: Expenditure figures for "2009 Actual and 2010 Actual — 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 decreased for fiscal 2010 and 2011 as support from other revenue sources in the State School Aid Fund increased, largely due to federal ARRA funding for K-12 and other education programs. Actual ARRA expenditures will be recorded with the fiscal 2011 annual financial report.

Montana: For fiscal 2010, general funds decreased and other state funds increased as a result of natural resource bonus payments (namely Otter Creek — approximately \$81 million offset to general fund). Additionally, for fiscal 2010 and fiscal 2011, and to a lesser extent fiscal 2009, federal funds increased and general funds decreased due to ARRA SFSF and JOBS Bill.

New York: Total expenditures are not adjusted for the impact of delaying the end-of-year school aid payment (\$2.06 billion) from March 2010 to the statutory deadline of June 1, 2010, which was done to carry forward the FY 2010 budget shortfall into FY 2011.

Ohio: Other state funds includes capital spending for the state's school building program. During FY 2008-2011 bond funds were replaced with tobacco securitization proceeds.

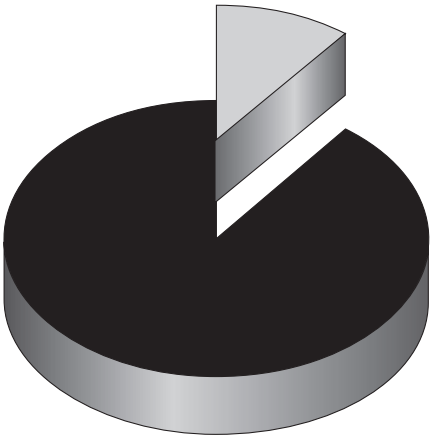
Texas: Decreases in state support from 2009 to 2010-11 should not be interpreted as a decrease in total funding for public education because state funding for 2009 includes a one-time, thirteenth payment of approximately \$1.76 billion. Additionally, these amounts do not reflect revenue generated by local tax collections, which impact the state's share of funding.

Utah: Included with 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.

Vermont: Fiscal 2009 Other State Funds figures were restated from last year's survey to correct a double counting issue with transfers.

CHAPTER TWO HIGHER EDUCATION

10.2 % of State Expenditures



State higher education spending reflects state financial support of public university systems, community colleges, and vocational education institutions. In fiscal 2010, states spent \$164.8 billion on higher education, 10.2 percent of total state spending, and 11.6 percent of overall general fund expenditures. General funds account for 43.8 percent of state spending on higher education, other state funds 38.3 percent, federal funds 13.6 percent, and bonds 4.4 percent (see Figure 11 and Table 12).

In calculating higher education expenditures for fiscal 2010, 11 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 0.8 percent in fiscal 2010. State funds (general funds plus other state funds) decreased by 0.8 percent, while federal funds, which typically represent a small share of total higher education spending, grew by 13.6 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 2010, states report that \$4.6 billion of the federal

funds for higher education were attributable to ARRA. In fiscal 2011, total state higher education spending grew by 3.4 percent with state funds increasing by 5.3 percent and federal funds declining by 0.1 percent. The decline in federal funds is largely due to the wind down of ARRA funds, with states estimating that they spent \$3.5 billion in ARRA higher education funds in fiscal 2011, approximately \$1.2 billion less than fiscal 2010.

Capital Spending

State expenditures for higher education-related construction, renovation and other capital projects decreased by 3.6 percent in fiscal 2010, and are estimated to decrease by 12.3 percent in fiscal 2011 (see Table 48).

Regional Expenditures

In fiscal 2010, the Mid-Atlantic region saw the greatest percentage increase in higher education spending at 6.5 percent, while the New England region experienced the largest decline, decreasing 6.2 percent (see Table 11).

Financing Issues

While state funds for higher education decreased in fiscal 2010 and increased in fiscal 2011, tuition and fees rose both years. According to The College Board, tuition and fees at four-year public institutions rose 7.9 percent between 2009 and 2010 and 8.3 percent between 2010 and 2011. The large increase in tuition and fees was partly ameliorated by the fact that from 2008 to 2011, both grant aid and federal loans per student increased by about 30 percent when adjusted for inflation.

Figure 11
STATE EXPENDITURES FOR HIGHER EDUCATION BY FUND SOURCE, FISCAL 2010

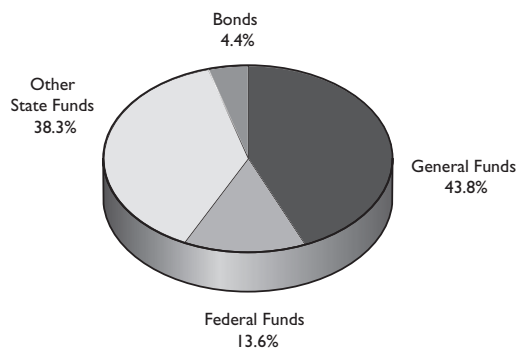


Table 11
REGIONAL PERCENTAGE CHANGE IN STATE HIGHER EDUCATION EXPENDITURES, FISCAL 2010 AND 2011

Region	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-7.7%	30.6%	-6.2%	18.0%	35.4%	17.5%
Mid-Atlantic	3.6	67.3	6.5	-0.4	1.0	-0.5
Great Lakes	-3.5	10.0	-0.9	1.5	42.2	5.6
Plains	-2.4	24.9	0.6	2.1	8.6	2.4
Southeast	0.8	30.0	0.2	9.0	-7.7	6.5
Southwest	1.4	4.7	4.3	8.0	6.1	3.3
Rocky Mountain	-6.7	69.8	2.5	-22.5	-54.2	-29.3
Far West	-3.0	-4.0	-1.8	8.5	-1.3	4.2
ALL STATES	-0.8%	13.6%	0.8%	5.3%	0.1%	3.4%

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

Region/State	Actual Fiscal 2009					Actual Fiscal 2010					Estimated Fiscal 2011				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$748	\$258	\$1,524	\$257	\$2,787	\$744	\$333	\$1,356	\$300	\$2,733	\$747	\$367	\$1,502	\$285	\$2,901
Maine	254	7	3	19	283	249	10	3	13	275	256	11	3	4	274
Massachusetts	1,028	8	3,461	39	4,536	843	8	3,119	11	3,981	938	97	4,181	12	5,228
New Hampshire	142	11	63	39	255	147	21	61	43	272	140	1	49	23	213
Rhode Island	171	4	668	44	887	161	4	737	20	922	162	33	801	27	1,023
Vermont	79	0	8	3	90	93	0	7	4	104	86	0	8	5	99
MID-ATLANTIC															
Delaware	252	36	73	1	362	227	57	80	4	368	220	80	87	5	392
Maryland	1,619	267	2,528	264	4,678	1,554	358	2,556	284	4,752	1,600	310	2,713	325	4,948
New Jersey	2,192	24	1,426	0	3,642	2,179	97	1,477	0	3,753	2,200	22	1,571	0	3,793
New York	3,659	210	4,091	524	8,484	4,211	399	4,338	738	9,686	3,683	509	4,499	775	9,466
Pennsylvania	2,024	63	16	270	2,373	1,888	93	6	270	2,257	1,870	93	7	151	2,121
GREAT LAKES															
Illinois	2,209	356	72	39	2,676	2,220	381	71	56	2,728	2,154	386	89	111	2,740
Indiana	1,764	5	10	98	1,877	1,712	6	17	169	1,904	1,727	30	17	100	1,874
Michigan*	1,972	192	24	55	2,243	1,681	169	210	91	2,151	1,919	111	1	74	2,105
Ohio	2,792	32	8	288	3,120	2,497	32	7	317	2,853	2,499	28	11	261	2,799
Wisconsin	1,414	953	2,437	0	4,804	1,279	1,104	2,567	0	4,950	1,396	1,851	2,634	0	5,881
PLAINS															
Iowa	935	499	3,030	3	4,467	777	528	2,979	16	4,300	767	539	3,096	45	4,447
Kansas	800	412	1,047	57	2,316	752	498	951	57	2,258	754	495	1,126	57	2,432
Minnesota	2,858	36	26	192	3,112	2,904	77	26	227	3,234	2,885	57	31	167	3,140
Missouri	999	3	298	0	1,300	870	155	302	0	1,327	822	52	297	0	1,171
Nebraska	647	189	1,238	0	2,074	647	205	1,296	0	2,148	644	377	1,213	0	2,234
North Dakota*	279	130	478	7	894	330	149	505	20	1,004	374	216	569	18	1,177
South Dakota	195	102	314	63	674	190	100	305	64	659	196	123	326	46	691
SOUTHEAST															
Alabama*	1,571	945	1,565	0	4,081	1,430	1,199	1,783	0	4,412	1,426	1,313	1,867	0	4,606
Arkansas	742	13	2,303	0	3,058	724	35	2,298	0	3,057	763	55	2,421	0	3,239
Florida*	3,703	139	878	942	5,662	3,253	431	927	190	4,801	3,397	525	2,631	450	7,003
Georgia	2,337	70	3,482	432	6,321	1,964	414	4,002	532	6,912	2,113	75	4,225	221	6,634
Kentucky	1,277	721	3,715	0	5,713	1,210	758	3,850	0	5,818	1,220	834	3,996	0	6,050
Louisiana	1,617	142	989	68	2,816	1,181	139	963	58	2,341	1,192	169	994	44	2,399
Mississippi	881	245	1,558	19	2,703	811	199	1,775	13	2,798	771	195	2,023	10	2,999
North Carolina	3,498	41	2,233	400	6,172	3,545	37	2,480	0	6,062	3,605	41	2,764	0	6,410
South Carolina	753	579	2,870	182	4,384	693	672	2,802	85	4,252	569	597	2,886	0	4,052
Tennessee	1,588	276	1,694	163	3,721	1,483	380	1,857	10	3,730	1,723	353	1,959	10	4,045
Virginia	1,908	906	2,498	1,171	6,483	1,898	1,033	2,477	964	6,372	1,765	703	3,164	855	6,487
West Virginia	499	216	1,012	55	1,782	481	283	1,644	17	2,425	484	291	1,693	17	2,485
SOUTHWEST															
Arizona	1,291	558	1,101	379	3,329	1,316	527	1,153	485	3,481	889	652	2,522	88	4,151
New Mexico	867	448	1,308	59	2,682	816	534	1,329	69	2,748	762	614	1,376	0	2,752
Oklahoma	1,892	475	1,395	84	3,846	1,908	461	1,420	421	4,210	2,029	520	1,963	100	4,612
Texas	6,523	2,052	509	0	9,084	6,526	2,177	620	0	9,323	6,140	2,140	610	0	8,890
ROCKY MOUNTAIN															
Colorado*	777	659	2,856	0	4,292	463	1,119	2,829	0	4,411	718	417	1,132	0	2,267
Idaho	356	5	151	6	518	305	5	179	6	495	297	5	258	6	566
Montana*	192	46	311	0	549	157	84	342	0	583	158	90	355	0	603
Utah*	783	37	506	43	1,369	693	67	539	118	1,417	812	50	509	0	1,371
Wyoming	392	11	2	0	405	392	12	2	0	406	266	28	68	0	362
FAR WEST															
Alaska	609	237	165	0	1,011	599	157	85	0	841	733	135	92	228	1,188
California	9,224	6,781	56	404	16,465	9,575	6,237	39	837	16,688	10,463	6,338	38	301	17,140
Hawaii*	744	20	399	145	1,308	374	37	438	109	958	355	44	471	155	1,025
Nevada	670	2	265	80	1,017	400	188	270	34	892	559	3	245	47	854
Oregon	336	246	1,580	171	2,333	369	198	1,472	288	2,327	359	242	1,620	281	2,502
Washington	1,593	8	2,451	443	4,495	1,395	183	2,540	315	4,433	1,355	146	2,752	270	4,523
TOTAL	\$75,655	\$19,675	\$60,695	\$7,508	\$163,533	\$72,116	\$22,350	\$63,091	\$7,255	\$164,812	\$72,962	\$22,363	\$69,465	\$5,574	\$170,364

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 13
HIGHER EDUCATION EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2009	Fiscal 2010	Fiscal 2011
NEW ENGLAND			
Connecticut	14.4%	13.9%	14.1%
Maine	3.5	3.3	3.4
Massachusetts	9.3	7.9	10.1
New Hampshire	5.1	5.0	3.9
Rhode Island	12.1	11.8	12.3
Vermont	2.1	2.2	2.1
MID-ATLANTIC			
Delaware	4.1	4.2	4.7
Maryland	14.6	14.4	14.2
New Jersey	7.7	7.9	7.9
New York	7.0	7.5	7.1
Pennsylvania	3.8	3.3	3.0
GREAT LAKES			
Illinois	4.6	4.5	4.9
Indiana	7.3	7.1	6.9
Michigan	4.9	4.5	4.2
Ohio	5.4	4.9	4.6
Wisconsin	12.5	12.3	13.7
PLAINS			
Iowa	25.6	24.4	24.0
Kansas	16.6	16.1	16.5
Minnesota	10.4	10.7	9.8
Missouri	5.4	5.2	4.7
Nebraska	22.7	22.4	22.8
North Dakota	22.7	20.7	23.7
South Dakota	19.0	17.3	18.3
SOUTHEAST			
Alabama	20.7	21.4	22.1
Arkansas	16.8	15.3	15.9
Florida	9.3	7.7	9.9
Georgia	15.7	17.1	16.9
Kentucky	23.7	22.4	23.7
Louisiana	10.0	8.0	8.0
Mississippi	15.6	15.3	15.2
North Carolina	13.0	12.4	12.5
South Carolina	21.1	20.9	15.8
Tennessee	12.8	13.1	13.1
Virginia	17.5	15.6	15.3
West Virginia	8.7	11.9	11.6
SOUTHWEST			
Arizona	12.2	12.6	14.2
New Mexico	17.4	18.0	18.6
Oklahoma	17.8	19.5	20.9
Texas	9.8	10.0	9.4
ROCKY MOUNTAIN			
Colorado	14.9	14.2	8.0
Idaho	8.2	7.7	8.0
Montana	9.9	9.6	9.8
Utah	11.8	9.5	10.3
Wyoming	6.1	5.3	4.5
FAR WEST			
Alaska	8.0	8.6	8.5
California	8.4	8.1	7.5
Hawaii	11.1	8.8	9.1
Nevada	10.7	10.8	10.0
Oregon	9.5	7.1	7.5
Washington	13.3	13.2	13.9
ALL STATES	10.5%	10.2%	10.1%

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 14
ANNUAL PERCENTAGE CHANGE IN HIGHER EDUCATION EXPENDITURES

Region/State	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	-7.6%	29.1%	-1.9%	7.1%	10.2%	6.1%
Maine	-1.9	42.9	-2.8	2.8	10.0	-0.4
Massachusetts	-11.7	0.0	-12.2	29.2	1,112.5	31.3
New Hampshire	1.5	90.9	6.7	-9.1	-95.2	-21.7
Rhode Island	7.0	0.0	3.9	7.2	725.0	11.0
Vermont	14.9	---	15.6	-6.0	---	-4.8
MID-ATLANTIC						
Delaware	-5.5	58.3	1.7	0.0	40.4	6.5
Maryland	-0.9	34.1	1.6	4.9	-13.4	4.1
New Jersey	1.1	304.2	3.0	3.1	-77.3	1.1
New York	10.3	90.0	14.2	-4.3	27.6	-2.3
Pennsylvania	-7.2	47.6	-4.9	-0.9	0.0	-6.0
GREAT LAKES						
Illinois	0.4	7.0	1.9	-2.1	1.3	0.4
Indiana	-2.5	20.0	1.4	0.9	400.0	-1.6
Michigan	-5.3	-12.0	-4.1	1.5	-34.3	-2.1
Ohio	-10.6	0.0	-8.6	0.2	-12.5	-1.9
Wisconsin	-0.1	15.8	3.0	4.8	67.7	18.8
PLAINS						
Iowa	-5.3	5.8	-3.7	2.8	2.1	3.4
Kansas	-7.8	20.9	-2.5	10.4	-0.6	7.7
Minnesota	1.6	113.9	3.9	-0.5	-26.0	-2.9
Missouri	-9.6	5,066.7	2.1	-4.5	-66.5	-11.8
Nebraska	3.1	8.5	3.6	-4.4	83.9	4.0
North Dakota	10.3	14.6	12.3	12.9	45.0	17.2
South Dakota	-2.8	-2.0	-2.2	5.5	23.0	4.9
SOUTHEAST						
Alabama	2.5	26.9	8.1	2.5	9.5	4.4
Arkansas	-0.8	169.2	0.0	5.4	57.1	6.0
Florida	-8.8	210.1	-15.2	44.2	21.8	45.9
Georgia	2.5	491.4	9.3	6.2	-81.9	-4.0
Kentucky	1.4	5.1	1.8	3.1	10.0	4.0
Louisiana	-17.7	-2.1	-16.9	2.0	21.6	2.5
Mississippi	6.0	-18.8	3.5	8.0	-2.0	7.2
North Carolina	5.1	-9.8	-1.8	5.7	10.8	5.7
South Carolina	-3.5	16.1	-3.0	-1.1	-11.2	-4.7
Tennessee	1.8	37.7	0.2	10.2	-7.1	8.4
Virginia	-0.7	14.0	-1.7	12.7	-31.9	1.8
West Virginia	40.6	31.0	36.1	2.4	2.8	2.5
SOUTHWEST						
Arizona	3.2	-5.6	4.6	38.2	23.7	19.2
New Mexico	-1.4	19.2	2.5	-0.3	15.0	0.1
Oklahoma	1.2	-2.9	9.5	20.0	12.8	9.5
Texas	1.6	6.1	2.6	-5.5	-1.7	-4.6
ROCKY MOUNTAIN						
Colorado	-9.4	69.8	2.8	-43.8	-62.7	-48.6
Idaho	-4.5	0.0	-4.4	14.7	0.0	14.3
Montana	-0.8	82.6	6.2	2.8	7.1	3.4
Utah	-4.4	81.1	3.5	7.2	-25.4	-3.2
Wyoming	0.0	9.1	0.2	-15.2	133.3	-10.8
FAR WEST						
Alaska	-11.6	-33.8	-16.8	20.6	-14.0	41.3
California	3.6	-8.0	1.4	9.2	1.6	2.7
Hawaii	-29.0	85.0	-26.8	1.7	18.9	7.0
Nevada	-28.3	9,300.0	-12.3	20.0	-98.4	-4.3
Oregon	-3.9	-19.5	-0.3	7.5	22.2	7.5
Washington	-2.7	2,187.5	-1.4	4.4	-20.2	2.0
ALL STATES	-0.8%	13.6%	0.8%	5.3%	0.1%	3.4%

Note: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2010 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 and Universities
NEW ENGLAND							
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	
MID-ATLANTIC							
Delaware			X		X	X	X
Maryland					P		
New Jersey					X	X	
New York	P	P			P	P	P
Pennsylvania	X	X		P	X	P	
GREAT LAKES							
Illinois		P	P	P	P	P	P
Indiana	P	P	X		X		X
Michigan	X	X	X	X	P		
Ohio	X	X	X	X	P	P	
Wisconsin					P		
PLAINS							
Iowa							
Kansas							
Minnesota	P	P			X	X	X
Missouri	X	X	X		X	X	X
Nebraska					X		
North Dakota						X	X
South Dakota							X
SOUTHEAST							
Alabama*							
Arkansas					P		
Florida*				X	P		
Georgia				X	X		X
Kentucky						P	
Louisiana					X		
Mississippi					X		X
North Carolina					X		
South Carolina							
Tennessee					X		
Virginia				X			
West Virginia				X	P	P	
SOUTHWEST							
Arizona							X
New Mexico							X
Oklahoma				P	P	P	P
Texas							
ROCKY MOUNTAIN							
Colorado				X	X		X
Idaho				X	X		X
Montana				X	X		
Utah					X		X
Wyoming							
FAR WEST							
Alaska							X
California			X				
Hawaii*				X	X	X	X
Nevada	P	P	P	P	P	P	None
Oregon							
Washington				X	X		X
ALL STATES	13	13	11	19	32	17	22

Note: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2010 State Expenditure Report

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.

Colorado: The College Opportunity Fund (COF) provides some funds to students who attend private colleges and universities.

Florida: The dollar difference between Other State Funds for actual 2008-09 and 2009-10 and Other State Funds for estimated 2010-11 is mainly attributable to university tuition. University tuition is included in Other State Funds for estimated 2010-11, but excluded in Other State Funds for actual 2008-09 and 2009-10. Tuition revenue does not get deposited into our Treasury, but stays at each university. It is appropriated and reported as an "estimate" for 2010-11, but not reported as an "actual" expenditure of the state for 2008-09 and 2009-10.

State university tuition and fees appropriated were \$1,022.1 million for FY 08-09, and \$1,180.1 million for FY 09-10 and \$1,220.2 million for FY 10-11. 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.

Hawaii: Employer contributions to current employees' pensions and health benefits: general fund amounts are budgeted centrally

(except for Elementary and Secondary Education and Higher Education) and reported in "All Other State Expenditures." For non-general funds, employer contributions are shown in each functional area.

Michigan: General fund support in fiscal 2010 reflects a shift to the state School Aid Fund for community college operating budgets. Federal fund support reflects receipt of TANF contingency revenue for student financial aid: \$172.9 million (fiscal 2009), \$78.3 million (fiscal 2010), and \$87.4 million (fiscal 2011). A total of \$68.2 million of federal ARRA funding for colleges, universities and postsecondary education programs is included for fiscal 2010.

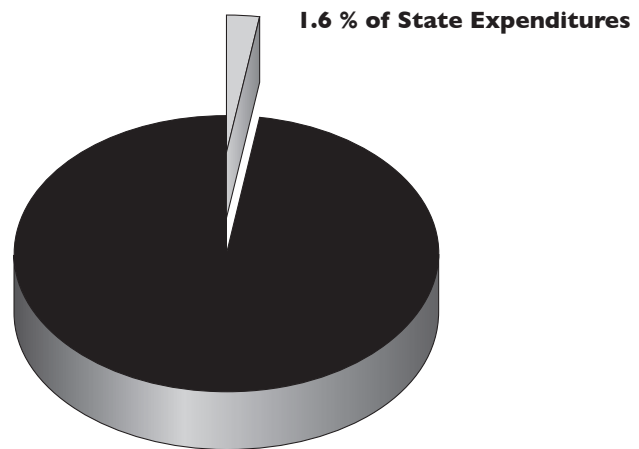
Montana: For fiscal 2010 and fiscal 2011, federal funds increased and general funds decreased due to ARRA SF5F.

North Dakota: For fiscal 2009 and fiscal 2010, the operating expenditures include all sources that were reported in the audited financial statements. The 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 2011 estimates are based on the annual budgets for 2010-11. 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, other institutional sales, etc. "Bond funds" include expenditures from state and revenue bonds.

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



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 \$26.6 billion in fiscal 2010 and represented 1.6 percent of total state expenditures. Spending from all funds for public assistance increased by 1.0 percent from fiscal 2009 to fiscal 2010. Spending from state funds declined by 8.0 percent while spending from federal funds increased by 9.7 percent from fiscal 2009 to fiscal 2010.

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.

Total public assistance spending from all funds increased by 1.8 percent in fiscal 2011 to total \$27.1 billion. State funds decreased by 0.5 percent and federal funds increased by 3.7 percent. The primary sources of public assistance funding for fiscal 2010 are federal funds, providing 55.5 percent, followed by general funds at 43.7 percent (see Figure 12). For estimated fiscal 2011, federal funds represent 56.0 percent of the total while general funds are 42.9 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 under the *Deficit Reduction Act* in February 2006. The TANF block grant is funded at \$16.6 billion each year and is currently authorized under a continuing resolution. 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.

States have wide flexibility under TANF to determine their own eligibility criteria, benefit levels, and the type of services and benefits

available to TANF recipients. States must maintain a historical level of state spending or maintenance of effort requirement and must meet minimum work participation rate requirements. In addition, families that have received federally funded assistance under TANF for five cumulative years are not eligible for federally funded assistance, subject to limited exceptions. This report has information only on the cash assistance benefit levels within the program and does not reflect total TANF spending.

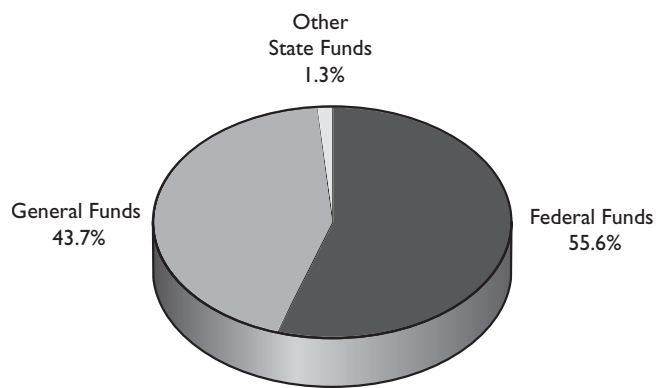
Since welfare reform was initially passed in 1996, states have focused on providing supportive services for families to achieve self-sufficiency rather than cash assistance. Since 1996, caseloads have declined significantly. The average monthly number of recipients fell from 12.8 million prior to the enactment of TANF to 4.4 million on average in 2011, a decrease of over two-thirds.

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 fiscal 2010.

Figure 12
STATE EXPENDITURES FOR TOTAL PUBLIC ASSISTANCE BY FUND SOURCE, FISCAL 2010



Regional Expenditures

The following table shows regional percentage changes in expenditures for total cash assistance for fiscal 2009-2010 and 2010-2011 by region.

Table 16

REGIONAL PERCENTAGE CHANGE IN STATE TOTAL PUBLIC ASSISTANCE EXPENDITURES, FISCAL 2010 AND 2011

Region	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-10.1%	0.7%	-7.6%	2.9%	-4.0%	1.1%
Mid-Atlantic	7.6	10.4	9.5	-5.1	7.3	3.3
Great Lakes	-26.7	5.8	-8.0	-8.9	7.1	1.7
Plains	1.8	12.1	7.9	5.2	4.7	4.9
Southeast	-3.2	12.6	7.5	-1.9	0.2	-0.4
Southwest	-15.4	14.2	4.5	3.5	-11.7	-7.7
Rocky Mountain	-8.7	0.0	-3.2	-27.0	-4.2	-12.2
Far West	-10.1	9.9	-2.1	1.3	3.2	2.2
ALL STATES	-8.0%	9.7%	1.0%	-0.5%	3.7%	1.8%

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

State and federal funds for TANF cash assistance expenditures totaled \$17 billion in fiscal 2010, an increase of 4.1 percent from 2009 to 2010 (see Table 23). State funds decreased by 4.5 percent and federal funds increased by 8.3 percent from fiscal 2009 to fiscal 2010. For fiscal 2011, total spending for TANF cash assistance expenditures increased by 2.2 percent to \$17.4 billion with federal funds rising by 2.2 percent and state spending increasing by 2.1 percent.

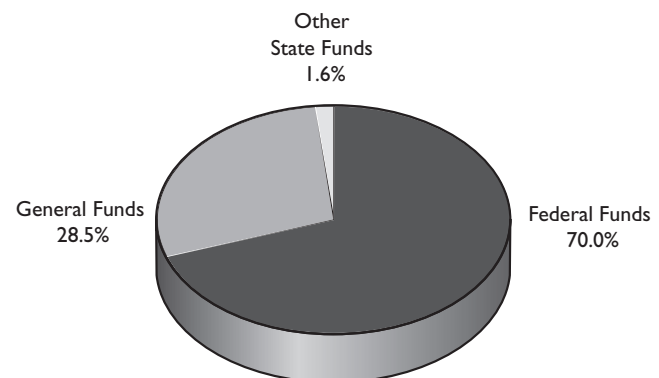
States have provided funding for programs to address childcare services, training and education, transportation needs, transitional rental assistance, substance abuse, job readiness and job retention training, and domestic violence. As cash assistance has declined, these supportive services have gained 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 2010.

Figure 13
STATE EXPENDITURES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BY FUND SOURCE, FISCAL 2010



Regional Expenditures

The following table shows percentage changes in expenditures for TANF cash assistance for fiscal 2009-2010 and 2010-2011 by region.

Table 17
REGIONAL PERCENTAGE CHANGE IN STATE TANF EXPENDITURES,
FISCAL 2010 AND 2011

Region	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-15.1%	0.2%	-9.6%	3.9%	-1.8%	1.6%
Mid-Atlantic	26.1	6.6	9.5	5.4	2.7	3.2
Great Lakes	-34.5	5.4	-10.4	-10.3	7.1	2.1
Plains	5.7	11.9	10.3	2.7	4.7	4.2
Southeast	-3.6	9.8	5.8	-3.7	3.3	1.4
Southwest	-16.8	14.9	5.4	3.3	-13.4	-9.4
Rocky Mountain	-6.0	0.0	-1.8	-31.9	-4.2	-12.1
Far West	2.6	10.2	7.4	5.3	2.1	3.2
ALL STATES	-4.5%	8.3%	4.1%	2.1%	2.2%	2.2%

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-five states spend some amount on this category of other cash assistance.

Other cash assistance programs accounted for 0.6 percent of total state spending in fiscal 2010. States spent \$9.6 billion for other cash assistance, with 70.7 percent of that amount funded from state general funds in fiscal 2010. 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 2009				Actual Fiscal 2010				Estimated Fiscal 2011			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut*	\$223	\$267	\$0	\$490	\$231	\$271	\$0	\$502	229	276	0	505
Maine	44	76	93	213	46	77	89	212	43	63	94	200
Massachusetts	1,417	16	1	1,434	1,221	28	0	1,249	1,249	42	1	1,292
New Hampshire	49	46	0	95	58	42	0	100	72	35	0	107
Rhode Island	38	93	0	131	31	84	0	115	32	79	0	111
Vermont	28	79	0	107	26	79	0	105	31	63	0	94
MID-ATLANTIC												
Delaware	23	1	1	25	22	23	1	46	18	8	0	26
Maryland	38	703	17	758	93	928	18	1,039	47	1,149	14	1,210
New Jersey	255	181	0	436	274	165	0	439	365	128	0	493
New York	1,103	2,597	0	3,700	1,188	2,721	0	3,909	1,044	2,674	0	3,718
Pennsylvania	598	771	30	1,399	621	860	5	1,486	616	1,079	4	1,699
GREAT LAKES												
Illinois	116	18	0	134	107	34	0	141	101	41	0	142
Indiana	73	253	4	330	69	304	9	382	69	304	9	382
Michigan	344	40	108	492	180	291	72	543	126	391	45	562
Ohio	358	1,013	0	1,371	247	791	0	1,038	260	782	0	1,042
Wisconsin	14	74	8	96	55	59	12	126	64	66	10	140
PLAINS												
Iowa	60	41	16	117	47	65	14	126	49	63	11	123
Kansas	39	15	0	54	23	38	0	61	33	31	0	64
Minnesota	119	283	0	402	147	292	0	439	178	294	0	472
Missouri	31	109	27	167	33	112	29	174	25	134	31	190
Nebraska	31	24	0	55	32	29	0	61	19	39	0	58
North Dakota	0	5	5	10	6	0	3	9	0	0	6	6
South Dakota	9	19	0	28	9	20	0	29	9	21	0	30
SOUTHEAST												
Alabama	3	34	5	42	3	40	6	49	4	45	6	55
Arkansas	142	217	14	373	139	290	19	448	156	278	10	444
Florida	140	64	0	204	141	73	0	214	153	82	9	244
Georgia	174	401	0	575	166	390	0	556	114	391	0	505
Kentucky	72	111	0	183	73	134	0	207	73	154	2	229
Louisiana	9	129	0	138	0	174	0	174	0	178	0	178
Mississippi	1	29	0	30	1	27	3	31	1	14	0	15
North Carolina	61	180	1	242	61	180	1	242	61	180	1	242
South Carolina	23	39	2	64	20	47	0	67	17	57	0	74
Tennessee	19	102	4	125	5	127	4	136	21	135	4	160
Virginia	47	147	0	194	51	171	0	222	46	138	0	184
West Virginia	31	99	0	130	31	95	0	126	32	100	0	132
SOUTHWEST												
Arizona	52	64	0	116	14	75	0	89	8	62	0	70
New Mexico	17	145	0	162	15	152	0	167	16	129	0	145
Oklahoma	77	119	0	196	77	129	0	206	76	110	0	186
Texas	81	151	7	239	90	191	2	283	105	182	0	287
ROCKY MOUNTAIN												
Colorado	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	9	7	0	16	9	7	0	16	10	8	0	18
Montana	14	26	0	40	12	25	0	37	12	21	0	33
Utah	15	85	31	131	14	86	28	128	6	84	18	108
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	102	7	6	115	102	9	6	117	104	9	6	119
California	6,141	4,083	46	10,270	5,480	4,548	29	10,057	5,508	4,743	10	10,261
Hawaii*	57	36	0	93	57	36	0	93	58	40	1	99
Nevada	25	32	2	59	25	32	1	58	25	32	1	58
Oregon	82	108	7	197	30	84	0	114	129	82	0	211
Washington	198	207	0	405	266	205	0	471	231	167	0	398
TOTAL	\$12,602	\$13,346	\$435	\$26,383	\$11,648	\$14,640	\$351	\$26,639	\$11,645	\$15,183	\$293	\$27,121

Note: This table reflects TANF and other cash assistance expenditures.
Source: National Association of State Budget Officers, 2010 State Expenditure Report

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

Region/State	Fiscal 2009	Fiscal 2010	Fiscal 2011
NEW ENGLAND			
Connecticut	2.5%	2.5%	2.5%
Maine	2.6	2.6	2.4
Massachusetts	2.9	2.5	2.5
New Hampshire	1.9	1.8	2.0
Rhode Island	1.8	1.5	1.3
Vermont	2.5	2.2	1.9
MID-ATLANTIC			
Delaware	0.3	0.5	0.3
Maryland	2.4	3.1	3.5
New Jersey	0.9	0.9	1.0
New York	3.0	3.0	2.8
Pennsylvania	2.2	2.2	2.4
GREAT LAKES			
Illinois	0.2	0.2	0.3
Indiana	1.3	1.4	1.4
Michigan	1.1	1.1	1.1
Ohio	2.4	1.8	1.7
Wisconsin	0.2	0.3	0.3
PLAINS			
Iowa	0.7	0.7	0.7
Kansas	0.4	0.4	0.4
Minnesota	1.3	1.5	1.5
Missouri	0.7	0.7	0.8
Nebraska	0.6	0.6	0.6
North Dakota	0.3	0.2	0.1
South Dakota	0.8	0.8	0.8
SOUTHEAST			
Alabama	0.2	0.2	0.3
Arkansas	2.1	2.2	2.2
Florida	0.3	0.3	0.3
Georgia	1.4	1.4	1.3
Kentucky	0.8	0.8	0.9
Louisiana	0.5	0.6	0.6
Mississippi	0.2	0.2	0.1
North Carolina	0.5	0.5	0.5
South Carolina	0.3	0.3	0.3
Tennessee	0.4	0.5	0.5
Virginia	0.5	0.5	0.4
West Virginia	0.6	0.6	0.6
SOUTHWEST			
Arizona	0.4	0.3	0.2
New Mexico	1.1	1.1	1.0
Oklahoma	0.9	1.0	0.8
Texas	0.3	0.3	0.3
ROCKY MOUNTAIN			
Colorado	0.0	0.0	0.0
Idaho	0.3	0.3	0.3
Montana	0.7	0.6	0.5
Utah	1.1	0.9	0.8
Wyoming	0.0	0.0	0.0
FAR WEST			
Alaska	0.9	1.2	0.9
California	5.3	4.9	4.5
Hawaii	0.8	0.8	0.9
Nevada	0.6	0.7	0.7
Oregon	0.8	0.4	0.6
Washington	1.2	1.4	1.2
ALL STATES	1.7%	1.6%	1.6%

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

Table 20**ANNUAL PERCENTAGE CHANGE IN TOTAL PUBLIC ASSISTANCE EXPENDITURES**

Region/State	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	3.6%	1.5 %	2.4%	-0.9%	1.8%	0.6%
Maine	-1.5	1.3	-0.5	1.5	-18.2	-5.7
Massachusetts	-13.9	75.0	-12.9	2.4	50.0	3.4
New Hampshire	18.4	-8.7	5.3	24.1	-16.7	7.0
Rhode Island	-18.4	-9.7	-12.2	3.2	-6.0	-3.5
Vermont	-7.1	0.0	-1.9	19.2	-20.3	-10.5
MID-ATLANTIC						
Delaware	-4.2	2,200.0	84.0	-21.7	-65.2	-43.5
Maryland	101.8	32.0	37.1	-45.0	23.8	16.5
New Jersey	7.5	-8.8	0.7	33.2	-22.4	12.3
New York	7.7	4.8	5.6	-12.1	-1.7	-4.9
Pennsylvania	-0.3	11.5	6.2	-1.0	25.5	14.3
GREAT LAKES						
Illinois	-7.8	88.9	5.2	-5.6	20.6	0.7
Indiana	1.3	20.2	15.8	0.0	0.0	0.0
Michigan	-44.2	627.5	10.4	-32.1	34.4	3.5
Ohio	-31.0	-21.9	-24.3	5.3	-1.1	0.4
Wisconsin	204.5	-20.3	31.3	10.4	11.9	11.1
PLAINS						
Iowa	-19.7	58.5	7.7	-1.6	-3.1	-2.4
Kansas	-41.0	153.3	13.0	43.5	-18.4	4.9
Minnesota	23.5	3.2	9.2	21.1	0.7	7.5
Missouri	6.9	2.8	4.2	-9.7	19.6	9.2
Nebraska	3.2	20.8	10.9	-40.6	34.5	-4.9
North Dakota	80.0	-100.0	-10.0	-33.3	---	-33.3
South Dakota	0.0	5.3	3.6	0.0	5.0	3.4
SOUTHEAST						
Alabama	12.5	17.6	16.7	11.1	12.5	12.2
Arkansas	1.3	33.6	20.1	5.1	-4.1	-0.9
Florida	0.7	14.1	4.9	14.9	12.3	14.0
Georgia	-4.6	-2.7	-3.3	-31.3	0.3	-9.2
Kentucky	1.4	20.7	13.1	2.7	14.9	10.6
Louisiana	-100.0	34.9	26.1	---	2.3	2.3
Mississippi	300.0	-6.9	3.3	-75.0	-48.1	-51.6
North Carolina	0.0	0.0	0.0	0.0	0.0	0.0
South Carolina	-20.0	20.5	4.7	-15.0	21.3	10.4
Tennessee	-60.9	24.5	8.8	177.8	6.3	17.6
Virginia	8.5	16.3	14.4	-9.8	-19.3	-17.1
West Virginia	0.0	-4.0	-3.1	3.2	5.3	4.8
SOUTHWEST						
Arizona	-73.1	17.2	-23.3	-42.9	-17.3	-21.3
New Mexico	-11.8	4.8	3.1	6.7	-15.1	-13.2
Oklahoma	0.0	8.4	5.1	-1.3	-14.7	-9.7
Texas	4.5	26.5	18.4	14.1	-4.7	1.4
ROCKY MOUNTAIN						
Colorado	---	---	---	---	---	---
Idaho	0.0	0.0	0.0	11.1	14.3	12.5
Montana	-14.3	-3.8	-7.5	0.0	-16.0	-10.8
Utah	-8.7	1.2	-2.3	-42.9	-2.3	-15.6
Wyoming	---	---	---	---	---	---
FAR WEST						
Alaska	0.0	28.6	1.7	1.9	0.0	1.7
California	-11.0	11.4	-2.1	0.2	4.3	2.0
Hawaii	0.0	0.0	0.0	3.5	11.1	6.5
Nevada	-3.7	0.0	-1.7	0.0	0.0	0.0
Oregon	-66.3	-22.2	-42.1	330.0	-2.4	85.1
Washington	34.3	-1.0	16.3	-13.2	---	-15.5
ALL STATES	-8.0%	9.7 %	1.0%	-0.5%	3.7%	1.8%

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

This table reflects TANF and other cash assistance expenditures.

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 21
CASH EXPENDITURES UNDER TEMPORARY ASSISTANCE TO NEEDY FAMILIES EXPENDITURES (TANF) (\$ IN MILLIONS)

Region/State	Actual Fiscal 2009				Actual Fiscal 2010				Estimated Fiscal 2011			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut	\$113	\$267	\$0	\$380	\$119	\$271	\$0	\$390	\$117	\$276	\$0	\$393
Maine	25	55	93	173	26	58	89	173	25	63	91	179
Massachusetts	516	0	0	516	394	0	0	394	401	0	0	401
New Hampshire	29	46	0	75	33	42	0	75	48	35	0	83
Rhode Island	4	49	0	53	0	44	0	44	0	39	0	39
Vermont	15	29	0	44	14	32	0	46	19	26	0	45
MID-ATLANTIC												
Delaware	18	1	0	19	16	22	0	38	14	8	0	22
Maryland	3	116	11	130	51	90	11	152	7	148	7	162
New Jersey	8	104	0	112	8	105	0	113	91	33	0	124
New York	173	2,597	0	2,770	271	2,721	0	2,992	284	2,674	0	2,958
Pennsylvania	327	306	4	637	324	393	5	722	316	559	4	879
GREAT LAKES												
Illinois	72	15	0	87	63	31	0	94	60	37	0	97
Indiana	30	137	4	171	32	163	7	202	32	163	7	202
Michigan	245	26	93	364	79	278	60	417	22	374	33	429
Ohio	333	1,013	0	1,346	236	791	0	1,027	246	782	0	1,028
Wisconsin	12	24	8	44	42	18	3	63	60	16	8	84
PLAINS												
Iowa	42	41	16	99	31	65	13	109	31	63	10	104
Kansas	30	15	0	45	19	38	0	57	30	31	0	61
Minnesota	42	283	0	325	71	292	0	363	92	294	0	386
Missouri	6	109	0	115	8	112	0	120	0	134	0	134
Nebraska	25	23	0	48	25	27	0	52	12	37	0	49
North Dakota*	0	5	5	10	6	0	3	9	0	0	6	6
South Dakota	9	19	0	28	9	20	0	29	9	21	0	30
SOUTHEAST												
Alabama	3	34	5	42	3	40	6	49	4	45	6	55
Arkansas	15	61	0	76	10	73	6	89	15	76	1	92
Florida	125	53	0	178	125	63	0	188	135	67	9	211
Georgia	174	401	0	575	166	390	0	556	114	391	0	505
Kentucky	72	111	0	183	73	134	0	207	73	154	2	229
Louisiana	9	129	0	138	0	174	0	174	0	178	0	178
Mississippi	1	29	0	30	1	27	3	31	1	14	0	15
North Carolina	61	180	1	242	61	180	1	242	61	180	1	242
South Carolina	-1	39	0	38	0	47	0	47	0	57	0	57
Tennessee	19	102	4	125	5	127	4	136	21	135	4	160
Virginia	44	63	0	107	48	78	0	126	44	78	0	122
West Virginia	26	99	0	125	26	95	0	121	27	100	0	127
SOUTHWEST												
Arizona	50	64	0	114	14	75	0	89	8	62	0	70
New Mexico	8	145	0	153	8	152	0	160	7	129	0	136
Oklahoma	38	69	0	107	39	75	0	114	38	54	0	92
Texas	81	151	7	239	90	191	2	283	105	182	0	287
ROCKY MOUNTAIN												
Colorado	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	0	7	0	7	0	7	0	7	0	8	0	8
Montana	14	26	0	40	12	25	0	37	12	21	0	33
Utah	5	85	31	121	7	86	28	121	2	84	18	104
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	16	6	2	24	16	8	2	26	15	8	2	25
California	1,947	3,477	35	5,459	2,031	3,893	20	5,944	2,079	4,019	0	6,098
Hawaii	28	36	0	64	28	36	0	64	29	40	0	69
Nevada	25	32	2	59	25	32	1	58	25	32	1	58
Oregon	81	101	7	189	30	77	0	107	129	74	0	203
Washington	98	205	0	303	146	203	0	349	140	165	0	305
TOTAL	\$5,016	\$10,985	\$328	\$16,329	\$4,841	\$11,901	\$264	\$17,006	\$5,000	\$12,166	\$210	\$17,376

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 22
TANF EXPENDITURES FOR CASH ASSISTANCE AS A PERCENT
OF TOTAL EXPENDITURES

Region/State	Fiscal 2009	Fiscal 2010	Fiscal 2011
NEW ENGLAND			
Connecticut	2.0%	2.0%	1.9%
Maine	2.1	2.1	2.2
Massachusetts	1.1	0.8	0.8
New Hampshire	1.5	1.4	1.5
Rhode Island	0.7	0.6	0.5
Vermont	1.0	1.0	0.9
MID-ATLANTIC			
Delaware	0.2	0.4	0.3
Maryland	0.4	0.5	0.5
New Jersey	0.2	0.2	0.3
New York	2.3	2.3	2.2
Pennsylvania	1.0	1.1	1.3
GREAT LAKES			
Illinois	0.2	0.2	0.2
Indiana	0.7	0.8	0.7
Michigan	0.8	0.9	0.9
Ohio	2.3	1.8	1.7
Wisconsin	0.1	0.2	0.2
PLAINS			
Iowa	0.6	0.6	0.6
Kansas	0.3	0.4	0.4
Minnesota	1.1	1.2	1.2
Missouri	0.5	0.5	0.5
Nebraska	0.5	0.5	0.5
North Dakota	0.3	0.2	0.1
South Dakota	0.8	0.8	0.8
SOUTHEAST			
Alabama	0.2	0.2	0.3
Arkansas	0.4	0.4	0.5
Florida	0.3	0.3	0.3
Georgia	1.4	1.4	1.3
Kentucky	0.8	0.8	0.9
Louisiana	0.5	0.6	0.6
Mississippi	0.2	0.2	0.1
North Carolina	0.5	0.5	0.5
South Carolina	0.2	0.2	0.2
Tennessee	0.4	0.5	0.5
Virginia	0.3	0.3	0.3
West Virginia	0.6	0.6	0.6
SOUTHWEST			
Arizona	0.4	0.3	0.2
New Mexico	1.0	1.0	0.9
Oklahoma	0.5	0.5	0.4
Texas	0.3	0.3	0.3
ROCKY MOUNTAIN			
Colorado	0.0	0.0	0.0
Idaho	0.1	0.1	0.1
Montana	0.7	0.6	0.5
Utah	1.0	0.8	0.8
Wyoming	0.0	0.0	0.0
FAR WEST			
Alaska	0.2	0.3	0.2
California	2.8	2.9	2.7
Hawaii	0.5	0.6	0.6
Nevada	0.6	0.7	0.7
Oregon	0.8	0.3	0.6
Washington	0.9	1.0	0.9
ALL STATES	1.0%	1.0%	1.0%

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 23**ANNUAL PERCENTAGE CHANGE IN TANF CASH ASSISTANCE EXPENDITURES**

Region/State	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	5.3%	1.5%	2.6%	-1.7%	1.8%	0.8%
Maine	-2.5	5.5	0.0	0.9	8.6	3.5
Massachusetts	-23.6	---	-23.6	1.8	---	1.8
New Hampshire	13.8	-8.7	0.0	45.5	-16.7	10.7
Rhode Island	-100.0	-10.2	-17.0	---	-11.4	-11.4
Vermont	-6.7	10.3	4.5	35.7	-18.8	-2.2
MID-ATLANTIC						
Delaware	-11.1	2,100.0	100.0	-12.5	-63.6	-42.1
Maryland	342.9	-22.4	16.9	-77.4	64.4	6.6
New Jersey	0.0	1.0	0.9	1,037.5	-68.6	9.7
New York	56.6	4.8	8.0	4.8	-1.7	-1.1
Pennsylvania	-0.6	28.4	13.3	-2.7	42.2	21.7
GREAT LAKES						
Illinois	-12.5	106.7	8.0	-4.8	19.4	3.2
Indiana	14.7	19.0	18.1	0.0	0.0	0.0
Michigan	-58.9	969.2	14.6	-60.4	34.5	2.9
Ohio	-29.1	-21.9	-23.7	4.2	-1.1	0.1
Wisconsin	125.0	-25.0	43.2	51.1	-11.1	33.3
PLAINS						
Iowa	-24.1	58.5	10.1	-6.8	-3.1	-4.6
Kansas	-36.7	153.3	26.7	57.9	-18.4	7.0
Minnesota	69.0	3.2	11.7	29.6	0.7	6.3
Missouri	33.3	2.8	4.3	-100.0	19.6	11.7
Nebraska	0.0	17.4	8.3	-52.0	37.0	-5.8
North Dakota	80.0	-100.0	-10.0	-33.3	---	-33.3
South Dakota	0.0	5.3	3.6	0.0	5.0	3.4
SOUTHEAST						
Alabama	12.5	17.6	16.7	11.1	12.5	12.2
Arkansas	6.7	19.7	17.1	0.0	4.1	3.4
Florida	0.0	18.9	5.6	15.2	6.3	12.2
Georgia	-4.6	-2.7	-3.3	-31.3	0.3	-9.2
Kentucky	1.4	20.7	13.1	2.7	14.9	10.6
Louisiana	-100.0	34.9	26.1	---	2.3	2.3
Mississippi	300.0	-6.9	3.3	-75.0	-48.1	-51.6
North Carolina	0.0	0.0	0.0	0.0	0.0	0.0
South Carolina	-100.0	20.5	23.7	---	21.3	21.3
Tennessee	-60.9	24.5	8.8	177.8	6.3	17.6
Virginia	9.1	23.8	17.8	-8.3	0.0	-3.2
West Virginia	0.0	-4.0	-3.2	3.8	5.3	5.0
SOUTHWEST						
Arizona	-72.0	17.2	-21.9	-42.9	-17.3	-21.3
New Mexico	0.0	4.8	4.6	-12.5	-15.1	-15.0
Oklahoma	2.6	8.7	6.5	-2.6	-28.0	-19.3
Texas	4.5	26.5	18.4	14.1	-4.7	1.4
ROCKY MOUNTAIN						
Colorado	---	---	---	---	---	---
Idaho	---	0.0	0.0	---	14.3	14.3
Montana	-14.3	-3.8	-7.5	0.0	-16.0	-10.8
Utah	-2.8	1.2	0.0	-42.9	-2.3	-14.0
Wyoming	---	---	---	---	---	---
FAR WEST						
Alaska	0.0	33.3	8.3	-5.6	0.0	-3.8
California	3.5	12.0	8.9	1.4	3.2	2.6
Hawaii	0.0	0.0	0.0	3.6	11.1	7.8
Nevada	-3.7	0.0	-1.7	0.0	0.0	0.0
Oregon	-65.9	-23.8	-43.4	330.0	-3.9	89.7
Washington	49.0	-1.0	15.2	-4.1	-18.7	-12.6
ALL STATES	-4.5%	8.3%	4.1%	2.1%	2.2%	2.2%

Notes: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2010 State Expenditure Report

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

Region/State	Actual Fiscal 2009				Actual Fiscal 2010				Estimated Fiscal 2011			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut	\$110	\$0	\$0	\$110	\$112	\$0	\$0	\$112	\$112	\$0	\$0	\$112
Maine	19	21	0	40	20	19	0	39	18	0	3	21
Massachusetts	902	16	1	919	826	28	0	854	848	42	1	891
New Hampshire	20	0	0	20	25	0	0	25	24	0	0	24
Rhode Island	34	44	0	78	31	40	0	71	32	40	0	72
Vermont	13	50	0	63	12	47	0	59	12	37	0	49
MID-ATLANTIC												
Delaware	5	0	1	6	6	1	1	8	4	0	0	4
Maryland	35	587	6	628	42	838	7	887	40	1,001	7	1,048
New Jersey	247	77	0	324	266	60	0	326	274	95	0	369
New York	930	0	0	930	917	0	0	917	760	0	0	760
Pennsylvania	271	465	26	762	297	467	0	764	300	520	0	820
GREAT LAKES												
Illinois	44	3	0	47	44	3	0	47	41	4	0	45
Indiana	43	116	0	159	37	141	2	180	37	141	2	180
Michigan*	99	14	15	128	101	14	12	127	104	17	12	133
Ohio	25	0	0	25	11	0	0	11	14	0	0	14
Wisconsin	2	49	0	51	13	41	9	63	4	50	2	56
PLAINS												
Iowa	18	0	0	18	16	0	1	17	18	0	1	19
Kansas	9	0	0	9	4	0	0	4	3	0	0	3
Minnesota	77	0	0	77	76	0	0	76	86	0	0	86
Missouri	25	0	27	52	25	0	29	54	25	0	31	56
Nebraska	6	1	0	7	7	2	0	9	7	3	0	10
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
SOUTHEAST												
Alabama	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	127	156	14	297	129	217	13	359	141	202	9	352
Florida	15	11	0	26	16	10	0	26	17	15	0	32
Georgia	0	0	0	0	0	0	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0	0	0	0	0	0	0
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	24	0	2	26	20	0	0	20	17	0	0	17
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	3	84	0	87	3	93	0	96	2	60	0	62
West Virginia*	5	0	0	5	5	0	0	5	5	0	0	5
SOUTHWEST												
Arizona	2	0	0	2	0	0	0	0	0	0	0	0
New Mexico	9	0	0	9	7	0	0	7	9	0	0	9
Oklahoma	39	50	0	89	38	54	0	92	38	56	0	94
Texas	0	0	0	0	0	0	0	0	0	0	0	0
ROCKY MOUNTAIN												
Colorado	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	9	0	0	9	9	0	0	9	10	0	0	10
Montana	0	0	0	0	0	0	0	0	0	0	0	0
Utah	10	0	0	10	7	0	0	7	4	0	0	4
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	86	1	4	91	86	1	4	91	89	1	4	94
California	4,194	606	11	4,811	3,449	655	9	4,113	3,429	724	10	4,163
Hawaii	29	0	0	29	29	0	0	29	29	0	1	30
Nevada	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	1	7	0	8	0	7	0	7	0	8	0	8
Washington	100	2	0	102	120	2	0	122	91	2	0	93
TOTAL	\$7,587	\$2,360	\$107	\$10,054	\$6,806	\$2,740	\$87	\$9,633	\$6,644	\$3,018	\$83	\$9,745

Source: National Association of State Budget Officers, 2010 State Expenditure Report

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

Region/State	Fiscal 2009	Fiscal 2010	Fiscal 2011
NEW ENGLAND			
Connecticut	0.6%	0.6%	0.5%
Maine	0.5	0.5	0.3
Massachusetts	1.9	1.7	1.7
New Hampshire	0.4	0.5	0.4
Rhode Island	1.1	0.9	0.9
Vermont	1.5	1.3	1.0
MID-ATLANTIC			
Delaware	0.1	0.1	0.0
Maryland	2.0	2.7	3.0
New Jersey	0.7	0.7	0.8
New York	0.8	0.7	0.6
Pennsylvania	1.2	1.1	1.2
GREAT LAKES			
Illinois	0.1	0.1	0.1
Indiana	0.6	0.7	0.7
Michigan	0.3	0.3	0.3
Ohio	0.0	0.0	0.0
Wisconsin	0.1	0.2	0.1
PLAINS			
Iowa	0.1	0.1	0.1
Kansas	0.1	0.0	0.0
Minnesota	0.3	0.3	0.3
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
SOUTHEAST			
Alabama	0.0	0.0	0.0
Arkansas	1.6	1.8	1.7
Florida	0.0	0.0	0.0
Georgia	0.0	0.0	0.0
Kentucky	0.0	0.0	0.0
Louisiana	0.0	0.0	0.0
Mississippi	0.0	0.0	0.0
North Carolina	0.0	0.0	0.0
South Carolina	0.1	0.1	0.1
Tennessee	0.0	0.0	0.0
Virginia	0.2	0.2	0.1
West Virginia	0.0	0.0	0.0
SOUTHWEST			
Arizona	0.0	0.0	0.0
New Mexico	0.1	0.0	0.1
Oklahoma	0.4	0.4	0.4
Texas	0.0	0.0	0.0
ROCKY MOUNTAIN			
Colorado	0.0	0.0	0.0
Idaho	0.1	0.1	0.1
Montana	0.0	0.0	0.0
Utah	0.1	0.0	0.0
Wyoming	0.0	0.0	0.0
FAR WEST			
Alaska	0.7	0.9	0.7
California	2.5	2.0	1.8
Hawaii	0.2	0.3	0.3
Nevada	0.0	0.0	0.0
Oregon	0.0	0.0	0.0
Washington	0.3	0.4	0.3
ALL STATES	0.6%	0.6%	0.6%

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 26**ANNUAL PERCENTAGE CHANGE IN OTHER CASH ASSISTANCE EXPENDITURES**

Region/State	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	1.8%	---%	1.8%	0.0%	---%	0.0%
Maine	5.3	-9.5	-2.5	5.0	-100.0	-46.2
Massachusetts	-8.5	75.0	-7.1	2.8	50.0	4.3
New Hampshire	25.0	---	25.0	-4.0	---	-4.0
Rhode Island	-8.8	-9.1	-9.0	3.2	0.0	1.4
Vermont	-7.7	-6.0	-6.3	0.0	-21.3	-16.9
MID-ATLANTIC						
Delaware	16.7	---	33.3	-42.9	-100.0	-50.0
Maryland	19.5	42.8	41.2	-4.1	19.5	18.2
New Jersey	7.7	-22.1	0.6	3.0	58.3	13.2
New York	-1.4	---	-1.4	-17.1	---	-17.1
Pennsylvania	0.0	0.4	0.3	1.0	11.3	7.3
GREAT LAKES						
Illinois	0.0	0.0	0.0	-6.8	33.3	-4.3
Indiana	-9.3	21.6	13.2	0.0	0.0	0.0
Michigan	-0.9	0.0	-0.8	2.7	21.4	4.7
Ohio	-56.0	---	-56.0	27.3	---	27.3
Wisconsin	1,000.0	-16.3	23.5	-72.7	22.0	-11.1
PLAINS						
Iowa	-5.6	---	-5.6	11.8	---	11.8
Kansas	-55.6	---	-55.6	-25.0	---	-25.0
Minnesota	-1.3	---	-1.3	13.2	---	13.2
Missouri	3.8	---	3.8	3.7	---	3.7
Nebraska	16.7	100.0	28.6	0.0	50.0	11.1
North Dakota	---	---	---	---	---	---
South Dakota	---	---	---	---	---	---
SOUTHEAST						
Alabama	---	---	---	---	---	---
Arkansas	0.7	39.1	20.9	5.6	-6.9	-1.9
Florida	6.7	-9.1	0.0	6.3	50.0	23.1
Georgia	---	---	---	---	---	---
Kentucky	---	---	---	---	---	---
Louisiana	---	---	---	---	---	---
Mississippi	---	---	---	---	---	---
North Carolina	---	---	---	---	---	---
South Carolina	-23.1	---	-23.1	-15.0	---	-15.0
Tennessee	---	---	---	---	---	---
Virginia	0.0	10.7	10.3	-33.3	-35.5	-35.4
West Virginia	0.0	---	0.0	0.0	---	0.0
SOUTHWEST						
Arizona	-100.0	---	-100.0	---	---	---
New Mexico	-22.2	---	-22.2	28.6	---	28.6
Oklahoma	-2.6	8.0	3.4	0.0	3.7	2.2
Texas	---	---	---	---	---	---
ROCKY MOUNTAIN						
Colorado	---	---	---	---	---	---
Idaho	0.0	---	0.0	11.1	---	11.1
Montana	---	---	---	---	---	---
Utah	-30.0	---	-30.0	-42.9	---	-42.9
Wyoming	---	---	---	---	---	---
FAR WEST						
Alaska	0.0	0.0	0.0	3.3	0.0	3.3
California	-17.8	8.1	-14.5	-0.5	10.5	1.2
Hawaii	0.0	---	0.0	3.4	---	3.4
Nevada	---	---	---	---	---	---
Oregon	-100.0	0.0	-12.5	---	14.3	14.3
Washington	20.0	0.0	19.6	-24.2	0.0	-23.8
ALL STATES	-10.4%	16.1%	-4.2%	-2.4%	10.1%	1.2%

Notes: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2010 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.

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

Hawaii: Employer contributions to current employees' pensions and health benefits: general fund amounts are budgeted centrally (except for Elementary and Secondary Education and Higher Education) and reported in "All Other State Expenditures." For non-general funds, employer contributions are shown in each functional area.

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 \$316.6 million in fiscal 2009; \$225.8 million in fiscal 2010; and estimated at \$191.2 million in fiscal 2011. Actual ARRA expenditures will be recorded with the fiscal 2011 annual financial report.

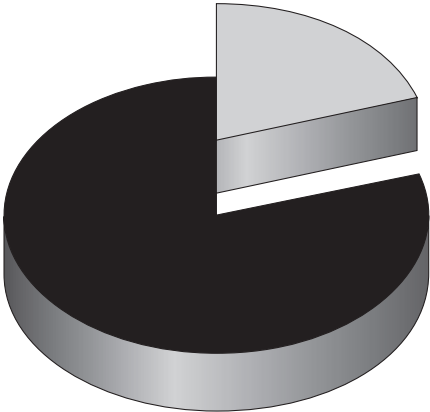
North Dakota: TANF - Cash Assistance includes only the direct cash benefit payments made to TANF recipients. It does not include other grant payments funded with the federal TANF grant.

West Virginia: The Other Cash Assistance figures include Non-TANF EA expenditures which total approximately \$475,000 to \$675,000 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 \$3,300,000 in 2009, \$3,487,028 in 2010 and an estimated \$3,600,000 in 2011. For the College assistance program, the expenditures were approximately \$1,281,606 in 2009, \$871,429 in 2010 and an estimated \$1,200,000 in 2011. These programs are not claimed on the TANF report and are 100% state funded. The total Other Cash Assistance expenditures are approximately \$5,256,606 for 2009, \$5,033,457 for 2010, and an estimated \$4,800,000 for 2011.

CHAPTER FOUR

MEDICAID EXPENDITURES

22.3 % of State 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 2010 was \$361.8 billion, excluding administrative costs, which represents a 6 percent increase over fiscal 2009. State funds decreased by 5 percent and federal funds increased by 13.2 percent over fiscal 2009 amounts.

Medicaid spending for fiscal 2011 is estimated at \$398.6 billion, an increase of 10.1 percent over fiscal 2010. State funds increased by an estimated 16 percent while federal funds increased by 6.9 percent over fiscal 2010 amounts.

The large increase in federal funds in 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 \$38.3 billion in fiscal 2010 and \$33.8 billion in fiscal 2011 billion of the federal funds in Medicaid were attributable to the temporary increase in the FMAP under ARRA.

Under ARRA, all states received a temporary increase in their FMAP as well as additional amounts for those states facing the highest unemployment rates. ARRA was estimated to provide approximately \$103.1 billion to states through the temporary increase in FMAP payments beginning October 2008 and ending in June 2011. The January 2011 through June 2011 amount is 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 included in Medicare Part D. States finance these benefits by providing a payment to the federal Medicare trust fund—commonly known as “clawback” payments. As shown in Appendix Table A-3, these “clawback” payments totaled \$6.9 billion in fiscal 2009, \$5.5 billion in fiscal 2010, and are estimated at \$6.6 billion for fiscal 2011. The reduction in “clawback” payments in fiscal 2010 reflects the decision by the Department of Health and Human Services to use the increased federal matching rates under ARRA to calculate the “clawback” funds. This resulted in a reduction in the amounts that states were charged in fiscal 2010.

Medicaid spending accounted for 22.3 percent of total state spending in fiscal 2010. In fiscal 2011, it is estimated to be 23.6 percent of total state spending, the single largest portion of total state expenditures.

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 5.5 percent in fiscal 2011 with states projecting Medicaid enrollment to grow by an additional 4.1 percent in fiscal 2012, according to the Kaiser Commission on Medicaid and the Uninsured.

Medicaid Cost Containment. Nearly every state implemented at least one new Medicaid policy to address costs in fiscal 2011, according to the Kaiser Commission on Medicaid and the Uninsured's 2011 annual survey on Medicaid and state budgets. As in previous years, provider rate restrictions were the most commonly reported cost containment strategy. Based on the Kaiser Commission survey, 39 states restricted provider rates in fiscal 2011 and 46 states plan to do so in fiscal 2012. States continued to eliminate, restrict or reduce Medicaid benefits in areas such as dental, therapies, medical supplies, durable medical equipment and personal care services. States also made substantial changes in Medicaid pharmacy programs and introduced higher co-payments for beneficiaries.

National Health Care Reform. The *Affordable Care Act*, enacted in March 2010, has a significant impact on states and especially on state Medicaid programs. Beginning January 1, 2014, state Medicaid programs will be expanded to cover non-pregnant, non-elderly individuals with incomes up to 133 percent federal of the poverty level. 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.

There are many challenges ahead as states move forward with implementation of the *Affordable Care Act*. Some of the most significant challenges include upgrading current Medicaid eligibility systems, accommodating the significant number of new enrollees under Medicaid, setting up health insurance exchanges, and dealing with the lack of administrative resources and staff at the state level to

carry out the implementation. Other challenges include the aggressive timeline for implementation and how controlling growth in the program is difficult under maintenance-of-effort requirements.

Figure 14, based on August 2011 projections by the Congressional Budget Office (CBO), assumes a 64 percent federal share of total Medicaid costs in 2010. 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 2010 (IN BILLIONS)

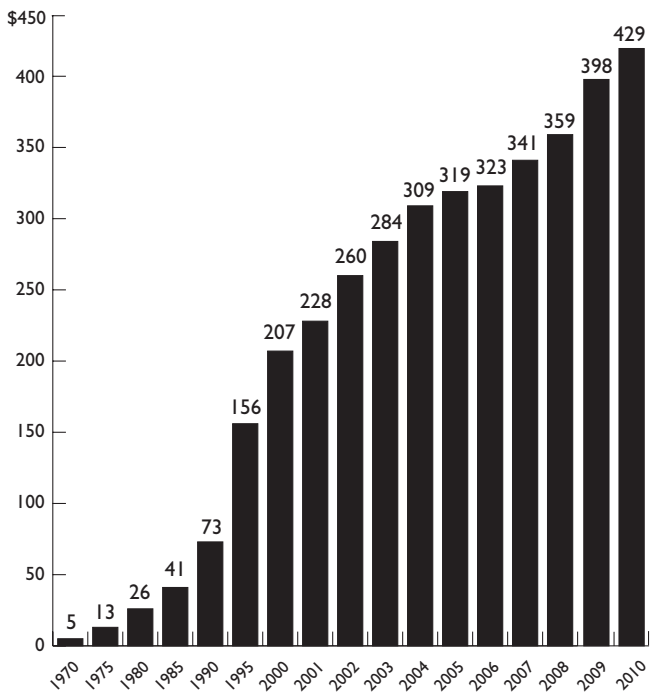
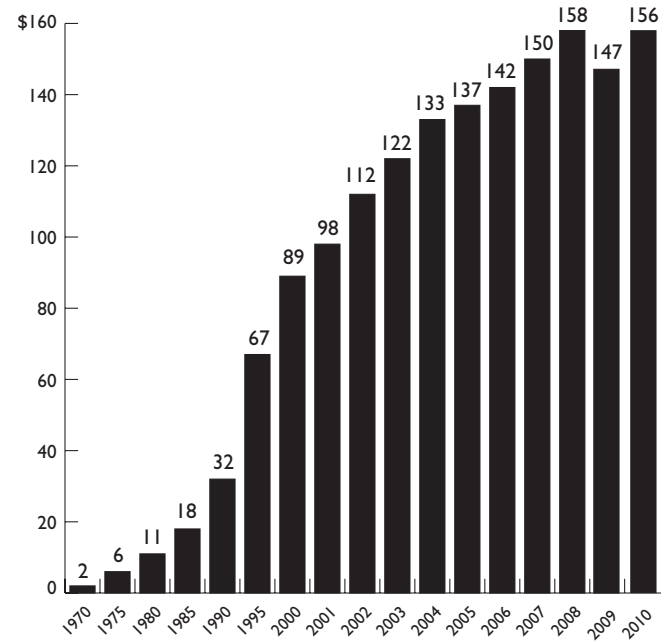


Figure 15, also based on August 2011 projections by the CBO, again assumes a 64 percent federal share of total Medicaid costs. Figures for 1990 and prior years are from the Federal Funds Information for States Issue Brief 94-14, Recent Trends in Medicaid Spending.

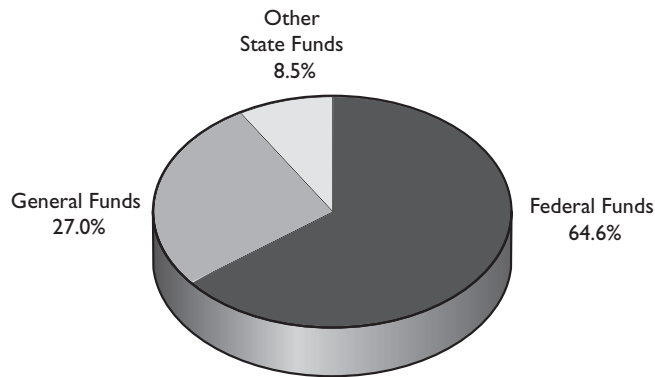
Figure 15
ACTUAL AND PROJECTED STATE MEDICAID SPENDING,
1970 TO 2010 (IN BILLIONS)



Fund Shares

The figure below provides fund shares for 2010.

Figure 16
STATE EXPENDITURES FOR MEDICAID BY
FUND SOURCE, FISCAL 2010



Regional Expenditures

The following table shows percentage changes in expenditures for Medicaid for fiscal 2009-2010 and 2010-2011 by region. For 2010, the Mid Atlantic region is above the national average while the Far West 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 TANF EXPENDITURES,
FISCAL 2010 AND 2011

Region	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	1.2%	9.9%	3.0%	10.7%	-1.1%	8.1%
Mid-Atlantic	-2.1	18.8	10.8	7.1	5.4	6.0
Great Lakes	-8.6	20.0	5.7	14.4	5.8	9.5
Plains	-10.1	13.8	4.7	8.4	2.7	4.5
Southeast	-9.1	14.9	7.0	12.5	0.7	4.0
Southwest	-3.8	8.0	4.4	16.3	3.1	6.8
Rocky Mountain	6.6	13.1	10.6	20.2	9.1	13.1
Far West	-4.4	3.1	0.6	43.6	25.5	31.3
ALL STATES	-5.0%	13.2%	6.0%	16.0%	6.9%	10.1%

Table 28
MEDICAID EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2009				Actual Fiscal 2010				Estimated Fiscal 2011			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut*	\$3,852	\$0	\$1,530	\$5,382	\$3,855	\$0	\$1,145	\$5,000	\$4,466	\$0	\$1,127	\$5,593
Maine	499	1,734	183	2,416	383	1,801	175	2,359	439	1,694	205	2,338
Massachusetts	8,679	0	0	8,679	9,462	0	0	9,462	10,440	0	0	10,440
New Hampshire	421	706	191	1,318	385	797	180	1,362	395	831	145	1,371
Rhode Island*	726	1,100	5	1,831	715	1,234	7	1,956	806	1,234	7	2,047
Vermont	175	707	219	1,101	147	834	229	1,210	177	855	253	1,285
MID-ATLANTIC												
Delaware	538	539	0	1,077	481	777	0	1,258	518	846	0	1,364
Maryland	2,232	3,546	384	6,162	1,997	4,185	557	6,739	2,615	4,468	439	7,522
New Jersey	3,934	5,323	129	9,386	3,925	6,120	130	10,175	4,284	6,127	136	10,547
New York	7,689	21,303	3,436	32,428	6,296	26,057	4,672	37,025	6,963	27,224	4,437	38,624
Pennsylvania	6,132	11,212	1,604	18,948	5,697	12,678	1,776	20,151	5,711	13,835	2,246	21,792
GREAT LAKES												
Illinois	4,345	7,563	2,440	14,348	3,327	8,397	2,571	14,295	3,341	9,560	3,320	16,221
Indiana	1,225	3,986	384	5,595	1,186	4,554	432	6,172	1,292	4,879	432	6,603
Michigan*	1,554	7,359	1,629	10,542	1,451	8,435	1,683	11,569	1,440	8,743	1,821	12,004
Ohio	10,241	1,464	175	11,880	8,611	3,024	658	12,293	10,777	2,590	598	13,965
Wisconsin	1,157	3,920	972	6,049	1,367	4,742	759	6,868	1,413	5,071	787	7,271
PLAINS												
Iowa	588	1,889	655	3,132	602	2,165	522	3,289	403	2,331	843	3,577
Kansas	820	1,522	81	2,423	713	1,860	70	2,643	790	1,828	125	2,743
Minnesota	3,046	4,118	0	7,164	2,745	4,748	67	7,560	3,156	4,848	61	8,065
Missouri	1,427	5,603	1,588	8,618	1,422	6,196	1,168	8,786	1,531	6,389	1,050	8,970
Nebraska	577	1,009	22	1,608	532	1,095	22	1,649	507	1,085	21	1,613
North Dakota	166	384	4	554	193	467	2	662	225	501	2	728
South Dakota	239	529	0	768	225	604	0	829	267	611	0	878
SOUTHEAST												
Alabama*	622	3,567	859	5,048	315	3,957	1,037	5,309	345	3,851	1,086	5,282
Arkansas	657	2,625	295	3,577	602	3,209	179	3,990	635	3,424	119	4,178
Florida	3,522	9,892	2,788	16,202	2,823	11,984	3,817	18,624	3,978	12,081	3,721	19,780
Georgia	1,830	5,365	424	7,619	1,663	5,832	389	7,884	1,731	5,793	520	8,044
Kentucky	1,020	4,045	337	5,402	811	4,499	383	5,693	911	4,537	360	5,808
Louisiana	1,114	4,793	262	6,169	798	5,634	484	6,916	658	5,353	1,088	7,099
Mississippi	314	3,256	737	4,307	139	3,199	849	4,187	168	3,395	901	4,464
North Carolina	2,766	7,690	1,363	11,819	2,319	8,113	1,364	11,796	2,466	7,660	1,172	11,298
South Carolina	589	3,354	634	4,577	529	3,521	546	4,596	726	3,870	522	5,118
Tennessee*	2,588	4,514	287	7,389	1,632	6,227	322	8,181	2,152	6,252	275	8,679
Virginia	2,903	3,176	0	6,079	2,590	3,963	1	6,554	2,977	4,197	0	7,174
West Virginia	309	1,885	239	2,433	252	2,100	211	2,563	307	2,239	240	2,786
SOUTHWEST												
Arizona	1,239	5,971	762	7,972	1,187	5,608	868	7,663	1,290	5,848	1,044	8,182
New Mexico	641	2,430	115	3,186	567	2,683	113	3,363	539	2,342	115	2,996
Oklahoma	960	2,432	439	3,831	739	2,586	360	3,685	960	2,675	457	4,092
Texas	6,819	14,135	62	21,016	6,701	16,086	86	22,873	7,887	16,936	58	24,881
ROCKY MOUNTAIN												
Colorado	1,355	2,176	522	4,053	1,120	2,533	1,115	4,768	1,269	2,807	1,435	5,511
Idaho	331	1,013	97	1,441	288	1,069	111	1,468	299	1,311	194	1,804
Montana*	142	642	57	841	137	728	65	930	152	741	72	965
Utah	265	1,215	243	1,723	229	1,370	185	1,784	258	1,419	238	1,915
Wyoming	220	317	0	537	196	363	0	559	226	336	0	562
FAR WEST												
Alaska	329	682	7	1,018	341	823	7	1,171	373	871	14	1,258
California	11,707	27,990	538	40,235	10,319	27,968	738	39,025	12,573	36,814	5,573	54,960
Hawaii*	447	884	0	1,331	499	957	0	1,456	606	1,180	0	1,786
Nevada	526	856	139	1,521	465	944	107	1,516	487	974	135	1,596
Oregon	711	2,425	369	3,505	808	3,037	404	4,249	918	3,408	557	4,883
Washington	3,528	3,633	62	7,223	3,754	3,870	108	7,732	3,825	3,943	141	7,909
ALL STATES	\$107,716	\$206,479	\$27,268	\$341,463	\$97,540	\$233,633	\$30,674	\$361,847	\$110,672	\$249,807	\$38,092	\$398,571

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 29
MEDICAID EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2009	Fiscal 2010	Fiscal 2011
NEW ENGLAND			
Connecticut	27.9%	25.4%	27.2%
Maine	29.9	28.6	28.6
Massachusetts	17.8	18.8	20.2
New Hampshire	26.5	24.9	25.2
Rhode Island	24.9	25.0	24.7
Vermont	25.5	25.9	26.6
MID-ATLANTIC			
Delaware	12.3	14.4	16.2
Maryland	19.3	20.4	21.6
New Jersey	19.8	21.3	21.9
New York	26.7	28.7	29.1
Pennsylvania	30.2	29.6	31.1
GREAT LAKES			
Illinois	24.8	23.6	28.9
Indiana	21.8	23.1	24.4
Michigan	23.0	24.2	24.0
Ohio	20.6	21.3	23.2
Wisconsin	15.7	17.1	17.0
PLAINS			
Iowa	17.9	18.6	19.3
Kansas	17.4	18.8	18.6
Minnesota	24.0	25.1	25.1
Missouri	35.6	34.4	36.3
Nebraska	17.6	17.2	16.5
North Dakota	14.1	13.7	14.6
South Dakota	21.6	21.7	23.2
SOUTHEAST			
Alabama	25.6	25.8	25.3
Arkansas	19.7	20.0	20.5
Florida	26.7	30.0	28.0
Georgia	19.0	19.5	20.5
Kentucky	22.5	21.9	22.8
Louisiana	22.0	23.7	23.5
Mississippi	24.8	22.9	22.6
North Carolina	25.0	24.2	22.1
South Carolina	22.0	22.6	19.9
Tennessee	25.4	28.8	28.1
Virginia	16.4	16.1	16.9
West Virginia	11.9	12.6	13.0
SOUTHWEST			
Arizona	29.3	27.7	28.0
New Mexico	20.7	22.1	20.2
Oklahoma	17.7	17.1	18.5
Texas	22.8	24.6	26.3
ROCKY MOUNTAIN			
Colorado	14.1	15.3	19.4
Idaho	22.8	23.0	25.6
Montana	15.2	15.4	15.7
Utah	14.9	11.9	14.3
Wyoming	8.1	7.3	7.0
FAR WEST			
Alaska	8.1	12.0	9.0
California	20.6	18.9	24.2
Hawaii	11.3	13.3	15.9
Nevada	16.0	18.3	18.7
Oregon	14.3	13.1	14.6
Washington	21.4	23.0	24.4
ALL STATES	21.9%	22.3%	23.6%

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 30
ANNUAL PERCENTAGE CHANGE IN MEDICAID EXPENDITURES

Region/State	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	-7.1%	---	-7.1%	11.9%	---	11.9%
Maine	-18.2	3.9	-2.4	15.4	-5.9	-0.9
Massachusetts	9.0	---	9.0	10.3	---	10.3
New Hampshire	-7.7	12.9	3.3	-4.4	4.3	0.7
Rhode Island	-1.2	12.2	6.8	12.6	0.0	4.7
Vermont	-4.6	18.0	9.9	14.4	2.5	6.2
MID-ATLANTIC						
Delaware	-10.6	44.2	16.8	7.7	8.9	8.4
Maryland	-2.4	18.0	9.4	19.6	6.8	11.6
New Jersey	-0.2	15.0	8.4	9.0	0.1	3.7
New York	-1.4	22.3	14.2	3.9	4.5	4.3
Pennsylvania	-3.4	13.1	6.3	6.5	9.1	8.1
GREAT LAKES						
Illinois	-13.1	11.0	-0.4	12.9	13.9	13.5
Indiana	0.6	14.2	10.3	6.6	7.1	7.0
Michigan	-1.5	14.6	9.7	4.1	3.7	3.8
Ohio	-11.0	106.6	3.5	22.7	-14.4	13.6
Wisconsin	-0.1	21.0	13.5	3.5	6.9	5.9
PLAINS						
Iowa	-9.6	14.6	5.0	10.9	7.7	8.8
Kansas	-13.1	22.2	9.1	16.9	-1.7	3.8
Minnesota	-7.7	15.3	5.5	14.4	2.1	6.7
Missouri	-14.1	10.6	1.9	-0.3	3.1	2.1
Nebraska	-7.5	8.5	2.5	-4.7	-0.9	-2.2
North Dakota	14.7	21.6	19.5	16.4	7.3	10.0
South Dakota	-5.9	14.2	7.9	18.7	1.2	5.9
SOUTHEAST						
Alabama	-8.7	10.9	5.2	5.8	-2.7	-0.5
Arkansas	-18.0	22.2	11.5	-3.5	6.7	4.7
Florida	5.2	21.1	14.9	15.9	0.8	6.2
Georgia	-9.0	8.7	3.5	9.7	-0.7	2.0
Kentucky	-12.0	11.2	5.4	6.4	0.8	2.0
Louisiana	-6.8	17.5	12.1	36.2	-5.0	2.6
Mississippi	-6.0	-1.8	-2.8	8.2	6.1	6.6
North Carolina	-10.8	5.5	-0.2	-1.2	-5.6	-4.2
South Carolina	-12.1	5.0	0.4	16.1	9.9	11.4
Tennessee	-32.0	37.9	10.7	24.2	0.4	6.1
Virginia	-10.7	24.8	7.8	14.9	5.9	9.5
West Virginia	-15.5	11.4	5.3	18.1	6.6	8.7
SOUTHWEST						
Arizona	2.7	-6.1	-3.9	13.6	4.3	6.8
New Mexico	-10.1	10.4	5.6	-3.8	-12.7	-10.9
Oklahoma	-21.4	6.3	-3.8	28.9	3.4	11.0
Texas	-1.4	13.8	8.8	17.1	5.3	8.8
ROCKY MOUNTAIN						
Colorado	19.1	16.4	17.6	21.0	10.8	15.6
Idaho	-6.8	5.5	1.9	23.6	22.6	22.9
Montana	1.5	13.4	10.6	10.9	1.8	3.8
Utah	-18.5	12.8	3.5	19.8	3.6	7.3
Wyoming	-10.9	14.5	4.1	15.3	-7.4	0.5
FAR WEST						
Alaska	3.6	20.7	15.0	11.2	5.8	7.4
California	-9.7	-0.1	-3.0	64.1	31.6	40.8
Hawaii	11.6	8.3	9.4	21.4	23.3	22.7
Nevada	-14.0	10.3	-0.3	8.7	3.2	5.3
Oregon	12.2	25.2	21.2	21.7	12.2	14.9
Washington	7.6	6.5	7.0	2.7	1.9	2.3
ALL STATES	-5.0%	13.2%	6.0%	16.0%	6.9%	10.1%

Notes: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2010 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 Centers for Medicare and Medicaid Services). Federal Funds: all federal matching funds provided pursuant to Title XIX.

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

Alabama: Fiscal 2009 through fiscal 2011 Other State Funds includes provider taxes in the amounts of \$59 million, \$270 million, and \$312 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, \$536 million in fiscal 2010 and \$481 million in fiscal 2011). 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. Medicaid figures exclude medical assistance under the State Administered General Assistance Program. Amounts for that purpose were \$188 million in fiscal 2009 and \$182 million in fiscal 2010.

Hawaii: Employer contributions to current employees’ pensions and health benefits: general fund amounts are budgeted centrally (except for Elementary and Secondary Education and Higher Education) and reported in “All Other State Expenditures.” For non-general funds, employer contributions are shown in each functional area.

Michigan: Other state funds include local funds of \$102.0 million, and provider taxes of \$888.0 million for fiscal 2009; local funds of \$98.0 million and provider taxes of \$725.0 million for fiscal 2010; and local funds of \$85.1 million and provider taxes of \$885.1 million for fiscal 2011. The fluctuation in provider assessment funds is due to the 2.6 percentage point rate increase in the regular FMAP rate between fiscal 2010 and fiscal 2011 at the same time that federal ARRA FMAP funds declined. Federal revenue support includes federal ARRA/ FMAP funding (\$1,042.0 million for fiscal 2009, \$1,220.2 million for fiscal 2010, and \$627.3 million for fiscal 2011). Actual ARRA expenditures will be recorded with the fiscal 2011 annual financial report. Public health and community and institutional care for mentally and developmentally disabled persons are partially reported in the Medicaid totals.

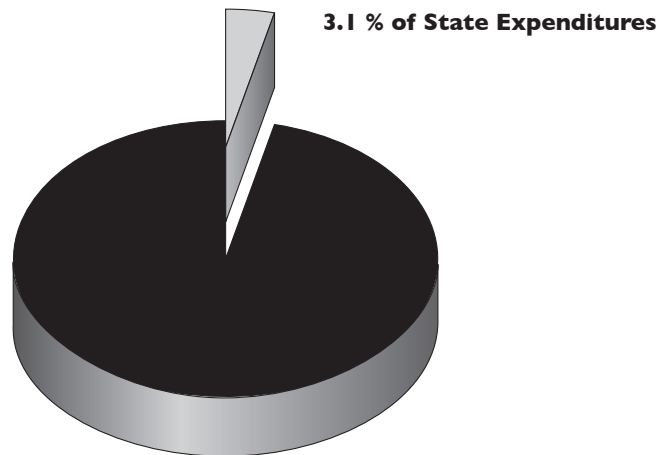
Montana: For fiscal 2010, general fund decreased and federal funds increased due to ARRA enhanced FMAP rate.

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 2009 totals \$77 million, fiscal 2010 totals \$221 million, and fiscal 2011 totals \$263 million. Regarding Certified Public Expenditures — Local fund from Hospitals: fiscal 2009 totals \$248 million, fiscal 2010 totals \$312 million, and fiscal 2011 totals \$221 million. Regarding Nursing Home Tax: fiscal 2009 totals \$84 million, fiscal 2010 totals \$87 million, and fiscal 2011 totals \$87 million. Regarding ICF/MR 6 percent Gross Receipts Tax: fiscal 2009 totals \$21 million, fiscal 2010 totals \$12 million, and fiscal 2011 totals \$12 million. Regarding Intergovernmental Transfers: fiscal 2009 totals \$0 million, fiscal 2010 totals \$0 million, and fiscal 2011 totals \$0 million.

CHAPTER FIVE

CORRECTIONS EXPENDITURES



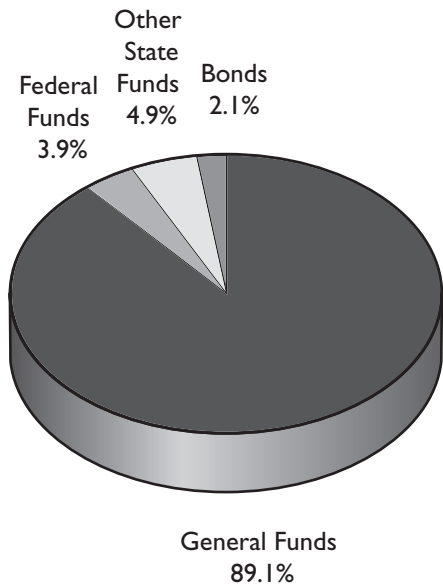
State spending on corrections reflects the costs to build and operate prison systems and may include spending on juvenile justice programs and alternatives to incarceration such as probation and parole. State spending for corrections totaled \$51.1 billion in fiscal 2010, a 3.2 percent decrease compared to fiscal 2009. State spending on corrections in fiscal 2011 is estimated to total \$51.7 billion, a 1.3 percent increase from fiscal 2010 but still below fiscal 2009 levels. As with other areas of the state budget, spending growth on corrections has slowed considerably due to widespread revenue shortfalls and limited resources; as recently as fiscal 2007 state spending on corrections grew by 10.1 percent. Some of the actions states took to rein in corrections spending included closing prisons and other correctional facilities, the early release of prisoners, sentencing reform and employee furloughs.

In fiscal 2010, corrections spending represented 3.1 percent of total state spending and 7.3 percent of general fund spending. General

fund dollars are used primarily to fund state corrections spending and account for \$45.5 billion, or 89.1 percent, of all fiscal 2010 state corrections spending. State funds (general funds and other state funds combined, but excluding bonds) accounted for 94 percent of total state corrections spending in fiscal 2010. Federal funds accounted for 3.9 percent and bonds accounted for 2.1 percent. Overall federal funds grew sharply in fiscal 2010 by 37.5 percent, due to the *American Recovery and Reinvestment Act of 2009 (ARRA)*, which provided \$1.7 billion in corrections funds. However, in fiscal 2011 federal funds are estimated to decline by 31.1 percent decrease as ARRA corrections spending slows to \$720 million. In contrast, state funds for corrections declined by 4.4 percent in fiscal 2010 but are estimated to grow by 3.4 percent in fiscal 2011 as states begin to deal with the wind down of Recovery Act funds.

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

Figure 17
STATE EXPENDITURES FOR CORRECTIONS BY
FUND SOURCE, FISCAL 2010



Regional Expenditures

Table 31 shows changes in corrections expenditures by region between fiscal 2009 and fiscal 2010 and between fiscal 2010 and estimated fiscal 2011. Of note, fiscal 2010 corrections spending in the Mid Atlantic region increased by 6.1 percent, while corrections spending in the Far West region declined by 13.2 percent.

Corrections — Expenditures Exclusions

Some states exclude certain items when reporting corrections expenditures. Twenty-three states wholly or partially excluded juvenile delinquency counseling from their corrections figures and nineteen states wholly or partially excluded spending on juvenile institutions. Twenty 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. Eighteen 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 2010 AND 2011

Region	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-0.4%	-72.7%	-2.7%	0.2%	16.7%	0.9%
Mid-Atlantic	4.0	12.7	6.1	-2.2	-2.9	-5.1
Great Lakes	-2.8	-53.8	-5.1	1.6	4.4	1.7
Plains	-5.6	311.6	-0.3	3.5	-42.4	5.1
Southeast	-1.8	58.2	0.0	3.4	-27.0	0.0
Southwest	-1.5	90.2	-0.8	-7.7	-59.8	-8.5
Rocky Mountain	-4.9	142.9	-1.4	2.0	-85.3	-3.2
Far West	-14.7	146.3	-13.2	16.1	-54.9	12.8
ALL STATES	-4.4%	37.5%	-3.2%	3.4%	-31.1%	1.3%

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

Region/State	Actual Fiscal 2009					Actual Fiscal 2010					Estimated Fiscal 2011				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$710	\$1	\$0	\$24	\$735	\$663	\$5	\$0	\$1	\$669	\$676	\$5	\$0	\$17	\$698
Maine	160	2	2	0	164	158	3	2	0	163	153	2	5	0	160
Massachusetts	1,235	1	1	0	1,237	1,216	1	22	0	1,239	1,210	2	3	0	1,215
New Hampshire	87	17	3	3	110	98	1	4	3	106	98	1	1	2	102
Rhode Island	154	22	3	0	179	170	2	2	0	174	178	4	12	0	194
Vermont	121	1	6	2	130	129	0	7	0	136	132	0	8	1	141
MID-ATLANTIC															
Delaware	257	1	5	0	263	238	9	5	0	252	245	1	6	0	252
Maryland	1,314	27	166	35	1,542	1,240	85	157	84	1,566	1,235	107	166	28	1,536
New Jersey	1,299	182	101	1	1,583	1,526	50	88	0	1,664	1,485	17	84	1	1,587
New York	2,807	167	84	279	3,337	3,035	117	69	264	3,485	2,771	122	66	216	3,175
Pennsylvania	1,843	25	93	90	2,051	1,832	192	95	224	2,343	1,943	193	100	50	2,286
GREAT LAKES															
Illinois	1,308	0	66	8	1,382	1,156	0	71	7	1,234	1,210	0	62	5	1,277
Indiana	690	0	63	0	753	708	1	53	0	762	703	1	57	0	761
Michigan*	1,938	306	61	0	2,305	2,061	117	64	1	2,243	2,037	141	93	2	2,273
Ohio	2,022	36	3	36	2,097	1,879	26	2	33	1,940	1,887	22	1	40	1,950
Wisconsin	1,125	4	136	0	1,265	1,080	16	128	0	1,224	1,138	3	129	0	1,270
PLAINS															
Iowa	363	1	61	1	426	329	22	68	1	420	335	1	61	119	516
Kansas	328	3	43	9	383	278	48	32	9	367	292	48	26	10	376
Minnesota	477	2	16	26	521	417	41	15	14	487	476	5	62	14	557
Missouri	587	10	42	0	639	626	4	47	0	677	571	3	42	0	616
Nebraska	189	2	26	0	217	159	35	26	0	220	172	21	31	0	224
North Dakota	67	4	6	0	77	74	4	8	0	86	80	4	8	0	92
South Dakota	77	21	8	0	106	77	23	6	0	106	75	20	7	0	102
SOUTHEAST															
Alabama	480	18	74	1	573	378	141	81	5	605	399	136	90	2	627
Arkansas	353	1	50	0	404	343	4	78	0	425	366	1	75	0	442
Florida	2,730	82	128	30	2,970	2,644	83	100	180	3,007	2,632	94	149	34	2,909
Georgia	1,073	22	58	28	1,181	999	104	61	35	1,199	1,027	91	37	25	1,180
Kentucky	513	12	43	0	568	441	90	40	0	571	505	35	44	0	584
Louisiana	817	3	135	2	957	763	2	89	5	859	767	3	111	1	882
Mississippi	253	14	80	0	347	238	5	94	0	337	313	0	19	0	332
North Carolina	1,256	157	125	200	1,738	1,264	7	141	0	1,412	1,288	5	150	0	1,443
South Carolina	471	7	130	0	608	434	37	106	0	577	403	10	114	0	527
Tennessee	682	1	102	4	789	558	48	46	0	652	699	1	49	0	749
Virginia	692	24	64	22	802	1,132	19	77	70	1,298	1,133	19	92	25	1,269
West Virginia	195	1	8	15	219	200	1	18	0	219	202	0	13	0	215
SOUTHWEST															
Arizona	922	15	91	0	1,028	934	67	54	0	1,055	951	2	37	0	990
New Mexico	289	3	23	0	315	271	0	22	1	294	263	1	23	0	287
Oklahoma	512	1	54	0	567	487	1	41	0	529	452	2	33	0	487
Texas	3,689	32	4	40	3,765	3,689	29	3	33	3,754	3,318	34	2	35	3,389
ROCKY MOUNTAIN															
Colorado*	663	32	158	0	853	584	92	131	0	807	665	3	93	0	761
Idaho	199	6	21	2	228	178	5	31	0	214	183	6	36	0	225
Montana	166	1	13	0	180	167	2	11	0	180	167	2	11	0	180
Utah*	331	3	26	0	360	361	3	24	0	388	329	4	23	0	356
Wyoming	113	0	0	0	113	114	0	6	0	120	123	0	9	0	132
FAR WEST															
Alaska*	283	6	31	0	320	295	4	16	0	315	320	6	15	0	341
California*	9,541	144	25	0	9,710	7,906	124	46	1	8,077	9,440	118	48	1	9,607
Hawaii*	220	5	12	0	237	207	5	11	0	223	207	2	12	0	221
Nevada	283	4	38	104	429	180	76	35	34	325	258	2	36	10	306
Oregon	743	23	38	15	819	767	69	125	15	976	692	76	125	36	929
Washington	964	6	53	115	1,138	788	185	53	46	1,072	884	5	70	26	985
TOTAL	\$47,591	\$1,458	\$2,579	\$1,092	\$52,720	\$45,471	\$2,005	\$2,511	\$1,066	\$51,053	\$47,088	\$1,381	\$2,546	\$700	\$51,715

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 33
CORRECTIONS EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2009	Fiscal 2010	Fiscal 2011
NEW ENGLAND			
Connecticut	3.8%	3.4%	3.4%
Maine	2.0	2.0	2.0
Massachusetts	2.5	2.5	2.3
New Hampshire	2.2	1.9	1.9
Rhode Island	2.4	2.2	2.3
Vermont	3.0	2.9	2.9
MID-ATLANTIC			
Delaware	3.0	2.9	3.0
Maryland	4.8	4.7	4.4
New Jersey	3.3	3.5	3.3
New York	2.7	2.7	2.4
Pennsylvania	3.3	3.4	3.3
GREAT LAKES			
Illinois	2.4	2.0	2.3
Indiana	2.9	2.9	2.8
Michigan	5.0	4.7	4.5
Ohio	3.6	3.4	3.2
Wisconsin	3.3	3.1	3.0
PLAINS			
Iowa	2.4	2.4	2.8
Kansas	2.7	2.6	2.5
Minnesota	1.7	1.6	1.7
Missouri	2.6	2.7	2.5
Nebraska	2.4	2.3	2.3
North Dakota	2.0	1.8	1.8
South Dakota	3.0	2.8	2.7
SOUTHEAST			
Alabama	2.9	2.9	3.0
Arkansas	2.2	2.1	2.2
Florida	4.9	4.8	4.1
Georgia	2.9	3.0	3.0
Kentucky	2.4	2.2	2.3
Louisiana	3.4	2.9	2.9
Mississippi	2.0	1.8	1.7
North Carolina	3.7	2.9	2.8
South Carolina	2.9	2.8	2.1
Tennessee	2.7	2.3	2.4
Virginia	2.2	3.2	3.0
West Virginia	1.1	1.1	1.0
SOUTHWEST			
Arizona	3.8	3.8	3.4
New Mexico	2.0	1.9	1.9
Oklahoma	2.6	2.4	2.2
Texas	4.1	4.0	3.6
ROCKY MOUNTAIN			
Colorado	3.0	2.6	2.7
Idaho	3.6	3.3	3.2
Montana	3.3	3.0	2.9
Utah	3.1	2.6	2.7
Wyoming	1.7	1.6	1.6
FAR WEST			
Alaska	2.5	3.2	2.4
California	5.0	3.9	4.2
Hawaii	2.0	2.0	2.0
Nevada	4.5	3.9	3.6
Oregon	3.3	3.0	2.8
Washington	3.4	3.2	3.0
ALL STATES	3.4%	3.1%	3.1%

Source: National Association of State Budget Officers, 2010 State Expenditure Report

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

Region/State	Fiscal 2009	Fiscal 2010	Fiscal 2011
NEW ENGLAND			
Connecticut	6.2%	5.6%	5.6%
Maine	5.3	5.5	5.4
Massachusetts	4.2	4.4	4.3
New Hampshire	6.1	7.1	7.4
Rhode Island	5.1	5.9	6.0
Vermont	15.7	16.7	16.1
MID-ATLANTIC			
Delaware	7.8	7.7	7.5
Maryland	9.2	9.2	9.3
New Jersey	4.2	5.3	5.1
New York	5.1	5.6	5.2
Pennsylvania	6.8	7.3	7.7
GREAT LAKES			
Illinois	4.4	4.4	5.3
Indiana	5.3	5.5	5.4
Michigan	22.8	26.8	24.3
Ohio	7.2	7.4	6.8
Wisconsin	8.8	8.4	8.4
PLAINS			
Iowa	6.1	6.2	6.3
Kansas	5.4	5.3	5.1
Minnesota	2.7	2.7	2.9
Missouri	7.0	8.3	7.5
Nebraska	5.7	4.8	5.2
North Dakota	5.4	4.7	5.0
South Dakota	6.7	6.8	6.5
SOUTHEAST			
Alabama	6.6	5.7	6.1
Arkansas	8.1	8.1	8.2
Florida	11.5	12.5	10.9
Georgia	6.5	6.9	6.4
Kentucky	5.7	5.2	5.7
Louisiana	8.6	8.4	9.6
Mississippi	5.3	5.6	7.2
North Carolina	6.4	6.8	7.0
South Carolina	8.1	8.4	7.9
Tennessee	5.7	5.6	6.2
Virginia	4.6	7.6	6.9
West Virginia	5.0	5.4	5.3
SOUTHWEST			
Arizona	10.0	10.3	11.0
New Mexico	4.8	5.2	5.1
Oklahoma	7.5	7.8	7.0
Texas	8.8	9.3	8.2
ROCKY MOUNTAIN			
Colorado	8.6	8.0	9.5
Idaho	7.3	7.6	7.7
Montana	9.5	10.3	9.8
Utah	6.9	8.1	7.0
Wyoming	2.9	3.0	3.7
FAR WEST			
Alaska	3.9	5.2	3.6
California	10.5	9.1	10.3
Hawaii	4.1	4.3	4.2
Nevada	7.5	5.9	7.6
Oregon	12.6	12.0	11.3
Washington	6.6	5.2	6.0
ALL STATES	7.2%	7.3%	7.4%

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 35
ANNUAL PERCENTAGE CHANGE IN CORRECTIONS EXPENDITURES

Region/State	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	-6.6%	400.0%	-9.0%	2.0%	0.0%	4.3%
Maine	-1.2	50.0	-0.6	-1.3	-33.3	-1.8
Massachusetts	0.2	0.0	0.2	-2.0	100.0	-1.9
New Hampshire	13.3	-94.1	-3.6	-2.9	0.0	-3.8
Rhode Island	9.6	-90.9	-2.8	10.5	100.0	11.5
Vermont	7.1	-100.0	4.6	2.9	---	3.7
MID-ATLANTIC						
Delaware	-7.3	800.0	-4.2	3.3	-88.9	0.0
Maryland	-5.6	214.8	1.6	0.3	25.9	-1.9
New Jersey	15.3	-72.5	5.1	-2.8	-66.0	-4.6
New York	7.4	-29.9	4.4	-8.6	4.3	-8.9
Pennsylvania	-0.5	668.0	14.2	6.0	0.5	-2.4
GREAT LAKES						
Illinois	-10.7	---	-10.7	3.7	---	3.5
Indiana	1.1	---	1.2	-0.1	0.0	-0.1
Michigan	6.3	-61.8	-2.7	0.2	20.5	1.3
Ohio	-7.1	-27.8	-7.5	0.4	-15.4	0.5
Wisconsin	-4.2	300.0	-3.2	4.9	-81.3	3.8
PLAINS						
Iowa	-6.4	2,100.0	-1.4	-0.3	-95.5	22.9
Kansas	-16.4	1,500.0	-4.2	2.6	0.0	2.5
Minnesota	-12.4	1,950.0	-6.5	24.5	-87.8	14.4
Missouri	7.0	-60.0	5.9	-8.9	-25.0	-9.0
Nebraska	-14.0	1,650.0	1.4	9.7	-40.0	1.8
North Dakota	12.3	0.0	11.7	7.3	0.0	7.0
South Dakota	-2.4	9.5	0.0	-1.2	-13.0	-3.8
SOUTHEAST						
Alabama	-17.1	683.3	5.6	6.5	-3.5	3.6
Arkansas	4.5	300.0	5.2	4.8	-75.0	4.0
Florida	-4.0	1.2	1.2	1.3	13.3	-3.3
Georgia	-6.3	372.7	1.5	0.4	-12.5	-1.6
Kentucky	-13.5	650.0	0.5	14.1	-61.1	2.3
Louisiana	-10.5	-33.3	-10.2	3.1	50.0	2.7
Mississippi	-0.3	-64.3	-2.9	0.0	-100.0	-1.5
North Carolina	1.7	-95.5	-18.8	2.3	-28.6	2.2
South Carolina	-10.1	428.6	-5.1	-4.3	-73.0	-8.7
Tennessee	-23.0	4,700.0	-17.4	23.8	-97.9	14.9
Virginia	59.9	-20.8	61.8	1.3	0.0	-2.2
West Virginia	7.4	0.0	0.0	-1.4	-100.0	-1.8
SOUTHWEST						
Arizona	-2.5	346.7	2.6	0.0	-97.0	-6.2
New Mexico	-6.1	-100.0	-6.7	-2.4	---	-2.4
Oklahoma	-6.7	0.0	-6.7	-8.1	100.0	-7.9
Texas	0.0	-9.4	-0.3	-10.1	17.2	-9.7
ROCKY MOUNTAIN						
Colorado	-12.9	187.5	-5.4	6.0	-96.7	-5.7
Idaho	-5.0	-16.7	-6.1	4.8	20.0	5.1
Montana	-0.6	100.0	0.0	0.0	0.0	0.0
Utah	7.8	0.0	7.8	-8.6	33.3	-8.2
Wyoming	6.2	---	6.2	10.0	---	10.0
FAR WEST						
Alaska	-1.0	-33.3	-1.6	7.7	50.0	8.3
California	-16.9	-13.9	-16.8	19.3	-4.8	18.9
Hawaii	-6.0	0.0	-5.9	0.5	-60.0	-0.9
Nevada	-33.0	1,800.0	-24.2	36.7	-97.4	-5.8
Oregon	14.2	200.0	19.2	-8.4	10.1	-4.8
Washington	-17.3	2,983.3	-5.8	13.4	-97.3	-8.1
ALL STATES	-4.4%	37.5%	-3.2%	3.4%	-31.1%	1.3%

Notes: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2010 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
NEW ENGLAND							
Connecticut	X	X	X	P	X	P	X
Maine			X	P		X	X
Massachusetts	X					X	X
New Hampshire			X	X	X		
Rhode Island			X	X	X		X
Vermont			X	X	X	P	X
MID-ATLANTIC							
Delaware			X	X	X		X
Maryland					X	X	X
New Jersey							X
New York	P	P	P	X	X		X
Pennsylvania							
GREAT LAKES							
Illinois	P	P	P	X			P
Indiana					X	P	X
Michigan*			P			X	X
Ohio							X
Wisconsin							
PLAINS							
Iowa							
Kansas							
Minnesota			P		X	P	X
Missouri	X	X	X	X		P	X
Nebraska						X	X
North Dakota							X
South Dakota					X		X
SOUTHEAST							
Alabama					X		X
Arkansas			X	X			X
Florida					X	P	X
Georgia			X	X			X
Kentucky							
Louisiana						P	X
Mississippi			X	X			X
North Carolina					X		
South Carolina							
Tennessee			X	X			P
Virginia							
West Virginia			X	X			X
SOUTHWEST							
Arizona							X
New Mexico			X	X	P	P	P
Oklahoma			X	X		X	X
Texas	X	X			X		X
ROCKY MOUNTAIN							
Colorado*			X	P			P
Idaho							X
Montana						P	X
Utah			X			X	X
Wyoming							X
FAR WEST							
Alaska*			P			X	X
California*						X	X
Hawaii*	P	P	X	X	X		X
Nevada			X	X	X		X
Oregon						P	X
Washington					X	X	X
ALL STATES	7	6	23	19	18	20	41

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

Source: National Association of State Budget Officers, 2010 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.

California: Corrections expenditures exclude drug abuse rehab programs (\$164,000 in 2008-09, \$153,000 in 2009-10, and \$156,000 in 2010-11).

Colorado: Juvenile delinquent counseling programs are funded in the Colorado Department of Human Services, Division of Youth Corrections (DYC). Funding for the Youthful Offender System (youths convicted as adults) is in the Colorado Dept. of Corrections.

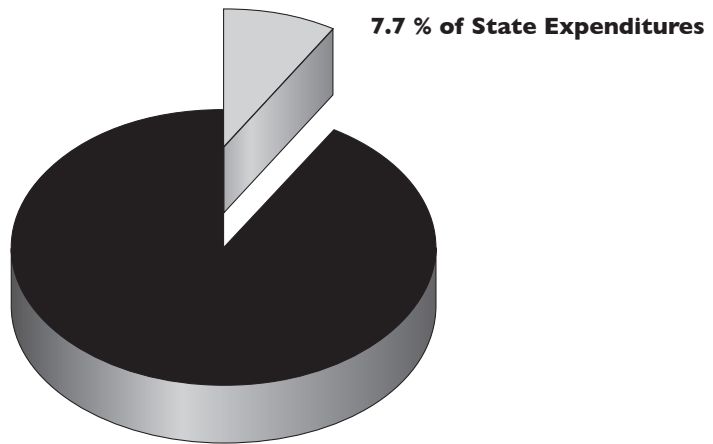
Hawaii: Employer contributions to current employees' pensions and health benefits: general fund amounts are budgeted centrally (except for Elementary and Secondary Education and Higher Education) and reported in "All Other State Expenditures." For non-general funds, employer contributions are shown in each functional area.

Michigan: Figures include adult inmate and juvenile justice expenditures. Fiscal 2010 spending reflects full year savings on the complete closure of all corrections camps along with several correctional facilities due to an inmate population that declined by over 2,500 (5.4%) during the course of the fiscal year. The drop in federal spending between fiscal 2009 and fiscal 2010 reflects the one-time use of \$189.6 million in federal ARRA Government Services Funds for department of Corrections operations.

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



Transportation expenditures totaled \$124.4 billion in fiscal 2010, 7.7 percent of total state spending and an increase of 6.5 percent over the previous year. State funds for transportation declined 1 percent in fiscal 2010, while federal funds increased 11.8 percent. The growth in federal funds is mainly due to increased transportation funds flowing to states through the *American Recovery and Reinvestment Act of 2009 (ARRA)*. States received \$11.9 billion in ARRA funds for transportation in fiscal 2010. In fiscal 2011, total state expenditures for transportation are estimated to grow by 3 percent, with state funds growing by 3 percent and federal funds increasing by 3.3 percent.

Approximately 51.7 percent of fiscal 2010 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 2010, federal funds accounted for 32.4 percent of total transportation spending, with bonds (11.9 percent) and general funds (4.0 percent) comprising the remaining amount. Federal funds have grown from representing 28.9 percent of overall transportation expenditures in fiscal 2008, the last year before ARRA, to 32.4 percent in fiscal 2010.

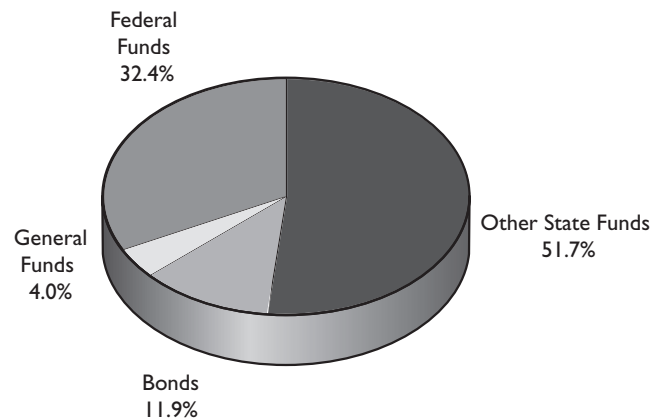
SAFETEA-LU

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 2011, has been temporarily extended eight times while Congress continues to consider a multiyear surface transportation reauthorization bill.

Fund Shares

The figure below provides fund shares for fiscal 2010.

Figure 18
STATE EXPENDITURES FOR TRANSPORTATION BY FUND SOURCE, FISCAL 2010



Regional Expenditures

Table 37 shows percentage changes in transportation expenditures by region between fiscal 2009 and fiscal 2010 and between fiscal 2010 and estimated fiscal 2011.

Table 37
REGIONAL PERCENTAGE CHANGE IN STATE TRANSPORTATION EXPENDITURES,
FISCAL 2010 AND 2011

Region	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	11.2%	22.2%	19.6%	1.2%	-0.6%	6.6%
Mid-Atlantic	3.7	-0.6	2.4	1.2	17.9	4.9
Great Lakes	3.7	17.7	10.4	1.7	4.6	7.3
Plains	-14.8	38.5	5.6	12.7	-15.8	2.1
Southeast	-0.4	3.1	-0.5	13.3	2.5	8.9
Southwest	-16.1	3.9	-4.2	-1.1	-1.4	-5.6
Rocky Mountain	-10.8	24.7	40.3	-12.6	0.2	-35.0
Far West	5.9	24.6	12.6	-10.2	5.7	7.0
ALL STATES	-1.0%	11.8%	6.5%	3.0%	3.3%	3.0%

Transportation—Expenditure Exclusions

Thirty-nine states wholly exclude state police and highway patrols from the transportation expenditures contained within the report. Additionally, thirty-nine states wholly or partially exclude port authority operations, twenty states omit motor vehicle licensing, twenty 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 2009					Actual Fiscal 2010					Estimated Fiscal 2011				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$615	\$536	\$418	\$1,569	\$0	\$785	\$497	\$588	\$1,870	\$0	\$750	\$558	\$1,087	\$2,395
Maine	0	178	392	58	628	0	246	364	34	644	7	223	417	68	715
Massachusetts	277	668	1,064	626	2,635	66	814	1,685	919	3,484	0	701	1,682	848	3,231
New Hampshire	0	183	355	0	538	1	174	330	0	505	1	167	339	0	507
Rhode Island	0	217	141	42	400	0	242	134	37	413	0	348	106	32	486
Vermont	0	196	187	13	396	0	252	205	2	459	0	308	210	12	530
MID-ATLANTIC															
Delaware	0	204	763	0	967	0	239	511	0	750	14	199	474	0	687
Maryland	0	668	751	136	1,555	0	714	651	145	1,510	0	708	720	156	1,584
New Jersey	1,377	1,897	388	1,578	5,240	1,344	1,397	386	1,582	4,709	1,367	1,782	476	1,609	5,234
New York	109	1,408	4,639	823	6,979	66	1,519	5,413	885	7,883	99	1,750	5,823	885	8,557
Pennsylvania	12	1,779	4,301	380	6,472	11	2,054	4,409	390	6,864	2	2,547	3,965	204	6,718
GREAT LAKES															
Illinois	25	115	3,696	46	3,882	74	102	4,321	439	4,936	78	118	4,117	1,387	5,700
Indiana	2	892	1,474	0	2,368	0	1,315	1,508	0	2,823	0	1,260	1,605	0	2,865
Michigan*	0	1,370	1,900	115	3,385	0	1,531	1,889	103	3,523	0	1,867	1,951	52	3,870
Ohio	21	1,128	1,131	551	2,831	17	1,207	992	589	2,805	13	1,437	1,033	496	2,979
Wisconsin	59	1,071	1,751	0	2,881	22	1,230	1,604	0	2,856	26	952	1,783	0	2,761
PLAINS															
Iowa	0	541	815	0	1,356	0	623	981	0	1,604	0	396	836	62	1,294
Kansas	16	448	1,014	129	1,607	9	460	522	170	1,161	16	535	699	184	1,434
Minnesota	104	451	2,055	124	2,734	89	734	1,948	177	2,948	62	483	2,429	318	3,292
Missouri	16	75	2,253	89	2,433	12	386	1,740	712	2,850	10	310	1,993	447	2,760
Nebraska	1	264	485	0	750	1	284	426	0	711	1	256	395	0	652
North Dakota	0	252	209	0	461	0	328	218	0	546	0	320	236	0	556
South Dakota	0	272	184	0	456	0	375	148	0	523	0	385	190	0	575
SOUTHEAST															
Alabama	0	766	523	0	1,289	0	1,021	671	0	1,692	0	1,001	484	0	1,485
Arkansas	1	405	529	0	935	1	467	500	0	968	2	531	539	0	1,072
Florida	0	2,131	3,492	411	6,034	0	1,607	3,775	457	5,839	0	1,623	5,084	360	7,067
Georgia	23	964	1,107	378	2,472	10	1,696	737	57	2,500	6	1,159	762	15	1,942
Kentucky	5	630	1,459	0	2,094	4	813	1,268	0	2,085	4	742	1,269	0	2,015
Louisiana	0	25	2,193	341	2,559	457	19	2,322	377	3,175	328	16	2,715	290	3,349
Mississippi	0	597	627	60	1,284	0	681	621	36	1,338	0	564	724	37	1,325
North Carolina	0	1,047	2,607	0	3,654	0	833	2,632	0	3,465	0	1,327	3,106	0	4,433
South Carolina	2	448	1,002	0	1,452	1	669	1,180	0	1,850	1	782	1,331	0	2,114
Tennessee*	0	1,533	1,073	0	2,606	0	912	904	0	1,816	0	900	740	164	1,804
Virginia*	41	852	3,152	138	4,183	27	944	2,747	23	3,741	46	1,180	3,058	25	4,309
West Virginia	6	477	718	37	1,238	6	524	620	37	1,187	12	611	727	23	1,373
SOUTHWEST															
Arizona*	0	623	472	507	1,602	0	610	466	480	1,556	0	619	204	257	1,080
New Mexico	0	448	651	76	1,175	0	359	447	536	1,342	0	401	402	0	803
Oklahoma	0	763	494	71	1,328	0	1,064	377	119	1,560	0	862	590	148	1,600
Texas*	6	2,715	3,688	1,151	7,560	35	2,692	3,130	861	6,718	50	2,775	3,160	1,085	7,070
ROCKY MOUNTAIN															
Colorado*	29	510	1,164	0	1,703	0	631	785	0	1,416	0	695	770	0	1,465
Idaho	0	199	366	0	565	0	319	345	0	664	0	491	442	0	933
Montana	8	358	271	0	637	8	435	253	0	696	10	439	255	0	704
Utah	33	361	1,183	0	1,577	1	421	1,213	2,247	3,882	2	202	1,139	0	1,343
Wyoming	573	108	302	0	983	573	109	328	0	1,010	153	91	294	0	538
FAR WEST															
Alaska	408	885	383	345	2,021	624	751	283	0	1,658	463	900	297	0	1,660
California*	1,333	3,157	3,057	1,320	8,867	1,520	4,415	3,255	1,765	10,955	83	4,763	4,239	3,556	12,641
Hawaii*	0	254	733	123	1,110	0	229	755	80	1,064	0	205	773	54	1,032
Nevada	0	345	629	9	983	0	393	515	37	945	0	374	471	145	990
Oregon	0	39	1,585	5	1,629	8	53	1,760	8	1,829	9	58	1,647	44	1,758
Washington	2	465	1,556	689	2,712	1	569	1,540	940	3,050	1	473	1,233	1,086	2,793
TOTAL	\$4,489	\$35,997	\$65,500	\$10,789	\$116,775	\$4,988	\$40,247	\$64,311	\$14,832	\$124,378	\$2,866	\$41,586	\$68,492	\$15,136	\$128,080

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 39
TRANSPORTATION EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2009	Fiscal 2010	Fiscal 2011
NEW ENGLAND			
Connecticut	8.1%	9.5%	11.7%
Maine	7.8	7.8	8.8
Massachusetts	5.4	6.9	6.2
New Hampshire	10.8	9.2	9.3
Rhode Island	5.4	5.3	5.9
Vermont	9.2	9.8	11.0
MID-ATLANTIC			
Delaware	11.1	8.6	8.2
Maryland	4.9	4.6	4.6
New Jersey	11.1	9.9	10.9
New York	5.7	6.1	6.4
Pennsylvania	10.3	10.1	9.6
GREAT LAKES			
Illinois	6.7	8.1	10.1
Indiana	9.2	10.6	10.6
Michigan	7.4	7.4	7.7
Ohio	4.9	4.9	4.9
Wisconsin	7.5	7.1	6.4
PLAINS			
Iowa	7.8	9.1	7.0
Kansas	11.5	8.3	9.7
Minnesota	9.1	9.8	10.3
Missouri	10.0	11.2	11.2
Nebraska	8.2	7.4	6.7
North Dakota	11.7	11.3	11.2
South Dakota	12.8	13.7	15.2
SOUTHEAST			
Alabama	6.5	8.2	7.1
Arkansas	5.1	4.9	5.3
Florida	9.9	9.4	10.0
Georgia	6.2	6.2	5.0
Kentucky	8.7	8.0	7.9
Louisiana	9.1	10.9	11.1
Mississippi	7.4	7.3	6.7
North Carolina	7.7	7.1	8.7
South Carolina	7.0	9.1	8.2
Tennessee	9.0	6.4	5.8
Virginia	11.3	9.2	10.1
West Virginia	6.1	5.8	6.4
SOUTHWEST			
Arizona	5.9	5.6	3.7
New Mexico	7.6	8.8	5.4
Oklahoma	6.1	7.2	7.3
Texas	8.2	7.2	7.5
ROCKY MOUNTAIN			
Colorado	5.9	4.6	5.1
Idaho	8.9	10.4	13.2
Montana	11.5	11.5	11.4
Utah	13.6	25.9	10.0
Wyoming	14.8	13.2	6.7
FAR WEST			
Alaska	16.1	17.0	11.9
California	4.5	5.3	5.6
Hawaii	9.4	9.7	9.2
Nevada	10.4	11.4	11.6
Oregon	6.6	5.6	5.3
Washington	8.0	9.1	8.6
ALL STATES	7.5%	7.7%	7.6%

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 40**ANNUAL PERCENTAGE CHANGE IN TRANSPORTATION EXPENDITURES**

Region/State	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	-7.3%	27.6%	19.2%	12.3%	-4.5%	28.1%
Maine	-7.1	38.2	2.5	16.5	-9.3	11.0
Massachusetts	30.6	21.9	32.2	-3.9	-13.9	-7.3
New Hampshire	-6.8	-4.9	-6.1	2.7	-4.0	0.4
Rhode Island	-5.0	11.5	3.3	-20.9	43.8	17.7
Vermont	9.6	28.6	15.9	2.4	22.2	15.5
MID-ATLANTIC						
Delaware	-33.0	17.2	-22.4	-4.5	-16.7	-8.4
Maryland	-13.3	6.9	-2.9	10.6	-0.8	4.9
New Jersey	-2.0	-26.4	-10.1	6.5	27.6	11.1
New York	15.4	7.9	13.0	8.1	15.2	8.6
Pennsylvania	2.5	15.5	6.1	-10.2	24.0	-2.1
GREAT LAKES						
Illinois	18.1	-11.3	27.2	-4.6	15.7	15.5
Indiana	2.2	47.4	19.2	6.4	-4.2	1.5
Michigan	-0.6	11.8	4.1	3.3	21.9	9.8
Ohio	-12.4	7.0	-0.9	3.7	19.1	6.2
Wisconsin	-10.2	14.8	-0.9	11.3	-22.6	-3.3
PLAINS						
Iowa	20.4	15.2	18.3	-14.8	-36.4	-19.3
Kansas	-48.4	2.7	-27.8	34.7	16.3	23.5
Minnesota	-5.7	62.7	7.8	22.3	-34.2	11.7
Missouri	-22.8	414.7	17.1	14.3	-19.7	-3.2
Nebraska	-12.1	7.6	-5.2	-7.3	-9.9	-8.3
North Dakota	4.3	30.2	18.4	8.3	-2.4	1.8
South Dakota	-19.6	37.9	14.7	28.4	2.7	9.9
SOUTHEAST						
Alabama	28.3	33.3	31.3	-27.9	-2.0	-12.2
Arkansas	-5.5	15.3	3.5	8.0	13.7	10.7
Florida	8.1	-24.6	-3.2	34.7	1.0	21.0
Georgia	-33.9	75.9	1.1	2.8	-31.7	-22.3
Kentucky	-13.1	29.0	-0.4	0.1	-8.7	-3.4
Louisiana	26.7	-24.0	24.1	9.5	-15.8	5.5
Mississippi	-1.0	14.1	4.2	16.6	-17.2	-1.0
North Carolina	1.0	-20.4	-5.2	18.0	59.3	27.9
South Carolina	17.6	49.3	27.4	12.8	16.9	14.3
Tennessee	-15.8	-40.5	-30.3	-18.1	-1.3	-0.7
Virginia	-13.1	10.8	-10.6	11.9	25.0	15.2
West Virginia	-13.5	9.9	-4.1	18.1	16.6	15.7
SOUTHWEST						
Arizona	-1.3	-2.1	-2.9	-56.2	1.5	-30.6
New Mexico	-31.3	-19.9	14.2	-10.1	11.7	-40.2
Oklahoma	-23.7	39.4	17.5	56.5	-19.0	2.6
Texas	-14.3	-0.8	-11.1	1.4	3.1	5.2
ROCKY MOUNTAIN						
Colorado	-34.2	23.7	-16.9	-1.9	10.1	3.5
Idaho	-5.7	60.3	17.5	28.1	53.9	40.5
Montana	-6.5	21.5	9.3	1.5	0.9	1.1
Utah	-0.2	16.6	146.2	-6.0	-52.0	-65.4
Wyoming	3.0	0.9	2.7	-50.4	-16.5	-46.7
FAR WEST						
Alaska	14.7	-15.1	-18.0	-16.2	19.8	0.1
California	8.8	39.8	23.5	-9.5	7.9	15.4
Hawaii	3.0	-9.8	-4.1	2.4	-10.5	-3.0
Nevada	-18.1	13.9	-3.9	-8.5	-4.8	4.8
Oregon	11.5	35.9	12.3	-6.3	9.4	-3.9
Washington	-1.1	22.4	12.5	-19.9	-16.9	-8.4
ALL STATES	-1.0%	11.8%	6.5%	3.0%	3.3%	3.0%

Notes: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 4 I

ITEMS EXCLUDED FROM TRANSPORTATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Port Authority Operations	Gasoline Tax & Fee Collections	Truck Enforcement Reg. Programs	Train/Railroad Subsidy Programs	Road Assist. Subsidy Prog. for Local Govts.	Motor Vehicle Licensing	State Police/ Highway Patrol
NEW ENGLAND									
Connecticut	X	X		X				X	X
Maine			X		X				X
Massachusetts	X		X	X					
New Hampshire									
Rhode Island			X		X	X	X	X	X
Vermont			X						X
MID-ATLANTIC									
Delaware			P						
Maryland				X	P				X
New Jersey			X						X
New York	P	P	N/A	X					X
Pennsylvania			P	P					X
GREAT LAKES									
Illinois	P	P	X					X	X
Indiana			X						X
Michigan			X						X
Ohio			X	X					
Wisconsin			X						
PLAINS									
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
SOUTHEAST									
Alabama			X		P	X	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	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
SOUTHWEST									
Arizona*			P				P		
New Mexico			P		P	P	P	X	X
Oklahoma	X		X	P	X			X	X
Texas*		X		P				P	X
ROCKY MOUNTAIN									
Colorado*			X	X	X	X	X	X	X
Idaho					X				X
Montana			X						X
Utah						X	P	P	X
Wyoming			X						
FAR WEST									
Alaska			X			X	X		X
California*			X	X	X				X
Hawaii*			X		X	X	X	X	X
Nevada			X			X	X		
Oregon			X						X
Washington			X		X				X
ALL STATES	5	4	39	15	20	13	13	20	39

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

Source: National Association of State Budget Officers, 2010 State Expenditure Report

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.

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

California: Total funding for transportation excludes reimbursements, which total over \$1 billion per year.

Colorado: Port authority operations, gasoline tax and fee collections, and motor vehicle licensing are at Dept. of Revenue, not Transportation. State police/highway patrol are funded at the Dept. of Public Safety.

Hawaii: Employer contributions to current employees' pensions and health benefits: general fund amounts are budgeted centrally (except for Elementary and Secondary Education and Higher Education) and reported in "All Other State Expenditures." For non-general funds, employer contributions are shown in each functional area.

Michigan: Federal revenue support is expected to increase in fiscal 2011 largely due to the continuing expenditure of federal ARRA dollars for state transportation programs. Actual ARRA expenditures will be recorded with the fiscal 2011 annual financial report.

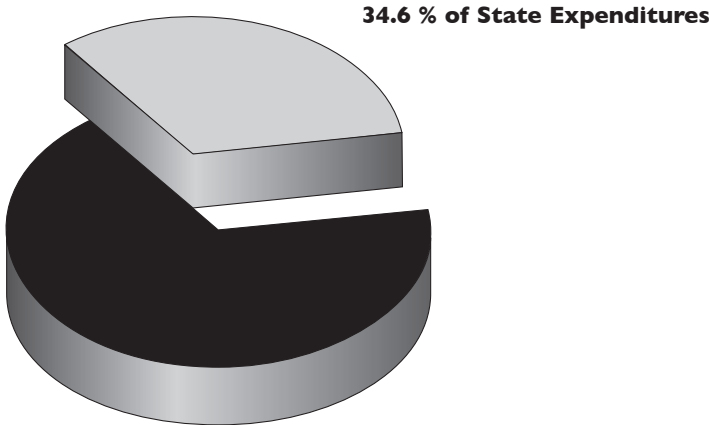
Tennessee: Bond estimates represent bond authorizations, while actual bonds represent bond proceeds utilized.

Texas: Department of Motor Vehicles broke off from Tx DOT November 1, but Tx DOT continues to provide support services. Department of Public Safety and agencies not included.

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

CHAPTER SEVEN

ALL OTHER 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 \$560.4 billion for fiscal 2010, or 34.6 percent of total state spending. Total spending in the "All Other" category increased 7.6 percent from fiscal 2009 to fiscal 2010, largely due to the growth in federal funds. While state funds for "All Other" declined by 0.2 percent in fiscal 2010, federal funds increased by 30.5 percent. In fiscal 2011, total spending for "All Other" is estimated to grow by 2.1 percent, with state funds increasing 1.5 percent and federal funds increasing 1.4 percent.

Children's Health Insurance Program

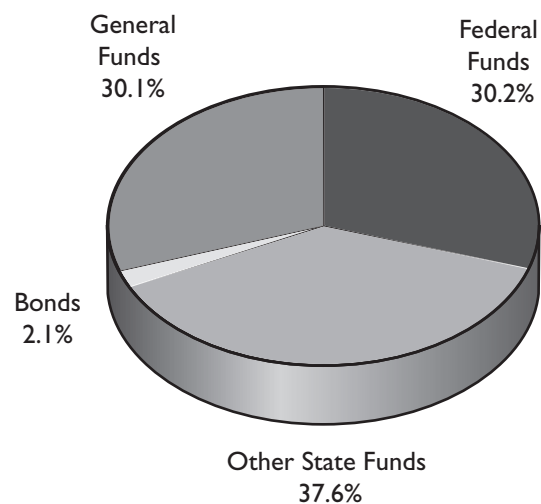
Enacted as part of the *Balanced Budget Act of 1997*, the State Children's Health Insurance Program (SCHIP) expanded health coverage for previously uninsured children. The program is targeted toward children from families with incomes too high to qualify for Medicaid but too low to afford private insurance. 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 7.7 million children were enrolled under CHIP during fiscal 2010. As shown in Appendix Table A-2, total spending for CHIP was \$10.5 billion in fiscal 2009, \$10.9 billion in fiscal 2010, and is estimated at \$11.3 billion in fiscal 2011.

Fund Shares

The figure below illustrates fund shares for fiscal 2010.

Figure 19
STATE EXPENDITURES FOR ALL OTHER PROGRAMS BY FUND SOURCE, FISCAL 2010



Regional Expenditures

The following table shows percentage changes for "All Other" expenditures for fiscal 2009-2010 and 2010-2011 by region. For fiscal 2010, the Far West region was well above the national average while the Great Lakes region was well below the national average.

Table 42
REGIONAL PERCENTAGE CHANGE IN STATE ALL OTHER EXPENDITURES, FISCAL 2010 AND 2011

Region	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	11.9%	31.2%	12.7%	-2.9%	-2.4%	-1.6%
Mid-Atlantic	-4.1	29.5	2.0	-1.0	10.3	1.1
Great Lakes	-3.7	15.1	1.0	-5.9	5.6	-2.9
Plains	-2.1	30.8	7.9	6.6	-16.5	-0.7
Southeast	-1.7	17.0	3.7	2.9	22.3	8.9
Southwest	3.8	8.2	4.2	10.7	-4.2	4.9
Rocky Mountain	9.5	41.1	17.8	0.9	9.4	3.6
Far West	0.9	67.0	20.1	6.5	-16.1	0.3
ALL STATES	-0.2%	30.5%	7.6%	1.5%	1.4%	2.1%

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

Region/State	Actual Fiscal 2009					Actual Fiscal 2010					Estimated Fiscal 2011				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut*	\$3,291	\$278	\$496	\$511	\$4,576	\$3,965	\$312	\$455	\$230	\$4,962	\$3,412	\$288	\$484	\$602	\$4,786
Maine	862	563	1,508	33	2,966	859	738	1,516	34	3,147	828	709	1,458	50	3,045
Massachusetts	10,313	1,423	8,945	904	21,585	10,472	1,597	11,481	942	24,492	10,356	1,637	11,193	974	24,160
New Hampshire	739	549	177	81	1,546	691	844	506	42	2,083	616	702	575	51	1,944
Rhode Island*	1,086	622	1,100	57	2,865	984	987	1,135	24	3,130	950	1,088	1,169	49	3,256
Vermont*	322	373	286	27	1,008	330	519	205	58	1,112	341	455	271	61	1,128
MID-ATLANTIC															
Delaware	1,063	325	2,542	46	3,976	992	260	2,655	61	3,968	1,164	471	1,948	48	3,631
Maryland	3,602	1,644	4,900	627	10,773	3,228	1,945	4,803	558	10,534	2,779	2,128	5,330	573	10,810
New Jersey	11,352	2,945	1,375	62	15,734	10,119	3,702	1,385	87	15,293	8,902	4,330	1,409	91	14,732
New York	19,805	5,424	13,786	1,520	40,535	20,347	5,766	13,117	1,356	40,586	20,607	6,338	13,061	1,697	41,703
Pennsylvania	6,847	4,874	7,059	259	19,039	5,774	8,026	6,922	771	21,493	6,086	8,453	7,333	156	22,028
GREAT LAKES															
Illinois	14,343	3,160	7,221	58	24,782	12,089	3,446	10,334	390	26,259	9,117	1,953	7,661	336	19,067
Indiana*	3,587	2,448	1,539	0	7,574	2,085	2,776	1,122	0	5,983	1,990	3,017	1,040	0	6,047
Michigan*	2,612	5,628	5,313	72	13,625	2,273	6,141	5,698	71	14,183	2,823	8,271	4,336	73	15,503
Ohio	5,776	6,092	13,217	159	25,244	5,449	7,046	12,374	182	25,051	5,486	7,319	13,913	216	26,934
Wisconsin	3,352	2,361	10,482	0	16,195	3,074	3,251	10,463	0	16,788	3,278	3,367	11,468	0	18,113
PLAINS															
Iowa	1,360	1,805	1,696	39	4,900	1,308	2,238	1,206	94	4,846	1,263	2,190	1,564	342	5,359
Kansas	914	975	1,500	106	3,495	784	1,548	1,557	82	3,971	823	316	2,600	111	3,850
Minnesota	4,020	2,031	2,043	250	8,344	3,784	2,340	2,474	327	8,925	3,631	2,608	2,660	347	9,246
Missouri	2,323	1,796	1,723	0	5,842	2,043	2,488	1,755	0	6,286	2,009	1,948	1,609	0	5,566
Nebraska	820	808	1,428	0	3,056	871	945	1,493	0	3,309	941	943	1,538	0	3,422
North Dakota	340	463	588	3	1,394	455	670	608	0	1,733	330	612	697	3	1,642
South Dakota	253	256	403	14	926	243	411	430	3	1,087	213	269	387	4	873
SOUTHEAST															
Alabama	697	1,059	1,409	592	3,757	880	1,093	1,156	386	3,515	615	1,124	1,189	357	3,285
Arkansas	536	1,670	4,372	51	6,629	562	2,190	4,766	89	7,607	577	1,951	4,824	83	7,435
Florida	4,869	5,538	6,683	659	17,749	4,131	5,328	6,893	518	16,870	4,727	6,719	7,284	534	19,264
Georgia	3,691	2,876	5,999	208	12,774	3,186	3,174	4,853	240	11,453	3,896	3,896	2,765	237	10,794
Kentucky	2,127	2,007	1,227	0	5,361	2,071	3,014	1,462	0	6,547	2,157	2,381	1,296	0	5,834
Louisiana	2,523	4,846	2,999	181	10,549	2,638	4,662	2,887	201	10,388	1,801	5,148	3,374	245	10,568
Mississippi	1,206	3,008	1,105	283	5,602	1,184	3,881	1,028	371	6,464	1,184	4,607	1,482	220	7,493
North Carolina	3,929	4,730	5,493	0	14,152	3,837	6,490	5,536	488	16,351	3,821	6,843	6,800	473	17,937
South Carolina	1,824	1,876	2,388	0	6,088	1,549	1,802	2,135	0	5,486	1,532	6,823	2,353	0	10,708
Tennessee	3,077	3,677	2,423	323	9,500	2,575	3,920	2,318	90	8,903	2,987	4,326	2,457	19	9,789
Virginia	3,751	824	7,160	302	12,037	4,439	1,863	9,058	399	15,759	5,637	2,307	7,946	459	16,349
West Virginia	1,066	801	10,602	0	12,469	984	1,086	9,618	0	11,688	1,006	977	10,312	0	12,295
SOUTHWEST															
Arizona*	1,781	2,038	2,885	0	6,704	2,353	2,104	3,283	0	7,740	1,944	1,988	5,426	0	9,358
New Mexico	1,742	967	1,759	448	4,916	1,042	1,032	2,041	0	4,115	1,300	1,636	1,993	0	4,929
Oklahoma	1,636	5,187	1,707	33	8,563	1,576	5,276	1,623	25	8,500	1,416	5,005	1,535	29	7,985
Texas	5,580	7,410	8,155	144	21,289	6,197	8,468	8,087	127	22,879	6,525	7,547	8,865	125	23,062
ROCKY MOUNTAIN															
Colorado	1,683	2,536	6,285	0	10,504	1,919	4,219	5,846	0	11,984	1,369	4,003	5,700	0	11,072
Idaho	469	857	472	21	1,819	392	877	493	21	1,783	367	871	587	21	1,846
Montana	570	608	1,228	0	2,406	579	804	1,328	0	2,711	584	835	1,327	0	2,746
Utah	1,097	710	1,582	0	3,389	872	1,161	2,499	28	4,560	981	1,748	2,652	46	5,427
Wyoming	2,569	898	242	0	3,709	2,554	853	1,260	0	4,667	2,590	1,202	1,738	0	5,530
FAR WEST															
Alaska	4,369	994	1,384	0	6,747	2,527	978	727	0	4,232	5,605	998	1,209	0	7,812
California	21,518	21,092	19,385	1,901	63,896	21,168	37,991	19,321	2,369	80,849	20,696	30,180	21,219	5,990	78,085
Hawaii*	1,635	513	2,770	302	5,220	2,352	810	1,797	485	5,444	2,407	760	1,808	372	5,347
Nevada	860	823	1,722	62	3,467	711	807	1,235	20	2,773	834	841	1,246	20	2,941
Oregon	1,272	2,442	8,402	64	12,180	1,954	4,200	12,971	158	19,283	1,679	4,642	12,958	146	19,425
Washington	1,998	2,760	3,941	744	9,443	2,336	3,026	2,807	481	8,650	2,208	2,712	2,587	521	8,028
TOTAL	\$177,057	\$129,590	\$203,106	\$11,146	\$520,899	\$168,787	\$169,105	\$210,722	\$11,808	\$560,422	\$168,390	\$171,482	\$216,636	\$15,681	\$572,189

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 44
ALL OTHER EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2009	Fiscal 2010	Fiscal 2011
NEW ENGLAND			
Connecticut	23.7 %	25.2 %	23.3 %
Maine	36.7	38.1	37.3
Massachusetts	44.4	48.6	46.7
New Hampshire	31.1	38.1	35.8
Rhode Island	39.0	40.1	39.3
Vermont	23.3	23.8	23.4
MID-ATLANTIC			
Delaware	45.5	45.5	43.2
Maryland	33.7	31.8	31.1
New Jersey	33.3	32.0	30.5
New York	33.3	31.5	31.4
Pennsylvania	30.4	31.6	31.4
GREAT LAKES			
Illinois	42.9	43.3	33.9
Indiana	29.4	22.4	22.4
Michigan	29.7	29.7	31.0
Ohio	43.7	43.5	44.7
Wisconsin	42.1	41.9	42.3
PLAINS			
Iowa	28.0	27.5	28.9
Kansas	25.0	28.3	26.1
Minnesota	27.9	29.6	28.8
Missouri	24.1	24.6	22.5
Nebraska	33.4	34.4	34.9
North Dakota	35.4	35.8	33.0
South Dakota	26.1	28.5	23.1
SOUTHEAST			
Alabama	19.0	17.1	15.8
Arkansas	36.4	38.2	36.6
Florida	29.3	27.2	27.3
Georgia	31.8	28.3	27.6
Kentucky	22.3	25.2	22.9
Louisiana	37.6	35.7	35.0
Mississippi	32.2	35.4	37.9
North Carolina	29.9	33.5	35.1
South Carolina	29.3	27.0	41.7
Tennessee	32.7	31.3	31.7
Virginia	32.6	38.7	38.5
West Virginia	61.0	57.4	57.2
SOUTHWEST			
Arizona	24.6	28.0	32.0
New Mexico	32.0	27.0	33.2
Oklahoma	39.6	39.3	36.2
Texas	23.1	24.6	24.4
ROCKY MOUNTAIN			
Colorado	36.5	38.6	38.9
Idaho	28.8	27.9	26.2
Montana	43.5	44.8	44.5
Utah	29.3	30.4	40.6
Wyoming	55.9	61.0	68.8
FAR WEST			
Alaska	53.6	43.4	56.1
California	32.7	39.2	34.3
Hawaii	44.2	49.7	47.6
Nevada	36.5	33.5	34.4
Oregon	49.7	59.2	58.1
Washington	28.0	25.8	24.8
ALL STATES	33.4 %	34.6 %	33.9 %

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 45
ANNUAL PERCENTAGE CHANGE IN ALL OTHER EXPENDITURES

Region/State	Fiscal 2009 to 2010			Fiscal 2010 to 2011		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	16.7%	12.2%	8.4%	-11.9%	-7.7%	-3.5%
Maine	0.2	31.1	6.1	-3.7	-3.9	-3.2
Massachusetts	14.0	12.2	13.5	-1.8	2.5	-1.4
New Hampshire	30.7	53.7	34.7	-0.5	-16.8	-6.7
Rhode Island	-3.1	58.7	9.2	0.0	10.2	4.0
Vermont	-12.0	39.1	10.3	14.4	-12.3	1.4
MID-ATLANTIC						
Delaware	1.2	-20.0	-0.2	-14.7	81.2	-8.5
Maryland	-5.5	18.3	-2.2	1.0	9.4	2.6
New Jersey	-9.6	25.7	-2.8	-10.4	17.0	-3.7
New York	-0.4	6.3	0.1	0.6	9.9	2.8
Pennsylvania	-8.7	64.7	12.9	5.7	5.3	2.5
GREAT LAKES						
Illinois	4.0	9.1	6.0	-25.2	-43.3	-27.4
Indiana	-37.4	13.4	-21.0	-5.5	8.7	1.1
Michigan	0.6	9.1	4.1	-10.2	34.7	9.3
Ohio	-6.2	15.7	-0.8	8.8	3.9	7.5
Wisconsin	-2.1	37.7	3.7	8.9	3.6	7.9
PLAINS						
Iowa	-17.7	24.0	-1.1	12.5	-2.1	10.6
Kansas	-3.0	58.8	13.6	46.2	-79.6	-3.0
Minnesota	3.2	15.2	7.0	0.5	11.5	3.6
Missouri	-6.1	38.5	7.6	-4.7	-21.7	-11.5
Nebraska	5.2	17.0	8.3	4.9	-0.2	3.4
North Dakota	14.5	44.7	24.3	-3.4	-8.7	-5.3
South Dakota	2.6	60.5	17.4	-10.8	-34.5	-19.7
SOUTHEAST						
Alabama	-3.3	3.2	-6.4	-11.4	2.8	-6.5
Arkansas	8.6	31.1	14.8	1.4	-10.9	-2.3
Florida	-4.6	-3.8	-5.0	9.0	26.1	14.2
Georgia	-17.0	10.4	-10.3	-17.1	22.7	-5.8
Kentucky	5.3	50.2	22.1	-2.3	-21.0	-10.9
Louisiana	0.1	-3.8	-1.5	-6.3	10.4	1.7
Mississippi	-4.3	29.0	15.4	20.5	18.7	15.9
North Carolina	-0.5	37.2	15.5	13.3	5.4	9.7
South Carolina	-12.5	-3.9	-9.9	5.5	278.6	95.2
Tennessee	-11.0	6.6	-6.3	11.3	10.4	10.0
Virginia	23.7	126.1	30.9	0.6	23.8	3.7
West Virginia	-9.1	35.6	-6.3	6.8	-10.0	5.2
SOUTHWEST						
Arizona	20.8	3.2	15.5	30.8	-5.5	20.9
New Mexico	-11.9	6.7	-16.3	6.8	58.5	19.8
Oklahoma	-4.3	1.7	-0.7	-7.8	-5.1	-6.1
Texas	4.0	14.3	7.5	7.7	-10.9	0.8
ROCKY MOUNTAIN						
Colorado	-2.5	66.4	14.1	-9.0	-5.1	-7.6
Idaho	-6.0	2.3	-2.0	7.8	-0.7	3.5
Montana	6.1	32.2	12.7	0.2	3.9	1.3
Utah	25.8	63.5	34.6	7.8	50.6	19.0
Wyoming	35.7	-5.0	25.8	13.5	40.9	18.5
FAR WEST						
Alaska	-43.4	-1.6	-37.3	109.4	2.0	84.6
California	-1.0	80.1	26.5	3.5	-20.6	-3.4
Hawaii	-5.8	57.9	4.3	1.6	-6.2	-1.8
Nevada	-24.6	-1.9	-20.0	6.9	4.2	6.1
Oregon	54.3	72.0	58.3	-1.9	10.5	0.7
Washington	-13.4	9.6	-8.4	-6.8	-10.4	-7.2
ALL STATES	-0.2%	30.5%	7.6%	1.5%	1.4%	2.1%

Notes: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2010 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
NEW ENGLAND										
Connecticut*										X
Maine										
Massachusetts										
New Hampshire										
Rhode Island									X	
Vermont				P	P	X				
MID-ATLANTIC										
Delaware										
Maryland										
New Jersey										
New York	P	P								
Pennsylvania										
GREAT LAKES										
Illinois	P				P	P			X	
Indiana										
Michigan*				P	P	P				
Ohio										
Wisconsin										
PLAINS										
Iowa									X	
Kansas							N/A		N/A	
Minnesota										
Missouri									X	
Nebraska									X	
North Dakota										
South Dakota										X
SOUTHEAST										
Alabama									P	P
Arkansas										
Florida										
Georgia				P	P	P				
Kentucky										
Louisiana										
Mississippi									P	
North Carolina										
South Carolina										P
Tennessee										X
Virginia										
West Virginia										
SOUTHWEST										
Arizona*										
New Mexico									X	X
Oklahoma									P	P
Texas	P		X	X					P	X
ROCKY MOUNTAIN										
Colorado										
Idaho									X	X
Montana										
Utah										
Wyoming										
FAR WEST										
Alaska							P		P	
California									X	
Hawaii*	P	P								
Nevada										X
Oregon										
Washington				P						X
ALL STATES	4	2	1	5	4	4	2	0	14	11

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

Source: National Association of State Budget Officers, 2010 State Expenditure Report

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.

Connecticut: Regarding general aid to local government, local aid estimates are approximately \$2.8 billion each year.

Hawaii: Employer contributions to current employees' pensions and health benefits: general fund amounts are budgeted centrally (except for Elementary and Secondary Education and Higher Education) and reported in "All Other State Expenditures." For non-general funds, employer contributions are shown in each functional area.

Indiana: Expenditure figures for "2010 Actual – 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.

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 2011 annual financial report.

Vermont: Fiscal 2009 General Funds, Federal Funds, and Other State Funds figures were restated from last year's survey to correct a double counting issue with transfers.

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 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

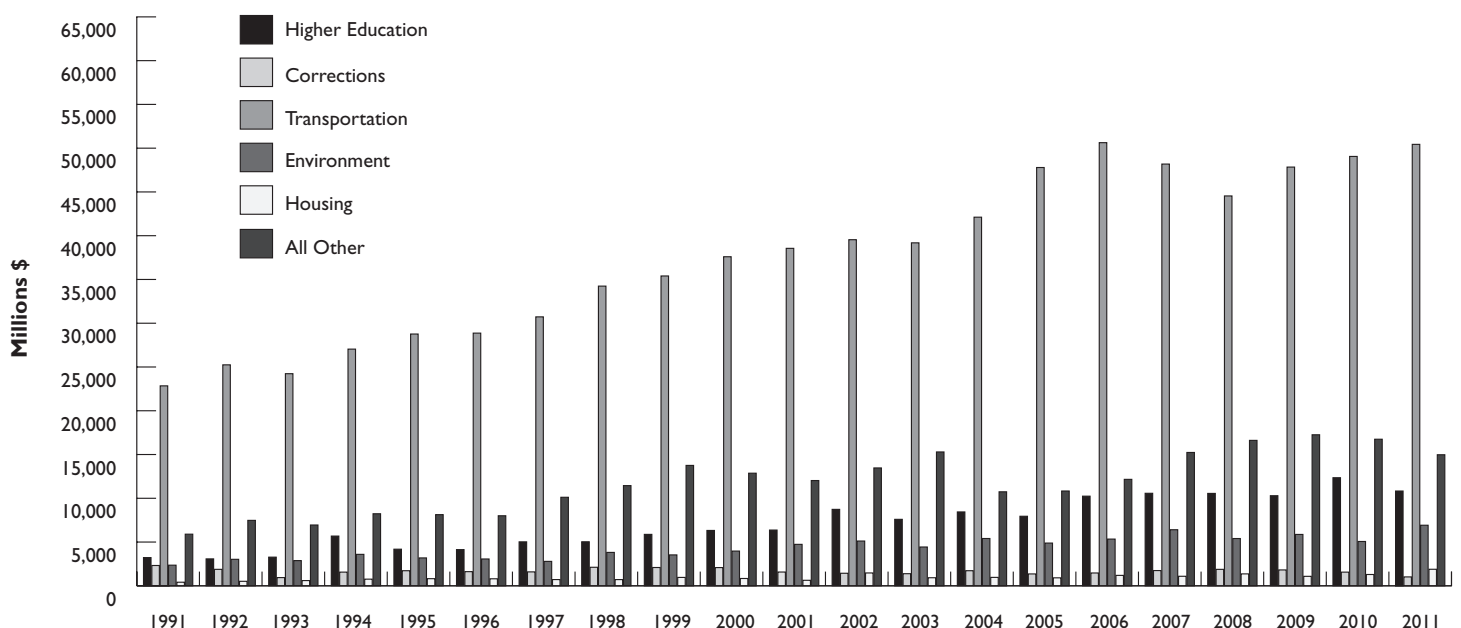
Because the nature of capital spending includes long construction timetables and unforeseen or delayed project costs, increases in state spending on capital projects are generally followed by a slowdown or decrease in spending. States decreased capital spending in fiscal 2008 by 3.5 percent following four straight years of growth. Unlike some

previous declines in capital spending, this decline was short-lived. Fiscal 2009 capital spending grew 5 percent from fiscal 2008 levels and fiscal 2010 capital spending grew 2 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 20.6 percent in fiscal 2010 and other state funds decreased by 9.6 percent, federal funds increased by 8 percent and bonds increased by 13.5 percent. In fiscal 2011, total capital spending is estimated to remain relatively stable, declining by less than 0.1 percent. Overall, state capital spending totaled \$84.4 billion in fiscal 2009, \$86.1 billion in fiscal 2010, and is estimated to total \$86.1 billion in fiscal 2011.

Capital Fund Sources

State spending on capital projects traditionally has come from non-general fund sources. Bonds (37.6 percent in fiscal 2010) and other state funds such as dedicated fees and fund surpluses (30.8 percent) combine to account for 68.4 percent of total state spending on capital projects. Federal funds (26.8 percent) and state general funds (4.8 percent) also contribute to capital spending.

Figure 20
CAPITAL EXPENDITURES BY TYPE, FISCAL 1991 TO 2011



Capital Funds by Use

Comprising 57 percent (\$49.1 billion) of all capital expenditures in fiscal 2010, **transportation** is the largest category of state capital expenditures. Capital spending for transportation increased by 7.5 percent in fiscal 2010, and is expected to increase by 2.8 percent in fiscal 2011.

Higher education capital expenditures decreased by 3.6 percent in fiscal 2010, totaling \$12.3 billion. In fiscal 2011, higher education capital spending is estimated to decrease by 12.3 percent. In fiscal 2010, higher education accounted for 14.3 percent of total state capital outlays.

State capital spending for **environmental** purposes in fiscal 2010 totaled \$5.1 billion, 5.9 percent of total capital spending and an 11.1 percent decrease from fiscal 2009. Environmental capital expenditures are estimated to increase 36.6 percent in fiscal 2011, due mostly to increased expenditures in California.

Corrections capital spending experienced an increase of 0.3 percent in fiscal 2010, totaling \$1.6 billion. Corrections accounted for 1.8 percent of total state capital expenditures. Fiscal 2011 estimates indicate spending of \$1.0 billion, a 35 percent decrease.

Housing capital expenditures account for just 1.5 percent of total fiscal 2010 capital spending, at approximately \$1.3 billion. Housing capital spending decreased by 8 percent in fiscal 2010, and is estimated to increase by 46.2 percent in fiscal 2011, rising to \$1.9 billion.

State spending for **“all other”** purposes totaled \$16.7 billion in fiscal 2010, or 19.5 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 2010

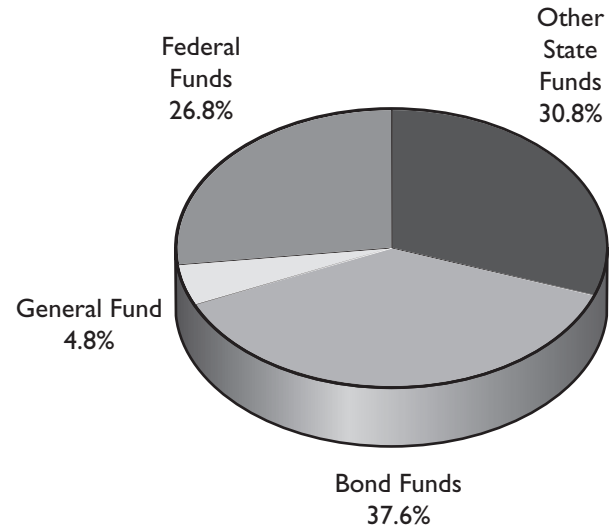


Figure 21
ANNUAL PERCENTAGE CHANGE IN TOTAL CAPITAL EXPENDITURES

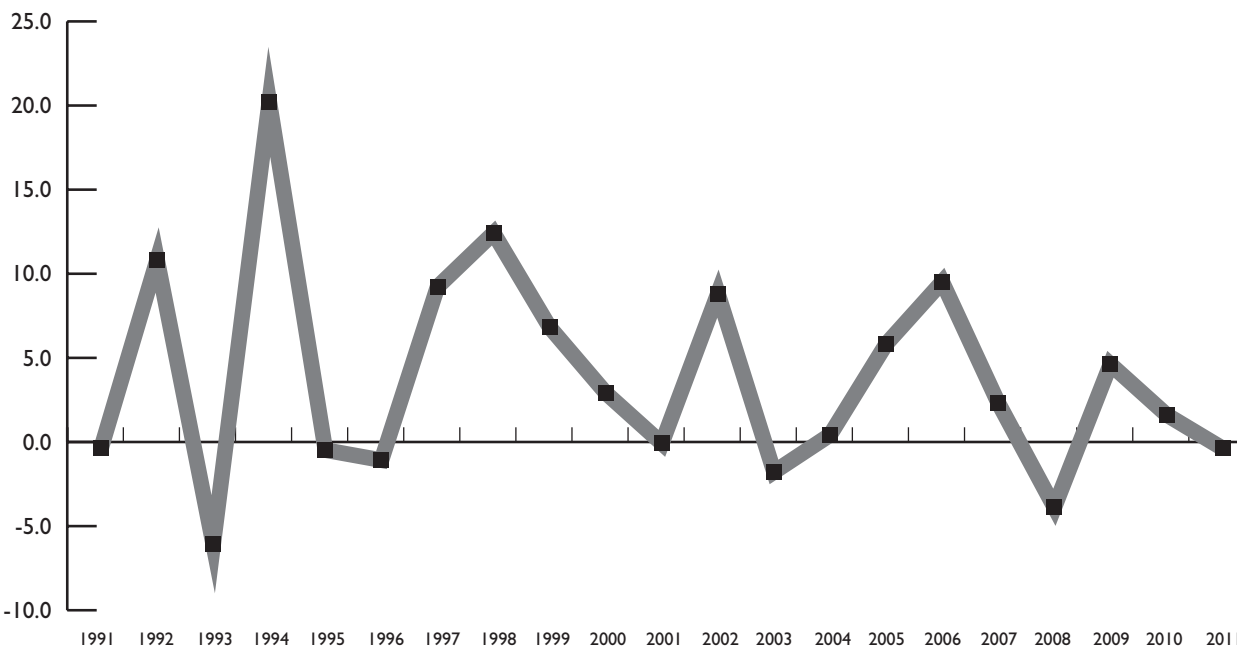


Table 47
TOTAL CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2009					Actual Fiscal 2010					Estimated Fiscal 2011				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut*	\$0	\$0	\$0	\$1,852	\$1,852	\$0	\$0	\$0	\$1,819	\$1,819	\$0	\$0	\$0	\$2,381	\$2,381
Maine	1	122	85	60	268	0	181	76	41	298	7	165	123	68	363
Massachusetts	0	660	43	1,568	2,271	0	795	42	1,873	2,709	0	671	5	1,835	2,510
New Hampshire	0	11	157	172	340	0	8	143	138	289	0	11	143	133	287
Rhode Island*	1	176	41	149	367	1	192	81	101	375	1	148	57	112	318
Vermont	0	157	44	56	257	0	177	42	74	293	0	216	42	86	344
MID-ATLANTIC															
Delaware	0	201	224	281	706	0	239	170	253	662	0	199	141	204	544
Maryland	16	72	470	926	1,484	0	248	404	1,129	1,781	1	64	327	1,184	1,576
New Jersey	1,800	2,316	110	1,641	5,867	1,124	1,666	121	1,669	4,580	1,122	1,853	19	1,701	4,695
New York	0	1,552	2,125	3,153	6,830	0	1,727	2,122	3,263	7,112	0	2,143	2,120	3,582	7,845
Pennsylvania	0	0	0	999	999	0	0	0	1,655	1,655	0	0	0	561	561
GREAT LAKES															
Illinois	0	120	2,337	151	2,608	0	108	2,722	892	3,722	0	124	2,608	1,839	4,571
Indiana	236	0	39	98	373	219	0	59	169	447	214	28	44	100	386
Michigan*	236	1,078	278	232	1,823	233	1,177	312	264	1,986	243	1,598	286	201	2,327
Ohio	0	914	587	2,064	3,566	0	1,000	466	2,118	3,584	0	1,239	466	1,918	3,623
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	371	404	28	803	0	362	463	67	892	0	385	285	284	954
Kansas	25	436	736	95	1,292	9	457	236	143	845	28	546	444	162	1,180
Minnesota	46	82	930	599	1,657	21	102	742	746	1,611	42	143	1,008	847	2,040
Missouri*	23	21	111	0	155	33	50	119	0	202	33	68	64	0	165
Nebraska	9	281	665	0	955	15	307	600	0	922	14	291	503	0	809
North Dakota	45	244	131	10	430	79	319	160	20	578	85	333	126	21	565
South Dakota	4	4	92	77	177	7	6	46	67	126	12	7	31	50	100
SOUTHEAST															
Alabama*	16	450	240	593	1,299	9	607	153	391	1,160	2	805	125	359	1,291
Arkansas	0	27	62	14	103	0	48	86	47	181	0	32	54	34	120
Florida	292	2,559	5,274	2,042	10,167	66	2,312	4,565	1,345	8,288	159	2,030	6,041	1,377	9,608
Georgia	17	764	695	1,097	2,573	7	1,460	334	1,153	2,954	4	906	344	662	1,916
Kentucky	0	0	832	0	832	0	0	1,071	0	1,071	0	0	667	0	667
Louisiana	86	45	1,043	592	1,766	371	87	1,257	641	2,356	352	50	1,402	580	2,384
Mississippi	24	446	400	367	1,236	25	516	378	419	1,338	31	386	544	266	1,226
North Carolina	23	0	0	600	623	5	0	0	488	493	11	0	0	473	484
South Carolina	57	12	260	183	512	52	17	205	86	360	0	0	0	0	0
Tennessee*	70	1,533	703	466	2,772	40	914	620	100	1,674	136	905	298	177	1,516
Virginia	34	30	309	1,402	1,775	7	26	183	1,166	1,381	5	21	165	1,057	1,248
West Virginia	34	506	502	107	1,149	24	627	502	54	1,207	26	677	537	40	1,280
SOUTHWEST															
Arizona	38	496	177	838	1,549	37	522	221	852	1,632	35	620	252	345	1,252
New Mexico	55	0	3	562	620	42	0	2	350	394	0	0	0	0	0
Oklahoma	98	1,101	631	155	1,985	83	1,364	433	540	2,420	83	1,143	1,105	247	2,578
Texas*	281	278	2,069	133	2,761	259	395	2,125	129	2,908	258	690	2,106	253	3,307
ROCKY MOUNTAIN															
Colorado	324	0	1,247	0	1,571	132	0	1,078	0	1,210	57	0	1,117	0	1,174
Idaho	13	175	127	29	344	8	288	73	27	396	9	453	168	27	657
Montana*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah*	251	297	974	43	1,565	75	393	972	2,393	3,833	181	155	941	46	1,323
Wyoming	214	39	98	0	351	215	40	98	0	353	68	40	117	0	225
FAR WEST															
Alaska	676	1,394	990	345	3,405	866	1,187	105	0	2,158	611	1,010	496	228	2,345
California	118	1,268	800	1,490	3,676	41	1,762	1,186	2,400	5,389	56	2,837	905	4,534	8,332
Hawaii*	0	240	160	570	970	0	240	264	674	1,178	0	0	0	0	0
Nevada	7	350	563	256	1,176	6	395	456	124	981	3	378	382	222	984
Oregon	13	30	133	255	431	5	43	108	469	625	4	43	119	508	674
Washington	0	502	1,419	2,179	4,100	0	699	913	2,029	3,641	0	592	704	2,025	3,321
TOTAL*	\$5,182	\$21,358	\$29,321	\$28,528	\$84,390	\$4,114	\$23,063	\$26,514	\$32,377	\$86,068	\$3,892	\$24,004	\$27,430	\$30,729	\$86,056

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 48
HIGHER EDUCATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2009					Actual Fiscal 2010					Estimated Fiscal 2011				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$257	\$257	\$0	\$0	\$0	\$300	\$300	\$0	\$0	\$0	\$285	\$285
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	39	39	0	0	0	11	11	0	0	0	12	12
New Hampshire	0	0	0	39	39	0	0	0	43	43	0	0	0	23	23
Rhode Island	0	0	6	44	50	0	0	10	20	30	0	0	18	27	45
Vermont	0	0	0	3	3	0	0	0	4	4	0	0	0	5	5
MID-ATLANTIC															
Delaware	0	0	0	1	1	0	0	0	4	4	0	0	0	5	5
Maryland	0	0	33	264	297	0	0	27	284	311	0	0	27	325	352
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	0	67	524	591	0	0	83	734	817	0	0	87	775	862
Pennsylvania	0	0	0	270	270	0	0	0	270	270	0	0	0	151	151
GREAT LAKES															
Illinois	0	0	0	39	39	0	0	0	56	56	0	0	0	111	111
Indiana	31	0	0	98	129	0	0	0	169	169	0	23	0	100	123
Michigan*	126	0	0	55	181	132	0	0	91	223	135	0	0	74	209
Ohio	0	0	0	288	288	0	0	0	317	317	0	0	0	261	261
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	32	3	35	0	0	22	16	38	0	0	8	45	53
Kansas	5	1	74	31	111	2	12	73	33	120	4	34	80	32	150
Minnesota	0	0	0	192	192	0	0	0	227	227	0	0	0	167	167
Missouri	3	0	75	0	78	4	6	67	0	77	2	6	28	0	36
Nebraska	7	1	193	0	201	12	1	186	0	199	12	4	134	0	150
North Dakota	17	0	30	7	54	37	6	34	20	97	48	10	16	18	92
South Dakota	0	0	0	63	63	0	0	0	64	64	0	0	0	46	46
SOUTHEAST															
Alabama*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	0	0	9	0	9	0	0	19	0	19	0	0	17	0	17
Florida	16	0	57	942	1,015	11	0	140	190	341	0	0	581	450	1,031
Georgia	0	0	0	432	432	0	0	0	532	532	0	0	0	221	221
Kentucky	0	0	498	0	498	0	0	485	0	485	0	0	312	0	312
Louisiana	47	7	54	68	176	28	0	13	58	99	46	1	24	44	115
Mississippi	19	5	84	19	127	20	4	82	13	119	25	3	130	10	168
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	12	2	212	182	408	8	3	159	85	255	0	0	0	0	0
Tennessee	16	0	0	163	179	2	0	0	10	12	69	0	0	10	79
Virginia	24	16	195	1,164	1,399	3	1	164	937	1,105	1	0	112	827	940
West Virginia	0	0	168	55	223	0	0	196	17	213	0	0	202	17	219
SOUTHWEST															
Arizona	35	1	48	379	463	35	1	50	485	571	35	1	46	88	170
New Mexico	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oklahoma	0	4	291	84	379	0	2	196	421	619	0	14	200	100	314
Texas	249	84	1,996	0	2,329	220	88	2,047	0	2,355	216	87	2,012	0	2,315
ROCKY MOUNTAIN															
Colorado	115	0	185	0	300	34	0	184	0	218	13	0	206	0	219
Idaho	12	0	9	6	27	7	0	13	6	26	9	0	15	6	30
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	26	0	1	43	70	0	0	0	118	118	109	0	0	0	109
Wyoming	39	1	0	0	40	39	1	0	0	40	0	0	0	0	0
FAR WEST															
Alaska	14	120	80	0	214	4	30	0	0	34	69	1	0	228	298
California	0	0	0	402	402	0	0	0	832	832	0	0	0	286	286
Hawaii	0	0	0	145	145	0	0	7	109	116	0	0	0	0	0
Nevada	0	0	51	80	131	4	0	49	34	87	1	0	11	47	59
Oregon	12	0	107	171	290	5	1	87	288	381	4	2	94	281	381
Washington	0	0	186	443	629	0	0	78	315	393	0	0	137	270	407
TOTAL	\$825	\$242	\$4,741	\$6,995	\$12,803	\$607	\$156	\$4,471	\$7,113	\$12,347	\$798	\$186	\$4,497	\$5,347	\$10,828

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 49
CORRECTIONS CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2009					Actual Fiscal 2010					Estimated Fiscal 2011				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$24	\$24	\$0	\$0	\$0	\$1	\$1	\$0	\$0	\$0	\$17	\$17
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	3	3	0	0	0	3	3	0	0	0	2	2
Rhode Island	0	0	3	0	3	0	0	2	0	2	0	0	3	0	3
Vermont	0	0	0	2	2	0	0	0	0	0	0	0	0	1	1
MID-ATLANTIC															
Delaware	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maryland	0	0	0	35	35	0	10	0	84	94	0	0	0	28	28
New Jersey	4	4	0	1	9	2	0	0	0	2	0	0	0	1	1
New York	0	0	0	279	279	0	0	0	264	264	0	0	0	216	216
Pennsylvania	0	0	0	90	90	0	0	0	224	224	0	0	0	50	50
GREAT LAKES															
Illinois	0	0	0	8	8	0	0	0	7	7	0	0	0	5	5
Indiana	55	0	14	0	69	55	0	12	0	67	56	0	15	0	71
Michigan	48	0	0	0	48	47	0	0	1	48	47	0	0	2	49
Ohio	0	0	0	36	36	0	0	0	33	33	0	0	0	40	40
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	4	2	6	0	0	1	21	22	0	0	1	119	120
Kansas	3	0	2	7	12	2	0	3	7	12	3	0	1	8	12
Minnesota	10	0	1	26	37	4	0	0	14	18	10	1	0	14	25
Missouri	0	5	0	0	5	0	0	6	0	6	0	0	1	0	1
Nebraska	1	0	0	0	1	1	0	1	0	2	1	0	1	0	2
North Dakota	3	0	0	0	3	2	0	1	0	3	12	0	0	0	12
South Dakota	1	0	0	0	1	4	0	0	0	4	1	0	1	0	2
SOUTHEAST															
Alabama	3	0	1	1	5	6	0	2	5	13	0	21	1	2	24
Arkansas	0	0	5	0	5	0	3	9	0	12	0	0	1	0	1
Florida	129	0	0	30	159	5	0	0	180	185	0	0	0	34	34
Georgia	0	0	0	28	28	0	0	0	35	35	0	0	0	25	25
Kentucky	0	0	9	0	9	0	0	4	0	4	0	0	12	0	12
Louisiana	9	1	2	2	14	0	0	0	5	5	0	0	0	1	1
Mississippi	1	0	1	0	2	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	8	0	12	0	20	2	0	8	0	10	0	0	0	0	0
Tennessee	0	0	85	4	89	0	0	30	0	30	0	0	32	0	32
Virginia	1	10	1	22	34	3	2	4	70	79	0	1	1	25	27
West Virginia	3	0	1	15	19	3	71	6	0	80	2	0	3	0	5
SOUTHWEST															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Oklahoma	1	4	1	0	6	1	0	0	0	1	1	0	4	0	5
Texas	12	0	0	18	30	17	0	0	11	28	17	0	0	13	30
ROCKY MOUNTAIN															
Colorado	25	0	81	0	106	21	0	64	0	85	9	0	14	0	23
Idaho	1	0	0	2	3	1	0	1	0	2	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
FAR WEST															
Alaska	13	0	15	0	28	7	0	0	0	7	22	0	0	0	22
California	87	0	0	0	87	22	0	0	1	23	44	0	0	1	45
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	2	0	0	104	106	0	0	0	34	34	0	0	0	10	10
Oregon	0	0	0	15	15	0	0	0	15	15	0	0	0	36	36
Washington	0	0	6	115	121	0	0	0	46	46	0	0	0	26	26
TOTAL	\$421	\$24	\$244	\$869	\$1,558	\$261	\$86	\$155	\$1,061	\$1,563	\$226	\$23	\$92	\$676	\$1,017

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 50
TRANSPORTATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2009					Actual Fiscal 2010					Estimated Fiscal 2011				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$418	\$418	\$0	\$0	\$0	\$588	\$588	\$0	\$0	\$0	\$1,087	\$1,087
Maine	0	112	78	47	237	0	172	72	28	272	7	154	118	60	339
Massachusetts	0	660	43	626	1,329	0	795	42	919	1,756	0	671	5	848	1,524
New Hampshire	0	11	157	0	168	0	8	143	0	151	0	11	143	0	154
Rhode Island	0	165	5	42	212	0	182	5	37	224	0	143	4	32	179
Vermont	0	157	44	13	214	0	177	42	2	221	0	216	42	12	270
MID-ATLANTIC															
Delaware	0	201	224	0	425	0	239	170	0	409	0	199	141	0	340
Maryland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Jersey	895	1,886	74	1,578	4,433	895	1,394	95	1,582	3,966	895	1,758	10	1,609	4,272
New York	0	1,346	1,625	823	3,794	0	1,459	1,523	885	3,867	0	1,681	1,538	885	4,104
Pennsylvania	0	0	0	380	380	0	0	0	390	390	0	0	0	204	204
GREAT LAKES															
Illinois	0	113	2,069	46	2,228	0	101	2,362	439	2,902	0	117	2,036	1,387	3,540
Indiana	2	0	0	0	2	0	0	21	0	21	0	0	6	0	6
Michigan	0	896	163	105	1,164	0	911	207	100	1,218	0	1,194	152	52	1,398
Ohio	0	914	584	551	2,049	0	1,000	463	589	2,052	0	1,239	462	496	2,197
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	371	274	0	645	0	362	382	0	744	0	362	227	58	647
Kansas	7	428	635	53	1,123	0	436	152	100	688	8	486	363	105	962
Minnesota	0	26	881	124	1,031	0	36	673	177	886	0	25	904	318	1,247
Missouri	4	0	0	0	4	6	8	0	0	14	1	0	0	0	1
Nebraska	0	258	430	0	688	0	280	360	0	640	0	256	322	0	578
North Dakota	0	211	72	0	283	0	278	88	0	366	0	273	81	0	354
South Dakota	0	0	15	0	15	0	0	12	0	12	0	1	21	0	22
SOUTHEAST															
Alabama	0	450	172	0	622	0	607	57	0	664	0	784	75	0	859
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	0	2,131	2,491	411	5,033	0	1,607	2,825	457	4,889	0	1,623	4,027	360	6,010
Georgia	17	764	695	323	1,799	7	1,460	334	49	1,850	4	906	344	9	1,263
Kentucky	0	0	17	0	17	0	0	24	0	24	0	0	17	0	17
Louisiana	0	6	830	341	1,177	209	1	919	377	1,506	163	2	1,085	290	1,540
Mississippi	0	386	237	60	683	0	488	213	36	737	0	352	249	37	638
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	2	0	2	0	0	0	0	0
Tennessee	0	1,533	618	0	2,151	0	912	588	0	1,500	0	900	266	164	1,330
Virginia	0	0	70	43	113	0	0	18	4	22	0	0	34	16	50
West Virginia	3	468	265	37	773	2	506	212	37	757	6	598	269	23	896
SOUTHWEST															
Arizona	0	493	125	459	1,077	0	519	166	367	1,052	0	619	204	257	1,080
New Mexico	26	0	3	271	300	31	0	2	140	173	0	0	0	0	0
Oklahoma	0	763	211	71	1,045	0	1,021	104	119	1,244	0	788	323	147	1,258
Texas	1	0	65	0	66	1	0	73	0	74	1	0	87	0	88
ROCKY MOUNTAIN															
Colorado	29	0	913	0	942	0	0	711	0	711	0	0	709	0	709
Idaho	0	175	65	0	240	0	288	40	0	328	0	453	131	0	584
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	32	294	943	0	1,269	1	390	947	2,247	3,585	2	153	909	0	1,064
Wyoming	154	29	88	0	271	154	29	88	0	271	57	34	110	0	201
FAR WEST															
Alaska	96	883	161	345	1,485	296	748	60	0	1,104	120	896	49	0	1,065
California	0	1,241	699	703	2,643	0	1,730	981	1,256	3,967	0	2,624	628	2,444	5,696
Hawaii	0	229	58	123	410	0	202	71	80	353	0	0	0	0	0
Nevada	0	345	506	9	860	0	392	405	37	834	0	373	366	145	884
Oregon	0	4	0	5	9	0	1	0	8	9	0	1	0	45	46
Washington	0	414	714	689	1,817	0	542	530	940	2,012	0	447	199	1,086	1,732
TOTAL	\$1,266	\$18,363	\$17,319	\$8,696	\$45,644	\$1,602	\$19,281	\$16,182	\$11,990	\$49,055	\$1,264	\$20,339	\$16,656	\$12,176	\$50,435

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 5 I
ENVIRONMENTAL CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2009					Actual Fiscal 2010					Estimated Fiscal 2011				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$366	\$366	\$0	\$0	\$0	\$10	\$10	\$0	\$0	\$0	\$335	\$335
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	218	218	0	0	0	164	164	0	0	0	138	138
New Hampshire	0	0	0	4	4	0	0	0	5	5	0	0	0	8	8
Rhode Island	1	6	2	13	22	1	4	5	8	18	1	3	2	11	17
Vermont	0	0	0	7	7	0	0	0	5	5	0	0	0	11	11
MID-ATLANTIC															
Delaware	0	0	0	2	2	0	0	0	2	2	0	0	0	8	8
Maryland	8	55	362	58	483	0	168	350	160	678	1	46	277	320	644
New Jersey	101	4	17	47	169	89	219	9	60	377	93	79	9	59	240
New York	0	86	154	353	593	0	114	293	171	578	0	307	285	136	728
Pennsylvania	0	0	0	0	0	0	0	0	5	5	0	0	0	1	1
GREAT LAKES															
Illinois	0	7	249	12	268	0	7	359	13	379	0	7	571	67	645
Indiana	40	0	2	0	42	34	0	2	0	36	30	0	2	0	32
Michigan	5	14	53	29	101	2	19	50	25	96	2	21	76	4	103
Ohio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	18	8	26	0	0	4	6	10	0	0	4	21	25
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	11	10	28	11	60	8	9	58	14	89	7	15	34	11	67
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	11	15	0	28	6	11	29	0	46	4	9	11	0	24
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHEAST															
Alabama*	1	0	21	16	38	0	0	47	17	64	0	0	9	0	9
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	36	428	878	422	1,764	2	705	220	439	1,366	65	408	213	468	1,154
Georgia	0	0	0	80	80	0	0	0	45	45	0	0	0	34	34
Kentucky	0	0	0	0	0	0	0	30	0	30	0	0	35	0	35
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	8	11	14	33	0	11	5	7	23	0	3	7	3	13
North Carolina	23	0	0	0	23	5	0	0	0	5	11	0	0	0	11
South Carolina	1	2	9	0	12	4	1	9	1	15	0	0	0	0	0
Tennessee	2	0	0	0	2	0	0	0	0	0	5	0	0	0	5
Virginia	0	3	11	21	35	0	10	6	39	55	2	11	5	21	39
West Virginia	0	12	13	0	25	0	21	13	0	34	0	20	13	0	33
SOUTHWEST															
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	8	45	35	0	88	2	60	51	0	113	2	60	51	0	113
Texas	16	0	0	0	16	18	0	0	0	18	21	1	0	0	22
ROCKY MOUNTAIN															
Colorado	1	0	3	0	4	0	0	0	0	0	0	0	2	0	2
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	47	149	1	0	197	37	52	6	0	95	36	39	6	0	81
California	24	26	20	384	454	10	32	17	282	341	12	69	66	1,797	1,944
Hawaii*	0	0	0	7	7	0	0	0	0	0	0	0	0	0	0
Nevada	0	0	0	1	1	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	64	188	280	532	0	93	125	145	363	0	83	110	207	400
TOTAL	\$327	\$930	\$2,090	\$2,353	\$5,700	\$218	\$1,536	\$1,688	\$1,623	\$5,065	\$292	\$1,181	\$1,788	\$3,660	\$6,921

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 52
HOUSING CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2009					Actual Fiscal 2010					Estimated Fiscal 2011				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$10	\$10	\$0	\$0	\$0	\$22	\$22	\$0	\$0	\$0	\$41	\$41
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	186	186	0	0	0	174	174	0	0	0	166	166
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	3	3	0	0	0	6	6	0	0	0	5	5
MID-ATLANTIC															
Delaware	0	0	0	4	4	0	0	0	2	2	0	0	0	3	3
Maryland	7	15	37	8	67	0	52	27	19	98	0	18	23	37	78
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	3	0	139	142	0	3	0	143	146	0	3	0	139	142
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GREAT LAKES															
Illinois	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Michigan	0	147	40	2	189	0	230	42	10	282	0	368	45	10	423
Ohio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas	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
SOUTHEAST															
Alabama	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	0	0	259	0	259	0	0	31	0	31	0	0	38	0	38
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	1	1	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
SOUTHWEST															
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	193	8	114	315	0	306	5	114	425	0	600	7	226	833
ROCKY MOUNTAIN															
Colorado	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	1	90	47	0	138	2	21	38	0	61	40	17	9	0	66
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	3	89	92	0	0	5	40	45	0	0	11	83	94
TOTAL	\$8	\$448	\$394	\$556	\$1,406	\$2	\$612	\$148	\$531	\$1,293	\$40	\$1,006	\$133	\$711	\$1,890

Source: National Association of State Budget Officers, 2010 State Expenditure Report

Table 53
ALL OTHER CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2009					Actual Fiscal 2010					Estimated Fiscal 2011				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$777	\$777	\$0	\$0	\$0	\$898	\$898	\$0	\$0	\$0	\$616	\$616
Maine	1	10	7	13	31	0	9	4	13	26	0	11	5	8	24
Massachusetts	0	0	0	500	500	0	0	0	604	604	0	0	0	671	671
New Hampshire	0	0	0	126	126	0	0	0	87	87	0	0	0	100	100
Rhode Island*	0	5	25	50	80	0	6	59	36	101	0	2	30	42	74
Vermont	0	0	0	28	28	0	0	0	57	57	0	0	0	52	52
MID-ATLANTIC															
Delaware	0	0	0	274	274	0	0	0	245	245	0	0	0	188	188
Maryland	1	2	38	561	602	0	19	0	581	600	0	0	0	474	474
New Jersey	800	422	19	15	1,256	138	53	17	27	235	134	16	0	32	182
New York	0	117	279	1,035	1,431	0	151	223	1,066	1,440	0	152	210	1,431	1,793
Pennsylvania	0	0	0	259	259	0	0	0	766	766	0	0	0	155	155
GREAT LAKES															
Illinois	0	0	19	46	65	0	0	1	377	378	0	0	1	269	270
Indiana	108	0	23	0	131	130	0	24	0	154	128	5	21	0	154
Michigan	57	21	21	41	140	52	17	13	36	118	59	14	13	59	145
Ohio	0	0	3	1,189	1,192	0	0	3	1,178	1,181	0	0	4	1,121	1,125
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	76	15	91	0	0	54	24	78	0	23	45	41	109
Kansas	10	7	25	4	46	5	9	8	3	25	13	26	0	17	56
Minnesota	25	46	20	246	337	9	57	11	314	391	25	102	70	337	534
Missouri	16	16	36	0	68	23	36	46	0	105	30	62	34	0	126
Nebraska	1	22	42	0	65	2	26	53	0	81	2	32	46	0	80
North Dakota	23	22	14	3	62	34	24	8	0	66	21	41	18	3	83
South Dakota	3	4	77	14	98	3	6	34	3	46	11	6	9	4	30
SOUTHEAST															
Alabama*	12	0	46	576	634	3	0	47	369	419	2	0	40	357	399
Arkansas	0	27	48	14	89	0	45	58	47	150	0	32	36	34	102
Florida	110	0	1,589	237	1,936	48	0	1,349	79	1,476	94	0	1,184	66	1,344
Georgia	0	0	0	233	233	0	0	0	492	492	0	0	0	374	374
Kentucky	0	0	308	0	308	0	0	528	0	528	0	0	291	0	291
Louisiana	30	31	157	181	399	134	86	325	201	746	143	47	293	245	728
Mississippi	3	47	67	272	389	3	13	77	364	457	5	28	158	217	408
North Carolina	0	0	0	600	600	0	0	0	488	488	0	0	0	473	473
South Carolina	36	8	27	1	72	38	13	27	0	78	0	0	0	0	0
Tennessee	52	0	0	299	351	38	2	2	90	132	62	5	0	3	70
Virginia	9	0	33	152	194	1	13	-9	116	121	3	9	13	168	193
West Virginia	28	26	55	0	109	19	29	75	0	123	18	59	50	0	127
SOUTHWEST															
Arizona	3	2	4	0	9	2	2	5	0	9	0	0	2	0	2
New Mexico	28	0	0	291	319	11	0	0	210	221	0	0	0	0	0
Oklahoma	89	285	93	0	467	80	281	82	0	443	80	281	527	0	888
Texas	3	1	0	1	5	3	1	0	4	8	3	2	0	14	19
ROCKY MOUNTAIN															
Colorado	154	0	65	0	219	77	0	119	0	196	34	0	186	0	220
Idaho	0	0	53	21	74	0	0	19	21	40	0	0	22	21	43
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	193	3	30	0	226	19	3	25	28	75	70	2	32	46	150
Wyoming	21	9	10	0	40	22	10	10	0	42	11	6	7	0	24
FAR WEST															
Alaska	505	152	686	0	1,343	520	336	1	0	857	324	57	432	0	813
California	7	1	81	1	90	9	0	188	29	226	0	144	211	6	361
Hawaii*	0	11	102	295	408	0	38	186	485	709	0	0	0	0	0
Nevada	5	5	6	62	78	2	3	2	20	27	2	5	5	20	32
Oregon	1	26	26	64	117	0	41	21	158	220	0	40	25	146	211
Washington	0	24	322	563	909	0	64	175	543	782	0	62	247	353	662
TOTAL*	\$2,334	\$1,352	\$4,532	\$9,059	\$17,277	\$1,425	\$1,393	\$3,870	\$10,059	\$16,747	\$1,274	\$1,271	\$4,267	\$8,161	\$14,973

Source: National Association of State Budget Officers, 2010 State Expenditure Report

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.

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

Hawaii: Unable to separate federal funds and other state funds capital expenditures into the Housing and Environmental functional areas; included in "All Other State Expenditures."

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

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

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

Texas: Housing Capital Expenditures include purchases of Mortgage Backed Securities or Loans Outstanding as reflected in Balance Sheet of Audited Financial Statements. Capital Expenditures include Federal Loans Outstanding as reflected in Balance Sheet of Audited Financial Statements.

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 (\$7 million available in 2009, \$10 million available in 2010, and \$7 million projected available for 2011). These funds were shown under capital for housing in previous years, but were reclassified in the 2002 expenditure report to a footnote.

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. 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 (\$5 million available in 2009, \$4 million available in 2010, and \$13 million projected available for 2011); 2) Water Resources Cities Water Loan Fund (\$1 million available in 2009, \$2 million available in 2010, and \$3 million projected available for 2011); 3) Water Resources Conservation and Development Fund (\$28 million available in 2009, \$58 million available in 2010, and \$66 million projected available for 2011); 4) Water Quality Loan Fund (\$29 million available in 2009, \$53 million available in 2010, and \$42 million projected available for 2011); and 5) Drinking Water Loan Fund (\$20 million available in 2009, \$20 million available in 2010, and \$21 million projected available for 2011).

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 \$592.3 billion in fiscal 2010. The three main sources of general fund revenue, personal income taxes, sales and compensating use taxes, and corporate income taxes accounted for 78.4 percent of general fund collections. Specifically, personal income taxes accounted for 39.4 percent of the total, sales and compensating use taxes for 32.6 percent, and corporate income taxes for 6.4 percent of total general fund revenues in 2010. Other taxes and fees represent 20.8 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 \$592.3 billion. In total, revenues declined \$78.1 billion during the two-year period. On a percentage basis, revenues declined 10 percent in fiscal 2009 compared to fiscal 2008, and declined an additional 1.8 percent in fiscal 2010. Unlike some previous recessions, all state revenue sources experienced sharp declines during the downturn. Corporate income taxes experienced the largest two-year decline at 24.2 percent, followed by personal income tax at 14.7 percent, gaming tax at 7.9 percent, other taxes and fees at 7.6 percent, and sales tax at 7.3 percent.

Revenue conditions noticeably improved for states in estimated fiscal 2011 compared to fiscal 2010, with total general fund revenues increasing 6.6 percent. With the exception of gaming taxes, all of the other various sources of state revenue are estimated to have increased in fiscal 2011. That being said, total state general fund revenues in fiscal 2011 remain \$39 billion, or 5.8 percent, less than fiscal 2008 levels.

Figure 23
REVENUE SOURCES IN THE GENERAL FUND, FISCAL 2010

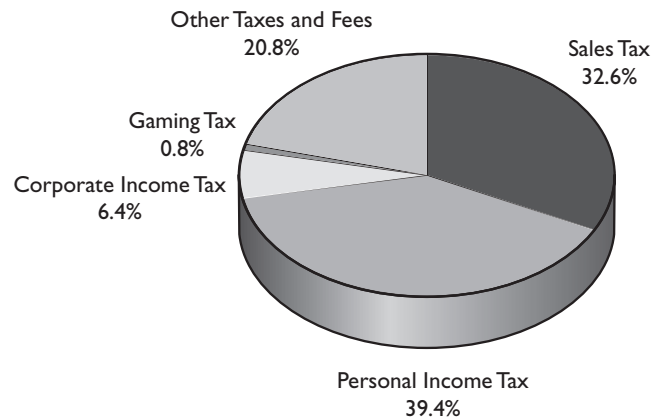


Table 54
REVENUE SOURCES IN THE GENERAL FUND (\$ IN MILLIONS)

Region/state	Actual Fiscal 2009						Actual Fiscal 2010						Estimated Fiscal 2011					
	Personal	Corp.	Other				Personal	Corp.	Other				Personal	Corp.	Other			
	Sales	Income	Income	Gaming	Taxes &	Total	Sales	Income	Income	Gaming	Taxes &	Total	Sales	Income	Income	Gaming	Taxes &	Total
Tax	Tax	Tax	Tax	Fees		Tax	Tax	Tax	Tax	Fees		Tax	Tax	Tax	Tax	Fees		
NEW ENGLAND																		
Connecticut	3,319	6,386	616	665	4,715	15,701	3,204	6,586	667	673	6,558	17,688	3,342	7,220	784	653	6,084	18,083
Maine	975	1,243	143	0	450	2,811	954	1,298	175	0	329	2,756	976	1,417	209	0	345	2,947
Massachusetts	3,869	10,584	1,549	0	2,259	18,259	4,612	10,110	1,600	0	2,222	18,544	4,905	11,576	1,951	0	2,074	20,507
New Hampshire	0	0	674	3	1,541	2,218	0	0	504	3	1,737	2,244	0	0	488	3	1,699	2,190
Rhode Island	808	941	104	2	1,170	3,025	803	898	147	1	1,167	3,016	810	1,004	95	1	1,181	3,091
Vermont	214	532	61	0	282	1,089	209	500	59	0	282	1,050	217	553	89	0	292	1,151
MID-ATLANTIC																		
Delaware	0	911	126	0	2,111	3,148	0	853	88	0	2,294	3,235	0	997	168	0	2,366	3,531
Maryland	3,620	6,477	551	0	2,252	12,900	3,523	6,178	689	0	2,197	12,587	3,708	6,339	611	0	2,564	13,223
New Jersey	8,264	10,476	2,810	906	6,604	29,060	7,898	10,323	2,275	940	6,708	28,144	8,225	10,076	2,591	952	6,094	27,938
New York	10,269	36,840	5,556	22	2,521	55,208	9,871	34,752	5,371	19	2,041	52,054	10,782	36,209	5,279	17	2,510	54,797
Pennsylvania	8,136	10,199	1,980	0	5,215	25,530	8,029	9,969	1,791	0	7,859	27,648	8,504	10,134	1,854	0	6,298	26,790
GREAT LAKES																		
Illinois	6,773	9,223	1,710	430	4,441	22,577	6,308	8,510	1,360	383	4,884	21,445	6,833	11,225	1,851	324	4,868	25,101
Indiana*	6,153	4,314	839	608	1,021	12,935	5,915	3,876	592	659	1,145	12,187	6,218	4,586	705	660	1,106	13,275
Michigan*	748	3,959	1,555	12	1,092	7,366	891	3,695	1,137	0	1,062	6,785	869	4,252	1,321	0	1,082	7,524
Ohio	7,113	7,628	521	0	11,423	26,685	7,077	7,247	142	0	10,484	24,950	7,578	8,120	237	0	11,828	27,763
Wisconsin	4,084	6,223	630	0	1,177	12,113	3,944	6,089	835	0	1,264	12,132	4,109	6,701	853	0	1,249	12,912
PLAINS																		
Iowa	2,284	2,720	272	116	542	5,934	2,243	2,633	189	121	448	5,634	2,348	2,821	228	126	333	5,856
Kansas*	1,925	2,682	240	0	742	5,589	1,858	2,418	225	0	690	5,191	2,253	2,710	225	0	694	5,882
Minnesota	4,344	6,988	708	43	2,730	14,813	4,177	6,531	664	40	2,759	14,171	4,434	7,252	914	40	2,668	15,308
Missouri	1,813	4,876	358	0	404	7,451	1,732	4,434	288	0	321	6,774	1,760	4,640	386	0	391	7,176
Nebraska	1,326	1,600	198	1	232	3,357	1,290	1,515	154	1	245	3,205	1,373	1,735	155	1	236	3,500
North Dakota	622	375	99	10	248	1,354	610	302	88	8	528	1,536	782	428	146	8	343	1,707
South Dakota	660	0	0	0	494	1,154	652	0	0	1	479	1,132	710	0	0	1	437	1,148
SOUTHEAST																		
Alabama*	1,781	2,586	447	2	2,466	7,282	1,882	2,486	414	2	1,700	6,484	1,965	2,702	338	2	1,807	6,814
Arkansas	2,081	2,706	383	11	380	5,561	1,966	2,579	424	13	448	5,430	2,056	2,739	392	19	468	5,674
Florida	16,531	0	1,833	20	2,641	21,026	16,015	0	1,790	315	3,403	21,523	16,513	0	1,908	164	3,827	22,413
Georgia	5,307	7,815	695	0	2,951	16,767	4,865	7,016	685	0	2,650	15,216	5,049	7,433	611	0	3,415	16,507
Kentucky	2,858	3,315	268	0	1,985	8,426	2,794	3,154	238	0	2,039	8,225	2,896	3,418	301	0	2,144	8,759
Louisiana	3,023	2,966	825	419	2,153	9,386	2,548	2,212	175	386	1,852	7,174	2,837	2,449	283	394	1,807	7,769
Mississippi	1,922	1,475	422	172	739	4,730	1,781	1,340	403	155	818	4,497	1,791	1,383	448	147	732	4,501
North Carolina	4,678	9,470	836	0	1,795	16,779	5,565	9,048	1,198	0	1,934	17,745	5,872	9,735	1,014	0	1,759	18,380
South Carolina	2,248	2,327	207	0	762	5,544	2,191	2,144	149	0	771	5,255	2,229	2,791	232	0	707	5,959
Tennessee	5,966	142	609	0	2,519	9,236	5,815	112	645	0	2,666	9,238	6,037	119	668	0	3,193	10,017
Virginia	2,903	9,481	648	0	1,283	14,315	3,083	9,088	807	0	1,243	14,220	2,969	9,746	767	0	1,237	14,719
West Virginia	1,110	1,557	270	0	964	3,901	1,095	1,447	233	0	983	3,758	1,125	1,491	210	0	916	3,742
SOUTHWEST																		
Arizona*	3,756	2,568	592	0	1,360	8,276	3,382	2,416	413	0	2,114	8,325	4,303	2,864	560	0	654	8,381
New Mexico	1,902	959	163	69	2,228	5,321	1,685	957	125	65	1,967	4,799	1,865	1,055	180	67	2,108	5,275
Oklahoma	1,805	1,960	266	14	1,500	5,545	1,643	1,655	168	16	1,139	4,621	317	1,832	274	16	2,699	5,138
Texas	20,935	0	0	0	17,043	37,978	19,560	0	0	0	15,810	35,370	20,214	0	0	0	16,801	37,015
ROCKY MOUNTAIN																		
Colorado*	2,108	4,333	292	3	346	7,083	1,981	4,084	372	16	334	6,787	2,192	4,613	376	20	309	7,511
Idaho	1,022	1,168	141	0	134	2,465	956	1,062	97	0	150	2,265	965	1,127	123	0	144	2,359
Montana	57	815	166	57	712	1,808	66	718	88	51	705	1,627	65	816	119	48	735	1,783
Utah	1,547	2,339	269	0	412	4,567	1,403	2,105	258	0	427	4,193	1,556	2,248	269	0	489	4,562
Wyoming	492	0	0	0	572	1,064	413	0	0	0	635	1,048	439	0	0	0	533	972
FAR WEST																		
Alaska*	0	0	613	3	4,968	5,584	0	0	528	3	4,799	5,330	0	0	615	2	6,503	7,120
California*	23,753	43,376	9,536	3	6,104	82,772	26,741	44,852	9,115	1	6,337	87,046	27,140	50,027	9,963	1	7,650	94,781
Hawaii*	2,418	1,338	54	0	1,198	5,008	2,316	1,528	59	0	950	4,853	2,496	1,247	35	0	1,344	5,122
Nevada	860	0	0	692	1,188	2,739	784	0	0	668	1,555	3,007	815	0	0	678	1,644	3,137
Oregon	0	5,119	244	0	473	5,836	0	4,943	354	0	705	6,002	0	5,488	489	0	402	6,379
Washington	7,330	0	0	0	6,687	14,017	6,840	0	0	0	7,356	14,196	6,619	0	0	0	8,681	15,300
ALL STATES	\$195,711	\$242,991	\$41,078	\$4,284	\$119,228	\$603,292	\$193,169	\$233,664	\$37,776	\$4,540	\$123,192	\$592,341	\$201,061	\$255,318	\$41,315	\$4,343	\$129,450	\$631,487

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
NEW ENGLAND															
Connecticut							X			X					
Maine								P				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		
MID-ATLANTIC															
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
GREAT LAKES															
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	P	X	P		
Wisconsin				X	X		X			X		X	X	X	
PLAINS															
Iowa				P			X			X			X		
Kansas				P	P		X			P	X		X	P	P
Minnesota					X					X	X	P	P		
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		
SOUTHEAST															
Alabama*					X	P	X	P		P			X	P	
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	P	
West Virginia				X	P		X				X		X		
SOUTHWEST															
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		
ROCKY MOUNTAIN															
Colorado		P	P	P	X	P	X			X	X	X	X	P	P
Idaho				X	X	P	X	P		X	X	X	X	X	
Montana							X						X		
Utah				X	X										
Wyoming		X	X	X	X					P					
FAR WEST															
Alaska	X	X			X								X		
California	P	P		P	X	P	X		P	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	P	
Oregon				X	X	P	X	P		X	X		X		
Washington		X	X	X	X	P	X					X	X	P	
TOTAL	11	12	9	31	34	17	35	8	8	39	23	27	43	23	12

Excluded=X

Partially Excluded=P

Not Applicable=N/A

Revenue Sources in the General Fund

Alabama: Fiscal 2009 revenue amount includes a \$437 million transfer from Education Trust Fund Rainy Day Account in Other Taxes and Fees. Fiscal 2010 revenue amount includes a \$162 million transfer from General Fund Rainy Day Account in Other Taxes and Fees.

Alaska: As of last 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 column excludes unrestricted investment revenue.

Arizona: Fiscal 2011 sales and compensating use tax total includes a temporary 1-cent tax.

California: Horse racing is partially excluded under gaming taxes. For 2008-09, insurance premium taxes revenue sources are all General Fund.

Colorado: The revenue sources do not equal the "Total General Fund Revenue" amount because one-third of 1% of Colorado taxable income is required to be transferred to a special fund for education purposes ("the State Education Fund") each year. This transfer reduces the amount of personal and corporate income taxes credited to the General Fund. The personal and corporate income tax amounts reflect the total revenue amounts received by the state including the portion transferred to the State Education Fund. The

amounts transferred were \$339.9 million in FY 2008-09, \$329.0 million in FY 2009-10, and an estimated \$370.7 million in FY 2010-11. Regarding personal income taxes and corporate income taxes, one-third of 1% of Colorado taxable income is required to be transferred to a special fund for education each year. Thus, not all income tax revenue is credited to the General Fund.

Hawaii: Does not have Gaming Taxes, Lottery Funds, Property Taxes, or Severance Taxes.

Indiana: Normalizing for the impact of HEA 1001 (2008), "2010 Actual" revenues decreased by 5.6% compared with "2009 Actual" revenues.

Kansas: Other taxes and fees Includes all remaining general fund taxes, net transfers, interest earnings, and fee revenue.

Michigan: Actual fiscal 2009 and fiscal 2010 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 2011 estimates are the May 2011 consensus revenue estimates.

APPENDIX



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

Region/state	Actual Fiscal 2009			Actual Fiscal 2010			Estimated Fiscal 2011		
	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total
NEW ENGLAND									
Connecticut	\$15,586	\$1,860	\$17,446	\$15,308	\$2,567	\$17,875	\$15,644	\$2,520	\$18,164
Maine	5,204	2,778	7,982	5,025	3,151	8,176	5,049	3,000	8,049
Massachusetts	43,769	3,305	47,074	44,619	3,932	48,551	46,187	3,739	49,926
New Hampshire	3,125	1,680	4,805	3,256	2,072	5,328	3,364	1,938	5,302
Rhode Island	4,934	2,271	7,205	4,896	2,813	7,709	5,095	3,085	8,180
Vermont	2,788	1,475	4,263	2,728	1,865	4,593	2,877	1,864	4,741
MID-ATLANTIC									
Delaware	7,204	1,256	8,460	6,860	1,607	8,467	6,361	1,848	8,209
Maryland	23,112	7,759	30,871	22,208	9,825	32,033	23,092	10,621	33,713
New Jersey	34,262	11,384	45,646	32,408	13,687	46,095	33,016	13,518	46,534
New York	83,751	34,668	118,419	84,840	40,834	125,674	84,476	44,707	129,183
Pennsylvania	40,820	20,825	61,645	38,784	27,669	66,453	39,551	29,977	69,528
GREAT LAKES									
Illinois	43,327	14,262	57,589	43,711	16,050	59,761	38,198	16,185	54,383
Indiana	16,561	9,060	25,621	16,160	10,333	26,493	16,346	10,596	26,942
Michigan	28,510	17,074	45,584	27,950	19,541	47,491	27,404	22,415	49,819
Ohio	45,291	11,462	56,753	42,276	14,236	56,512	44,866	14,431	59,297
Wisconsin	28,733	9,709	38,442	28,554	11,532	40,086	30,608	12,236	42,844
PLAINS									
Iowa	12,233	5,201	17,434	11,352	6,174	17,526	11,882	6,088	17,970
Kansas	9,864	3,795	13,659	8,539	5,188	13,727	10,551	3,865	14,416
Minnesota	21,736	7,563	29,299	19,998	9,389	29,387	21,767	9,468	31,235
Missouri	15,654	8,484	24,138	13,895	10,919	24,814	13,987	10,294	24,281
Nebraska	6,587	2,566	9,153	6,633	2,973	9,606	6,582	3,220	9,802
North Dakota	2,569	1,362	3,931	2,973	1,852	4,825	3,152	1,801	4,953
South Dakota	2,075	1,397	3,472	2,024	1,729	3,753	2,060	1,671	3,731
SOUTHEAST									
Alabama	11,898	7,246	19,144	11,501	8,692	20,193	11,417	9,067	20,484
Arkansas	12,717	5,425	18,142	12,939	6,894	19,833	13,224	7,026	20,250
Florida	38,907	19,725	58,632	37,941	22,763	60,704	44,142	24,999	69,141
Georgia	27,559	11,473	39,032	24,633	14,647	39,280	24,280	14,217	38,497
Kentucky	15,827	8,233	24,060	15,464	10,477	25,941	15,765	9,763	25,528
Louisiana	16,456	10,996	27,452	16,634	11,859	28,493	17,188	12,406	29,594
Mississippi	9,221	7,794	17,015	9,133	8,731	17,864	9,933	9,578	19,511
North Carolina	31,609	15,108	46,717	31,095	17,162	48,257	33,046	17,605	50,651
South Carolina	13,516	7,068	20,584	12,526	7,691	20,217	12,847	12,844	25,691
Tennessee	17,550	11,032	28,582	15,398	12,951	28,349	16,781	13,930	30,711
Virginia	28,559	6,772	35,331	29,990	9,327	39,317	31,274	9,832	41,106
West Virginia	16,493	3,824	20,317	15,804	4,475	20,279	16,791	4,638	21,429
SOUTHWEST									
Arizona	16,007	10,240	26,247	15,970	10,655	26,625	18,330	10,499	28,829
New Mexico	9,953	4,843	14,796	9,211	5,429	14,640	9,113	5,716	14,829
Oklahoma	11,739	9,708	21,447	10,680	10,362	21,042	11,742	10,048	21,790
Texas	58,190	32,728	90,918	55,389	36,672	92,061	57,283	35,901	93,184
ROCKY MOUNTAIN									
Colorado	22,359	6,447	28,806	21,841	9,223	31,064	19,649	8,813	28,462
Idaho	3,982	2,305	6,287	3,793	2,573	6,366	4,009	3,014	7,023
Montana	3,699	1,827	5,526	3,764	2,285	6,049	3,784	2,380	6,164
Utah	8,553	2,963	11,516	8,991	3,607	12,598	9,372	3,954	13,326
Wyoming	5,214	1,426	6,640	6,227	1,430	7,657	6,304	1,737	8,041
FAR WEST									
Alaska	9,230	3,007	12,237	6,834	2,925	9,759	10,521	3,174	13,695
California	114,784	73,090	187,874	110,751	89,088	199,839	122,699	91,459	214,158
Hawaii	9,333	1,919	11,252	7,883	2,391	10,274	8,086	2,554	10,640
Nevada	6,712	2,525	9,237	5,368	2,792	8,160	5,685	2,642	8,327
Oregon	18,354	5,914	24,268	23,707	8,378	32,085	23,614	9,334	32,948
Washington	23,392	8,146	31,538	22,320	9,238	31,558	21,862	8,543	30,405
TOTAL	\$1,059,508	\$462,980	\$1,522,488	\$1,030,784	\$552,655	\$1,583,439	\$1,070,856	\$574,760	\$1,645,616

Note: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2010 State Expenditure Report

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

Region/state	Actual Fiscal 2009				Actual Fiscal 2010				Estimated Fiscal 2011			
	General Fund	Other State Funds	Federal Funds	Total	General Fund	Other State Funds	Federal Funds	Total	General Fund	Other State Funds	Federal Funds	Total
NEW ENGLAND												
Connecticut*	35	0	0	35	35	0	0	35	36	0	0	36
Maine	11	0	33	44	12	0	37	49	11	0	33	44
Massachusetts*	181	0	228	409	87	0	298	385	99	0	313	412
New Hampshire	5	10	0	15	6	11	0	17	7	12	0	19
Rhode Island	15	0	31	46	12	0	24	36	13	0	27	40
Vermont	2	0	6	8	2	0	6	8	2	0	6	8
MID-ATLANTIC												
Delaware	4	1	10	15	4	3	12	19	0	7	12	19
Maryland	67	2	124	193	60	7	125	192	60	7	128	195
New Jersey	201	64	401	666	228	89	520	837	224	109	589	922
New York	0	345	357	702	0	325	404	729	0	348	487	835
Pennsylvania	89	27	254	370	99	29	294	422	100	34	308	442
GREAT LAKES												
Illinois	132	7	259	398	123	6	242	371	133	8	264	405
Indiana	0	30	88	118	0	33	100	133	0	35	109	144
Michigan*	55	13	176	244	25	13	106	144	14	3	44	61
Ohio	97	0	265	362	89	0	254	343	99	0	295	394
Wisconsin	28	15	46	89	19	18	97	134	30	22	103	155
PLAINS												
Iowa	20	0	61	81	24	0	71	95	33	0	82	115
Kansas	16	2	47	65	17	2	49	67	16	0	42	59
Minnesota	9	18	48	75	9	0	16	25	8	0	14	22
Missouri	26	8	96	130	22	15	113	150	23	16	116	155
Nebraska	12	5	31	48	6	6	33	46	9	5	37	51
North Dakota	2	0	6	8	2	0	7	9	3	0	7	10
South Dakota	6	0	16	22	6	0	16	22	7	0	18	25
SOUTHEAST												
Alabama	29	5	121	155	32	5	133	170	38	5	156	199
Arkansas	18	0	78	96	19	0	83	102	23	0	92	115
Florida	55	100	317	472	47	100	317	464	55	100	313	468
Georgia	52	16	206	274	62	5	208	275	67	1	216	284
Kentucky	32	0	107	139	32	0	121	153	33	0	130	163
Louisiana	44	0	180	224	52	0	184	236	57	0	175	232
Mississippi	30	0	150	180	31	0	153	184	33	0	158	191
North Carolina	67	0	202	269	77	0	223	300	87	2	228	317
South Carolina	22	0	84	106	24	0	92	116	23	0	89	112
Tennessee*	37	0	117	154	46	0	135	181	57	0	176	233
Virginia	62	14	141	217	71	14	163	248	78	16	177	272
West Virginia	9	0	37	46	10	0	38	48	10	0	42	52
SOUTHWEST												
Arizona	34	13	109	156	21	11	67	99	11	6	38	55
New Mexico	56	0	222	278	72	0	288	360	36	0	179	215
Oklahoma	31	2	105	138	34	3	112	149	26	2	87	115
Texas	323	13	737	1073	354	0	761	1115	309	0	806	1115
ROCKY MOUNTAIN												
Colorado	4	46	88	138	9	57	119	184	13	52	119	183
Idaho	11	0	39	50	10	0	36	46	11	0	37	48
Montana	1	7	29	37	0	10	34	44	0	9	31	40
Utah	2	13	55	70	1	18	58	77	3	14	58	75
Wyoming	5	0	9	14	5	0	9	14	6	0	10	16
FAR WEST												
Alaska	8	0	15	23	9	0	17	26	10	0	17	27
California*	628	0	1139	1767	639	0	1187	1826	660	36	1293	1989
Hawaii				0				0				0
Nevada	12	2	24	38	11	2	21	34	10	2	22	34
Oregon	8	36	126	170	14	18	90	122	1	40	116	157
Washington	0	9	16	25	4	0	26	30	14	1	27	42
TOTAL	\$2,592	\$824	\$7,036	\$10,452	\$2,573	\$801	\$7,498	\$10,871	\$2,600	\$891	\$7,826	\$11,317

Child 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.

Massachusetts: Revenue includes prior year adjustments.

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 36,000 in the second quarter of fiscal 2011.

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 2009			Actual Fiscal 2010			Estimated Fiscal 2011		
	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total
NEW ENGLAND									
Connecticut	126	0	126	88	0	88	96	0	96
Maine	45	0	45	35	0	35	28	0	28
Massachusetts	257	0	257	167	0	167	211	0	211
New Hampshire	30	0	30	23	0	23	26	0	26
Rhode Island	45	0	45	26	0	26	36	0	36
Vermont	21	0	21	13	0	13	18	0	18
MID-ATLANTIC									
Delaware	13	0	13	13	0	13	13	0	13
Maryland	99	0	99	72	0	72	89	0	89
New Jersey	296	0	296	199	0	199	261	0	261
New York	697	0	697	839	0	839	955	0	955
Pennsylvania	411	0	411	375	0	375	312	0	312
GREAT LAKES									
Illinois	355	0	355	247	0	247	329	0	329
Indiana	91	0	91	71	0	71	55	0	55
Michigan	177	0	177	89	0	89	152	0	152
Ohio	251	0	251	174	0	174	188	0	188
Wisconsin	130	0	130	126	0	126	113	0	113
PLAINS									
Iowa	71	0	71	47	0	47	59	0	59
Kansas	0	48	48	8	26	35	7	32	39
Minnesota	151	0	151	108	0	108	134	0	134
Missouri	175	0	175	106	0	106	139	0	139
Nebraska	38	0	38	34	0	34	35	0	35
North Dakota*	9	0	9	7	1	8	7	0	7
South Dakota	12	0	12	10	0	10	12	0	12
SOUTHEAST									
Alabama	0	66	66	0	34	34	0	48	48
Arkansas	35	2	37	24	2	26	24	2	26
Florida	414	0	414	269	0	269	373	0	373
Georgia	124	0	124	70	0	70	78	0	78
Kentucky	86	0	86	47	0	47	53	0	53
Louisiana	78	0	78	59	0	59	43	0	43
Mississippi	44	0	44	44	0	44	44	0	44
North Carolina	241	0	241	144	0	144	185	0	185
South Carolina	66	6	72	48	2	50	44	2	46
Tennessee	240	0	240	110	0	110	169	0	169
Virginia	164	0	164	117	0	117	144	0	144
West Virginia	28	0	28	24	0	24	26	0	26
SOUTHWEST									
Arizona	40	9	49	29	7	36	31	7	38
New Mexico	25	0	25	15	0	15	12	0	12
Oklahoma	63	0	63	40	0	40	69	0	69
Texas	325	0	325	195	0	195	279	0	279
ROCKY MOUNTAIN									
Colorado	74	0	74	58	0	58	59	14	72
Idaho	20	0	20	14	0	14	15	0	15
Montana*	13	0	13	9	0	9	11	0	11
Utah	24	0	24	17	0	17	14	0	14
Wyoming	10	0	10	9	0	9	9	0	9
FAR WEST									
Alaska	20	0	20	14	0	14	17	0	17
California	865	0	865	1051	0	1051	1365	0	1365
Hawaii	0	0	0	0	0	0	0	0	0
Nevada	26	0	26	21	0	21	19	0	19
Oregon	55	0	55	45	0	45	50	0	50
Washington	147	0	147	100	0	100	134	0	134
TOTAL	\$6,726	\$131	\$6,858	\$5,449	\$72	\$5,521	\$6,541	\$104	\$6,645

Medicare Part D Clawback Notes

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

North Dakota: Clawback for SFY 2010 and SFY 2011 is the estimated amount to be paid and therefore is net of the ARRA.

Methodology

The Fiscal Year 2010 State Expenditure Report reflects three years of data: actual fiscal year 2009, actual fiscal year 2010, and estimated fiscal year 2011. The text of this report focuses on actual fiscal year 2010 data, with a secondary focus on estimated fiscal 2011.

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.