

STATE EXPENDITURE REPORT



State	Actual Fiscal 2011					Actual Fiscal 2012					Estimated Fiscal 2013			
	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
Alabama	17,845	2,701	3,224	2,404	26,174	18,782	2,631	3,489	2,656	27,558	19,030	2,555	3,618	2,935
Alaska	2,859	3,000	2,293	122	8,274	3,087	2,649	2,309	61	8,106	3,042	2,564	2,176	16
Arizona	21,997	13,088	18,570	1,919	55,574	24,011	16,157	16,935	2,168	59,271	25,509	15,548	17,135	2,106
Arkansas	1,326	1,929	1,940	145	5,340	1,280	1,650	1,965	80	4,975	1,262	1,601	2,080	81



EXAMINING FISCAL 2011-2013 STATE SPENDING

California	31,653	14,553	12,010	2,099	60,315	31,040	13,135	12,293	1,453	57,921	31,514	12,630	12,950	1,174
Colorado	13,565	12,236	17,043	0	42,844	13,381	10,572	17,371	0	41,324	14,042	10,815	17,912	0
Connecticut	5,354	6,147	6,258	229	17,988	6,010	6,551	6,072	307	18,940	6,231	5,682	7,539	157
Delaware	5,667	4,472	4,172	374	14,685	6,098	4,153	3,737	408	14,396	6,198	3,599	4,193	415
Florida	16,332	9,200	5,022	847	31,401	17,741	8,170	4,809	609	31,329	20,056	8,637	6,263	810
Georgia	7,630	7,805	7,220	447	23,102	7,938	7,539	7,887	0	23,364	8,022	7,209	7,712	0
Idaho	3,324	3,222	3,261	21	5,017	2,222	2,988	3,443	11	6,027	2,220	3,014	3,559	0
Illinois	1,615	1,813	1,568	67	3,870	1,215	1,488	960	35	3,698	1,302	1,487	1,307	35
Indiana	1,167	1,679	957	0	3,803	7,274	9,308	7,270	326	24,178	6,897	9,541	7,490	189
Iowa	6,842	10,252	6,753	292	24,139	4,582	6,278	9,693	135	20,688	4,746	6,189	10,447	203
Kansas	4,453	6,819	8,932	143	20,347	23,053	24,615	12,928	2,393	62,989	24,717	24,737	18,437	2,084
Kentucky	23,777	29,403	9,481	858	31,877	17,240	12,469	7,628	0	25,649	9,426	8,001	8,246	808
Louisiana	16,476	13,273	1,270	0	25,432	9,334	8,687	7,793	320	27,073	8,156	12,311	8,791	0
Maine	8,691	9,763	6,978	591	31,200	8,344	10,616	7,945	353	18,386	4,699	8,274	5,660	784
Maryland	7,786	10,969	11,854	267	18,360	4,495	7,945	5,593	652	46,567	20,602	17,459	12,543	785
Massachusetts	4,367	8,401	5,325	473	18,566	5,517	9,284	7,164	254	30,419	12,622	13,055	5,394	382
Michigan	1,326	1,929	1,940	145	5,340	1,280	1,650	1,965	80	4,975	1,262	1,601	2,080	81

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The National Association of State Budget Officers

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Preface

Since its inception in 1987, the State Expenditure Report has developed into a definitive baseline for the analysis of state spending. This edition of the report includes data from actual fiscal 2011, actual fiscal 2012, and estimated fiscal 2013. 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.

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Executive Summary

Overview

Fiscal 2012 was a year of transition for states as they continued to emerge from the national recession. By some measures, state budgets experienced positive growth in fiscal 2012. General fund spending increased 3.7 percent while spending from state funds (general funds and other state funds combined) rose 2.3 percent. Additionally, state general fund revenues grew 3.6 percent. However, federal funds to states declined 9.1 percent as spending from the *American Recovery and Reinvestment Act of 2009* (ARRA), also known as the Recovery Act or stimulus, continued to wind down. The combination of state funds slowly increasing and federal funds rapidly declining led to a 1.7 percent reduction in total state expenditures, the first nominal decline in total state expenditures in the 26-year history of the *State Expenditure Report*. While total state expenditures declined in fiscal 2012, it is estimated that in fiscal 2013 state spending returned to more typical growth levels. State and federal funds are estimated to have grown by 5.3 percent and 2.3 percent respectively in fiscal 2013, resulting in a 4.6 percent increase in total state expenditures.

State Spending Trends

Due to a unique set of circumstances, total state expenditures declined in fiscal 2012 for the first time in the history of the *State Expenditure Report*, which began in 1987. In some ways, fiscal 2012 was the culmination of a very distinct time period for state finances. Since the national recession began, state expenditures have seen tremendous shifts. General fund spending, the component of state budgets that comes from revenue sources such as states' income and sales taxes, was most negatively impacted during the recent economic 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 6.5 percent in fiscal 2010. However, as the national economy slowly improved and states' revenues began to rebound, general fund spending returned to positive growth. State general fund spending increased 3.9 percent in fiscal 2011 and 3.7 percent in fiscal 2012.

During the time that states' general fund spending saw significant declines, federal funds to states 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 21.4 percent in fiscal

2010. The drastic increase in federal funds to states can be traced to the infusion of ARRA (also known as Recovery Act) funds. States reported that they spent \$43.2 billion in federal Recovery Act funds in fiscal 2009 and \$118.6 billion in fiscal 2010. The flow of ARRA funds began to slow in fiscal 2011 as states reported that they spent \$92.8 billion, and slowed even further to \$29.4 billion in fiscal 2012. The swift wind down of ARRA funds led federal fund spending to grow only 1.0 percent in fiscal 2011 and to decline 9.1 percent in fiscal 2012.

The combination of spending from state funds slowly increasing and spending from federal funds rapidly declining caused total state expenditure growth levels to slow during the same period that the national economy was beginning to recover. This is largely due to the fact that state revenues did not increase as fast as federal ARRA funds declined. For example, general fund revenues increased \$23.3 billion in fiscal 2012, while ARRA funds declined \$63.4 billion. Overall, total state expenditures grew 3.8 percent in fiscal 2010 and 3.4 percent in fiscal 2011, and declined 1.7 percent in fiscal 2012.

The infusion of additional federal dollars in state budgets from the Recovery Act also produced a shift in the funding sources for state expenditures. Over a two-year period from fiscal 2008 to fiscal 2010, general funds shrunk from representing 45.9 percent of total state expenditures to 38.1 percent, while federal funds rose from 26.3 percent to 34.9 percent. However, due to the expiration of ARRA funds, general funds are starting to once again make up a larger component of total state expenditures. In fiscal 2012, general funds accounted for 40.4 percent of total state expenditures, federal funds 31.4 percent, other state funds 25.9 percent, and bonds 2.3 percent.

In fiscal 2013, it is estimated that states have returned to more typical growth levels. General fund spending is estimated to have increased for the third consecutive year, rising by 4.4 percent. The continued growth in general fund spending is directly related to general fund revenues continuing to rise. It is estimated that in fiscal 2013 state general fund revenues increased 5.4 percent, with sales, personal income, corporate income, gaming, and other taxes and fees all experiencing gains. Similarly, spending from state funds (general funds and other state funds combined) also grew in fiscal 2013, rising by an estimated 5.3 percent. Additionally, in contrast to fiscal 2012, federal funds to states are estimated to have increased 2.3 percent in fiscal 2013, as states did not experience as significant of a decline in year-to-year ARRA spending. In-

es in all the major sources of state funding led total state expenditures to increase by an estimated 4.6 percent in fiscal 2013. Although in many ways state fiscal conditions have stabilized in fiscal 2013, states remain concerned about both the short and long term outlook due to the slow pace of economic growth, the uncertainty of federal fund levels, questions regarding the future performance of state revenue, and increased spending demands.

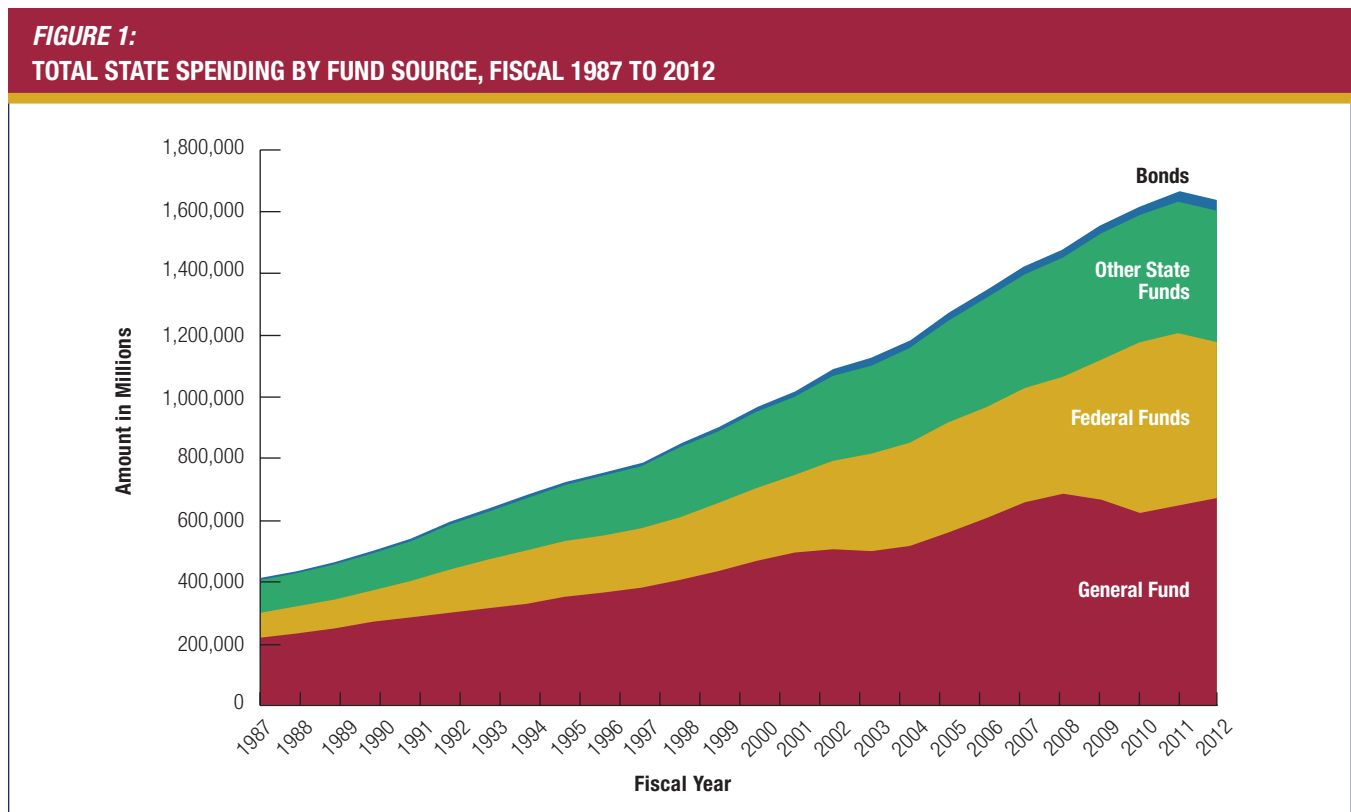
This edition of the *State Expenditure Report* includes data from actual fiscal 2011, actual fiscal 2012, and estimated fiscal 2013. The text of the report focuses on actual fiscal 2012 data, with a secondary focus on estimated fiscal 2013.

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

- Since the beginning of the recent economic downturn, Medicaid has risen as a percentage of total state spending going from 20.5 percent in fiscal 2008 to an estimated 24.4 percent in fiscal 2013. At the same time, elementary and secondary education has gone from representing 22.0 percent of total state spending in fiscal 2008 to an estimated 19.8 percent in fiscal 2013.
- When looking only at general fund spending, elementary and secondary education remains the largest category in

fiscal 2012, representing 34.8 percent of general fund expenditures, with Medicaid second at 19.3 percent. Those two categories, combined with higher education at 10.1 percent, account for nearly two-thirds of general fund spending. In fiscal 2013, elementary and secondary education is estimated to represent 35.1 percent of general fund expenditures, with Medicaid at 19.0 percent.

- Elementary and secondary education total expenditures declined by 3.8 percent in fiscal 2012 and increased by 4.2 percent in estimated fiscal 2013. While state funds increased by 1.7 percent in fiscal 2012, federal funds declined by 21.6 percent due to the reduction in ARRA spending.
- Total expenditures for higher education declined 3.1 percent in fiscal 2012 and are estimated to have increased by 2.6 percent in fiscal 2013. State funds for higher education decreased 1.7 percent in fiscal 2012 and are estimated to have increased by 3.7 percent in fiscal 2013, while federal funds declined 10.2 percent in fiscal 2012 and declined by an estimated 2.0 percent in fiscal 2013.
- Total public assistance decreased in both fiscal 2012 and estimated fiscal 2013, by 10.9 percent and 2.0 percent respectively. The spending decline in fiscal 2012 is partly



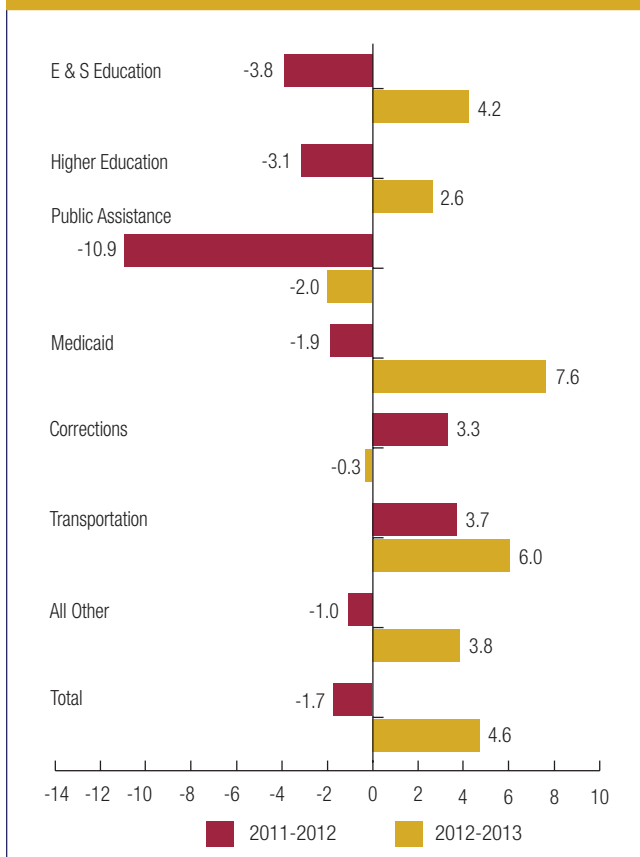
due to California shifting financial responsibility for certain public assistance programs from state funds to counties as part of realignment. Public assistance represented 1.5 percent of total state expenditures in fiscal 2012.

- In fiscal 2012, Medicaid total state expenditures declined due to a substantial decrease in federal funding that reflects the end of the enhanced Medicaid match rate from ARRA. While Medicaid spending from state funds increased 14.0 percent in fiscal 2012, federal funds declined 11.3 percent. In fiscal 2013 it is estimated that total Medicaid spending increased 7.6 percent, with state funds growing by 8.0 percent and federal funds rising by 7.2 percent.
- Total corrections spending increased by 3.3 percent in fiscal 2012 and is estimated to have declined slightly by 0.3 percent in fiscal 2013. As state funds comprise over 96 percent of total corrections expenditures, corrections was not as affected by the slowdown of federal Recovery Act spending in fiscal 2012. Corrections accounted for

3.2 percent of total state expenditures in fiscal 2012 and 6.9 percent of general funds.

- Total transportation spending, representing 7.8 percent of total state expenditures, increased by 3.7 percent in fiscal 2012 with state funds increasing by 4.5 percent and federal funds growing by 3.7 percent. In fiscal 2013, total transportation spending is estimated to have grown by 6.0 percent with state funds increasing by 3.6 percent and federal funds increasing by 7.5 percent. The comparably large increase in fiscal 2013 is concentrated in a small number of states.
- Total state spending on capital projects increased by 2.4 percent in fiscal 2012 and by an estimated 5.5 percent in fiscal 2013. State spending on capital projects traditionally has come from non-general fund sources. Bonds (33.7 percent in fiscal 2012) and other state funds such as dedicated fees and fund surpluses (30.5 percent) combine to account for 64.2 percent of total state spending on capital projects.
- State revenue conditions have noticeably improved since the end of the national recession. States collected \$670.5 billion in general fund revenues in fiscal 2008, but that figure fell to \$603.3 billion in fiscal 2009 and declined even further in fiscal 2010 to \$592.8 billion. Since 2010, state revenues have increased reaching \$647.7 billion in fiscal 2011, \$671.1 billion in fiscal 2012, and an estimated \$707.5 billion in fiscal 2013. Personal income tax collections experienced the largest gains in both fiscal 2012 and estimated fiscal 2013 compared to the other major sources of state revenue.

FIGURE 2:
ALL FUNDS PERCENT CHANGES FROM PREVIOUS FISCAL YEAR FOR MAJOR SPENDING CATEGORIES, FISCAL 2012 AND 2013



Explanation of Report Data: Components of State Expenditures

This report includes three years of state expenditure data: actual fiscal 2011, actual fiscal 2012, and estimated fiscal 2013. The text primarily focuses on actual fiscal 2012 with a secondary emphasis on estimated fiscal 2013 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 transporta-

tion, 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 lim-

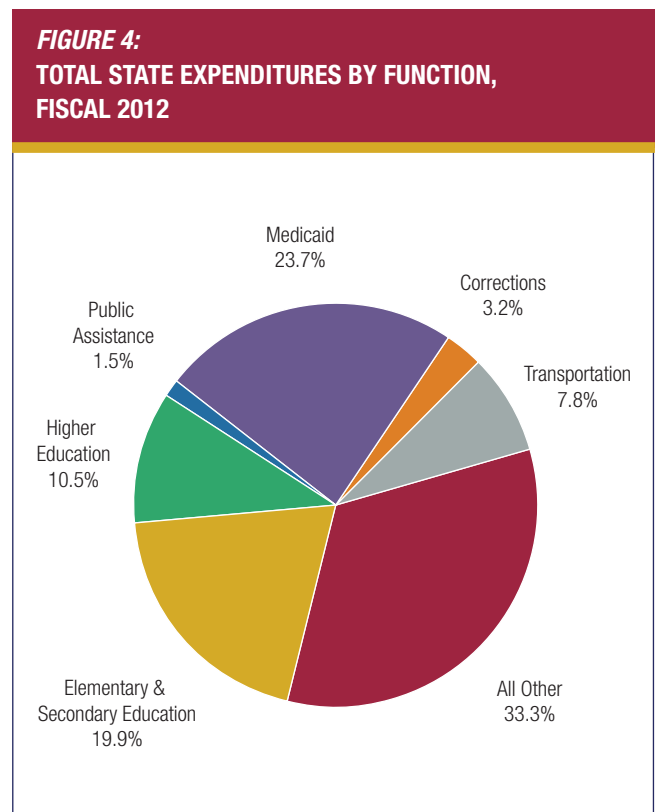
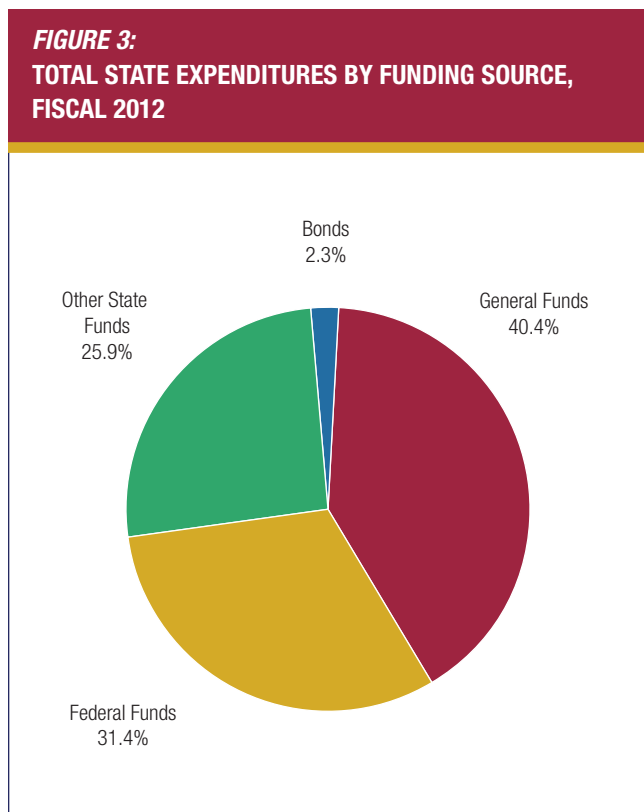
itations than the federal government. An overwhelming majority of states require their governor to submit, and their legislature to pass, a balanced budget. States are required to make spending choices based on available resources and must either reduce spending, raise taxes, or use reserves when revenues come in below estimates. For the most part, states do not and cannot incur operating deficits, and manage their finances in ways to 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 2012 spending by fund source is detailed in Figure 3. General funds had decreased as an overall percentage of state expenditures since fiscal 2008, going from 45.9 percent of total expenditures in fiscal 2008 to 38.3 percent in fiscal 2011. At the same time, the share of state spending from federal funds grew from 26.3 percent in fiscal 2008 to 34.0 percent in fiscal 2011. The trend began to reverse in fiscal 2012 due to the decline of ARRA funds. In fiscal 2012 general funds comprised 40.4 percent of total expenditures while federal funds comprised 31.4 percent.

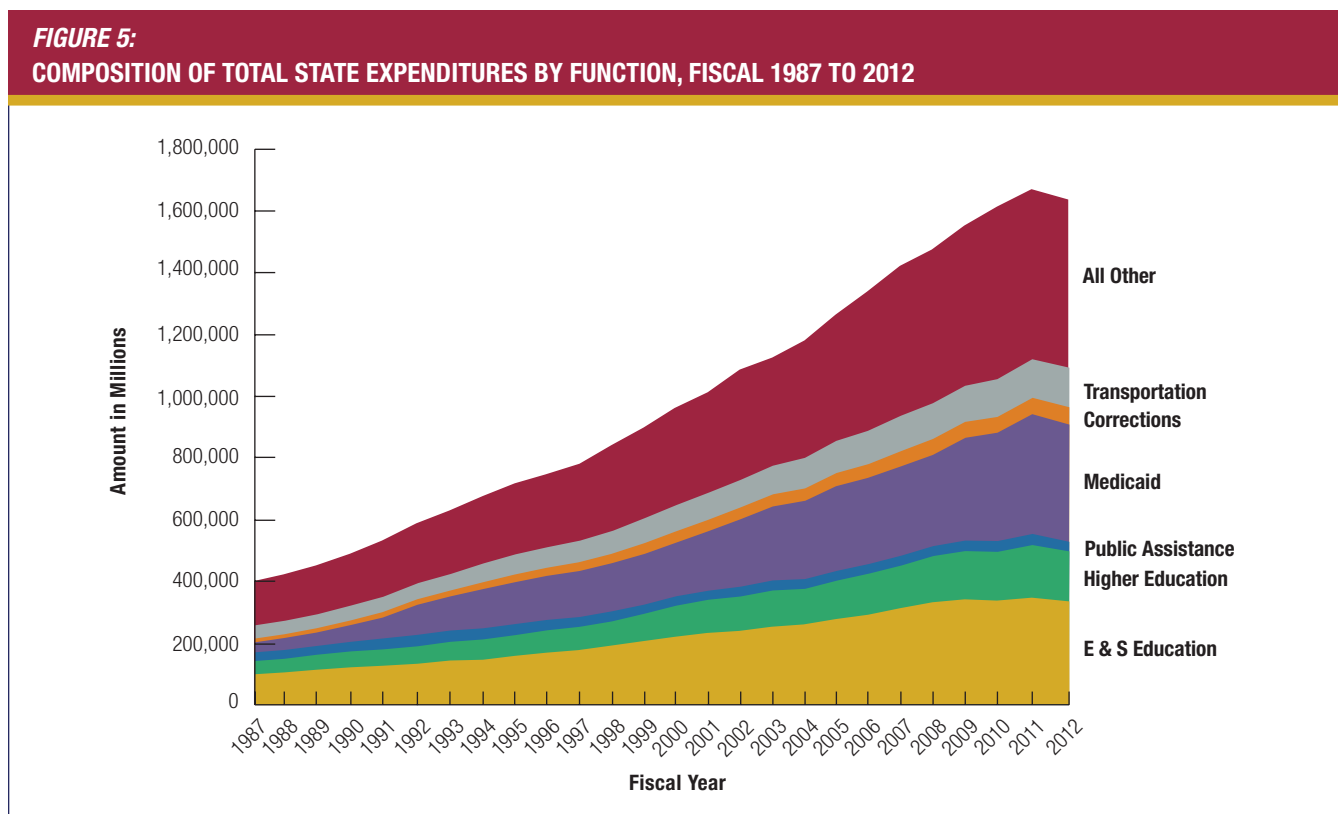
Figure 4 reflects total state expenditures by functional areas. For fiscal 2012, total state spending shares are as follows: 23.7 percent for Medicaid; 19.9 percent for elementary and secondary education; 10.5 percent for higher education; 7.8 percent for transportation; 3.2 percent for corrections; 1.5 percent for public assistance; and 33.3 percent for all other.

The shares of state spending for the seven functional areas tracked in the *State Expenditure Report* have shifted since

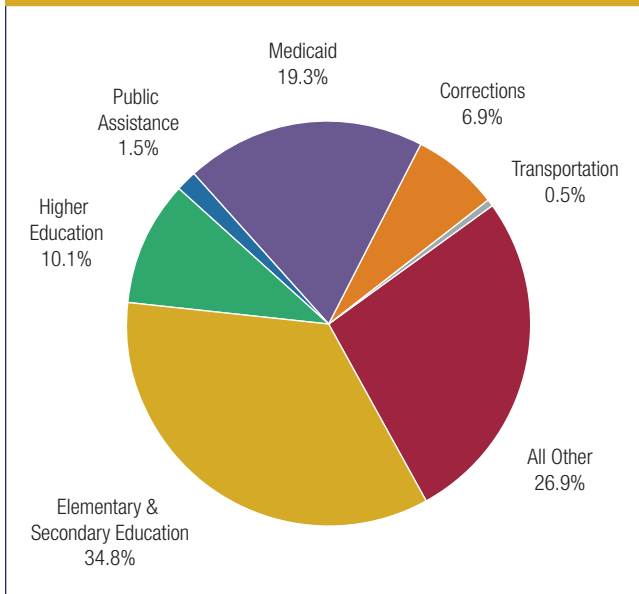
1987, when the report was first published. For example, in total state spending, Medicaid surpassed higher education as the second largest state program in 1990, and in 2003 it became the largest, displacing elementary and secondary education. Since 2003, Medicaid and elementary and secondary education have alternated as the largest share of total state spending. Whereas in fiscal 2008 elementary and secondary education was the largest component, in fiscal 2009 Medicaid represented the largest share, due to increased Medicaid enrollment and spending resulting from the economic decline. In fiscal 2013 Medicaid continued to grow as a percentage of total state expenditures, representing 24.4 percent, while elementary and secondary education declined to 19.8 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 2013. Also, Table 5, at the end of the Executive Summary, highlights the share of each state's budget represented by various programs in fiscal 2012 and shows the wide variation among states in their spending patterns.

General Fund Expenditures

Expenditures for elementary and secondary education continue to constitute the largest share of state general fund spending.



**FIGURE 6:
GENERAL FUND EXPENDITURES, FISCAL 2012**



As Figure 6 shows, in fiscal 2012, 34.8 percent of general fund spending went to elementary and secondary education. Medicaid accounted for 19.3 percent and higher education accounted for 10.1 percent of general fund spending.

Figure 7 reflects the percentage change for general fund spending in each of the functional categories. The general fund spending patterns for fiscal 2012 vary with four categories experiencing growth and three categories experiencing declines. In fiscal 2013, all categories of general fund spending are estimated to have increased. Overall, general fund spending increased 3.7 percent in fiscal 2012 and is estimated to have increased 4.4 percent in fiscal 2013.

Other State Funds Expenditures

Trailing only the “all other” category, higher education and transportation account for the next largest portions of other state funds spending for fiscal 2012, at 18.6 percent and 16.4 percent respectively. Other state funds are expenditures from revenue sources which are restricted by law for particular governmental functions or activities. For transportation, these funds largely represent receipts from gasoline taxes earmarked for highways and other infrastructure projects (see Table 3).

**FIGURE 7:
PERCENT CHANGE IN GENERAL FUND, FISCAL 2012 AND 2013**

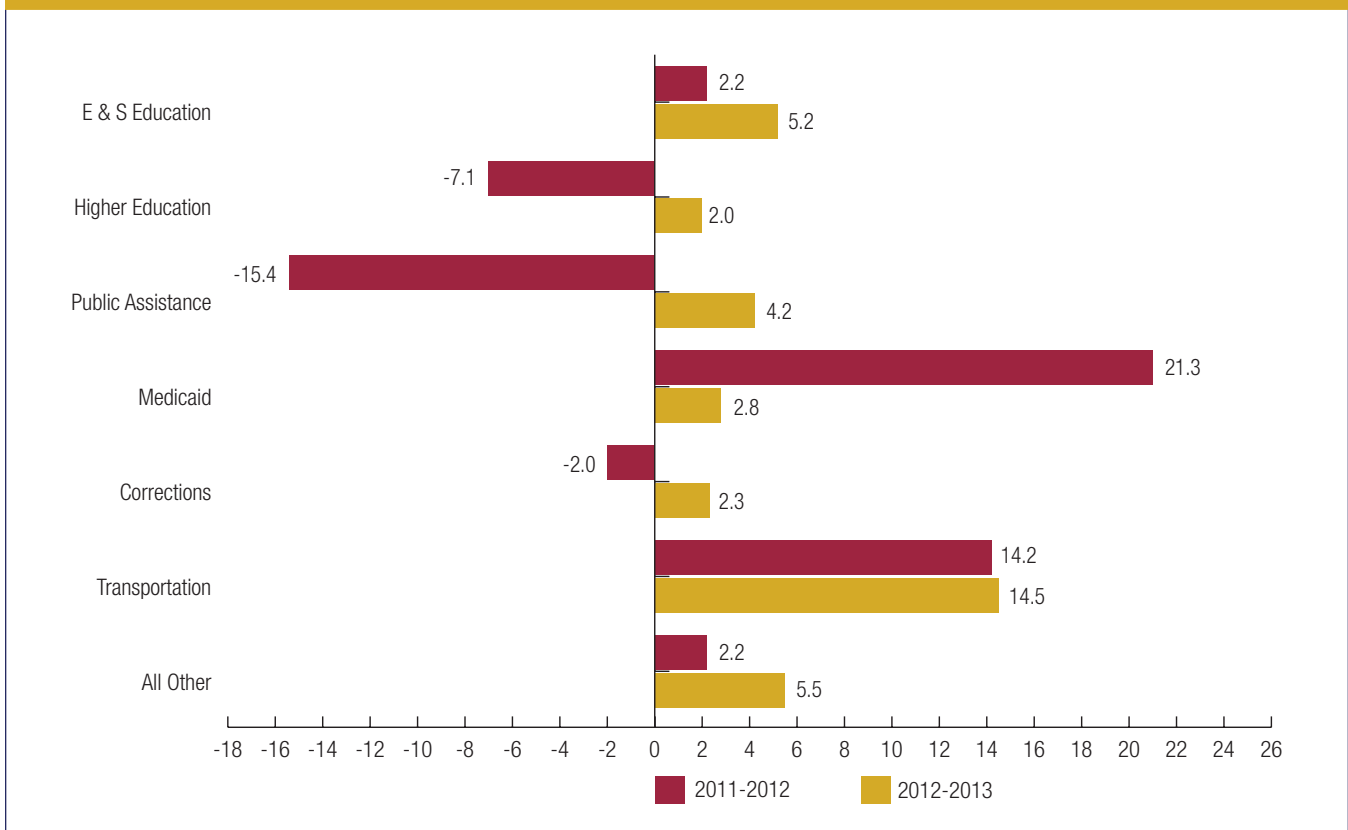


TABLE 1
TOTAL STATE EXPENDITURES—CAPITAL INCLUSIVE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2011					Actual Fiscal 2012					Estimated Fiscal 2013				
	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	\$17,845	\$2,701	\$3,224	\$2,404	\$26,174	\$18,782	\$2,631	\$3,489	\$2,656	\$27,558	\$19,030	\$2,555	\$3,618	\$2,935	\$28,138
Maine	2,859	3,000	2,293	122	8,274	3,087	2,649	2,309	61	8,106	3,042	2,564	2,176	16	7,798
Massachusetts	21,997	13,088	18,570	1,919	55,574	24,011	16,157	16,935	2,168	59,271	25,509	15,548	17,135	2,106	60,298
New Hampshire	1,326	1,929	1,940	145	5,340	1,280	1,650	1,965	80	4,975	1,262	1,601	2,080	81	5,024
Rhode Island	2,956	2,749	2,015	244	7,964	3,110	2,599	2,000	198	7,907	3,268	2,659	2,122	84	8,133
Vermont	744	1,966	2,072	78	4,860	889	1,831	2,241	56	5,017	977	1,662	2,248	73	4,960
MID-ATLANTIC															
Delaware	3,271	1,849	3,089	203	8,412	3,592	1,777	3,388	185	8,942	3,659	1,783	3,281	439	9,162
Maryland	13,281	9,951	9,452	1,156	33,840	14,951	9,058	9,906	962	34,877	15,119	11,811	8,909	1,135	36,974
New Jersey	27,932	12,044	5,550	1,616	47,142	30,282	10,998	5,911	1,421	48,612	31,618	12,485	6,735	1,247	52,085
New York	53,313	44,707	31,163	3,582	132,765	56,489	40,311	32,843	3,861	133,504	58,960	38,574	32,305	3,258	133,097
Pennsylvania	25,074	29,511	13,694	868	69,147	27,031	24,177	14,361	1,379	66,948	27,761	24,144	15,175	800	67,880
GREAT LAKES															
Illinois	25,237	14,821	14,375	1,957	56,390	29,257	19,407	14,944	2,122	65,730	29,260	15,407	19,825	1,955	66,447
Indiana	13,037	9,952	3,348	100	26,437	13,579	9,272	3,454	0	26,305	14,189	10,357	3,220	0	27,766
Michigan	8,360	19,919	20,035	283	48,597	8,619	17,549	20,844	274	47,286	9,164	19,295	20,107	182	48,748
Ohio	31,653	14,553	12,010	2,099	60,315	31,040	13,135	12,293	1,453	57,921	31,514	12,630	12,950	1,174	58,268
Wisconsin	13,565	12,236	17,043	0	42,844	13,381	10,572	17,371	0	41,324	14,042	10,815	17,912	0	42,769
PLAINS															
Iowa	5,354	6,147	6,258	229	17,988	6,010	6,551	6,072	307	18,940	6,231	5,682	7,539	157	19,609
Kansas	5,667	4,472	4,172	374	14,685	6,098	4,153	3,737	408	14,396	6,198	3,599	4,193	415	14,405
Minnesota	16,332	9,200	5,022	847	31,401	17,741	8,170	4,809	609	31,329	20,056	8,637	6,263	810	35,766
Missouri	7,630	7,805	7,220	447	23,102	7,938	7,539	7,887	0	23,364	8,022	7,209	7,712	0	22,943
Nebraska	3,324	3,222	3,261	0	9,807	3,446	2,988	3,443	0	9,877	3,590	3,014	3,559	0	10,163
North Dakota	1,615	1,813	1,568	21	5,017	2,222	1,884	1,910	11	6,027	2,220	1,621	2,072	26	5,939
South Dakota	1,167	1,679	957	67	3,870	1,215	1,488	960	35	3,698	1,302	1,487	1,307	35	4,131
SOUTHEAST															
Alabama	6,842	10,252	6,753	292	24,139	7,274	9,308	7,270	326	24,178	6,897	9,541	7,490	189	24,117
Arkansas	4,453	6,819	8,932	143	20,347	4,582	6,278	9,693	135	20,688	4,746	6,189	10,447	203	21,585
Florida	23,777	29,403	9,481	2,800	65,461	23,053	24,615	12,928	2,393	62,989	24,717	24,737	18,437	2,084	69,975
Georgia	16,476	13,273	10,218	858	40,825	17,240	12,469	10,786	632	41,127	18,303	11,752	10,211	808	41,074
Kentucky	8,691	9,763	6,978	0	25,432	9,334	8,687	7,628	0	25,649	9,426	8,001	8,246	0	25,673
Louisiana	7,786	10,969	11,854	591	31,200	8,344	10,616	7,793	320	27,073	8,156	12,311	8,791	404	29,662
Mississippi	4,367	8,401	5,325	267	18,360	4,495	7,945	5,593	353	18,386	4,699	8,274	5,660	784	19,417
North Carolina	18,503	17,711	14,220	473	50,907	20,195	14,513	11,207	652	46,567	20,602	17,459	12,543	785	51,389
South Carolina	5,275	9,821	6,988	104	22,188	5,517	9,284	7,164	123	22,088	6,350	7,792	8,158	0	22,300
Tennessee	10,561	13,578	5,970	119	30,228	11,685	12,806	5,674	254	30,419	12,622	13,055	5,394	382	31,453
Virginia	16,435	9,832	14,839	1,364	42,470	16,986	9,212	15,943	1,284	43,425	17,691	9,546	16,191	1,167	44,595
West Virginia	3,770	4,460	12,906	62	21,198	4,144	4,064	13,540	73	21,821	4,159	4,394	14,736	74	23,363
SOUTHWEST															
Arizona	8,306	14,971	6,715	741	30,733	8,414	12,299	7,064	763	28,540	8,567	12,332	7,624	770	29,293
New Mexico	5,231	6,110	3,006	0	14,347	5,432	5,608	3,124	0	14,164	5,656	5,660	3,227	0	14,543
Oklahoma	6,152	7,592	7,184	237	21,165	6,493	6,718	7,574	146	20,931	6,892	6,516	7,878	144	21,430
Texas	42,684	35,606	14,322	1,507	94,119	43,874	31,536	15,892	1,661	92,963	43,521	33,147	18,318	1,939	96,925
ROCKY MOUNTAIN															
Colorado	7,278	8,893	14,746	0	30,917	7,311	7,691	13,775	0	28,777	7,942	7,334	13,203	0	28,479
Idaho	2,451	2,670	1,450	32	6,603	2,505	2,382	1,348	32	6,267	2,699	2,792	1,718	33	7,242
Montana	1,701	2,380	2,083	0	6,164	1,764	2,131	2,024	0	5,919	1,947	2,115	1,978	0	6,040
Utah	4,628	3,579	4,115	366	12,688	4,742	3,588	3,039	453	11,822	4,990	3,405	3,739	469	12,603
Wyoming	2,726	1,547	1,760	0	6,033	2,714	1,547	1,765	0	6,026	3,709	2,353	2,549	0	8,611
FAR WEST															
Alaska	8,948	3,173	1,643	228	13,992	7,400	3,017	1,322	50	11,789	7,301	2,902	1,389	550	12,142
California	91,549	84,764	33,432	6,000	215,745	86,404	73,063	33,853	6,104	199,424	95,665	81,299	38,656	12,261	227,881
Hawaii	4,969	2,554	3,116	582	11,221	5,511	1,932	3,285	766	11,494	5,666	1,912	3,271	735	11,584
Nevada	3,175	2,642	2,631	78	8,526	3,062	2,554	1,978	29	7,623	3,179	2,918	2,769	27	8,893
Oregon	5,665	8,628	18,609	569	33,471	6,925	7,753	12,007	329	27,014	5,960	7,452	12,262	132	25,806
Washington	14,823	8,989	7,784	2,025	33,621	15,279	8,049	9,713	1,902	34,943	15,633	7,744	7,809	2,016	33,202
TOTAL	\$640,761	\$567,694	\$425,391	\$38,199	\$1,672,045	\$664,729	\$516,211	\$426,054	\$37,026	\$1,644,020	\$693,688	\$528,071	\$455,137	\$42,884	\$1,719,780

TABLE 2
ANNUAL PERCENTAGE CHANGE IN TOTAL STATE EXPENDITURES

Region/State	Fiscal 2011 to 2012				Fiscal 2012 to 2013			
	General Funds	State Funds	Federal Funds	All Funds	General Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND								
Connecticut	5.3 %	5.7 %	-2.6 %	5.3 %	1.3 %	1.7 %	-2.9 %	2.1 %
Maine	8.0	4.7	-11.7	-2.0	-1.5	-3.3	-3.2	-3.8
Massachusetts	9.2	0.9	23.4	6.7	6.2	4.1	-3.8	1.7
New Hampshire	-3.5	-0.6	-14.5	-6.8	-1.4	3.0	-3.0	1.0
Rhode Island	5.2	2.8	-5.5	-0.7	5.1	5.5	2.3	2.9
Vermont	19.5	11.2	-6.9	3.2	9.9	3.0	-9.2	-1.1
MID-ATLANTIC								
Delaware	9.8	9.7	-3.9	6.3	1.9	-0.6	0.3	2.5
Maryland	12.6	9.3	-9.0	3.1	1.1	-3.3	30.4	6.0
New Jersey	8.4	8.1	-8.7	3.1	4.4	6.0	13.5	7.1
New York	6.0	5.7	-9.8	0.6	4.4	2.2	-4.3	-0.3
Pennsylvania	7.8	6.8	-18.1	-3.2	2.7	3.7	-0.1	1.4
GREAT LAKES								
Illinois	15.9	11.6	30.9	16.6	0.0	11.0	-20.6	1.1
Indiana	4.2	4.0	-6.8	-0.5	4.5	2.2	11.7	5.6
Michigan	3.1	3.8	-11.9	-2.7	6.3	-0.7	9.9	3.1
Ohio	-1.9	-0.8	-9.7	-4.0	1.5	2.6	-3.8	0.6
Wisconsin	-1.4	0.5	-13.6	-3.5	4.9	3.9	2.3	3.5
PLAINS								
Iowa	12.3	4.0	6.6	5.3	3.7	14.0	-13.3	3.5
Kansas	7.6	0.0	-7.1	-2.0	1.6	5.7	-13.3	0.1
Minnesota	8.6	5.6	-11.2	-0.2	13.0	16.7	5.7	14.2
Missouri	4.0	6.6	-3.4	1.1	1.1	-0.6	-4.4	-1.8
Nebraska	3.7	4.6	-7.3	0.7	4.2	3.8	0.9	2.9
North Dakota	37.6	29.8	3.9	20.1	-0.1	3.9	-14.0	-1.5
South Dakota	4.1	2.4	-11.4	-4.4	7.2	20.0	-0.1	11.7
SOUTHEAST								
Alabama	6.3	7.0	-9.2	0.2	-5.2	-1.1	2.5	-0.3
Arkansas	2.9	6.6	-7.9	1.7	3.6	6.4	-1.4	4.3
Florida	-3.0	8.2	-16.3	-3.8	7.2	19.9	0.5	11.1
Georgia	4.6	5.0	-6.1	0.7	6.2	1.7	-5.8	-0.1
Kentucky	7.4	8.3	-11.0	0.9	1.0	4.2	-7.9	0.1
Louisiana	7.2	-17.8	-3.2	-13.2	-2.3	5.0	16.0	9.6
Mississippi	2.9	4.1	-5.4	0.1	4.5	2.7	4.1	5.6
North Carolina	9.1	-4.0	-18.1	-8.5	2.0	5.6	20.3	10.4
South Carolina	4.6	3.4	-5.5	-0.5	15.1	14.4	-16.1	1.0
Tennessee	10.6	5.0	-5.7	0.6	8.0	3.8	1.9	3.4
Virginia	3.4	5.3	-6.3	2.2	4.2	2.9	3.6	2.7
West Virginia	9.9	6.0	-8.9	2.9	0.4	6.8	8.1	7.1
SOUTHWEST								
Arizona	1.3	3.0	-17.8	-7.1	1.8	4.6	0.3	2.6
New Mexico	3.8	3.9	-8.2	-1.3	4.1	3.8	0.9	2.7
Oklahoma	5.5	5.5	-11.5	-1.1	6.1	5.0	-3.0	2.4
Texas	2.8	4.8	-11.4	-1.2	-0.8	3.5	5.1	4.3
ROCKY MOUNTAIN								
Colorado	0.5	-4.3	-13.5	-6.9	8.6	0.3	-4.6	-1.0
Idaho	2.2	-1.2	-10.8	-5.1	7.7	14.6	17.2	15.6
Montana	3.7	0.1	-10.5	-4.0	10.4	3.6	-0.8	2.0
Utah	2.5	-11.0	0.3	-6.8	5.2	12.2	-5.1	6.6
Wyoming	-0.4	-0.2	0.0	-0.1	36.7	39.7	52.1	42.9
FAR WEST								
Alaska	-17.3	-17.6	-4.9	-15.7	-1.3	-0.4	-3.8	3.0
California	-5.6	-3.8	-13.8	-7.6	10.7	11.7	11.3	14.3
Hawaii	10.9	8.8	-24.4	2.4	2.8	1.6	-1.0	0.8
Nevada	-3.6	-13.2	-3.3	-10.6	3.8	18.0	14.3	16.7
Oregon	22.2	-22.0	-10.1	-19.3	-13.9	-3.8	-3.9	-4.5
Washington	3.1	10.5	-10.5	3.9	2.3	-6.2	-3.8	-5.0
TOTAL	3.7 %	2.3 %	-9.1 %	-1.7 %	4.4 %	5.3 %	2.3 %	4.6 %

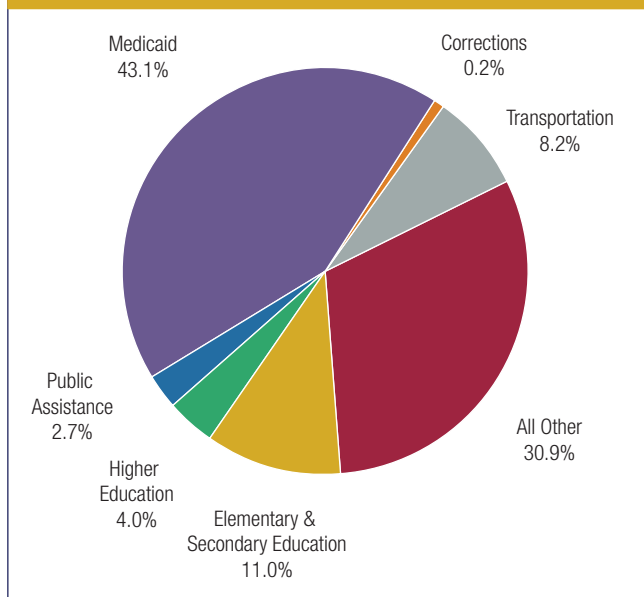
Note: State funds are defined as general funds and other state funds (bonds are excluded).

TABLE 3

COMPARISON OF SHARES OF STATE SPENDING WITH FUND SOURCES, FISCAL 1995 TO 2013

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	20.0	47.9	100.0
Federal Funds	10.6	5.7	4.1	43.8	0.3	8.6	26.9	100.0
Bond Funds	28.3	16.9	0.0	0.0	2.5	19.1	33.1	100.0
Total Funds	21.8	11.1	2.2	22	3.5	8.2	31.2	100.0
FY 2004:								
General Funds	35.8	11.7	2.3	16.9	7.0	0.5	25.8	100.0
Other State Funds	8.5	13.6	0.2	7.4	0.7	19.9	49.8	100.0
Federal Funds	11.3	4.7	3.6	44.6	0.7	8.4	26.9	100.0
Bond Funds	20.9	21.2	0.0	0.0	2.6	26.8	28.4	100.0
Total Funds	21.4	10.4	2.2	22.1	3.5	8.3	32.2	100.0
FY 2005:								
General Funds	35.4	11.6	2.2	17.1	6.9	0.5	26.2	100.0
Other State Funds	8.5	14.1	0.1	8.3	0.7	19.5	48.9	100.0
Federal Funds	11.6	4.4	3.2	44.2	0.3	8.7	27.4	100.0
Bond Funds	17.0	25.3	0.0	0.0	2.8	25.5	29.4	100.0
Total Funds	21.4	10.4	1.8	22.3	3.3	8.2	32.4	100.0
FY 2006:								
General Funds	34.4	11.3	2.1	17.4	6.7	0.8	27.2	100.0
Other State Funds	8.1	14.2	0.1	7.3	0.7	18.5	51.1	100.0
Federal Funds	12.1	4.6	3.0	42.9	0.2	8.7	28.5	100.0
Bond Funds	17.9	24.0	0.0	0.0	3.4	26.1	28.6	100.0
Total Funds	21.2	10.5	1.8	21.4	3.3	8.1	33.7	100.0
FY 2007:								
General Funds	34.1	11.0	2.0	16.6	6.8	1.1	28.4	100.0
Other State Funds	9.4	14.5	0.1	7.3	0.7	17.7	50.3	100.0
Federal Funds	12.0	4.1	3.1	43.1	0.3	8.6	28.9	100.0
Bond Funds	12.4	18.1	0.0	0.0	3.2	32.4	33.8	100.0
Total Funds	21.5	10.2	1.7	20.9	3.4	8.1	34.2	100.0
FY 2008:								
General Funds	35.0	11.7	1.9	16.0	7.0	0.8	27.6	100.0
Other State Funds	10.2	15.2	0.1	7.3	0.7	17.5	49.0	100.0
Federal Funds	11.7	3.7	3.1	43.0	0.2	8.6	29.7	100.0
Bond Funds	9.6	19.2	0.0	0.0	2.7	30.5	37.9	100.0
Total Funds	22.0	10.7	1.7	20.5	3.5	7.8	33.9	100.0
FY 2009:								
General Funds	35.2	11.5	1.9	16.3	7.2	0.7	26.8	100.0
Other State Funds	10.1	15.2	0.1	6.8	0.6	16.4	50.8	100.0
Federal Funds	12.2	4.2	2.9	44.6	0.3	7.8	28.0	100.0
Bond Funds	15.0	20.9	0.0	0.0	3.0	30.0	31.0	100.0
Total Funds	21.5	10.5	1.7	21.9	3.4	7.5	33.4	100.0
FY 2010:								
General Funds	35.5	11.5	1.9	14.8	7.4	0.7	28.1	100.0
Other State Funds	9.8	16.7	0.1	7.6	0.7	16.1	49.0	100.0
Federal Funds	12.2	3.6	2.7	42.2	0.4	7.1	31.7	100.0
Bond Funds	8.3	20.3	0.0	0.0	3.0	34.6	33.8	100.0
Total Funds	20.4	10.2	1.7	22.2	3.2	7.5	34.7	100.0
FY 2011:								
General Funds	35.3	11.3	1.9	16.5	7.3	0.5	27.3	100.0
Other State Funds	8.7	18.0	0.1	9.8	0.6	15.8	47.1	100.0
Federal Funds	12.7	4.0	2.7	44.2	0.3	7.2	29.0	100.0
Bond Funds	12.3	16.8	0.0	0.0	1.6	33.9	35.4	100.0
Total Funds	20.3	10.7	1.6	23.8	3.1	7.4	33.1	100.0
FY 2012:								
General Funds	34.8	10.1	1.5	19.3	6.9	0.5	26.9	100.0
Other State Funds	9.5	12.6	0.1	9.3	1.3	16.4	45.8	100.0
Federal Funds	11.0	4.0	2.7	43.1	0.2	8.2	30.9	100.0
Bond Funds	8.0	15.2	0.0	0.0	2.1	34.8	39.8	100.0
Total Funds	19.9	10.5	1.5	23.7	3.2	7.8	33.3	100.0
FY 2013:								
General Funds	35.1	9.9	1.5	19.0	6.8	0.6	27.2	100.0
Other State Funds	8.4	18.3	0.1	10.9	1.0	15.8	45.6	100.0
Federal Funds	10.4	3.8	2.5	45.2	0.2	8.6	29.4	100.0
Bond Funds	11.1	12.2	0.0	0.0	1.4	34.4	40.8	100.0
Total Funds	19.8	10.3	1.4	24.4	3.1	7.9	33.1	100.0
FY 1995-13 Combined Total:								
General Funds	35.0	11.9	2.4	16.1	7.0	0.7	26.7	100.0
Other State Funds	9.1	14.8	0.3	7.3	0.8	19.6	48.0	100.0
Federal Funds	11.0	4.2	3.8	43.5	0.3	8.7	28.5	100.0
Bond Funds	14.7	19.2	0.0	0.0	4.1	28.9	33.2	100.0
Total Funds	21.3	10.6	2.2	21.3	3.5	8.3	32.8	100.0

FIGURE 8:
FEDERAL FUND EXPENDITURES, FISCAL 2012



Federal Fund Expenditures

As reflected in Figure 8, Medicaid accounts for the largest portion of state spending from federal funds in fiscal 2012 at 43.1 percent. Elementary and secondary education at 11.0 percent and transportation at 8.2 percent are the next largest categories.

Regional Spending Trends

Table 4 shows growth rates for each region of the United States, separated by state funds (general fund plus other state funds, not including bond funds) and federal funds. The growth rate for all states decreased 1.7 percent in fiscal 2012, with four regions recording growth and four recording declines. In fiscal 2013, total estimated state spending increased 4.6 percent, with all eight regions recording spending growth.

FIGURE 9:
REGIONAL PERCENT CHANGE IN STATE FUNDS, FISCAL 2012 AND 2013

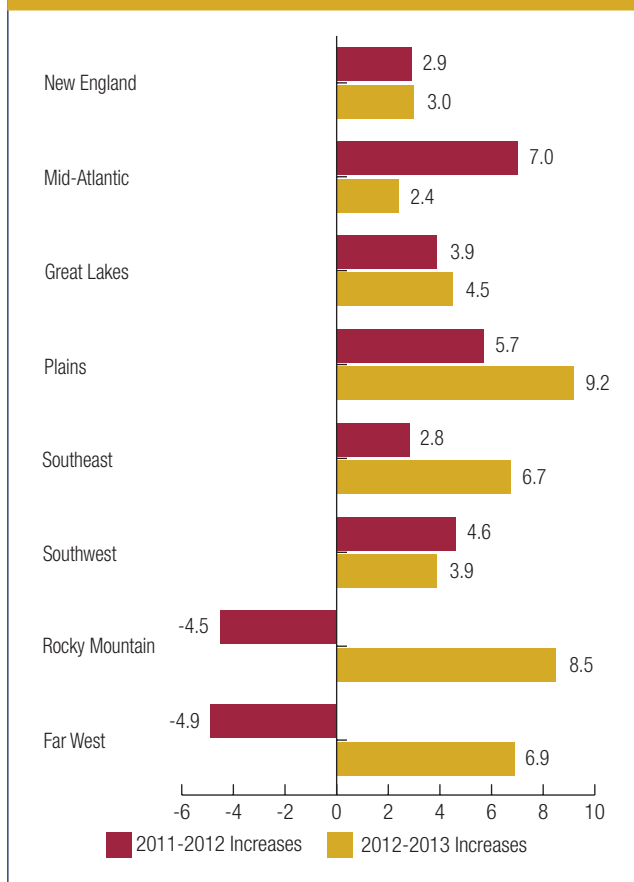


Figure 9 shows the percentage change in state spending from state funds for 2011-2012 and 2012-2013. In fiscal 2012, all but the Rocky Mountain and Far West regions saw increases in spending from state funds while in fiscal 2013 it is estimated that all regions saw increases in spending from state funds. Total state expenditure data can be found on Tables 1-5, along with related footnotes at the end of this chapter.

TABLE 4
REGIONAL PERCENTAGE CHANGE IN TOTAL EXPENDITURES, FISCAL 2012 AND 2013

Region	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	2.9 %	8.2 %	4.3 %	3.0 %	-3.4 %	1.3 %
Mid-Atlantic	7.0	-12.0	0.5	2.4	2.9	2.2
Great Lakes	3.9	-2.2	1.7	4.5	-2.0	2.3
Plains	5.7	-4.6	1.7	9.2	-4.7	4.9
Southeast	2.8	-10.0	-2.1	6.7	2.5	5.3
Southwest	4.6	-12.6	-2.3	3.9	2.7	3.6
Rocky Mountain	-4.5	-9.1	-5.8	8.5	3.8	7.1
Far West	-4.9	-13.0	-7.7	6.9	8.2	9.3
ALL STATES	2.3 %	-9.1 %	-1.7 %	5.3 %	2.3 %	4.6 %

TABLE 5

STATE SPENDING BY FUNCTION AS A PERCENT OF TOTAL STATE EXPENDITURES, FISCAL 2012

Region/State	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
NEW ENGLAND								
Connecticut	13.9 %	10.3 %	1.4 %	21.4 %	2.5 %	10.0 %	40.6 %	100.0 %
Maine	13.1	3.4	2.6	28.8	1.7	8.6	41.8	100.0
Massachusetts	10.7	9.3	2.5	20.7	2.1	6.2	48.6	100.0
New Hampshire	23.5	2.7	1.9	23.9	2.1	10.1	35.9	100.0
Rhode Island	14.2	13.2	1.4	25.0	2.4	6.5	37.4	100.0
Vermont	31.1	1.8	2.1	25.3	2.8	12.8	24.2	100.0
MID-ATLANTIC								
Delaware	24.6	4.5	0.3	15.9	3.0	8.9	42.9	100.0
Maryland	19.5	14.5	3.7	21.5	4.3	9.9	26.5	100.0
New Jersey	24.7	7.8	0.9	21.6	3.2	9.3	32.4	100.0
New York	19.8	7.6	2.8	29.4	2.3	6.2	31.8	100.0
Pennsylvania	18.4	2.8	1.9	33.2	3.5	9.3	30.8	100.0
GREAT LAKES								
Illinois	15.8	5.5	0.1	19.7	2.2	8.5	48.1	100.0
Indiana	32.9	6.5	1.5	27.3	2.9	9.3	19.7	100.0
Michigan	27.2	4.1	0.9	26.1	4.7	6.9	30.2	100.0
Ohio	20.6	4.2	1.5	24.4	3.1	5.1	41.2	100.0
Wisconsin	16.7	14.1	0.4	16.5	2.9	6.9	42.5	100.0
PLAINS								
Iowa	16.8	25.0	0.6	19.6	2.7	7.5	27.8	100.0
Kansas	25.8	16.9	0.3	18.6	2.5	8.8	27.1	100.0
Minnesota	23.8	9.7	1.4	27.6	1.5	8.3	27.7	100.0
Missouri	22.6	4.7	0.7	35.0	2.6	10.4	23.9	100.0
Nebraska	15.3	23.5	0.5	16.7	2.3	7.5	34.3	100.0
North Dakota	13.8	17.7	0.1	12.1	1.9	16.4	38.0	100.0
South Dakota	14.3	17.7	0.8	20.9	2.7	15.9	27.7	100.0
SOUTHEAST								
Alabama	20.9	20.1	0.2	23.3	2.5	6.1	27.0	100.0
Arkansas	16.3	16.2	2.1	21.4	2.2	5.8	36.0	100.0
Florida	18.8	7.1	0.3	30.6	4.2	11.0	28.1	100.0
Georgia	24.0	18.7	0.1	21.5	3.7	5.2	26.8	100.0
Kentucky	19.8	25.7	0.9	22.5	2.4	8.9	19.8	100.0
Louisiana	18.4	9.9	0.6	26.7	2.9	7.1	34.4	100.0
Mississippi	16.9	16.8	5.8	23.4	1.8	7.5	27.7	100.0
North Carolina	20.6	10.9	0.5	24.7	4.2	9.9	29.0	100.0
South Carolina	15.9	21.0	0.4	21.7	2.7	6.6	31.7	100.0
Tennessee	17.7	12.8	0.4	30.7	2.7	6.4	29.3	100.0
Virginia	16.0	13.1	0.4	16.2	2.9	11.3	40.1	100.0
West Virginia	10.8	14.1	0.7	12.7	1.0	5.8	54.9	100.0
SOUTHWEST								
Arizona	19.0	13.5	1.0	32.0	3.6	6.4	24.6	100.0
New Mexico	19.7	19.3	0.5	24.7	2.0	5.9	27.9	100.0
Oklahoma	16.5	23.1	1.0	23.9	2.5	7.2	25.8	100.0
Texas	28.7	15.8	0.1	30.1	3.5	8.1	13.8	100.0
ROCKY MOUNTAIN								
Colorado	25.3	9.0	0.0	20.7	2.7	5.4	36.9	100.0
Idaho	25.7	8.1	0.3	27.2	3.7	10.9	24.2	100.0
Montana	15.5	9.8	0.5	16.8	3.1	12.7	41.5	100.0
Utah	24.7	11.9	0.9	17.5	2.0	9.2	33.9	100.0
Wyoming	3.9	5.5	0.0	9.5	4.6	9.5	66.9	100.0
FAR WEST								
Alaska	13.4	9.3	1.1	11.6	3.0	16.8	44.8	100.0
California	19.9	7.0	3.8	21.6	5.4	6.3	36.0	100.0
Hawaii	15.6	11.3	0.9	12.3	2.0	10.0	48.0	100.0
Nevada	23.6	9.7	3.2	25.4	3.8	9.5	24.9	100.0
Oregon	14.0	2.5	0.7	18.2	3.9	6.7	54.1	100.0
Washington	22.9	17.8	1.0	12.1	2.7	8.4	35.1	100.0
ALL STATES	19.9 %	10.5 %	1.5 %	23.7 %	3.2 %	7.8 %	33.3 %	100.0 %

Note: Percentages may not add to 100.

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 2011 and 2012 are based on actual expenditures during these years, regardless of the year appropriated. Fiscal 2013 amounts shown are equal to actual expenditures through 9 months and then annualized for the year.

Delaware: Figures for fiscal 2013 are actual, not estimated.

Indiana: Total state expenditures for 2013 does not include one-time transfers for the Automatic Taxpayer Refund (\$360.6M), statutory distributions of “excess” reserves to various pension funds (\$360.6M), bond defeasance (\$203.9M), and paying back loans to the common school fund for charter schools (\$91.2M).

Maryland: In fiscal 2013, special “Budget Restoration Funds” are included in the table as general funds across all agencies. These funds were used to restore appropriations during the May 2012 Legislative Special Session, but related revenues are normally categorized as general funds and the expenditures are normally funded by general funds. Including them as general funds enables a more fair year to year comparison.

South Carolina: Unless noted, FY12-13 numbers reflects actuals from statewide accounting system (SCEIS) as of the week of July 19, 2013. Agencies are still actively processing financial documents and numbers are subject to change until the “closing” of the FY12-13 books. FY12-13 “Bond Fund” numbers not available at this time

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.

Texas: Data are compiled from multiple sources, such as agency annual financial reports, Texas Comptroller publications, the General Appropriations Act, and Legislative Budget Board online resources. Methodologies employed by these sources may differ somewhat between each other and across time.

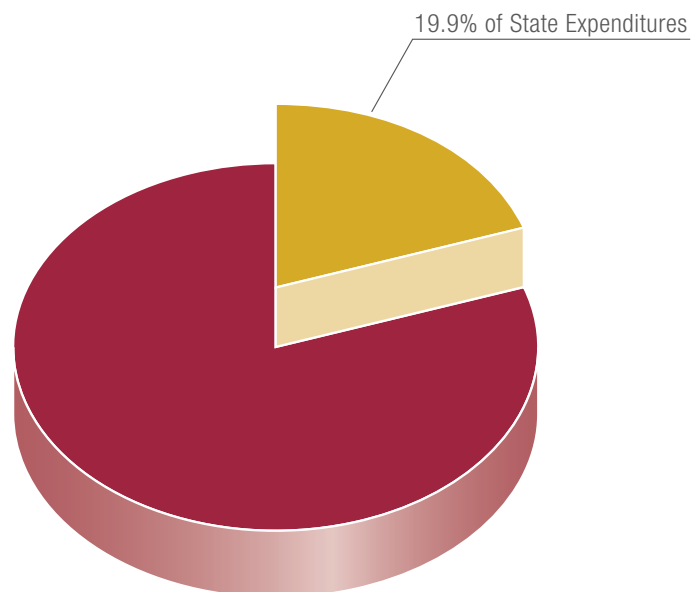
Vermont: In fiscal 2011, the General Fund had \$744 million in expenditures and \$400 million in fund transfers out of the General Fund to other state funds where the expenditures were recorded. Total expenditures and transfers out for the General Fund were \$1,144 million. \$235 million of the transfers out of the general fund were related to Elementary and Secondary Education. In fiscal 2012, the General Fund had \$889 million in expenditures and \$388 million in fund transfers out of the General Fund to other state funds where the expenditures were recorded. Total expenditures and transfers out for the General Fund were \$1,277 million. \$276 million of the transfers out of the general fund were related to Elementary and Secondary Education. In estimated fiscal 2013, the General Fund had \$977 million in estimated expenditures and \$386 million in estimated fund transfers 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 \$1,363 million. \$282 million of the estimated transfers out of the general fund were related to Elementary and Secondary Education.

1

CHAPTER



ELEMENTARY & SECONDARY EDUCATION



Elementary and Secondary Education Expenditures

State elementary and secondary education expenditures totaled \$327.1 billion in fiscal 2012, a 3.8 percent decline over the previous year. While state funding to K-12 education increased modestly, there was a sharp decline in federal funding. State funds (general funds and other state funds combined) increased by 1.7 percent, while federal funds declined by 21.6 percent. The decrease in federal funds was a result of a decline in education funds under the *American Recovery and Reinvestment Act of 2009* (ARRA). In fiscal 2012, states received \$5.9 billion in ARRA funds for elementary and secondary education, compared to \$21.2 billion in fiscal 2011. General funds comprised 70.7 percent of state elementary and secondary education spending, federal funds comprised 17.3 percent, other states funds comprised 11.1 percent, and bonds comprised 0.9 percent (see Figure 10) in fiscal 2012.

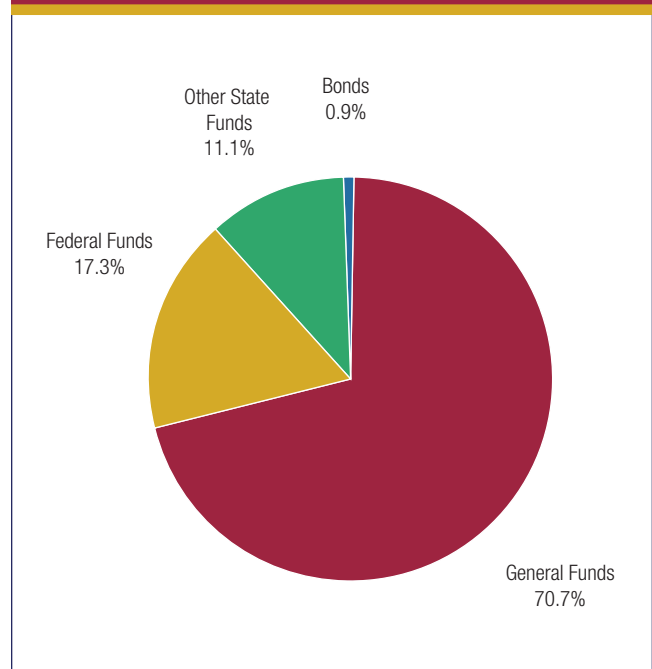
In fiscal 2013, it is estimated that overall elementary and secondary expenditures grew by 4.2 percent, with state funds increasing by 5.1 percent and federal funds declining by 3.1 percent. States have begun to restore some prior cuts to K-12 education as the economy has slowly improved and state revenues have begun to increase. During the midst of the national recession, state funds for elementary and secondary education declined by 1.3 percent in fiscal 2009 and 5.2 percent in fiscal 2010.

While elementary and secondary education has historically been the largest category of total state spending, it was surpassed by Medicaid in fiscal 2009. In fiscal 2012, Medicaid comprised 23.7 percent of total state spending and K-12 represented 19.9 percent. Elementary and secondary education remains by far the largest component of general fund spending in fiscal 2012 at 34.8 percent, compared to 19.3 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 governments' 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 cover the cost of educating children with special needs. However, federal funds through ARRA have mostly been used to maintain basic educational services. Overall, according to the U.S. Census Bureau's report on public education finances, 44.4% of elementary and secondary education revenue came from states, 43.3% from localities, and 12.3% from the federal government in fiscal 2011.

FIGURE 10
STATE EXPENDITURES FOR ELEMENTARY AND SECONDARY EDUCATION BY FUND SOURCE, FISCAL 2012



Regional Expenditures

The following table shows percentage changes in expenditures for elementary and secondary education for fiscal 2011-2012 and 2012-2013 by region. In fiscal 2012, all regions except New England saw a decline in total state spending for K-12 education.

TABLE 6
REGIONAL PERCENTAGE CHANGE IN STATE ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES, FISCAL 2012 AND 2013

Region	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	3.0 %	-8.1 %	1.4 %	4.4 %	-2.9 %	3.6 %
Mid-Atlantic	3.7	-28.2	-3.1	4.2	-15.0	1.1
Great Lakes	-2.9	-10.6	-5.2	1.1	-12.2	-1.9
Plains	6.0	-25.0	-0.4	13.3	-4.0	10.6
Southeast	1.2	-20.4	-3.9	3.5	6.2	3.9
Southwest	1.9	-29.0	-5.9	-0.9	-0.7	-0.9
Rocky Mountain	1.7	-19.8	-1.7	7.9	-9.1	5.7
Far West	2.5	-21.7	-4.5	11.9	4.7	14.1
ALL STATES	1.7 %	-21.6 %	-3.8 %	5.1 %	-3.1 %	4.2 %

ESEA Reauthorization & Flexibility Requests

The *Elementary and Secondary Education Act* (ESEA), and its current reauthorization known as “No Child Left Behind” (NCLB), continues to await a new reauthorization by Congress. No Child Left Behind created a series of new accountability standards as well as made funding changes. In fall 2011, the U.S. Department of Education announced that it would grant states flexibility from certain NCLB provisions in exchange for implementing various reforms to increase accountability. As of October 2013, 42 states plus Puerto Rico and the District of Columbia had been approved for NCLB waivers, and three states had outstanding requests pending approval.

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 16 states wholly or partially excluded contributions to health benefits. Additionally, other items that are wholly or partially excluded include: day care programs (40 states), school health care (39), 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 7

ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2011					Actual Fiscal 2012					Estimated Fiscal 2013				
	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	\$2,708	\$567	\$6	\$391	\$3,672	\$2,769	\$556	\$3	\$506	\$3,834	\$2,880	\$484	\$3	\$563	\$3,930
Maine*	1,075	57	0	0	1,132	1,046	16	0	0	1,062	1,087	202	8	0	1,297
Massachusetts	4,271	1,264	659	0	6,194	4,490	1,173	674	0	6,337	4,715	1,000	687	0	6,402
New Hampshire	0	201	934	57	1,192	0	208	956	7	1,171	0	198	959	14	1,171
Rhode Island	846	260	23	4	1,133	861	235	27	0	1,123	930	238	40	1	1,209
Vermont	56	182	1,306	7	1,551	61	137	1,353	8	1,559	73	136	1,397	7	1,613
MID-ATLANTIC															
Delaware	1,092	243	575	150	2,060	1,156	244	659	138	2,197	1,194	211	681	141	2,227
Maryland*	4,982	1,691	446	0	7,119	5,709	980	121	0	6,810	5,693	1,077	303	0	7,073
New Jersey	10,127	1,351	15	0	11,493	11,110	869	18	0	11,997	11,803	832	16	0	12,651
New York	18,146	6,090	3,277	9	27,522	18,508	4,908	3,009	17	26,442	19,070	3,407	3,164	16	25,657
Pennsylvania	8,976	3,759	753	0	13,488	9,258	2,430	618	0	12,306	9,709	2,489	622	0	12,820
GREAT LAKES															
Illinois	7,020	4,127	54	0	11,201	6,750	3,581	67	0	10,398	6,550	2,977	61	0	9,588
Indiana	7,256	1,105	149	0	8,510	7,277	1,231	135	0	8,643	7,452	1,057	171	0	8,680
Michigan*	42	2,566	10,811	0	13,419	102	1,911	10,842	0	12,855	318	1,796	10,945	0	13,059
Ohio	9,060	2,254	772	901	12,987	8,404	2,239	774	520	11,937	8,469	2,000	734	312	11,515
Wisconsin	6,249	926	233	0	7,408	5,841	848	230	0	6,919	5,915	782	238	0	6,935
PLAINS															
Iowa	2,525	541	125	0	3,191	2,694	435	44	0	3,173	2,732	473	46	0	3,251
Kansas	2,971	688	165	0	3,824	3,077	471	166	0	3,714	3,095	478	164	0	3,737
Minnesota	6,084	1,074	43	1	7,202	6,625	779	44	1	7,449	8,875	805	48	1	9,729
Missouri*	2,646	1,457	1,224	0	5,327	2,770	1,086	1,425	0	5,281	2,914	957	1,358	0	5,229
Nebraska	1,040	500	63	0	1,603	1,047	395	66	0	1,508	1,088	328	72	0	1,488
North Dakota	592	151	49	0	792	620	154	56	0	830	658	136	57	0	851
South Dakota	388	242	2	0	632	358	169	3	0	530	402	173	3	0	578
SOUTHEAST															
Alabama*	3,718	1,339	187	0	5,244	3,909	969	183	0	5,061	3,773	1,109	283	0	5,165
Arkansas	1,943	786	794	0	3,523	2,000	615	765	0	3,380	2,056	519	767	0	3,342
Florida	8,738	3,635	1,736	0	14,109	8,244	2,169	1,413	0	11,826	9,448	2,098	1,090	0	12,636
Georgia	7,068	2,690	419	171	10,348	7,061	2,241	331	232	9,865	7,381	2,065	303	167	9,916
Kentucky	3,941	1,092	31	0	5,064	4,129	919	32	0	5,080	4,141	846	34	0	5,021
Louisiana	3,160	1,274	754	0	5,188	3,298	1,101	573	0	4,972	3,277	1,190	900	0	5,367
Mississippi	1,902	868	421	0	3,191	1,993	795	328	0	3,116	2,016	797	361	0	3,174
North Carolina	7,262	1,549	549	0	9,360	7,580	1,438	581	4	9,603	7,740	2,716	149	0	10,605
South Carolina	1,908	1,216	714	0	3,838	1,995	824	690	0	3,509	2,264	890	749	0	3,903
Tennessee	3,600	1,557	47	0	5,204	4,046	1,261	63	0	5,370	4,184	1,311	114	0	5,609
Virginia	4,832	1,288	579	0	6,699	4,979	1,358	607	0	6,944	5,254	1,029	645	0	6,928
West Virginia	1,786	377	15	23	2,201	1,950	369	16	23	2,358	1,820	362	16	23	2,221
SOUTHWEST															
Arizona	3,577	1,336	619	88	5,620	3,569	1,185	570	89	5,413	3,669	1,061	636	88	5,454
New Mexico	2,339	593	1	0	2,933	2,366	421	1	0	2,788	2,455	414	1	0	2,870
Oklahoma	2,279	912	329	0	3,520	2,357	755	338	0	3,450	2,368	662	444	0	3,474
Texas	18,201	7,316	3,063	21	28,601	18,249	4,848	3,529	15	26,641	17,293	5,025	3,839	6	26,163
ROCKY MOUNTAIN															
Colorado*	2,963	888	3,534	0	7,385	2,833	656	3,781	0	7,270	3,015	614	3,918	0	7,547
Idaho	1,291	291	101	0	1,683	1,241	293	77	0	1,611	1,299	251	84	0	1,634
Montana	618	252	63	0	933	629	173	115	0	917	697	162	77	0	936
Utah	2,322	577	41	0	2,940	2,409	469	37	0	2,915	2,534	481	76	0	3,091
Wyoming	7	98	130	0	235	7	98	131	0	236	2	28	444	0	474
FAR WEST															
Alaska	1,240	246	42	0	1,528	1,292	233	54	0	1,579	1,355	233	47	0	1,635
California	32,040	7,931	92	2,670	42,733	32,102	6,261	122	1,216	39,701	37,665	6,706	131	3,172	47,674
Hawaii*	1,336	323	52	0	1,711	1,458	284	56	0	1,798	1,444	287	63	0	1,794
Nevada	1,249	439	140	0	1,828	1,116	251	430	0	1,797	1,212	393	371	0	1,976
Oregon	2,267	826	601	0	3,694	2,967	661	164	0	3,792	2,527	560	593	0	3,680
Washington	6,305	1,185	154	202	7,846	6,789	887	126	191	7,993	6,720	799	97	257	7,873
TOTAL	\$226,044	\$72,180	\$36,892	\$4,695	\$339,811	\$231,101	\$56,589	\$36,403	\$2,967	\$327,060	\$243,231	\$54,844	\$38,009	\$4,768	\$340,852

*See notes at the end of the chapter.

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

Region/State	Fiscal 2011	Fiscal 2012	Fiscal 2013
NEW ENGLAND			
Connecticut	14.0 %	13.9 %	14.0 %
Maine	13.7	13.1	16.6
Massachusetts	11.1	10.7	10.6
New Hampshire	22.3	23.5	23.3
Rhode Island	14.2	14.2	14.9
Vermont	31.9	31.1	32.5
MID-ATLANTIC			
Delaware	24.5	24.6	24.3
Maryland	21.0	19.5	19.1
New Jersey	24.4	24.7	24.3
New York	20.7	19.8	19.3
Pennsylvania	19.5	18.4	18.9
GREAT LAKES			
Illinois	19.9	15.8	14.4
Indiana	32.2	32.9	31.3
Michigan	27.6	27.2	26.8
Ohio	21.5	20.6	19.8
Wisconsin	17.3	16.7	16.2
PLAINS			
Iowa	17.7	16.8	16.6
Kansas	26.0	25.8	25.9
Minnesota	22.9	23.8	27.2
Missouri	23.1	22.6	22.8
Nebraska	16.3	15.3	14.6
North Dakota	15.8	13.8	14.3
South Dakota	16.3	14.3	14.0
SOUTHEAST			
Alabama	21.7	20.9	21.4
Arkansas	17.3	16.3	15.5
Florida	21.6	18.8	18.1
Georgia	25.3	24.0	24.1
Kentucky	19.9	19.8	19.6
Louisiana	16.6	18.4	18.1
Mississippi	17.4	16.9	16.3
North Carolina	18.4	20.6	20.6
South Carolina	17.3	15.9	17.5
Tennessee	17.2	17.7	17.8
Virginia	15.8	16.0	15.5
West Virginia	10.4	10.8	9.5
SOUTHWEST			
Arizona	18.3	19.0	18.6
New Mexico	20.4	19.7	19.7
Oklahoma	16.6	16.5	16.2
Texas	30.4	28.7	27.0
ROCKY MOUNTAIN			
Colorado	23.9	25.3	26.5
Idaho	25.5	25.7	22.6
Montana	15.1	15.5	15.5
Utah	23.2	24.7	24.5
Wyoming	3.9	3.9	5.5
FAR WEST			
Alaska	10.9	13.4	13.5
California	19.8	19.9	20.9
Hawaii	15.2	15.6	15.5
Nevada	21.4	23.6	22.2
Oregon	11.0	14.0	14.3
Washington	23.3	22.9	23.7
ALL STATES	20.3 %	19.9 %	19.8 %

TABLE 9

ANNUAL PERCENTAGE CHANGE IN ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES

Region/State	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	2.1 %	-1.9 %	4.4 %	4.0 %	-12.9 %	2.5 %
Maine	-2.7	-71.9	-6.2	4.7	1,162.5	22.1
Massachusetts	4.7	-7.2	2.3	4.6	-14.7	1.0
New Hampshire	2.4	3.5	-1.8	0.3	-4.8	0.0
Rhode Island	2.2	-9.6	-0.9	9.2	1.3	7.7
Vermont	3.8	-24.7	0.5	4.0	-0.7	3.5
MID-ATLANTIC						
Delaware	8.9	0.4	6.7	3.3	-13.5	1.4
Maryland	7.4	-42.0	-4.3	2.8	9.9	3.9
New Jersey	9.7	-35.7	4.4	6.2	-4.3	5.5
New York	0.4	-19.4	-3.9	3.3	-30.6	-3.0
Pennsylvania	1.5	-35.4	-8.8	4.6	2.4	4.2
GREAT LAKES						
Illinois	-3.6	-13.2	-7.2	-3.0	-16.9	-7.8
Indiana	0.1	11.4	1.6	2.8	-14.1	0.4
Michigan	0.8	-25.5	-4.2	2.9	-6.0	1.6
Ohio	-6.7	-0.7	-8.1	0.3	-10.7	-3.5
Wisconsin	-6.3	-8.4	-6.6	1.4	-7.8	0.2
PLAINS						
Iowa	3.3	-19.6	-0.6	1.5	8.7	2.5
Kansas	3.4	-31.5	-2.9	0.5	1.5	0.6
Minnesota	8.8	-27.5	3.4	33.8	3.3	30.6
Missouri	8.4	-25.5	-0.9	1.8	-11.9	-1.0
Nebraska	0.9	-21.0	-5.9	4.2	-17.0	-1.3
North Dakota	5.5	2.0	4.8	5.8	-11.7	2.5
South Dakota	-7.4	-30.2	-16.1	12.2	2.4	9.1
SOUTHEAST						
Alabama	4.8	-27.6	-3.5	-0.9	14.4	2.1
Arkansas	1.0	-21.8	-4.1	2.1	-15.6	-1.1
Florida	-7.8	-40.3	-16.2	9.1	-3.3	6.8
Georgia	-1.3	-16.7	-4.7	4.0	-7.9	0.5
Kentucky	4.8	-15.8	0.3	0.3	-7.9	-1.2
Louisiana	-1.1	-13.6	-4.2	7.9	8.1	7.9
Mississippi	-0.1	-8.4	-2.4	2.4	0.3	1.9
North Carolina	4.5	-7.2	2.6	-3.3	88.9	10.4
South Carolina	2.4	-32.2	-8.6	12.2	8.0	11.2
Tennessee	12.7	-19.0	3.2	4.6	4.0	4.5
Virginia	3.2	5.4	3.7	5.6	-24.2	-0.2
West Virginia	9.2	-2.1	7.1	-6.6	-1.9	-5.8
SOUTHWEST						
Arizona	-1.4	-11.3	-3.7	4.0	-10.5	0.8
New Mexico	1.2	-29.0	-4.9	3.8	-1.7	2.9
Oklahoma	3.3	-17.2	-2.0	4.3	-12.3	0.7
Texas	2.4	-33.7	-6.9	-3.0	3.7	-1.8
ROCKY MOUNTAIN						
Colorado	1.8	-26.1	-1.6	4.8	-6.4	3.8
Idaho	-5.3	0.7	-4.3	4.9	-14.3	1.4
Montana	9.3	-31.3	-1.7	4.0	-6.4	2.1
Utah	3.5	-18.7	-0.9	6.7	2.6	6.0
Wyoming	0.7	0.0	0.4	223.2	-71.4	100.8
FAR WEST						
Alaska	5.0	-5.3	3.3	4.2	0.0	3.5
California	0.3	-21.1	-7.1	17.3	7.1	20.1
Hawaii	9.1	-12.1	5.1	-0.5	1.1	-0.2
Nevada	11.3	-42.8	-1.7	2.4	56.6	10.0
Oregon	9.2	-20.0	2.7	-0.4	-15.3	-3.0
Washington	7.1	-25.1	1.9	-1.4	-9.9	-1.5
ALL STATES	1.7 %	-21.6 %	-3.8 %	5.1 %	-3.1 %	4.2 %

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

TABLE 10
ITEMS EXCLUDED FROM ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Head Start	Libraries	Day Care Programs	School Health Care/ Immunization
NEW ENGLAND						
Connecticut	X	X		X	P	P
Maine*			X	X	X	P
Massachusetts	X	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
Ohio						
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	X
Georgia			X	X	X	
Kentucky				X	X	
Louisiana				X	X	X
Mississippi			P		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
Oklahoma			X	X	X	X
Texas			X	P	P	P
ROCKY MOUNTAIN						
Colorado*	P	X	X	P	X	
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	P	P	X		X	X
Nevada			X	X	X	X
Oregon			X	P	X	X
Washington	P	P	X	X	X	X
ALL STATES	13	16	31	28	40	39

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

Elementary and Secondary Education Notes

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

Alabama: Federal funds received directly by local school systems are not reported at 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.

Hawaii: Elementary and Secondary Education does not include capital expenditures.

Maine: Expenditures in the Elementary and Secondary Education category for fiscal year 2012-13 include all state expenditures that support the state's Department of Education. These funds were inadvertently omitted in the prior year submission. School health care/immunization includes under \$0.5M in capital expenditures.

Maryland: In fiscal 2013, the special fund growth is due to the increased use of lottery funds to finance education local aid.

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 and partially excluded for employees of K-12 schools. Effective for fiscal 2013, state funds partially offset employer-paid retirement obligations for employees of K-12 schools. Funding for libraries is included under elementary and secondary education effective for fiscal 2010, reflecting the merger of functions under Executive Order 2009-36. Actual ARRA expenditures will be recorded with the fiscal 2013 annual financial report.

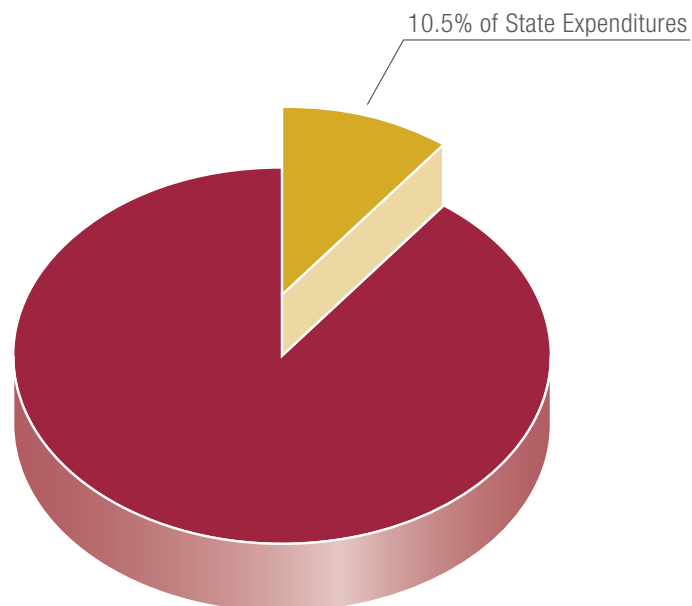
Missouri: Districts may use a portion of funds for pensions and health benefits.

2

CHAPTER



HIGHER EDUCATION EXPENDITURES



Higher Education Expenditures

State higher education spending reflects financial support of public university systems, community colleges, and vocational education institutions. In fiscal 2012, states spent \$172.7 billion on higher education, 10.5 percent of total state spending, and 10.1 percent of general fund expenditures. General funds account for 38.9 percent of state spending on higher education, other state funds 45.9 percent, federal funds 11.9 percent, and bonds 3.3 percent (see Figure 11 and Table 12).

Overall, total state higher education spending declined by 3.1 percent in fiscal 2012. State funds (general funds plus other state funds) decreased by 1.7 percent, and federal funds decreased by 10.2 percent. The large decline in federal funds is due primarily to the wind down of ARRA funds, with states spending \$1.1 billion in ARRA higher education funds in fiscal 2012, compared to \$3.3 billion in fiscal 2011. In fiscal 2013, estimated total state higher education spending grew by 2.6 percent, with state funds increasing by 3.7 percent while federal funds further declined by 2.0 percent. States estimate that they spent \$0.5 billion in ARRA higher education funds in fiscal 2013.

FIGURE 11
STATE EXPENDITURES FOR HIGHER EDUCATION BY FUND SOURCE, FISCAL 2012

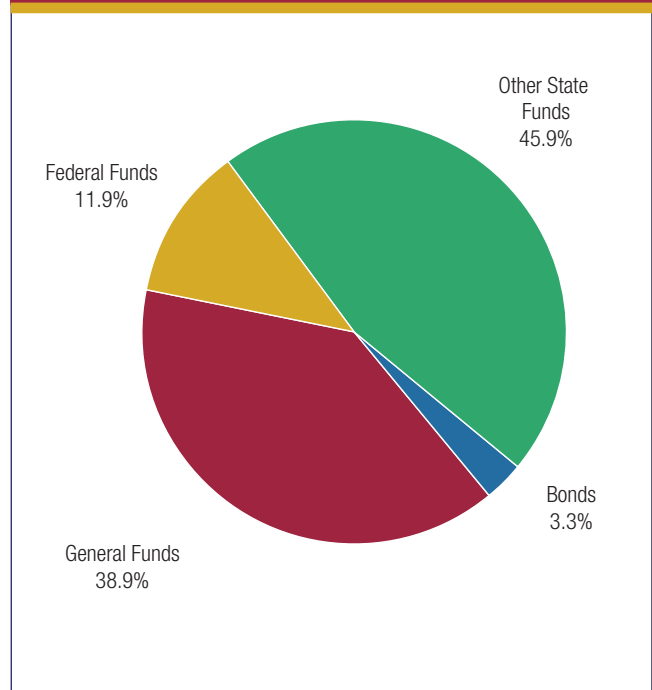


TABLE 11
REGIONAL PERCENTAGE CHANGE IN STATE HIGHER EDUCATION EXPENDITURES, FISCAL 2012 AND 2013

Region	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	2.4 %	-20.0 %	3.1 %	8.9 %	-5.6 %	7.0 %
Mid-Atlantic	4.4	-28.6	2.5	1.7	-3.2	2.4
Great Lakes	1.9	-0.5	1.1	6.7	-4.8	3.6
Plains	0.6	9.4	0.8	8.9	-2.9	7.9
Southeast	-1.2	-9.7	-2.7	7.5	0.1	6.5
Southwest	-1.0	-6.0	-1.9	1.2	2.4	1.4
Rocky Mountain	-26.7	-18.8	-26.0	-6.4	-20.8	-7.9
Far West	-6.3	-17.7	-10.4	-7.5	-3.9	-8.1
ALL STATES	-1.7 %	-10.2 %	-3.1 %	3.7 %	-2.0 %	2.6 %

Capital Spending

State expenditures for higher education-related construction, renovation and other capital projects decreased 6.4 percent in fiscal 2012, and are estimated to decrease 3.4 percent in fiscal 2013 (see Table 48).

Regional Expenditures

The following table shows regional percentage changes in expenditures for higher education for fiscal 2011-2012 and 2012-2013 by region.

Financing Issues

While total state spending on higher education declined in fiscal 2012, tuition and fees continue to increase, though at a slower rate than in previous years. According to The College Board, average in-state tuition and fees at four-year public institutions increased by 4.5 percent between the 2011-12 and 2012-13 academic years and by 2.9 percent between 2012-2013 and 2013-2014, after adjusting for inflation. Most states include tuition and fees as part of the “Other State Funds” category when calculating total state spending on higher education. As Table 15 shows, just ten states wholly or partially excluded tuition and fees from their expenditure calculations, while 16 states wholly or partially excluded student loan programs. In recent years, rising tuition rates and fees have generally been accompanied by similar increases in student aid. However, based on College Board data, total aid per student (including grants, federal loans, work-study, and education tax benefits) actually declined by 1.3 percent between

2010-11 and 2011-12 and by 1.4 percent between 2011-12 and 2012-13, after adjusting for inflation.

In response to these financing trends, a growing number of initiatives led by governors, state legislatures, and public higher education systems are aiming to increase the affordability of public higher education by curbing institution costs and restricting tuition increases. In spring 2013, NASBO released a report entitled, *Improving Postsecondary Education through the Budget Process: Challenges & Opportunities*, describing the need for changes in how public higher education is financed to put it on a more fiscally sustainable path. The report examines recent trends in state and institutional spending, as well as the growing demand for postsecondary education. The report also presents a variety of opportunities for states and institutions to work together to target funding to improve performance, slow tuition and fee growth, expand access, increase productivity and efficiency, and develop more transparent cost, spending and outcome information in higher education.

Higher Education—Expenditure Exclusions

In calculating higher education expenditures for fiscal 2012, ten states wholly or partially excluded tuition and fees, and 16 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 (15); assistance to private colleges or universities (22); and employer contributions to pensions and health benefits (14). Table 15 lists programs excluded from the expenditure data by state. Summary expenditure data can be found in Tables 12 through 14, accompanied by explanatory notes.

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

Region/State	Actual Fiscal 2011					Actual Fiscal 2012					Estimated Fiscal 2013				
	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	\$744	\$368	\$1,373	\$285	\$2,770	\$661	\$362	\$1,485	\$317	\$2,825	\$631	\$359	\$1,660	\$311	\$2,961
Maine	256	11	3	4	274	259	2	3	10	274	264	0	7	3	274
Massachusetts	939	99	4,060	139	5,237	933	4	4,304	267	5,508	999	5	4,820	250	6,074
New Hampshire	140	1	49	23	213	60	0	26	47	133	75	0	13	24	112
Rhode Island	164	10	779	27	980	166	23	821	31	1,041	173	5	859	15	1,052
Vermont	86	0	7	5	98	80	0	7	4	91	79	0	7	4	90
MID-ATLANTIC															
Delaware	220	80	87	5	392	223	73	95	9	400	227	65	114	12	418
Maryland	1,599	360	2,663	325	4,947	1,615	350	2,895	208	5,068	1,626	354	3,086	278	5,344
New Jersey	2,165	24	1,621	0	3,810	2,082	21	1,707	0	3,810	2,247	21	1,782	0	4,050
New York	3,683	509	4,499	775	9,466	3,739	317	5,207	911	10,174	3,485	297	5,303	1,082	10,167
Pennsylvania	1,888	93	7	225	2,213	1,622	0	59	212	1,893	1,615	0	94	162	1,871
GREAT LAKES															
Illinois	2,145	277	118	116	2,656	2,844	286	282	227	3,639	3,235	246	202	118	3,801
Indiana	1,727	30	17	100	1,874	1,691	13	8	0	1,712	1,696	9	8	0	1,713
Michigan*	1,917	108	1	120	2,146	1,225	97	460	146	1,928	1,349	100	398	76	1,923
Ohio	2,499	28	3	269	2,799	2,192	27	15	175	2,409	2,316	23	9	166	2,514
Wisconsin	1,395	1,851	2,634	0	5,880	1,159	1,859	2,820	0	5,838	1,349	1,794	2,987	0	6,130
PLAINS															
Iowa	773	537	3,106	31	4,447	751	568	3,412	13	4,744	793	510	3,722	0	5,025
Kansas	751	404	1,208	61	2,424	739	673	952	64	2,428	775	658	1,081	52	2,566
Minnesota	2,956	56	31	167	3,210	2,905	5	25	114	3,049	2,972	6	29	216	3,223
Missouri*	822	52	297	0	1,171	790	3	299	0	1,092	828	4	272	0	1,104
Nebraska	644	377	1,213	0	2,234	640	383	1,297	0	2,320	653	350	1,368	0	2,371
North Dakota	348	157	510	18	1,033	359	140	558	11	1,068	441	202	665	26	1,334
South Dakota	196	123	329	63	711	178	94	352	31	655	203	81	630	34	948
SOUTHEAST															
Alabama*	1,431	1,323	1,970	0	4,724	1,493	1,257	2,107	0	4,857	1,455	1,238	2,120	0	4,813
Arkansas	763	55	2,421	0	3,239	772	26	2,551	0	3,349	781	13	2,516	0	3,310
Florida	3,386	474	815	737	5,412	3,196	117	809	339	4,461	2,607	8	2,608	30	5,253
Georgia	2,140	64	5,289	221	7,714	2,055	62	5,370	188	7,675	2,098	67	5,361	431	7,957
Kentucky	1,220	834	3,996	0	6,050	1,225	920	4,457	0	6,602	1,167	954	4,733	0	6,854
Louisiana	1,192	146	942	45	2,325	984	172	1,507	30	2,693	995	192	1,674	42	2,903
Mississippi	765	181	1,954	10	2,910	842	183	2,052	9	3,086	792	188	2,265	29	3,274
North Carolina	3,605	41	2,764	0	6,410	3,553	22	1,516	0	5,091	3,688	46	1,846	0	5,580
South Carolina*	593	886	3,068	104	4,651	571	716	3,232	123	4,642	584	679	3,087	0	4,350
Tennessee	1,722	239	2,024	10	3,995	1,442	226	2,151	80	3,899	1,531	259	2,269	197	4,256
Virginia	1,765	1,169	2,697	855	6,486	1,476	1,191	2,181	828	5,676	1,623	1,251	3,313	805	6,992
West Virginia	512	333	1,844	19	2,708	532	298	2,195	50	3,075	533	298	2,261	51	3,143
SOUTHWEST															
Arizona	1,025	756	1,793	321	3,895	708	790	2,016	333	3,847	715	814	1,855	339	3,723
New Mexico	762	614	1,376	0	2,752	717	657	1,365	0	2,739	758	664	1,418	0	2,840
Oklahoma	944	496	3,368	31	4,839	945	496	3,385	12	4,838	955	512	3,395	5	4,867
Texas	6,844	2,742	5,512	0	15,098	6,107	2,389	6,159	0	14,655	6,257	2,448	6,311	0	15,016
ROCKY MOUNTAIN															
Colorado*	718	499	3,208	0	4,425	635	446	1,510	0	2,591	642	363	857	0	1,862
Idaho	304	5	187	6	502	287	5	211	6	509	313	6	328	6	653
Montana	158	90	355	0	603	188	47	347	0	582	188	51	371	0	610
Utah	812	47	596	0	1,455	733	17	655	0	1,405	753	9	671	0	1,433
Wyoming	246	28	58	0	332	246	28	57	0	331	416	1	17	0	434
FAR WEST															
Alaska	421	136	371	228	1,156	444	171	428	50	1,093	575	151	452	0	1,178
California*	10,426	5,802	35	309	16,572	8,815	4,908	70	201	13,994	8,867	4,771	44	59	13,741
Hawaii	355	44	471	155	1,025	384	27	567	316	1,294	374	14	609	267	1,264
Nevada	551	3	248	48	850	473	3	249	15	740	475	3	262	4	744
Oregon*	339	224	1,555	281	2,399	313	49	168	136	666	204	44	24	0	272
Washington	1,355	150	3,014	270	4,789	1,185	75	4,833	126	6,219	1,201	44	3,490	128	4,863
TOTAL	\$72,411	\$22,936	\$76,546	\$6,408	\$178,301	\$67,234	\$20,598	\$79,237	\$5,639	\$172,708	\$68,578	\$20,177	\$83,273	\$5,222	\$177,250

*See notes at the end of the chapter.

TABLE 13
HIGHER EDUCATION EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2011	Fiscal 2012	Fiscal 2013
NEW ENGLAND			
Connecticut	10.6 %	10.3 %	10.5 %
Maine	3.3	3.4	3.5
Massachusetts	9.4	9.3	10.1
New Hampshire	4.0	2.7	2.2
Rhode Island	12.3	13.2	12.9
Vermont	2.0	1.8	1.8
MID-ATLANTIC			
Delaware	4.7	4.5	4.6
Maryland	14.6	14.5	14.5
New Jersey	8.1	7.8	7.8
New York	7.1	7.6	7.6
Pennsylvania	3.2	2.8	2.8
GREAT LAKES			
Illinois	4.7	5.5	5.7
Indiana	7.1	6.5	6.2
Michigan	4.4	4.1	3.9
Ohio	4.6	4.2	4.3
Wisconsin	13.7	14.1	14.3
PLAINS			
Iowa	24.7	25.0	25.6
Kansas	16.5	16.9	17.8
Minnesota	10.2	9.7	9.0
Missouri	5.1	4.7	4.8
Nebraska	22.8	23.5	23.3
North Dakota	20.6	17.7	22.5
South Dakota	18.4	17.7	22.9
SOUTHEAST			
Alabama	19.6	20.1	20.0
Arkansas	15.9	16.2	15.3
Florida	8.3	7.1	7.5
Georgia	18.9	18.7	19.4
Kentucky	23.8	25.7	26.7
Louisiana	7.5	9.9	9.8
Mississippi	15.8	16.8	16.9
North Carolina	12.6	10.9	10.9
South Carolina	21.0	21.0	19.5
Tennessee	13.2	12.8	13.5
Virginia	15.3	13.1	15.7
West Virginia	12.8	14.1	13.5
SOUTHWEST			
Arizona	12.7	13.5	12.7
New Mexico	19.2	19.3	19.5
Oklahoma	22.9	23.1	22.7
Texas	16.0	15.8	15.5
ROCKY MOUNTAIN			
Colorado	14.3	9.0	6.5
Idaho	7.6	8.1	9.0
Montana	9.8	9.8	10.1
Utah	11.5	11.9	11.4
Wyoming	5.5	5.5	5.0
FAR WEST			
Alaska	8.3	9.3	9.7
California	7.7	7.0	6.0
Hawaii	9.1	11.3	10.9
Nevada	10.0	9.7	8.4
Oregon	7.2	2.5	1.1
Washington	14.2	17.8	14.6
ALL STATES	10.7 %	10.5 %	10.3 %

TABLE 14
ANNUAL PERCENTAGE CHANGE IN HIGHER EDUCATION EXPENDITURES

Region/State	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	1.4 %	-1.6 %	2.0 %	6.8 %	-0.8 %	4.8 %
Maine	1.2	-81.8	0.0	3.4	-100.0	0.0
Massachusetts	4.8	-96.0	5.2	11.1	25.0	10.3
New Hampshire	-54.5	-100.0	-37.6	2.3	—	-15.8
Rhode Island	4.7	130.0	6.2	4.6	-78.3	1.1
Vermont	-6.5	—	-7.1	-1.1	—	-1.1
MID-ATLANTIC						
Delaware	3.6	-8.8	2.0	7.2	-11.0	4.5
Maryland	5.8	-2.8	2.4	4.5	1.1	5.4
New Jersey	0.1	-12.5	0.0	6.3	0.0	6.3
New York	9.3	-37.7	7.5	-1.8	-6.3	-0.1
Pennsylvania	-11.3	-100.0	-14.5	1.7	—	-1.2
GREAT LAKES						
Illinois	38.1	3.2	37.0	9.9	-14.0	4.5
Indiana	-2.6	-56.7	-8.6	0.3	-30.8	0.1
Michigan	-12.1	-10.2	-10.2	3.7	3.1	-0.3
Ohio	-11.8	-3.6	-13.9	5.3	-14.8	4.4
Wisconsin	-1.2	0.4	-0.7	9.0	-3.5	5.0
PLAINS						
Iowa	7.3	5.8	6.7	8.5	-10.2	5.9
Kansas	-13.7	66.6	0.2	9.8	-2.2	5.7
Minnesota	-1.9	-91.1	-5.0	2.4	20.0	5.7
Missouri	-2.7	-94.2	-6.7	1.0	33.3	1.1
Nebraska	4.3	1.6	3.8	4.3	-8.6	2.2
North Dakota	6.9	-10.8	3.4	20.6	44.3	24.9
South Dakota	1.0	-23.6	-7.9	57.2	-13.8	44.7
SOUTHEAST						
Alabama	5.9	-5.0	2.8	-0.7	-1.5	-0.9
Arkansas	4.4	-52.7	3.4	-0.8	-50.0	-1.2
Florida	-4.7	-75.3	-17.6	30.2	-93.2	17.8
Georgia	-0.1	-3.1	-0.5	0.5	8.1	3.7
Kentucky	8.9	10.3	9.1	3.8	3.7	3.8
Louisiana	16.7	17.8	15.8	7.1	11.6	7.8
Mississippi	6.4	1.1	6.0	5.6	2.7	6.1
North Carolina	-20.4	-46.3	-20.6	9.2	109.1	9.6
South Carolina	3.9	-19.2	-0.2	-3.5	-5.2	-6.3
Tennessee	-4.1	-5.4	-2.4	5.8	14.6	9.2
Virginia	-18.0	1.9	-12.5	35.0	5.0	23.2
West Virginia	15.7	-10.5	13.6	2.5	0.0	2.2
SOUTHWEST						
Arizona	-3.3	4.5	-1.2	-5.7	3.0	-3.2
New Mexico	-2.6	7.0	-0.5	4.5	1.1	3.7
Oklahoma	0.4	0.0	0.0	0.5	3.2	0.6
Texas	-0.7	-12.9	-2.9	2.5	2.5	2.5
ROCKY MOUNTAIN						
Colorado	-45.4	-10.6	-41.4	-30.1	-18.6	-28.1
Idaho	1.4	0.0	1.4	28.7	20.0	28.3
Montana	4.3	-47.8	-3.5	4.5	8.5	4.8
Utah	-1.4	-63.8	-3.4	2.6	-47.1	2.0
Wyoming	-0.3	0.0	-0.3	42.9	-96.4	31.1
FAR WEST						
Alaska	10.1	25.7	-5.4	17.8	-11.7	7.8
California	-15.1	-15.4	-15.6	0.3	-2.8	-1.8
Hawaii	15.1	-38.6	26.2	3.4	-48.1	-2.3
Nevada	-9.6	0.0	-12.9	2.1	0.0	0.5
Oregon	-74.6	-78.1	-72.2	-52.6	-10.2	-59.2
Washington	37.7	-50.0	29.9	-22.1	-41.3	-21.8
ALL STATES	-1.7 %	-10.2 %	-3.1 %	3.7 %	-2.0 %	2.6 %

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

TABLE 15
ITEMS EXCLUDED FROM HIGHER EDUCATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Tuition and Fees	Student Loan Programs	University Research Grants	Vocational Education	Assistance To Private Colleges & Universities
NEW ENGLAND							
Connecticut	X	X			X	X	
Maine	P	P	X	P	P		X
Massachusetts	X	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	X	X	X		X		
Indiana	P	P	X		X		X
Michigan*	X	X	X	X	P		
Ohio							
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			P		X		
Georgia				X	X		
Kentucky						P	
Louisiana					X		
Mississippi					P		X
North Carolina					X		
South Carolina							
Tennessee					X		
Virginia				X			
West Virginia				X	P	P	
SOUTHWEST							
Arizona							X
New Mexico							P
Oklahoma				P	P	P	P
Texas							
ROCKY MOUNTAIN							
Colorado*	P	P		X	X		X
Idaho				X	X		X
Montana				X	X		
Utah					X		X
Wyoming							X
FAR WEST							
Alaska							X
California			X				
Hawaii	P	P		X	X	X	X
Nevada				X	X	X	X
Oregon							
Washington				X	X		X
ALL STATES	14	14	10	16	32	15	22

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

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.

California: There was a change in methodology for calculating higher education bond expenditures.

Colorado: For FY 11-12, Higher Education institutions did not record budget related to informational appropriations for tuition and certain fee revenue. FY 11-12 was the first year that the annual budget bill (Long Bill) listed the appropriations as informational only. Thus, there is a large decline in HED. HED colleges and universities pay pension and health benefits out of their allotments, which include but are not limited to, state appropriations/requests. The College Opportunity Fund (COF) provides some (stipend) funds to students who attend private colleges and universities. However, this sum is very small relative to the total expenditure; as such, it is categorized as excluded for purposes of this survey.

Michigan: General Fund support in fiscal 2012 and fiscal 2013 reflects a shift to the state School Aid Fund for operating budgets. Federal fund support reflects receipt of TANF revenue for student financial aid: \$84.6 million (fiscal 2011), \$81.3 million (fiscal 2012), and \$93.8 million (fiscal 2013). Effective for fiscal 2013, state general fund support partially offsets employer-paid retirement obligations. Higher education capital expenditures made from non-state funds are excluded.

Missouri: Institutions may use a portion of funds for pension and health benefits.

Oregon: Beginning in fiscal 2012, the Oregon University System operates as a “public corporation” and as such is no longer considered part of the state budget. The OUS continues to receive General Fund support from the state, as indicated in the survey results, but OF and FF expenditures now only reflect capital expenditures and debt.

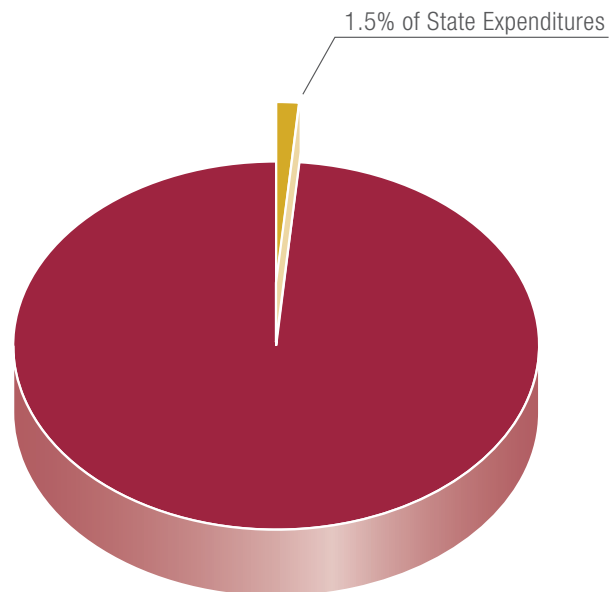
South Carolina: Updated FY11-12 with actuals; FY12-13 are budgeted amounts, actuals not available at this time.

3

CHAPTER



PUBLIC ASSISTANCE EXPENDITURES



Public Assistance Expenditures

This report contains data on cash assistance provided through the Temporary Assistance for Needy Families (TANF) program and other public assistance programs. Spending for these categories totaled \$24.4 billion in fiscal 2012 and represented 1.5 percent of total state expenditures. Public assistance spending from all funds declined by 10.9 percent from fiscal 2011 to fiscal 2012, with spending from state funds decreasing by 15.5 percent and spending from federal funds declining by 7.3 percent. A significant portion of the decrease in funding from fiscal 2011 to fiscal 2012 can be attributed to California shifting financial responsibility for certain public assistance programs to counties that were previously funded with state general funds.

Total spending on public assistance from all funds decreased by 2.0 percent from fiscal 2012 to fiscal 2013 to total \$23.9 billion. State funds increased by 4.5 percent and federal funds decreased by 6.7 percent. The TANF Emergency Fund, authorized under *The American Recovery and Reinvestment Act of 2009 (ARRA)*, provided up to \$5 billion to states, tribes, and territories through September 30, 2010. States spent approximately \$1.9 billion in ARRA funds in fiscal 2011, approximately \$112 million in fiscal 2012, and \$10 million in fiscal 2013. The large decrease in federal funds from fiscal 2011 to fiscal 2012 is attributable to the expiration of the ARRA funds.

The primary sources of public assistance funding for fiscal 2012 are federal funds, providing 57.5 percent, followed by general funds at 41.1 percent (see Figure 12). For estimated fiscal 2013, federal funds represent 54.7 percent of the total while general funds are 43.7 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 of 2005* through September 2010. Since then, Congress has continued funding the program through short-term extensions, most recently through continuing resolutions. The TANF block grant is funded at \$16.6 billion each year. 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.

This report has information only on the changes in the cash assistance benefit levels within the programs, and does not reflect total TANF spending. Other areas of TANF spending include child care and employment programs. Cash assistance payments under TANF comprise approximately 29 percent of total TANF spending. 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, though states have considerable flexibility in determining how time limits apply to individual families.

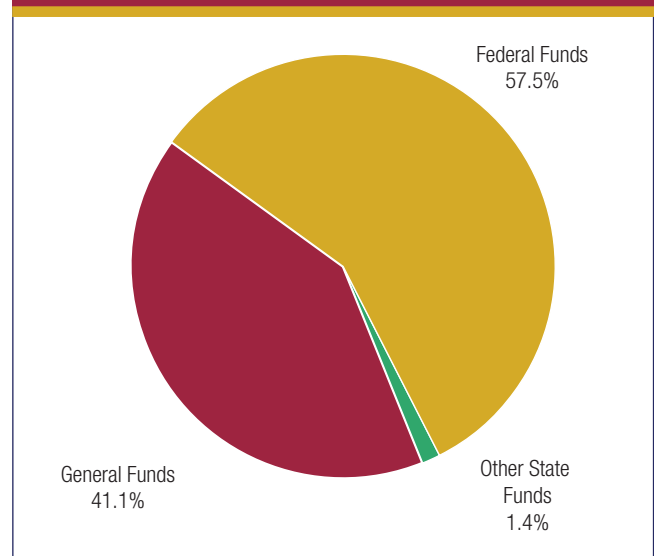
Since welfare reform was initially passed in 1996, states have focused on providing supportive services for families to achieve self-sufficiency. Since 1996, caseloads have declined significantly. The average monthly number of recipients fell from 12.8 million prior to the enactment of TANF to 4 million on average in 2012, 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 2012.

FIGURE 12
STATE EXPENDITURES FOR TOTAL PUBLIC ASSISTANCE BY FUND SOURCE, FISCAL 2012



Regional Expenditures

The following table shows regional percentage changes in expenditures for total cash assistance for fiscal 2011-2012 and 2012-2013 by region.

TABLE 16
REGIONAL PERCENTAGE CHANGE IN STATE TOTAL CASH ASSISTANCE EXPENDITURES,
FISCAL 2012 AND 2013

Region	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-3.2 %	69.1 %	7.0 %	-1.7 %	9.8 %	0.9 %
Mid-Atlantic	4.7	-3.4	-1.0	-0.5	5.7	3.7
Great Lakes	-8.6	-20.7	-17.0	21.1	-9.8	0.7
Plains	2.8	-16.8	-9.4	-3.8	2.3	-0.4
Southeast	-5.5	-0.9	-1.9	0.9	-26.6	-20.8
Southwest	39.5	37.1	37.9	-5.0	-2.7	-3.5
Rocky Mountain	8.9	-8.0	-3.2	0.0	-22.3	-15.1
Far West	-30.3	-16.2	-24.1	8.8	-11.5	-1.1
ALL STATES	-15.5 %	-7.3 %	-10.9 %	4.5 %	-6.7 %	-2.0 %

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

State and federal funds for TANF cash assistance expenditures totaled \$15.1 billion in fiscal 2012, a decrease of 14.7 percent from 2011 to 2012 (see Table 23). State funds decreased by 28.3 percent and federal funds decreased by 8.5 percent from fiscal 2011 to fiscal 2012. For fiscal 2013, total spending for TANF cash assistance expenditures decreased by 5.7 percent to \$14.2 billion, with federal funds declining by 11.3 percent and state spending increasing by 10.1 percent. Cash assistance payments under TANF comprise approximately 29 percent of total TANF spending.

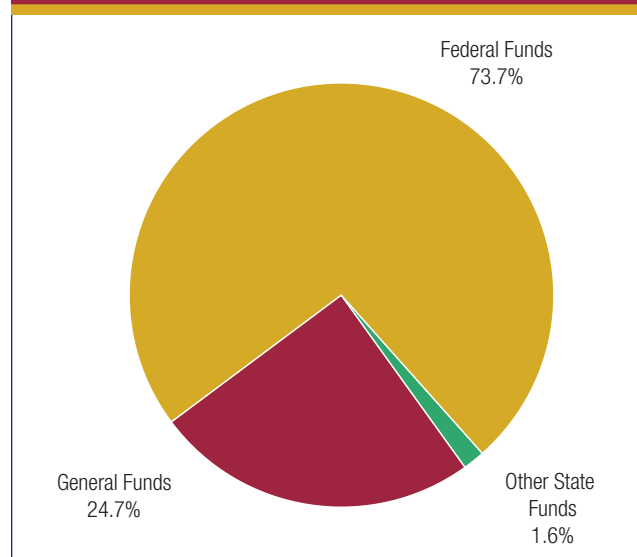
States have provided funding for programs to address child-care services, subsidized employment, training and education, transportation needs, transitional rental assistance, substance abuse, job readiness and job retention training, and domestic violence. As cash assistance has declined, these supportive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

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

Fund Shares

The figure below provides fund shares for 2012.

FIGURE 13
STATE EXPENDITURES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BY FUND SOURCE, FISCAL 2012



Regional Expenditures

The following table shows percentage changes in expenditures for TANF cash assistance for fiscal 2011-2012 and 2012-2013 by region.

TABLE 17
REGIONAL PERCENTAGE CHANGE IN STATE TANF EXPENDITURES,
FISCAL 2012 AND 2013

Region	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-5.6 %	165.2 %	20.9 %	0.0 %	15.7 %	5.3 %
Mid-Atlantic	-45.1	-4.4	-11.8	-13.8	1.2	-0.5
Great Lakes	-13.2	-23.3	-20.5	24.1	-11.6	-0.7
Plains	5.8	-16.7	-11.2	-11.4	2.1	-1.9
Southeast	0.7	-2.0	-1.6	2.1	-32.4	-26.4
Southwest	56.9	43.1	47.2	-6.4	1.3	-1.1
Rocky Mountain	9.4	-8.0	-4.2	0.0	-22.3	-16.7
Far West	-45.5	-18.2	-28.5	25.5	-15.9	-4.0
ALL STATES	-28.3 %	-8.5 %	-14.7 %	10.1 %	-11.3 %	-5.7 %

Expenditures for Other Cash Assistance

The second component of cash assistance for public welfare is other cash assistance, including state participation in the Supplemental Security Income (SSI) program, which pays benefits to disabled adults and children, General Assistance (GA), and emergency assistance. Each state determines the structure of its own program, resulting in significant variations in programs and funding. Some have statewide uniform eligibility

rules while others simply require some form of county participation. Thirty-four states spend some amount on other cash assistance.

Other cash assistance programs accounted for 0.6 percent of total state spending in fiscal 2012. States spent \$9.4 billion for other cash assistance, with 67.6 percent of that amount funded from state funds in fiscal 2012. 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 2011				Actual Fiscal 2012				Estimated Fiscal 2013			
	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	\$408	\$0	\$0	\$408	\$380	\$0	\$0	\$380	\$378	\$0	\$0	\$378
Maine	43	80	94	217	46	71	90	207	43	47	91	181
Massachusetts	1,237	44	0	1,281	1,214	274	0	1,488	1,183	368	0	1,551
New Hampshire	72	35	0	107	56	40	0	96	59	27	0	86
Rhode Island	32	78	0	110	30	79	0	109	29	78	0	107
Vermont	30	77	0	107	35	67	4	106	40	63	1	104
MID-ATLANTIC												
Delaware	18	8	0	26	24	0	1	25	16	7	1	24
Maryland	47	1,147	17	1,211	70	1,207	24	1,301	77	1,278	19	1,374
New Jersey	365	131	0	496	286	159	0	445	295	162	0	457
New York	1,044	2,674	0	3,718	1,267	2,520	0	3,787	1,417	2,583	0	4,000
Pennsylvania	606	850	4	1,460	527	759	1	1,287	360	878	3	1,241
GREAT LAKES												
Illinois	100	161	0	261	94	2	0	96	196	0	0	196
Indiana	69	304	9	382	66	320	0	386	65	320	0	385
Michigan*	214	257	71	542	179	176	65	420	193	123	90	406
Ohio	175	782	0	957	166	680	0	846	163	620	0	783
Wisconsin	64	74	9	147	65	73	15	153	72	65	8	145
PLAINS												
Iowa	47	65	12	124	67	36	12	115	63	41	15	119
Kansas	33	28	0	61	20	22	0	42	11	19	0	30
Minnesota	175	293	0	468	171	263	0	434	165	287	0	452
Missouri	25	134	31	190	33	110	32	175	33	99	32	164
Nebraska	19	40	0	59	17	35	0	52	20	32	0	52
North Dakota*	1	1	5	7	4	0	2	6	2	0	3	5
South Dakota	9	22	0	31	9	19	0	28	9	18	0	27
SOUTHEAST												
Alabama	4	44	6	54	1	48	1	50	1	48	1	50
Arkansas	152	277	20	449	154	264	17	435	156	297	18	471
Florida	152	54	0	206	154	44	0	198	150	60	0	210
Georgia*	0	51	0	51	0	49	0	49	0	48	0	48
Kentucky	73	154	2	229	72	154	0	226	76	149	0	225
Louisiana	0	178	0	178	0	168	0	168	3	141	0	144
Mississippi	34	981	4	1,019	34	1,026	4	1,064	34	425	3	462
North Carolina	61	183	1	245	61	185	1	247	60	187	1	248
South Carolina	30	35	44	109	32	65	0	97	28	63	0	91
Tennessee	0	126	4	130	14	108	0	122	20	97	4	121
Virginia	46	138	0	184	48	132	0	180	44	123	0	167
West Virginia	36	166	0	202	39	122	0	161	39	98	0	137
SOUTHWEST												
Arizona	3	62	0	65	65	216	0	281	55	221	0	276
New Mexico	7	83	3	93	7	66	3	76	6	67	3	76
Oklahoma	78	125	0	203	78	128	0	206	78	118	0	196
Texas	66	51	0	117	66	30	0	96	66	22	0	88
ROCKY MOUNTAIN												
Colorado	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	9	7	0	16	9	7	0	16	8	7	0	15
Montana	12	21	0	33	12	20	0	32	12	19	0	31
Utah	6	84	18	108	11	76	17	104	22	54	7	83
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	90	15	22	127	94	12	22	128	100	15	24	139
California	5,646	4,501	0	10,147	3,887	3,730	0	7,617	4,293	3,224	0	7,517
Hawaii	58	40	0	98	58	40	0	98	47	41	0	88
Nevada	70	182	41	293	71	146	30	247	72	178	58	308
Oregon	134	82	0	216	63	115	0	178	74	108	0	182
Washington	260	210	0	470	179	174	0	353	124	167	0	291
TOTAL	\$11,860	\$15,135	\$417	\$27,412	\$10,035	\$14,037	\$341	\$24,413	\$10,457	\$13,092	\$382	\$23,931

Note: This table reflects TANF and other cash assistance expenditures. *See notes at the end of the chapter.

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

Region/State	Fiscal 2011	Fiscal 2012	Fiscal 2013
NEW ENGLAND			
Connecticut	1.6 %	1.4 %	1.3 %
Maine	2.6	2.6	2.3
Massachusetts	2.3	2.5	2.6
New Hampshire	2.0	1.9	1.7
Rhode Island	1.4	1.4	1.3
Vermont	2.2	2.1	2.1
MID-ATLANTIC			
Delaware	0.3	0.3	0.3
Maryland	3.6	3.7	3.7
New Jersey	1.1	0.9	0.9
New York	2.8	2.8	3.0
Pennsylvania	2.1	1.9	1.8
GREAT LAKES			
Illinois	0.5	0.1	0.3
Indiana	1.4	1.5	1.4
Michigan	1.1	0.9	0.8
Ohio	1.6	1.5	1.3
Wisconsin	0.3	0.4	0.3
PLAINS			
Iowa	0.7	0.6	0.6
Kansas	0.4	0.3	0.2
Minnesota	1.5	1.4	1.3
Missouri	0.8	0.7	0.7
Nebraska	0.6	0.5	0.5
North Dakota	0.1	0.1	0.1
South Dakota	0.8	0.8	0.7
SOUTHEAST			
Alabama	0.2	0.2	0.2
Arkansas	2.2	2.1	2.2
Florida	0.3	0.3	0.3
Georgia	0.1	0.1	0.1
Kentucky	0.9	0.9	0.9
Louisiana	0.6	0.6	0.5
Mississippi	5.6	5.8	2.4
North Carolina	0.5	0.5	0.5
South Carolina	0.5	0.4	0.4
Tennessee	0.4	0.4	0.4
Virginia	0.4	0.4	0.4
West Virginia	1.0	0.7	0.6
SOUTHWEST			
Arizona	0.2	1.0	0.9
New Mexico	0.6	0.5	0.5
Oklahoma	1.0	1.0	0.9
Texas	0.1	0.1	0.1
ROCKY MOUNTAIN			
Colorado	0.0	0.0	0.0
Idaho	0.2	0.3	0.2
Montana	0.5	0.5	0.5
Utah	0.9	0.9	0.7
Wyoming	0.0	0.0	0.0
FAR WEST			
Alaska	0.9	1.1	1.1
California	4.7	3.8	3.3
Hawaii	0.9	0.9	0.8
Nevada	3.4	3.2	3.5
Oregon	0.6	0.7	0.7
Washington	1.4	1.0	0.9
ALL STATES	1.6 %	1.5 %	1.4 %

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

TABLE 20
ANNUAL PERCENTAGE CHANGE IN TOTAL PUBLIC ASSISTANCE EXPENDITURES

Region/State	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	-6.9 %	— %	-6.9 %	-0.5 %	— %	-0.5 %
Maine	-0.7	-11.3	-4.6	-1.5	-33.8	-12.6
Massachusetts	-1.9	522.7	16.2	-2.6	34.3	4.2
New Hampshire	-22.2	14.3	-10.3	5.4	-32.5	-10.4
Rhode Island	-6.3	1.3	-0.9	-3.3	-1.3	-1.8
Vermont	30.0	-13.0	-0.9	5.1	-6.0	-1.9
MID-ATLANTIC						
Delaware	38.9	-100.0	-3.8	-32.0	—	-4.0
Maryland	46.9	5.2	7.4	2.1	5.9	5.6
New Jersey	-21.6	21.4	-10.3	3.1	1.9	2.7
New York	21.4	-5.8	1.9	11.8	2.5	5.6
Pennsylvania	-13.4	-10.7	-11.8	-31.3	15.7	-3.6
GREAT LAKES						
Illinois	-6.0	-98.8	-63.2	108.5	-100.0	104.2
Indiana	-15.4	5.3	1.0	-1.5	0.0	-0.3
Michigan	-14.4	-31.5	-22.5	16.0	-30.1	-3.3
Ohio	-5.1	-13.0	-11.6	-1.8	-8.8	-7.4
Wisconsin	9.6	-1.4	4.1	0.0	-11.0	-5.2
PLAINS						
Iowa	33.9	-44.6	-7.3	-1.3	13.9	3.5
Kansas	-39.4	-21.4	-31.1	-45.0	-13.6	-28.6
Minnesota	-2.3	-10.2	-7.3	-3.5	9.1	4.1
Missouri	16.1	-17.9	-7.9	0.0	-10.0	-6.3
Nebraska	-10.5	-12.5	-11.9	17.6	-8.6	0.0
North Dakota	0.0	-100.0	-14.3	-16.7	—	-16.7
South Dakota	0.0	-13.6	-9.7	0.0	-5.3	-3.6
SOUTHEAST						
Alabama	-80.0	9.1	-7.4	0.0	0.0	0.0
Arkansas	-0.6	-4.7	-3.1	1.8	12.5	8.3
Florida	1.3	-18.5	-3.9	-2.6	36.4	6.1
Georgia	—	-3.9	-3.9	—	-2.0	-2.0
Kentucky	-4.0	0.0	-1.3	5.6	-3.2	-0.4
Louisiana	—	-5.6	-5.6	—	-16.1	-14.3
Mississippi	0.0	4.6	4.4	-2.6	-58.6	-56.6
North Carolina	0.0	1.1	0.8	-1.6	1.1	0.4
South Carolina	-56.8	85.7	-11.0	-12.5	-3.1	-6.2
Tennessee	250.0	-14.3	-6.2	71.4	-10.2	-0.8
Virginia	4.3	-4.3	-2.2	-8.3	-6.8	-7.2
West Virginia	8.3	-26.5	-20.3	0.0	-19.7	-14.9
SOUTHWEST						
Arizona	2,066.7	248.4	332.3	-15.4	2.3	-1.8
New Mexico	0.0	-20.5	-18.3	-10.0	1.5	0.0
Oklahoma	0.0	2.4	1.5	0.0	-7.8	-4.9
Texas	0.0	-41.2	-17.9	0.0	-26.7	-8.3
ROCKY MOUNTAIN						
Colorado	—	—	—	—	—	—
Idaho	0.0	0.0	0.0	-11.1	0.0	-6.3
Montana	0.0	-4.8	-3.0	0.0	-5.0	-3.1
Utah	16.7	-9.5	-3.7	3.6	-28.9	-20.2
Wyoming	—	—	—	—	—	—
FAR WEST						
Alaska	3.6	-20.0	0.8	6.9	25.0	8.6
California	-31.2	-17.1	-24.9	10.4	-13.6	-1.3
Hawaii	0.0	0.0	0.0	-19.0	2.5	-10.2
Nevada	-9.0	-19.8	-15.7	28.7	21.9	24.7
Oregon	-53.0	40.2	-17.6	17.5	-6.1	2.2
Washington	-31.2	-17.1	-24.9	-30.7	—	-17.6
ALL STATES	-15.5 %	-7.3 %	-10.9 %	4.5 %	-6.7 %	-2.0 %

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

TABLE 21

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

Region/State	Actual Fiscal 2011				Actual Fiscal 2012				Estimated Fiscal 2013			
	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	\$296	\$0	\$0	\$296	\$268	\$0	\$0	\$268	\$267	\$0	\$0	\$267
Maine	25	63	91	179	22	51	89	162	22	37	90	149
Massachusetts	399	0	0	399	392	274	0	666	383	368	0	751
New Hampshire	48	35	0	83	35	40	0	75	43	27	0	70
Rhode Island	0	39	0	39	0	40	0	40	0	39	0	39
Vermont	19	24	0	43	19	22	4	45	23	23	1	47
MID-ATLANTIC												
Delaware	14	8	0	22	20	0	1	21	11	7	1	19
Maryland	0	152	10	162	25	120	14	159	30	108	10	148
New Jersey	91	36	0	127	42	70	0	112	77	44	0	121
New York	284	2,674	0	2,958	64	2,520	0	2,584	0	2,583	0	2,583
Pennsylvania	309	332	4	645	224	350	1	575	205	354	3	562
GREAT LAKES												
Illinois	96	160	0	256	93	1	0	94	195	0	0	195
Indiana	32	163	7	202	29	168	0	197	28	168	0	196
Michigan	114	243	58	415	82	161	56	299	98	106	50	254
Ohio	161	782	0	943	151	680	0	831	151	620	0	771
Wisconsin	60	21	8	89	48	40	6	94	55	34	0	89
PLAINS												
Iowa	31	65	12	108	50	36	12	98	48	41	11	100
Kansas	30	28	0	58	20	22	0	42	11	19	0	30
Minnesota	91	293	0	384	86	263	0	349	74	287	0	361
Missouri	0	134	0	134	8	110	0	118	8	99	0	107
Nebraska	12	37	0	49	11	33	0	44	13	29	0	42
North Dakota*	1	1	5	7	4	0	2	6	2	0	3	5
South Dakota	9	22	0	31	9	19	0	28	9	18	0	27
SOUTHEAST												
Alabama	4	44	6	54	1	48	1	50	1	48	1	50
Arkansas	15	77	1	93	14	60	1	75	16	60	1	77
Florida	135	43	0	178	135	32	0	167	131	45	0	176
Georgia*	0	51	0	51	0	49	0	49	0	48	0	48
Kentucky	73	154	2	229	72	154	0	226	76	149	0	225
Louisiana	0	178	0	178	0	168	0	168	3	141	0	144
Mississippi	34	981	4	1,019	34	1,026	4	1,064	34	425	3	462
North Carolina	61	183	1	245	61	185	1	247	60	187	1	248
South Carolina	6	0	0	6	4	31	0	35	5	27	0	32
Tennessee	0	126	4	130	14	108	0	122	20	97	4	121
Virginia	44	78	0	122	48	56	0	104	43	54	0	97
West Virginia	30	166	0	196	33	122	0	155	33	98	0	131
SOUTHWEST												
Arizona	3	62	0	65	65	216	0	281	55	221	0	276
New Mexico	1	83	0	84	1	66	0	67	0	67	0	67
Oklahoma	39	64	0	103	39	60	0	99	39	67	0	106
Texas	66	51	0	117	66	30	0	96	66	22	0	88
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	7	0	7
Montana	12	21	0	33	12	20	0	32	12	19	0	31
Utah	2	84	18	104	6	76	17	99	16	54	7	77
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	13	14	2	29	16	11	2	29	15	13	2	30
California	2,239	3,850	0	6,089	1,157	3,094	0	4,251	1,521	2,506	0	4,027
Hawaii	29	40	0	69	29	40	0	69	23	41	0	64
Nevada	70	182	41	293	71	146	30	247	72	178	58	308
Oregon	134	74	0	208	63	108	0	171	74	102	0	176
Washington	118	208	0	326	75	173	0	248	46	165	0	211
TOTAL	\$5,250	\$12,133	\$274	\$17,657	\$3,718	\$11,106	\$241	\$15,065	\$4,114	\$9,852	\$246	\$14,212

*See notes at the end of the chapter.

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

Region/State	Fiscal 2011		Fiscal 2012		Fiscal 2013
NEW ENGLAND					
Connecticut	1.1	%	1.0	%	0.9
Maine	2.2		2.0		1.9
Massachusetts	0.7		1.1		1.2
New Hampshire	1.6		1.5		1.4
Rhode Island	0.5		0.5		0.5
Vermont	0.9		0.9		0.9
MID-ATLANTIC					
Delaware	0.3		0.2		0.2
Maryland	0.5		0.5		0.4
New Jersey	0.3		0.2		0.2
New York	2.2		1.9		1.9
Pennsylvania	0.9		0.9		0.8
GREAT LAKES					
Illinois	0.5		0.1		0.3
Indiana	0.8		0.7		0.7
Michigan	0.9		0.6		0.5
Ohio	1.6		1.4		1.3
Wisconsin	0.2		0.2		0.2
PLAINS					
Iowa	0.6		0.5		0.5
Kansas	0.4		0.3		0.2
Minnesota	1.2		1.1		1.0
Missouri	0.6		0.5		0.5
Nebraska	0.5		0.4		0.4
North Dakota	0.1		0.1		0.1
South Dakota	0.8		0.8		0.7
SOUTHEAST					
Alabama	0.2		0.2		0.2
Arkansas	0.5		0.4		0.4
Florida	0.3		0.3		0.3
Georgia	0.1		0.1		0.1
Kentucky	0.9		0.9		0.9
Louisiana	0.6		0.6		0.5
Mississippi	5.6		5.8		2.4
North Carolina	0.5		0.5		0.5
South Carolina	0.0		0.2		0.1
Tennessee	0.4		0.4		0.4
Virginia	0.3		0.2		0.2
West Virginia	0.9		0.7		0.6
SOUTHWEST					
Arizona	0.2		1.0		0.9
New Mexico	0.6		0.5		0.5
Oklahoma	0.5		0.5		0.5
Texas	0.1		0.1		0.1
ROCKY MOUNTAIN					
Colorado	0.0		0.0		0.0
Idaho	0.1		0.1		0.1
Montana	0.5		0.5		0.5
Utah	0.8		0.8		0.6
Wyoming	0.0		0.0		0.0
FAR WEST					
Alaska	0.2		0.2		0.2
California	2.8		2.1		1.8
Hawaii	0.6		0.6		0.6
Nevada	3.4		3.2		3.5
Oregon	0.6		0.6		0.7
Washington	1.0		0.7		0.6
ALL STATES	1.1	%	0.9	%	0.8

TABLE 23

ANNUAL PERCENTAGE CHANGE IN TANF CASH ASSISTANCE EXPENDITURES

Region/State	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	-9.5 %	— %	-9.5 %	-0.4 %	— %	-0.4 %
Maine	-4.3	-19.0	-9.5	0.9	-27.5	-8.0
Massachusetts	-1.8	—	66.9	-2.3	34.3	12.8
New Hampshire	-27.1	14.3	-9.6	22.9	-32.5	-6.7
Rhode Island	—	2.6	2.6	—	-2.5	-2.5
Vermont	21.1	-8.3	4.7	4.3	4.5	4.4
MID-ATLANTIC						
Delaware	50.0	-100.0	-4.5	-42.9	—	-9.5
Maryland	290.0	-21.1	-1.9	2.6	-10.0	-6.9
New Jersey	-53.8	94.4	-11.8	83.3	-37.1	8.0
New York	-77.5	-5.8	-12.6	-100.0	2.5	0.0
Pennsylvania	-28.1	5.4	-10.9	-7.6	1.1	-2.3
GREAT LAKES						
Illinois	-3.1	-99.4	-63.3	109.7	-100.0	107.4
Indiana	-25.6	3.1	-2.5	-3.4	0.0	-0.5
Michigan	-19.8	-33.7	-28.0	7.2	-34.2	-15.1
Ohio	-6.2	-13.0	-11.9	0.0	-8.8	-7.2
Wisconsin	-20.6	90.5	5.6	1.9	-15.0	-5.3
PLAINS						
Iowa	44.2	-44.6	-9.3	-4.8	13.9	2.0
Kansas	-33.3	-21.4	-27.6	-45.0	-13.6	-28.6
Minnesota	-5.5	-10.2	-9.1	-14.0	9.1	3.4
Missouri	—	-17.9	-11.9	0.0	-10.0	-9.3
Nebraska	-8.3	-10.8	-10.2	18.2	-12.1	-4.5
North Dakota	0.0	-100.0	-14.3	-16.7	—	-16.7
South Dakota	0.0	-13.6	-9.7	0.0	-5.3	-3.6
SOUTHEAST						
Alabama	-80.0	9.1	-7.4	0.0	0.0	0.0
Arkansas	-6.3	-22.1	-19.4	13.3	0.0	2.7
Florida	0.0	-25.6	-6.2	-3.0	40.6	5.4
Georgia	—	-3.9	-3.9	—	-2.0	-2.0
Kentucky	-4.0	0.0	-1.3	5.6	-3.2	-0.4
Louisiana	—	-5.6	-5.6	—	-16.1	-14.3
Mississippi	0.0	4.6	4.4	-2.6	-58.6	-56.6
North Carolina	0.0	1.1	0.8	-1.6	1.1	0.4
South Carolina	-33.3	—	483.3	25.0	-12.9	-8.6
Tennessee	250.0	-14.3	-6.2	71.4	-10.2	-0.8
Virginia	9.1	-28.2	-14.8	-10.4	-3.6	-6.7
West Virginia	10.0	-26.5	-20.9	0.0	-19.7	-15.5
SOUTHWEST						
Arizona	2,066.7	248.4	332.3	-15.4	2.3	-1.8
New Mexico	0.0	-20.5	-20.2	-100.0	1.5	0.0
Oklahoma	0.0	-6.3	-3.9	0.0	11.7	7.1
Texas	0.0	-41.2	-17.9	0.0	-26.7	-8.3
ROCKY MOUNTAIN						
Colorado	—	—	—	—	—	—
Idaho	—	0.0	0.0	—	0.0	0.0
Montana	0.0	-4.8	-3.0	0.0	-5.0	-3.1
Utah	15.0	-9.5	-4.8	0.0	-28.9	-22.2
Wyoming	—	—	—	—	—	—
FAR WEST						
Alaska	20.0	-21.4	0.0	-5.6	18.2	3.4
California	-48.3	-19.6	-30.2	31.5	-19.0	-5.3
Hawaii	0.0	0.0	0.0	-20.7	2.5	-7.2
Nevada	-9.0	-19.8	-15.7	28.7	21.9	24.7
Oregon	-53.0	45.9	-17.8	17.5	-5.6	2.9
Washington	-36.4	-16.8	-23.9	-38.7	-4.6	-14.9
ALL STATES	-28.3 %	-8.5 %	-14.7 %	10.1 %	-11.3 %	-5.7 %

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

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

Region/State	Actual Fiscal 2011				Actual Fiscal 2012				Estimated Fiscal 2013			
	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	\$112	\$0	\$0	\$112	\$112	\$0	\$0	\$112	\$111	\$0	\$0	\$111
Maine	18	17	3	38	24	20	1	45	21	10	1	32
Massachusetts	838	44	0	882	822	0	0	822	800	0	0	800
New Hampshire	24	0	0	24	21	0	0	21	16	0	0	16
Rhode Island	32	39	0	71	30	39	0	69	29	39	0	68
Vermont	11	53	0	64	16	45	0	61	17	40	0	57
MID-ATLANTIC												
Delaware	4	0	0	4	4	0	0	4	5	0	0	5
Maryland	47	995	7	1,049	45	1,087	10	1,142	47	1,170	9	1,226
New Jersey	274	95	0	369	244	89	0	333	218	118	0	336
New York	760	0	0	760	1,203	0	0	1,203	1,417	0	0	1,417
Pennsylvania	297	518	0	815	303	409	0	712	155	524	0	679
GREAT LAKES												
Illinois	4	1	0	5	1	1	0	2	1	0	0	1
Indiana	37	141	2	180	37	152	0	189	37	152	0	189
Michigan*	100	14	12	126	97	15	9	121	95	17	41	153
Ohio	14	0	0	14	15	0	0	15	13	0	0	13
Wisconsin	4	52	2	58	17	33	9	59	17	31	8	56
PLAINS												
Iowa	16	0	0	16	17	0	0	17	15	0	4	19
Kansas	3	0	0	3	0	0	0	0	0	0	0	0
Minnesota	84	0	0	84	85	0	0	85	91	0	0	91
Missouri	25	0	31	56	25	0	32	57	25	0	32	57
Nebraska	7	3	0	10	7	2	0	9	7	2	0	9
North Dakota	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHEAST												
Alabama	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	137	200	19	356	140	204	16	360	140	237	17	394
Florida	17	11	0	28	19	12	0	31	19	15	0	34
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	35	44	103	28	34	0	62	23	36	0	59
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	2	60	0	62	1	76	0	77	1	69	0	70
West Virginia	6	0	0	6	6	0	0	6	6	0	0	6
SOUTHWEST												
Arizona	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	6	0	3	9	6	0	3	9	6	0	3	9
Oklahoma	39	61	0	100	39	68	0	107	39	51	0	90
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	8	0	0	8
Montana	0	0	0	0	0	0	0	0	0	0	0	0
Utah	4	0	0	4	5	0	0	5	6	0	0	6
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	77	1	20	98	78	1	20	99	85	2	22	109
California	3,407	651	0	4,058	2,730	636	0	3,366	2,772	718	0	3,490
Hawaii	29	0	0	29	29	0	0	29	24	0	0	24
Nevada	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	0	8	0	8	0	7	0	7	0	6	0	6
Washington	142	2	0	144	104	1	0	105	78	2	0	80
TOTAL	\$6,610	\$3,001	\$143	\$9,754	\$6,319	\$2,931	\$100	\$9,350	\$6,344	\$3,239	\$137	\$9,720

*See notes at the end of the chapter.

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

Region/State	Fiscal 2011	Fiscal 2012	Fiscal 2013
NEW ENGLAND			
Connecticut	0.4 %	0.4 %	0.4 %
Maine	0.5	0.6	0.4
Massachusetts	1.6	1.4	1.3
New Hampshire	0.4	0.4	0.3
Rhode Island	0.9	0.9	0.8
Vermont	1.3	1.2	1.1
MID-ATLANTIC			
Delaware	0.0	0.0	0.1
Maryland	3.1	3.3	3.3
New Jersey	0.8	0.7	0.6
New York	0.6	0.9	1.1
Pennsylvania	1.2	1.1	1.0
GREAT LAKES			
Illinois	0.0	0.0	0.0
Indiana	0.7	0.7	0.7
Michigan	0.3	0.3	0.3
Ohio	0.0	0.0	0.0
Wisconsin	0.1	0.1	0.1
PLAINS			
Iowa	0.1	0.1	0.1
Kansas	0.0	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	1.7	1.7	1.8
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	0.5	0.3	0.3
Tennessee	0.0	0.0	0.0
Virginia	0.1	0.2	0.2
West Virginia	0.0	0.0	0.0
SOUTHWEST			
Arizona	0.0	0.0	0.0
New Mexico	0.1	0.1	0.1
Oklahoma	0.5	0.5	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	0.0	0.0	0.0
Wyoming	0.0	0.0	0.0
FAR WEST			
Alaska	0.7	0.8	0.9
California	1.9	1.7	1.5
Hawaii	0.3	0.3	0.2
Nevada	0.0	0.0	0.0
Oregon	0.0	0.0	0.0
Washington	0.4	0.3	0.2
ALL STATES	0.6 %	0.6 %	0.6 %

TABLE 26
ANNUAL PERCENTAGE CHANGE IN OTHER CASH ASSISTANCE EXPENDITURES

Region/State	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	0.0 %	— %	0.0 %	-0.9 %	— %	-0.9 %
Maine	19.0	17.6	18.4	-12.0	-50.0	-28.9
Massachusetts	-1.9	-100.0	-6.8	-2.7	—	-2.7
New Hampshire	-12.5	—	-12.5	-23.8	—	-23.8
Rhode Island	-6.3	0.0	-2.8	-3.3	0.0	-1.4
Vermont	45.5	-15.1	-4.7	6.3	-11.1	-6.6
MID-ATLANTIC						
Delaware	0.0	—	0.0	25.0	—	25.0
Maryland	1.9	9.2	8.9	1.8	7.6	7.4
New Jersey	-10.9	-6.3	-9.8	-10.7	32.6	0.9
New York	58.3	—	58.3	17.8	—	17.8
Pennsylvania	2.0	-21.0	-12.6	-48.8	28.1	-4.6
GREAT LAKES						
Illinois	-75.0	0.0	-60.0	0.0	-100.0	-50.0
Indiana	-5.1	7.8	5.0	0.0	0.0	0.0
Michigan	-5.4	7.1	-4.0	28.3	13.3	26.4
Ohio	7.1	—	7.1	-13.3	—	-13.3
Wisconsin	333.3	-36.5	1.7	-3.8	-6.1	-5.1
PLAINS						
Iowa	6.3	—	6.3	11.8	—	11.8
Kansas	-100.0	—	-100.0	—	—	—
Minnesota	1.2	—	1.2	7.1	—	7.1
Missouri	1.8	—	1.8	0.0	—	0.0
Nebraska	0.0	-33.3	-10.0	0.0	0.0	0.0
North Dakota	—	—	—	—	—	—
South Dakota	—	—	—	—	—	—
SOUTHEAST						
Alabama	—	—	—	—	—	—
Arkansas	0.0	2.0	1.1	0.6	16.2	9.4
Florida	11.8	9.1	10.7	0.0	25.0	9.7
Georgia	—	—	—	—	—	—
Kentucky	—	—	—	—	—	—
Louisiana	—	—	—	—	—	—
Mississippi	—	—	—	—	—	—
North Carolina	—	—	—	—	—	—
South Carolina	-58.8	-2.9	-39.8	-17.9	5.9	-4.8
Tennessee	—	—	—	—	—	—
Virginia	-50.0	26.7	24.2	0.0	-9.2	-9.1
West Virginia	0.0	—	0.0	0.0	—	0.0
SOUTHWEST						
Arizona	—	—	—	—	—	—
New Mexico	0.0	—	0.0	0.0	—	0.0
Oklahoma	0.0	11.5	7.0	0.0	-25.0	-15.9
Texas	—	—	—	—	—	—
ROCKY MOUNTAIN						
Colorado	—	—	—	—	—	—
Idaho	0.0	—	0.0	-11.1	—	-11.1
Montana	—	—	—	—	—	—
Utah	25.0	—	25.0	20.0	—	20.0
Wyoming	—	—	—	—	—	—
FAR WEST						
Alaska	1.0	0.0	1.0	9.2	100.0	10.1
California	-19.9	-2.3	-17.1	1.5	12.9	3.7
Hawaii	0.0	—	0.0	-17.2	—	-17.2
Nevada	—	—	—	—	—	—
Oregon	—	-12.5	-12.5	—	-14.3	-14.3
Washington	-26.8	-50.0	-27.1	-25.0	100.0	-23.8
ALL STATES	-4.9 %	-2.3 %	-4.1 %	1.0 %	10.5 %	4.0 %

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

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.

Georgia: TANF funds reflect only TANF funds used for cash assistance.

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 \$191.4 million in fiscal 2011; \$156.4 million in fiscal 2012; and an estimated \$140.2 million in fiscal 2013. Actual ARRA expenditures will be recorded with the fiscal 2013 annual financial report.

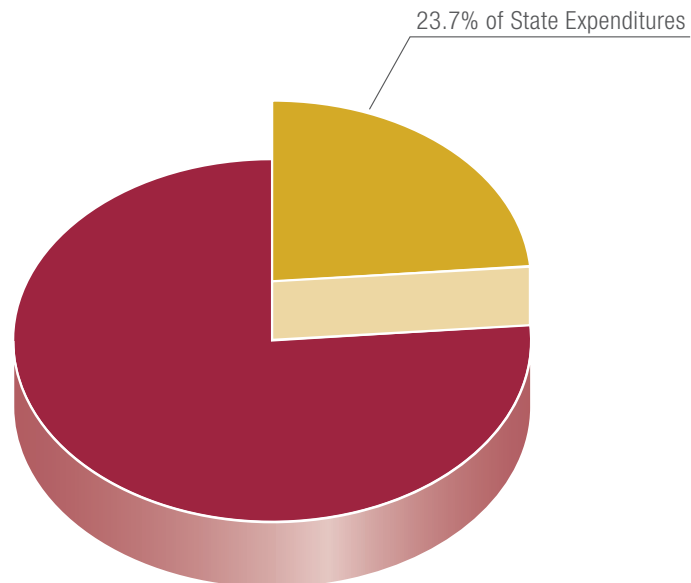
North Dakota: TANF—Cash Assistance includes only the direct cash benefit payments made to TANF recipients. It does not include other grant payments funded with the federal TANF grant.

4

CHAPTER



MEDICAID EXPENDITURES



Medicaid Expenditures

Medicaid, a means-tested entitlement program financed by the states and the federal government, provides comprehensive and long-term medical care for more than 62 million low-income individuals. Total Medicaid spending in fiscal 2012 was \$390.3 billion, excluding administrative costs, which represents a 1.9 percent decrease over fiscal 2011. State funds increased by 14.0 percent and federal funds decreased by 11.3 percent over fiscal 2011 amounts. The growth rate in total Medicaid spending for fiscal 2012 is below historical trends and reflects many factors, including extensive state cost containment actions and a slowdown in overall health care costs.

The significant increase in state spending in fiscal 2012 and substantial decrease in federal funding for fiscal 2012 reflect the end of the enhanced Medicaid match rate from the *American Recovery and Reinvestment Act of 2009* (ARRA). Under ARRA, all states received a temporary increase in their Federal Medical Assistance Percentage (FMAP), and those states facing the highest unemployment rates received additional amounts from the federal government. ARRA was estimated to provide approximately \$100 billion to states through the temporary increase in FMAP payments beginning in October 2008 and ending in June 2011. The January 2011 through June 2011 amount was a six-month scaled back extension from what was originally enacted under ARRA. States estimate that \$32.3 billion in fiscal 2011 spending is attributable to the temporary increase in the FMAP under ARRA. In fiscal 2012, states spent \$4.7 billion from ARRA funds and \$981 million in fiscal 2013 as the temporary FMAP increase expired. In order to receive the federal funds, states were required to adhere to maintenance of effort (MOE) requirements that included not having more restrictive standards, methodologies and procedures in place than were in place on July 1, 2008.

Total Medicaid spending for fiscal 2013 is estimated at \$419.9 billion, an increase of 7.6 percent over fiscal 2012. State funds increased by an estimated 8.0 percent while federal funds increased by 7.2 percent over fiscal 2012 amounts. Although the increase in spending in fiscal 2013 is well above the fiscal 2012 level, some of the spending reflects payments for activities incurred from prior years.

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 \$6.3 billion in fiscal 2011, \$8.0 billion in fiscal 2012, and are estimated at \$8.6 billion for fiscal 2013.

Medicaid spending accounted for 23.7 percent of total state spending in fiscal 2012, the single largest component of *total* state expenditures, and 19.3 percent of general fund expenditures. In fiscal 2013, it is estimated to be 24.4 percent of total state spending and 19.0 percent of general fund expenditures.

Medicaid Enrollment. Enrollment growth averaged 3.2 percent in fiscal 2012 and grew by an additional 2.5 percent in fiscal 2013, according to the Kaiser Commission on Medicaid and the Uninsured. For fiscal 2014, enrollment growth is projected to average 8.8 percent across all states. This increase in enrollment takes into account those states planning to expand Medicaid under the *Affordable Care Act* as well as enrollment increases among those currently eligible in states that do not plan on expanding Medicaid. The implementation of the *Affordable Care Act* will greatly increase the number of individuals served in the Medicaid program in 2014 and thereafter. According to the Centers for Medicare and Medicaid Services’ Office of the Actuary, the *Affordable Care Act’s* Medicaid eligibility expansion option will add approximately 18.3 million individuals by 2021.

Medicaid Cost Containment. While the Kaiser Commission on Medicaid and the Uninsured’s annual budget report notes that improvements in the economy have enabled states in some instances to implement program restorations and increase provider rates and benefits, states also continue to adopt policies to control costs and enhance program integrity. As in previous years, efforts to manage prescription drug costs are ongoing. States also reported an array of new program integrity initiatives including the use of advanced data analytics and predictive modeling, enhanced provider screening, and data sharing initiatives.

National Health Care Reform. The *Affordable Care Act*, enacted in March 2010, has a significant impact on states and especially on state Medicaid programs. In the Supreme Court’s ruling to uphold the constitutionality of the *Affordable Care Act*, the Court ruled that the Medicaid expansion is constitutional though the federal government could not withhold existing Medicaid funding for states that opted not to participate in the expansion. Beginning January 1, 2014, state Medicaid programs will have the option to expand 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 five percent income disregard when determining Medicaid eligibility, effectively bringing the new Medicaid minimum eligibility level to 138 percent of the federal poverty level. As of October 2013, 25 states and the District of Columbia plan on expanding Medicaid under the provisions of the *Affordable Care Act*.

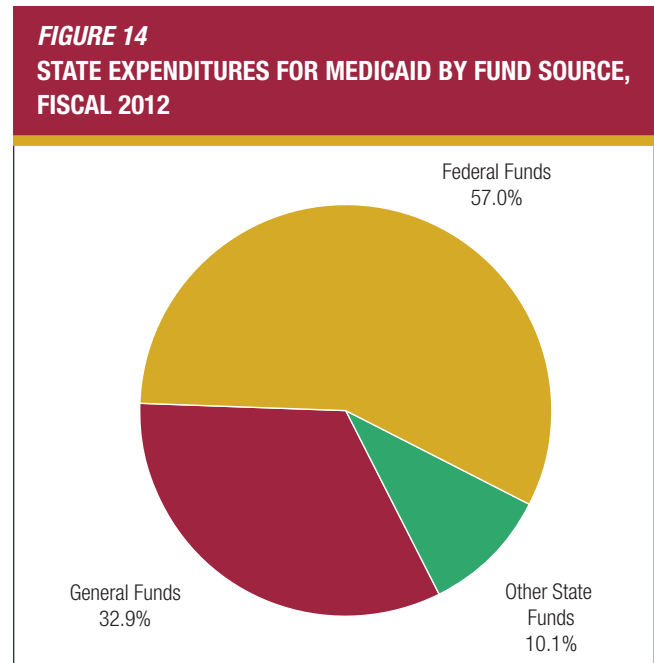
Challenges and Opportunities in Implementing the *Affordable Care Act*. There are many challenges ahead as states move forward with implementation of the *Affordable Care Act* as well as opportunities. Some of the most significant challenges cited by states include upgrading current Medicaid eligibility systems and integrating them with health insurance exchanges, estimating the number of new Medicaid enrollees, and the sheer number of initiatives that will be implemented in a tight timeframe with reduced workforce capacity. Opportunities cited include the increased federal match for Medicaid eligibility systems, reducing the number of uninsured individuals, reducing premiums for individuals and small businesses, lowering uncompensated care costs, modernizing business processes, and new options for payment and delivery of health care.

Long-Term Spending in Medicaid. Medicaid spending, similar to other health care spending, has historically increased faster than the economy as a whole. In the Centers for Medicare and Medicaid Services' (CMS) Office of the Actuary (OACT) *2012 Actuarial Report on the Financial Outlook for Medicaid*, the annual average growth rate of Medicaid expenditures from 2012 to 2021 is projected to be 6.4 percent, notably faster than the projection of average annual gross domestic product (GDP) growth of 5.0 percent. The report notes how the unusually slow rate of growth of Medicaid expenditures in 2012 does not necessarily contradict recent trends in health care spending generally. According to the analysis, the relatively slower projected

growth in Medicaid expenditures is in part the result of states' efforts to limit growth in light of their budget constraints and faster state expenditure growth after the expiration of the temporary federal matching rate increases.

Fund Shares

The figure below provides fund shares for 2012.



Regional Expenditures

The following table shows percentage changes in expenditures for Medicaid for fiscal 2011-2012 and 2012-2013 by region.

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

TABLE 27
REGIONAL PERCENTAGE CHANGE IN STATE MEDICAID EXPENDITURES, FISCAL 2012 AND 2013

Region	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	17.7 %	-1.4 %	8.8 %	6.3 %	3.7 %	5.2 %
Mid-Atlantic	26.7	-11.6	1.2	3.9	-1.3	0.9
Great Lakes	9.8	-15.4	-3.9	8.5	16.7	12.4
Plains	24.1	-6.0	6.0	2.0	-2.1	-0.2
Southeast	24.6	-7.6	1.9	4.2	5.5	5.1
Southwest	28.6	-14.5	-1.0	1.5	3.7	2.8
Rocky Mountain	23.4	-8.9	3.9	6.2	7.8	7.0
Far West	-18.8	-15.7	-17.0	29.4	22.2	25.1
ALL STATES	14.0 %	-11.3 %	-1.9 %	8.0 %	7.2 %	7.6 %

TABLE 28
MEDICAID EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2011				Actual Fiscal 2012				Estimated Fiscal 2013			
	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*	\$5,595	\$0	\$0	\$5,595	\$5,887	\$0	\$0	\$5,887	\$6,202	\$0	\$0	\$6,202
Maine	440	1,696	205	2,341	661	1,443	230	2,334	737	1,517	255	2,509
Massachusetts	4,163	6,113	0	10,276	5,503	6,752	0	12,255	5,830	7,000	0	12,830
New Hampshire	437	791	145	1,373	470	584	133	1,187	511	605	169	1,285
Rhode Island	813	1,248	9	2,070	941	1,026	10	1,977	954	1,020	12	1,986
Vermont*	164	825	252	1,241	242	716	309	1,267	290	769	328	1,387
MID-ATLANTIC												
Delaware	518	846	0	1,364	637	784	0	1,421	707	870	0	1,577
Maryland	2,475	4,468	579	7,522	2,904	3,756	826	7,486	2,884	3,934	900	7,718
New Jersey*	3,085	6,377	979	10,441	3,777	5,667	1,074	10,518	3,825	5,575	1,042	10,442
New York	6,963	27,224	4,437	38,624	9,783	24,478	4,996	39,257	10,602	23,421	4,769	38,792
Pennsylvania	5,690	14,182	2,103	21,975	7,620	12,245	2,364	22,229	8,020	12,524	2,558	23,102
GREAT LAKES												
Illinois	4,311	9,006	2,832	16,149	4,016	6,189	2,746	12,951	4,036	8,526	4,222	16,784
Indiana	1,292	4,879	432	6,603	1,717	4,716	745	7,178	1,883	5,950	956	8,789
Michigan*	1,682	8,610	1,785	12,077	2,146	8,198	2,016	12,360	1,962	8,584	2,182	12,728
Ohio*	10,641	2,720	0	13,361	11,686	2,434	0	14,120	12,030	2,389	0	14,419
Wisconsin	1,550	5,044	819	7,413	1,954	4,070	797	6,821	2,144	4,435	762	7,341
PLAINS												
Iowa	403	2,229	867	3,499	903	2,068	733	3,704	921	1,969	775	3,665
Kansas	833	1,776	61	2,670	1,122	1,510	51	2,683	1,204	1,561	58	2,823
Minnesota	3,057	4,817	68	7,942	4,163	4,422	49	8,634	4,041	4,099	61	8,201
Missouri*	1,531	4,018	2,091	7,640	1,719	4,245	2,224	8,188	1,664	4,238	2,308	8,210
Nebraska	507	1,085	21	1,613	683	935	31	1,649	784	1,003	35	1,822
North Dakota	218	493	5	716	306	419	5	730	352	416	6	774
South Dakota	233	567	0	800	287	487	0	774	316	500	0	816
SOUTHEAST												
Alabama*	400	3,857	987	5,244	575	3,795	1,257	5,627	618	3,857	1,360	5,835
Arkansas	639	3,283	258	4,180	630	3,142	652	4,424	727	3,253	637	4,617
Florida	3,902	12,359	2,840	19,101	4,010	10,929	4,330	19,269	4,963	12,321	3,892	21,176
Georgia	1,934	5,779	515	8,228	2,641	5,599	605	8,845	2,588	5,582	642	8,812
Kentucky	911	4,537	360	5,808	1,319	4,090	373	5,782	1,267	3,923	436	5,626
Louisiana	583	5,220	1,081	6,884	1,770	4,863	598	7,231	1,506	5,112	755	7,373
Mississippi*	176	3,081	877	4,134	73	3,182	1,050	4,305	286	3,814	950	5,050
North Carolina	2,466	7,660	1,172	11,298	3,517	7,535	468	11,520	3,462	7,771	904	12,137
South Carolina*	685	4,248	532	5,465	640	3,426	719	4,785	688	3,519	683	4,890
Tennessee*	1,890	6,391	687	8,968	2,792	6,007	534	9,333	2,934	6,074	266	9,274
Virginia	2,977	4,197	0	7,174	3,569	3,465	0	7,034	3,862	3,772	0	7,634
West Virginia	334	2,187	210	2,731	543	1,978	243	2,764	406	2,220	467	3,093
SOUTHWEST												
Arizona	1,792	7,195	552	9,539	1,821	5,804	1,511	9,136	1,819	5,904	1,610	9,333
New Mexico	559	2,781	193	3,533	817	2,447	229	3,493	873	2,498	228	3,599
Oklahoma	960	3,126	702	4,788	1,225	2,686	1,093	5,004	1,354	2,716	1,155	5,225
Texas	7,989	18,551	1,646	28,186	10,115	16,126	1,697	27,938	9,633	16,957	2,117	28,707
ROCKY MOUNTAIN												
Colorado*	1,271	2,804	1,435	5,510	1,693	2,591	1,686	5,970	1,836	2,805	1,736	6,377
Idaho	300	1,279	304	1,883	399	1,063	242	1,704	470	1,247	199	1,916
Montana	152	741	72	965	230	675	91	996	235	736	110	1,081
Utah	263	1,405	305	1,973	380	1,356	329	2,065	380	1,349	395	2,124
Wyoming	210	336	7	553	259	294	19	572	272	309	23	604
FAR WEST												
Alaska	467	889	5	1,361	566	798	5	1,369	676	953	17	1,646
California*	12,478	30,746	8,279	51,503	15,228	26,446	1,378	43,052	14,771	33,267	7,847	55,885
Hawaii	606	1,145	0	1,751	606	807	0	1,413	796	831	0	1,627
Nevada	450	974	135	1,559	535	1,008	392	1,935	519	1,165	310	1,994
Oregon	894	3,003	556	4,453	1,219	3,094	598	4,911	924	3,464	1,111	5,499
Washington	3,825	3,943	141	7,909	1,951	2,162	111	4,224	2,122	2,265	137	4,524
ALL STATES	\$105,714	\$250,731	\$41,541	\$397,986	\$128,250	\$222,512	\$39,549	\$390,311	\$131,886	\$238,589	\$49,385	\$419,860

*See notes at the end of the chapter.

TABLE 29
MEDICAID EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2011	Fiscal 2012	Fiscal 2013
NEW ENGLAND			
Connecticut	21.4 %	21.4 %	22.0 %
Maine	28.3	28.8	32.2
Massachusetts	18.5	20.7	21.3
New Hampshire	25.7	23.9	25.6
Rhode Island	26.0	25.0	24.4
Vermont	25.5	25.3	28.0
MID-ATLANTIC			
Delaware	16.2	15.9	17.2
Maryland	22.2	21.5	20.9
New Jersey	22.1	21.6	20.0
New York	29.1	29.4	29.1
Pennsylvania	31.8	33.2	34.0
GREAT LAKES			
Illinois	28.6	19.7	25.3
Indiana	25.0	27.3	31.7
Michigan	24.9	26.1	26.1
Ohio	22.2	24.4	24.7
Wisconsin	17.3	16.5	17.2
PLAINS			
Iowa	19.5	19.6	18.7
Kansas	18.2	18.6	19.6
Minnesota	25.3	27.6	22.9
Missouri	33.1	35.0	35.8
Nebraska	16.4	16.7	17.9
North Dakota	14.3	12.1	13.0
South Dakota	20.7	20.9	19.8
SOUTHEAST			
Alabama	21.7	23.3	24.2
Arkansas	20.5	21.4	21.4
Florida	29.2	30.6	30.3
Georgia	20.2	21.5	21.5
Kentucky	22.8	22.5	21.9
Louisiana	22.1	26.7	24.9
Mississippi	22.5	23.4	26.0
North Carolina	22.2	24.7	23.6
South Carolina	24.6	21.7	21.9
Tennessee	29.7	30.7	29.5
Virginia	16.9	16.2	17.1
West Virginia	12.9	12.7	13.2
SOUTHWEST			
Arizona	31.0	32.0	31.9
New Mexico	24.6	24.7	24.7
Oklahoma	22.6	23.9	24.4
Texas	29.9	30.1	29.6
ROCKY MOUNTAIN			
Colorado	17.8	20.7	22.4
Idaho	28.5	27.2	26.5
Montana	15.7	16.8	17.9
Utah	15.6	17.5	16.9
Wyoming	9.2	9.5	7.0
FAR WEST			
Alaska	9.7	11.6	13.6
California	23.9	21.6	24.5
Hawaii	15.6	12.3	14.0
Nevada	18.3	25.4	22.4
Oregon	13.3	18.2	21.3
Washington	23.5	12.1	13.6
ALL STATES	23.8 %	23.7 %	24.4 %

TABLE 30
ANNUAL PERCENTAGE CHANGE IN MEDICAID EXPENDITURES

Region/State	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	5.2 %	— %	5.2 %	5.4 %	— %	5.4 %
Maine	38.1	-14.9	-0.3	11.3	5.1	7.5
Massachusetts	32.2	10.5	19.3	5.9	3.7	4.7
New Hampshire	3.6	-26.2	-13.5	12.8	3.6	8.3
Rhode Island	15.7	-17.8	-4.5	1.6	-0.6	0.5
Vermont	32.5	-13.2	2.1	12.2	7.4	9.5
MID-ATLANTIC						
Delaware	23.0	-7.3	4.2	11.0	11.0	11.0
Maryland	22.1	-15.9	-0.5	1.4	4.7	3.1
New Jersey	19.4	-11.1	0.7	0.3	-1.6	-0.7
New York	29.6	-10.1	1.6	4.0	-4.3	-1.2
Pennsylvania	28.1	-13.7	1.2	5.9	2.3	3.9
GREAT LAKES						
Illinois	-5.3	-31.3	-19.8	22.1	37.8	29.6
Indiana	42.8	-3.3	8.7	15.3	26.2	22.4
Michigan	20.0	-4.8	2.3	-0.4	4.7	3.0
Ohio	9.8	-10.5	5.7	2.9	-1.8	2.1
Wisconsin	16.1	-19.3	-8.0	5.6	9.0	7.6
PLAINS						
Iowa	28.8	-7.2	5.9	3.7	-4.8	-1.1
Kansas	31.2	-15.0	0.5	7.6	3.4	5.2
Minnesota	34.8	-8.2	8.7	-2.6	-7.3	-5.0
Missouri	8.9	5.6	7.2	0.7	-0.2	0.3
Nebraska	35.2	-13.8	2.2	14.7	7.3	10.5
North Dakota	39.5	-15.0	2.0	15.1	-0.7	6.0
South Dakota	23.2	-14.1	-3.3	10.1	2.7	5.4
SOUTHEAST						
Alabama	32.1	-1.6	7.3	8.0	1.6	3.7
Arkansas	42.9	-4.3	5.8	6.4	3.5	4.4
Florida	23.7	-11.6	0.9	6.2	12.7	9.9
Georgia	32.5	-3.1	7.5	-0.5	-0.3	-0.4
Kentucky	33.1	-9.9	-0.4	0.7	-4.1	-2.7
Louisiana	42.3	-6.8	5.0	-4.5	5.1	2.0
Mississippi	6.6	3.3	4.1	10.1	19.9	17.3
North Carolina	9.5	-1.6	2.0	9.6	3.1	5.4
South Carolina	11.7	-19.4	-12.4	0.9	2.7	2.2
Tennessee	29.1	-6.0	4.1	-3.8	1.1	-0.6
Virginia	19.9	-17.4	-2.0	8.2	8.9	8.5
West Virginia	44.5	-9.6	1.2	11.1	12.2	11.9
SOUTHWEST						
Arizona	42.2	-19.3	-4.2	2.9	1.7	2.2
New Mexico	39.1	-12.0	-1.1	5.3	2.1	3.0
Oklahoma	39.5	-14.1	4.5	8.2	1.1	4.4
Texas	22.6	-13.1	-0.9	-0.5	5.2	2.8
ROCKY MOUNTAIN						
Colorado	24.9	-7.6	8.3	5.7	8.3	6.8
Idaho	6.1	-16.9	-9.5	4.4	17.3	12.4
Montana	43.3	-8.9	3.2	7.5	9.0	8.5
Utah	24.8	-3.5	4.7	9.3	-0.5	2.9
Wyoming	28.1	-12.5	3.4	6.1	5.1	5.6
FAR WEST						
Alaska	21.0	-10.2	0.6	21.4	19.4	20.2
California	-20.0	-14.0	-16.4	36.2	25.8	29.8
Hawaii	0.0	-29.5	-19.3	31.4	3.0	15.1
Nevada	58.5	3.5	24.1	-10.6	15.6	3.0
Oregon	25.3	3.0	10.3	12.0	12.0	12.0
Washington	-48.0	-45.2	-46.6	9.6	4.8	7.1
ALL STATES	14.0 %	-11.3 %	-1.9 %	8.0 %	7.2 %	7.6 %

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

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 2011 through fiscal 2013 Other State Funds includes provider taxes in the amounts of \$303 million, \$342 million, and \$361 million, respectively.

California: Fiscal 2013 estimated Other State Funds: \$104 million are local funds (Inter-Governmental Transfers) for Low Income Health Program, \$5.1 million are provider taxes (Managed Care Organization tax), and \$4.4 billion are fees (Hospital Quality Assurance Fee).

Colorado: CHIP is included in “Medicaid” expenditures, all part of the Department of Health Care Policy and Financing

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. Excludes state portion of Qualified Medicare Beneficiaries and School Based Child Health as those expenditures are netted out of federal Medicaid reimbursement. Also excludes provider taxes, which are deposited directly to the State Treasury.

Michigan: Other state funds include local funds of \$81.0 million and provider taxes of \$882.0 million for fiscal 2011; local funds of \$73.0 million and provider taxes of \$959.0 million for fiscal 2012; and local funds of \$100.0 million and provider taxes of \$935.0 million for fiscal 2013. Federal revenue support includes federal ARRA/FMAP funding (\$676.0 million for fiscal 2011, and \$31.5 million for fiscal 2012.). Actual ARRA expenditures will be recorded with the fiscal 2013 annual financial report. Public health and community and institutional care for mentally and developmentally disabled persons are partially reported in the Medicaid totals.

Mississippi: In the previous edition of the *State Expenditure Report*, Medicaid Title XIX federal funds were included in the Capital Inclusive section of the report, as well as in the Capital Exclusive section. This resulted in federal funds being overstated by \$3.2 billion for 2010, \$3.1 billion for 2011 and \$3.7 billion for 2012.

Missouri: Medicaid expenditure figures above are from budget office’s total state Medicaid report. Total Medicaid expenditures based on Mo HealthNet’s CMS 64 reports including local funds are: FY 11 - \$9113; FY 12 \$9089; FY 13 \$9087.

New Jersey: All Medicaid 2011 Actuals adjusted for revised CMS data and to be consistent with fiscal 2012 and fiscal 2013 amounts. Medicaid Other State Funds: FY11/FY12/FY13 (in millions); Provider Taxes 125/121/130; Assessments/Taxes/Fees 517/572/562.

Ohio: Ohio deposits federal reimbursements for Medicaid expenditures made from the General Revenue Fund into the General Revenue Fund.

South Carolina: Updated all years using new methodology to more accurately answer requested query.

Tennessee: Regarding Premium revenue: fiscal 2011 totals \$325 million, fiscal 2012 totals \$291 million, and fiscal 2013 totals \$300 million. Certified Public Expenditures—Local fund from Hospitals: fiscal 2011 totals \$374 million, fiscal 2012 totals \$374 million, and fiscal 2013 totals \$374 million. Nursing Home Tax: fiscal 2011 totals \$85 million, fiscal 2012 totals \$82 million, and fiscal 2013 totals \$82 million. ICF/MR 6 percent Gross Receipts Tax: fiscal 2011 totals \$12 million, fiscal 2012 totals \$11 million, and fiscal 2013 totals \$11 million. Intergovernmental Transfers: fiscal 2011 totals \$70 million, fiscal 2012 totals \$70 million, and fiscal 2013 totals \$70 million.

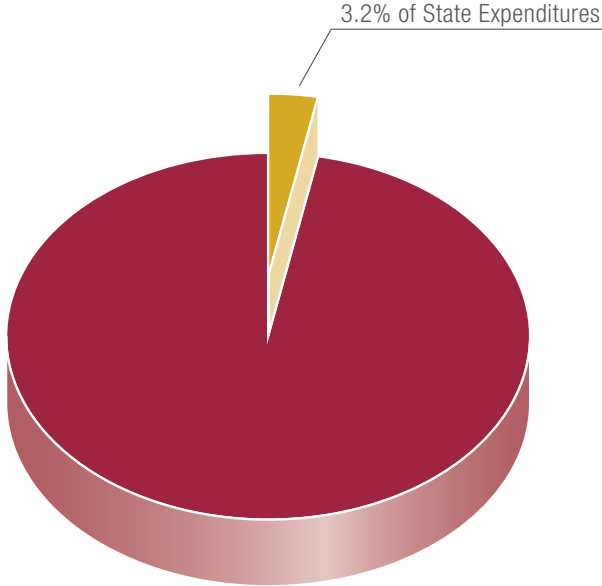
Vermont: The breakdown of local funds, etc. included in Other State Funds is as follows for fiscal 2011: provider tax \$112,399,373; employee assessment \$9,316,000; local match provided by schools \$11,451,916; tobacco litigation settlement funds \$35,848,876; other \$82,516,597. The breakdown is as follows for fiscal 2012: provider tax \$144,415,197; employee assessment \$11,168,000; local match provided by schools \$16,151,589; tobacco litigation settlement funds \$36,978,473, other \$118,054,327. The breakdown is as follows for estimated fiscal 2013: provider tax \$148,638,656; employee assessment \$11,886,600; local match provided by schools \$17,758,156; tobacco litigation settlement funds \$31,343,693, other \$118,879,835.

5

CHAPTER



CORRECTIONS EXPENDITURES



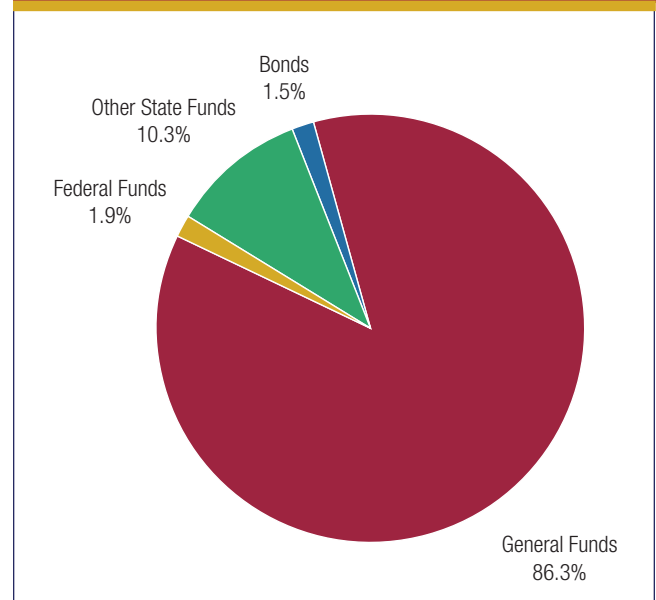
Corrections Expenditures

State spending on corrections reflects the costs to build and operate prison systems and may include spending on juvenile justice programs and alternatives to incarceration such as probation and parole. State spending for corrections totaled \$53.2 billion in fiscal 2012, compared to \$51.5 billion in fiscal 2011. In fiscal 2012, corrections spending represented 3.2 percent of total state spending and 6.9 percent of general fund spending. General fund dollars are the primary source for state corrections and account for \$46.0 billion, or 86.3 percent, of all fiscal 2012 state corrections spending. State funds (general funds and other state funds combined, but excluding bonds) accounted for 96.6 percent of total state corrections spending in fiscal 2012. Federal funds accounted for 1.9 percent and bonds accounted for 1.5 percent. Federal funds for corrections declined by 34.5 percent in fiscal 2012, as *American Recovery and Reinvestment Act* (ARRA) funds began to expire. However, even with the sharp decline in federal funds, total state spending for corrections still grew by 3.3 percent, illustrating the fact that state correctional services are almost entirely financed by state funds.

State spending on corrections in fiscal 2013 is estimated to total \$53.1 billion, a 0.3 percent decline from fiscal 2012. State funds are estimated to increase by 0.3 percent, while federal funds are estimated to decline by 11.7 percent. The slight decline in the overall growth rate is partly due to recent efforts states have taken to control corrections spending. From fiscal 1987 to fiscal 2012, nominal spending from state funds for corrections increased from \$11.4 billion to \$51.4 billion. Over the past several years, states have begun targeting criminal justice reforms to address the cost drivers of corrections expenditures. For example, according to a September 2013 NASBO issue brief, states have begun controlling costs through reducing recidivism rates, implementing changes to parole and probation systems, enhancing community supervision and drug treatment programs, and enacting sentencing reforms.

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

FIGURE 15
STATE EXPENDITURES FOR CORRECTIONS BY FUND SOURCE, FISCAL 2012



Regional Expenditures

Table 31 shows changes in corrections expenditures by region between fiscal 2011 and fiscal 2012 and between fiscal 2012 and estimated fiscal 2013. Of note, fiscal 2012 corrections spending in the Far West region increased by 11.2 percent, while corrections spending in the Great Lakes region declined by 3.0 percent.

Corrections—Expenditures Exclusions

Some states exclude certain items when reporting corrections expenditures. Twenty states wholly or partially excluded juvenile delinquency counseling from their corrections figures and fifteen states wholly or partially excluded spending on juvenile institutions. Some states wholly or partially excluded spending on drug abuse rehabilitation centers (20), institutions for the criminally insane (39), and aid to local governments for jails (19). For details, see Table 36.

TABLE 31
REGIONAL PERCENTAGE CHANGE IN STATE CORRECTIONS EXPENDITURES,
FISCAL 2012 AND 2013

Region	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	0.4 %	0.0 %	0.5 %	0.4 %	0.0 %	0.7 %
Mid-Atlantic	2.3	-58.5	0.8	4.2	8.9	3.1
Great Lakes	-2.7	-5.8	-3.0	1.7	1.5	1.8
Plains	6.6	-64.0	7.7	5.2	-22.5	1.0
Southeast	4.3	-29.1	2.5	1.1	-5.2	0.5
Southwest	-0.4	-14.3	-0.5	2.5	-8.3	2.7
Rocky Mountain	2.0	3.2	2.1	3.0	-88.7	-5.6
Far West	12.1	-35.5	11.2	-5.5	31.5	-5.1
ALL STATES	4.2 %	-34.5 %	3.3 %	0.3 %	-11.7 %	-0.3 %

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

Region/State	Actual Fiscal 2011					Actual Fiscal 2012					Estimated Fiscal 2013				
	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	\$676	\$4	\$0	\$17	\$697	\$671	\$4	\$0	\$19	\$694	\$642	\$4	\$0	\$5	\$651
Maine	144	2	7	0	153	133	1	7	0	141	133	2	2	0	137
Massachusetts	1,201	2	3	21	1,227	1,225	5	3	21	1,254	1,261	3	3	42	1,309
New Hampshire	98	1	4	2	105	95	0	5	3	103	95	0	5	2	102
Rhode Island	178	3	3	0	184	185	2	3	0	190	185	3	10	0	198
Vermont	133	0	8	1	142	129	0	8	1	138	131	0	8	1	140
MID-ATLANTIC															
Delaware	245	1	6	0	252	262	1	6	0	269	265	1	5	1	272
Maryland*	1,208	103	139	0	1,450	1,294	40	146	17	1,497	1,313	47	153	8	1,521
New Jersey	1,481	15	91	1	1,588	1,474	16	88	0	1,578	1,511	18	90	0	1,619
New York	2,771	122	66	216	3,175	2,648	102	81	240	3,071	2,918	110	73	192	3,293
Pennsylvania	1,907	193	101	32	2,233	2,098	21	100	137	2,356	2,111	20	106	102	2,339
GREAT LAKES															
Illinois	1,324	0	73	6	1,403	1,330	0	78	7	1,415	1,295	0	79	19	1,393
Indiana*	703	1	57	0	761	694	5	53	0	752	687	5	58	0	750
Michigan*	2,018	113	60	2	2,193	2,034	107	70	2	2,213	2,064	111	82	0	2,257
Ohio	1,887	22	1	40	1,950	1,736	17	2	24	1,779	1,798	15	2	26	1,841
Wisconsin	1,138	3	129	0	1,270	1,083	2	109	0	1,194	1,138	2	105	0	1,245
PLAINS															
Iowa	335	2	0	1	338	354	4	53	106	517	362	0	108	38	508
Kansas	289	57	15	10	371	332	8	18	9	367	354	7	17	7	385
Minnesota	472	4	14	14	504	444	6	16	14	480	469	4	17	0	490
Missouri	571	3	43	0	617	577	6	35	0	618	589	5	32	0	626
Nebraska	172	21	31	0	224	197	2	25	0	224	198	2	22	0	222
North Dakota	80	4	8	0	92	79	4	33	0	116	81	3	25	0	109
South Dakota	75	20	7	0	102	80	10	8	0	98	85	10	8	0	103
SOUTHEAST															
Alabama	394	120	85	2	601	470	33	94	3	600	460	30	105	1	596
Arkansas	366	1	75	0	442	391	1	63	0	455	385	1	63	0	449
Florida	2,638	87	138	85	2,948	2,375	77	118	60	2,630	2,316	96	143	19	2,574
Georgia*	1,278	129	71	39	1,517	1,414	9	59	27	1,509	1,467	3	34	13	1,517
Kentucky	505	35	44	0	584	533	14	58	0	605	558	13	46	0	617
Louisiana	759	2	86	1	848	709	2	80	1	792	713	3	107	3	826
Mississippi	313	1	19	0	333	311	2	26	0	339	312	1	27	0	340
North Carolina	1,288	5	150	0	1,443	1,645	155	178	0	1,978	1,717	136	45	0	1,898
South Carolina	402	57	99	0	558	465	9	120	0	594	492	6	104	0	602
Tennessee	720	1	49	0	770	769	1	52	0	822	880	1	52	0	933
Virginia	1,133	19	92	25	1,269	1,136	21	96	17	1,270	1,174	17	76	23	1,290
West Virginia	207	0	1	0	208	214	0	2	0	216	219	0	6	0	225
SOUTHWEST															
Arizona	899	12	70	0	981	953	12	53	0	1,018	965	11	69	0	1,045
New Mexico	263	2	21	0	286	257	1	22	0	280	266	3	22	0	291
Oklahoma	378	3	93	0	474	398	3	121	0	522	459	2	102	0	563
Texas	3,251	39	77	38	3,405	3,144	32	84	39	3,299	3,191	28	82	56	3,357
ROCKY MOUNTAIN															
Colorado*	665	3	93	0	761	668	7	98	0	773	670	5	88	0	763
Idaho	182	5	34	0	221	191	6	34	0	231	213	11	35	0	259
Montana	167	2	11	0	180	170	1	12	0	183	178	1	12	0	191
Utah	236	1	-5	0	232	237	1	1	0	239	239	1	26	0	266
Wyoming	125	143	9	0	277	126	144	10	0	280	123	0	9	0	132
FAR WEST															
Alaska	309	5	31	0	345	315	5	38	0	358	349	5	38	0	392
California*	9,286	83	46	0	9,415	7,723	79	2,874	0	10,676	8,618	116	2,034	1	10,769
Hawaii	207	2	12	0	221	218	2	10	0	230	218	0	13	0	231
Nevada	254	2	31	10	297	249	4	29	4	286	247	4	31	10	292
Oregon	692	75	125	37	929	817	16	207	14	1,054	802	16	176	17	1,011
Washington	875	5	70	27	977	898	5	8	29	940	85	5	41	31	162
TOTAL	\$46,898	\$1,535	\$2,493	\$627	\$51,553	\$45,950	\$1,005	\$5,494	\$794	\$53,243	\$47,001	\$887	\$4,596	\$617	\$53,101

*See notes at the end of the chapter.

TABLE 33
CORRECTIONS EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2011	Fiscal 2012	Fiscal 2013
NEW ENGLAND			
Connecticut	2.7 %	2.5 %	2.3 %
Maine	1.8	1.7	1.8
Massachusetts	2.2	2.1	2.2
New Hampshire	2.0	2.1	2.0
Rhode Island	2.3	2.4	2.4
Vermont	2.9	2.8	2.8
MID-ATLANTIC			
Delaware	3.0	3.0	3.0
Maryland	4.3	4.3	4.1
New Jersey	3.4	3.2	3.1
New York	2.4	2.3	2.5
Pennsylvania	3.2	3.5	3.4
GREAT LAKES			
Illinois	2.5	2.2	2.1
Indiana	2.9	2.9	2.7
Michigan	4.5	4.7	4.6
Ohio	3.2	3.1	3.2
Wisconsin	3.0	2.9	2.9
PLAINS			
Iowa	1.9	2.7	2.6
Kansas	2.5	2.5	2.7
Minnesota	1.6	1.5	1.4
Missouri	2.7	2.6	2.7
Nebraska	2.3	2.3	2.2
North Dakota	1.8	1.9	1.8
South Dakota	2.6	2.7	2.5
SOUTHEAST			
Alabama	2.5	2.5	2.5
Arkansas	2.2	2.2	2.1
Florida	4.5	4.2	3.7
Georgia	3.7	3.7	3.7
Kentucky	2.3	2.4	2.4
Louisiana	2.7	2.9	2.8
Mississippi	1.8	1.8	1.8
North Carolina	2.8	4.2	3.7
South Carolina	2.5	2.7	2.7
Tennessee	2.5	2.7	3.0
Virginia	3.0	2.9	2.9
West Virginia	1.0	1.0	1.0
SOUTHWEST			
Arizona	3.2	3.6	3.6
New Mexico	2.0	2.0	2.0
Oklahoma	2.2	2.5	2.6
Texas	3.6	3.5	3.5
ROCKY MOUNTAIN			
Colorado	2.5	2.7	2.7
Idaho	3.3	3.7	3.6
Montana	2.9	3.1	3.2
Utah	1.8	2.0	2.1
Wyoming	4.6	4.6	1.5
FAR WEST			
Alaska	2.5	3.0	3.2
California	4.4	5.4	4.7
Hawaii	2.0	2.0	2.0
Nevada	3.5	3.8	3.3
Oregon	2.8	3.9	3.9
Washington	2.9	2.7	0.5
ALL STATES	3.1 %	3.2 %	3.1 %

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

Region/State	Fiscal 2011	Fiscal 2012	Fiscal 2013
NEW ENGLAND			
Connecticut	3.8 %	3.6 %	3.4 %
Maine	5.0	4.3	4.4
Massachusetts	5.5	5.1	4.9
New Hampshire	7.4	7.4	7.5
Rhode Island	6.0	5.9	5.7
Vermont	17.9	14.5	13.4
MID-ATLANTIC			
Delaware	7.5	7.3	7.2
Maryland	9.1	8.7	8.7
New Jersey	5.3	4.9	4.8
New York	5.2	4.7	4.9
Pennsylvania	7.6	7.8	7.6
GREAT LAKES			
Illinois	5.2	4.5	4.4
Indiana	5.4	5.1	4.8
Michigan	24.1	23.6	22.5
Ohio	6.0	5.6	5.7
Wisconsin	8.4	8.1	8.1
PLAINS			
Iowa	6.3	5.9	5.8
Kansas	5.1	5.4	5.7
Minnesota	2.9	2.5	2.3
Missouri	7.5	7.3	7.3
Nebraska	5.2	5.7	5.5
North Dakota	5.0	3.6	3.6
South Dakota	6.4	6.6	6.5
SOUTHEAST			
Alabama	5.8	6.5	6.7
Arkansas	8.2	8.5	8.1
Florida	11.1	10.3	9.4
Georgia	7.8	8.2	8.0
Kentucky	5.8	5.7	5.9
Louisiana	9.7	8.5	8.7
Mississippi	7.2	6.9	6.6
North Carolina	7.0	8.1	8.3
South Carolina	7.6	8.4	7.7
Tennessee	6.8	6.6	7.0
Virginia	6.9	6.7	6.6
West Virginia	5.5	5.2	5.3
SOUTHWEST			
Arizona	10.8	11.3	11.3
New Mexico	5.0	4.7	4.7
Oklahoma	6.1	6.1	6.7
Texas	7.6	7.2	7.3
ROCKY MOUNTAIN			
Colorado	9.1	9.1	8.4
Idaho	7.4	7.6	7.9
Montana	9.8	9.6	9.1
Utah	5.1	5.0	4.8
Wyoming	4.6	4.6	3.3
FAR WEST			
Alaska	3.5	4.3	4.8
California	10.1	8.9	9.0
Hawaii	4.2	4.0	3.8
Nevada	8.0	8.1	7.8
Oregon	12.2	11.8	13.5
Washington	5.9	5.9	0.5
ALL STATES	7.3 %	6.9 %	6.8 %

TABLE 35
ANNUAL PERCENTAGE CHANGE IN CORRECTIONS EXPENDITURES

Region/State	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	-0.7 %	0.0 %	-0.4 %	-4.3 %	0.0 %	-6.2 %
Maine	-7.3	-50.0	-7.8	-3.6	100.0	-2.8
Massachusetts	2.0	150.0	2.2	2.9	-40.0	4.4
New Hampshire	-2.0	-100.0	-1.9	0.0	—	-1.0
Rhode Island	3.9	-33.3	3.3	3.7	50.0	4.2
Vermont	-2.8	—	-2.8	1.5	—	1.4
MID-ATLANTIC						
Delaware	6.8	0.0	6.7	0.7	0.0	1.1
Maryland	6.9	-61.2	3.2	1.8	17.5	1.6
New Jersey	-0.6	6.7	-0.6	2.5	12.5	2.6
New York	-3.8	-16.4	-3.3	9.6	7.8	7.2
Pennsylvania	9.5	-89.1	5.5	0.9	-4.8	-0.7
GREAT LAKES						
Illinois	0.8	—	0.9	-2.4	—	-1.6
Indiana	-1.7	400.0	-1.2	-0.3	0.0	-0.3
Michigan	1.3	-5.3	0.9	2.0	3.7	2.0
Ohio	-7.9	-22.7	-8.8	3.6	-11.8	3.5
Wisconsin	-5.9	-33.3	-6.0	4.3	0.0	4.3
PLAINS						
Iowa	21.5	100.0	53.0	15.5	-100.0	-1.7
Kansas	15.1	-86.0	-1.1	6.0	-12.5	4.9
Minnesota	-5.3	50.0	-4.8	5.7	-33.3	2.1
Missouri	-0.3	100.0	0.2	1.5	-16.7	1.3
Nebraska	9.4	-90.5	0.0	-0.9	0.0	-0.9
North Dakota	27.3	0.0	26.1	-5.4	-25.0	-6.0
South Dakota	7.3	-50.0	-3.9	5.7	0.0	5.1
SOUTHEAST						
Alabama	17.7	-72.5	-0.2	0.2	-9.1	-0.7
Arkansas	2.9	0.0	2.9	-1.3	0.0	-1.3
Florida	-10.2	-11.5	-10.8	-1.4	24.7	-2.1
Georgia*	9.2	-93.0	-0.5	1.9	-66.7	0.5
Kentucky	7.7	-60.0	3.6	2.2	-7.1	2.0
Louisiana	-6.6	0.0	-6.6	3.9	50.0	4.3
Mississippi	1.5	100.0	1.8	0.6	-50.0	0.3
North Carolina	26.8	3,000.0	37.1	-3.3	-12.3	-4.0
South Carolina	16.8	-84.2	6.5	1.9	-33.3	1.3
Tennessee	6.8	0.0	6.8	13.5	0.0	13.5
Virginia	0.6	10.5	0.1	1.5	-19.0	1.6
West Virginia	3.8	—	3.8	4.2	—	4.2
SOUTHWEST						
Arizona	3.8	0.0	3.8	2.8	-8.3	2.7
New Mexico	-1.8	-50.0	-2.1	3.2	200.0	3.9
Oklahoma	10.2	0.0	10.1	8.1	-33.3	7.9
Texas	-3.0	-17.9	-3.1	1.4	-12.5	1.8
ROCKY MOUNTAIN						
Colorado	1.1	133.3	1.6	-1.0	-28.6	-1.3
Idaho	4.2	20.0	4.5	10.2	83.3	12.1
Montana	2.2	-50.0	1.7	4.4	0.0	4.4
Utah	3.0	0.0	3.0	11.3	0.0	11.3
Wyoming	1.5	0.7	1.1	-2.9	-100.0	-52.9
FAR WEST						
Alaska	3.8	0.0	3.8	9.6	0.0	9.5
California	13.6	-4.8	13.4	0.5	46.8	0.9
Hawaii	4.1	0.0	4.1	1.3	-100.0	0.4
Nevada	-2.5	100.0	-3.7	0.0	0.0	2.1
Oregon	25.3	-78.7	13.5	-4.5	0.0	-4.1
Washington	-4.1	0.0	-3.8	-86.1	0.0	-82.8
ALL STATES	4.2 %	-34.5 %	3.3 %	0.3 %	-11.7 %	-0.3 %

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

TABLE 36
ITEMS EXCLUDED FROM CORRECTIONS EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Juvenile Delinquency Counseling	Juvenile Institutions	Aid to Local Govts. for Jails	Drug Abuse Rehab. Centers	Institutions for the Criminally Insane
NEW ENGLAND							
Connecticut	X	X			X	P	X
Maine			X			X	X
Massachusetts	X	X				X	X
New Hampshire			X	X	X		
Rhode Island			X	X	X		X
Vermont			X	X	X	P	X
MID-ATLANTIC							
Delaware					X		
Maryland*						X	X
New Jersey							X
New York	P	P	P	X	X		X
Pennsylvania							
GREAT LAKES							
Illinois	P	P				P	X
Indiana					X	P	X
Michigan*			P			X	X
Ohio							
Wisconsin							
PLAINS							
Iowa							
Kansas							
Minnesota			P		X	P	X
Missouri	X	X	X	X		P	X
Nebraska					N/A	X	X
North Dakota							X
South Dakota					X		X
SOUTHEAST							
Alabama					X		X
Arkansas			X	X			X
Florida					X	P	X
Georgia							X
Kentucky							X
Louisiana							
Mississippi			X	X			X
North Carolina					X		
South Carolina							
Tennessee			X	X			P
Virginia							
West Virginia		X	X	X	X	X	X
SOUTHWEST							
Arizona			X	X			X
New Mexico			X	X	X		X
Oklahoma			X	X		X	X
Texas	X	P			N/A		N/A
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	8	20	15	19	20	39

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

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.

California: Unintentionally included Corrections debt service in the 2011 actual General Fund Corrections expenditures on the previous NASBO survey (2011 State Expenditure Report). The correction has been reflected on this survey.

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. Regarding institutions for the criminally insane, San Carlos services significantly mentally ill inmates, but note that the Colorado Dept of Human Services Forensics Institute serves mentally ill people including those found not guilty by reason of insanity.

Georgia: Reduction in federal spending for Corrections is due to the loss of stimulus funding through the American Recovery and Reinvestment Act.

Indiana: Spending for Corrections does not include \$41M used to defease bonds.

Maryland: Responsibility for education at three Department of Juvenile Service facilities (Waxter, Schaefer House, Noyes) was transferred to the Maryland State Department of Education during fiscal 2013. The fiscal 2011 bond capital figure has been updated from last year's response to include a nearly \$10 million reduction that was excluded in error. While drug abuse rehabilitation programs were included in last year's survey response, they are excluded this year per NASBO instructions. As a result the fiscal 2011 actual numbers differ somewhat.

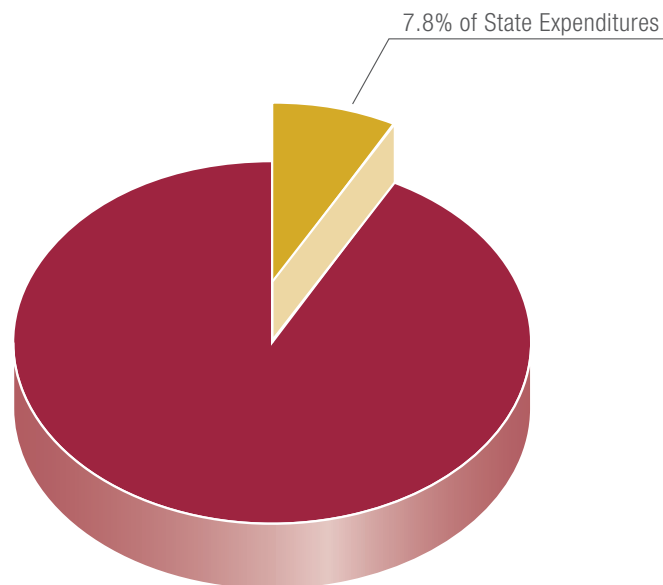
Michigan: Figures include adult inmate and juvenile justice expenditures. For fiscal 2012, the expenditure increase is largely due to statewide funding adjustments for other post-employment benefits.

6

CHAPTER



TRANSPORTATION EXPENDITURES



Transportation Expenditures

Transportation expenditures totaled \$128.3 billion in fiscal 2012, 7.8 percent of total state spending and an increase of 3.7 percent over the previous year. State funds for transportation increased 4.5 percent in fiscal 2012, while federal funds grew 3.7 percent. In fiscal 2013, total state expenditures for transportation are estimated to grow by 6.0 percent, with state funds increasing 3.6 percent and federal funds rising 7.5 percent.

Approximately 54.5 percent of fiscal 2012 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 states’ gasoline excise taxes. While “Other State Funds” account for the majority of transportation spending, federal funds also play a large role. In fiscal 2012, federal funds accounted for 32.8 percent of total transportation spending, with bonds (10.0 percent) and general funds (2.7 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 the *American Recovery and Reinvestment Act* (ARRA), to 32.8 percent in fiscal 2012. States reported that they received \$8.5 billion in ARRA transportation funds in fiscal 2011, \$3.5 billion in fiscal 2012, and an estimated \$4.3 billion in fiscal 2013.

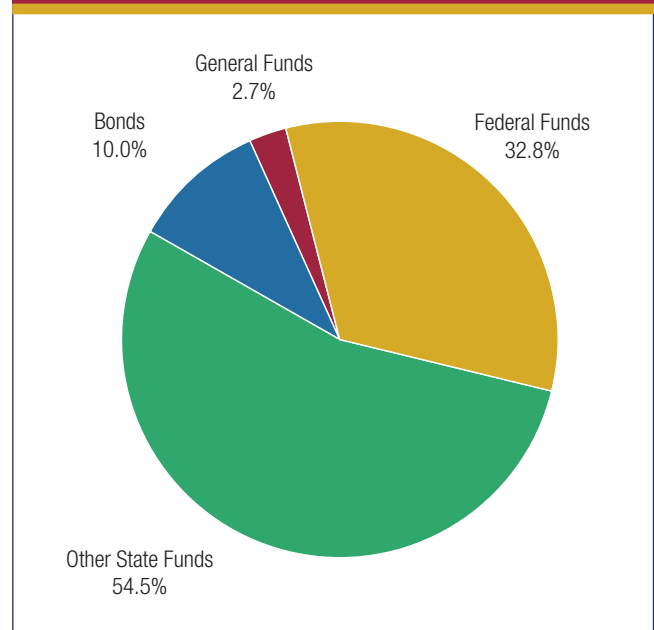
Federal Transportation Funding

On July 6, 2012, President Obama signed into law the *Moving Ahead for Progress in the 21st Century Act* (MAP-21). The legislation (P.L. 112-141) marks the first long-term reauthorization for surface transportation programs passed since the 2005 *Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users* (SAFETEA-LU). Federal-aid highway programs had been operating under a series of temporary extensions since SAFETEA-LU expired in 2009. MAP-21 covers highway programs through September 2014 at current spending levels and restructures programs to offer more flexibility to states to decide how to allocate funds. MAP-21 funds surface transportation programs at over \$105 billion for federal fiscal years 2013 and 2014. States are concerned that in the long term, federal and state gas tax revenue will not be able to meet transportation needs as most gas taxes are set at fixed rates and do not rise with inflation, and the number of vehicle miles driven have fallen. In addition to raising gas tax rates, other possible policy options include a shift to other revenue sources such as sales taxes, implementing a vehicle-miles traveled tax, increasing the use of toll roads and public-private partnerships.

Fund Shares

The figure below provides fund shares for fiscal 2012.

FIGURE 16
STATE EXPENDITURES FOR TRANSPORTATION BY FUND SOURCE, FISCAL 2012



Regional Expenditures

Table 37 shows percentage changes in transportation expenditures by region between fiscal 2011 and fiscal 2012 and between fiscal 2012 and estimated fiscal 2013.

TABLE 37
REGIONAL PERCENTAGE CHANGE IN STATE TRANSPORTATION EXPENDITURES,
FISCAL 2012 AND 2013

Region	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	7.1 %	9.3 %	2.1 %	2.8 %	-8.5 %	-2.2 %
Mid-Atlantic	4.6	-1.5	2.0	6.2	8.0	5.7
Great Lakes	3.9	-7.2	-1.4	2.7	4.8	2.2
Plains	-1.9	-3.5	-6.4	9.9	-4.3	6.0
Southeast	6.3	10.4	6.1	-4.4	10.8	1.4
Southwest	6.4	-6.2	0.0	24.0	-4.4	10.5
Rocky Mountain	-12.6	5.1	-5.9	10.1	-6.8	2.9
Far West	10.1	15.3	18.9	-0.3	26.2	17.9
ALL STATES	4.5 %	3.7 %	3.7 %	3.6 %	7.5 %	6.0 %

Transportation—Expenditure Exclusions

Forty states wholly or partially exclude state police and high-way patrols from the transportation expenditures contained within the report. Additionally, 38 states wholly or partially exclude port authority operations, 23 states exclude truck enforcement regulation programs, 23 states omit motor vehicle licensing, and 14 states exclude gasoline tax and fee collections. For details, see Table 41.

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

Region/State	Actual Fiscal 2011					Actual Fiscal 2012					Estimated Fiscal 2013				
	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	\$750	\$1,193	\$1,087	\$3,030	\$0	\$741	\$1,326	\$687	\$2,754	\$0	\$740	\$1,280	\$717	\$2,737
Maine	7	222	404	68	701	0	239	435	25	699	0	242	390	5	637
Massachusetts	0	707	1,714	891	3,312	9	771	1,822	1,045	3,647	9	698	2,009	1,031	3,747
New Hampshire	1	167	339	0	507	0	152	349	0	501	1	170	333	0	504
Rhode Island	0	230	107	158	495	0	292	87	133	512	0	248	121	42	411
Vermont	0	312	205	13	530	0	415	225	1	641	0	290	229	5	524
MID-ATLANTIC															
Delaware	14	200	488	0	702	0	209	585	0	794	0	216	580	0	796
Maryland*	0	800	2,389	0	3,189	0	921	2,535	0	3,456	0	925	2,870	0	3,795
New Jersey	1,310	1,164	354	1,528	4,356	1,344	1,325	570	1,293	4,532	1,299	1,592	1,058	1,247	5,196
New York	99	1,750	5,823	885	8,557	99	1,500	5,762	969	8,330	99	1,497	5,956	908	8,460
Pennsylvania	2	1,987	3,902	204	6,095	16	1,858	4,129	250	6,253	17	2,046	4,092	295	6,450
GREAT LAKES															
Illinois	78	117	4,036	1,387	5,618	21	116	4,308	1,170	5,615	22	117	4,252	1,147	5,538
Indiana	0	1,260	1,650	0	2,910	41	1,048	1,369	0	2,458	41	1,000	1,288	0	2,329
Michigan*	0	1,471	1,742	74	3,287	0	1,273	1,889	83	3,245	23	1,492	2,166	39	3,720
Ohio	13	1,431	1,039	322	2,805	10	1,604	1,098	269	2,981	9	1,627	1,136	188	2,960
Wisconsin	26	952	1,783	0	2,761	26	811	2,006	0	2,843	140	847	1,982	0	2,969
PLAINS															
Iowa	0	581	830	0	1,411	0	602	786	25	1,413	0	440	904	7	1,351
Kansas	16	620	702	181	1,519	16	464	575	208	1,263	16	422	533	178	1,149
Minnesota	62	380	2,397	318	3,157	60	346	1,936	259	2,601	61	583	2,632	363	3,639
Missouri	10	310	1,993	447	2,760	9	163	2,249	0	2,421	9	143	2,008	0	2,160
Nebraska	1	256	395	0	652	1	303	436	0	740	1	364	437	0	802
North Dakota	0	360	260	0	620	2	533	452	0	987	91	347	463	0	901
South Dakota	0	385	197	0	582	0	380	209	0	589	0	371	243	0	614
SOUTHEAST															
Alabama	0	930	612	0	1,542	0	855	612	0	1,467	0	829	503	0	1,332
Arkansas	2	531	480	59	1,072	3	576	534	81	1,194	2	563	607	81	1,253
Florida	1	2,150	3,705	399	6,255	0	2,072	4,458	406	6,936	4	2,405	5,356	403	8,168
Georgia	713	1,159	72	202	2,146	713	1,291	141	6	2,151	863	1,211	7	0	2,081
Kentucky	4	742	1,269	0	2,015	5	827	1,456	0	2,288	5	769	1,741	0	2,515
Louisiana	0	19	1,830	297	2,146	0	951	839	127	1,917	0	857	659	200	1,716
Mississippi	0	630	653	37	1,320	0	678	659	42	1,379	0	530	542	27	1,099
North Carolina	0	1,430	2,784	314	4,528	0	1,266	3,126	231	4,623	0	1,324	3,147	78	4,549
South Carolina	1	676	593	0	1,270	3	866	588	0	1,457	1	635	561	0	1,197
Tennessee*	0	941	941	0	1,882	0	1,041	912	0	1,953	0	877	780	80	1,737
Virginia	46	1,180	3,058	25	4,309	136	1,151	3,601	28	4,916	41	2,817	2,175	8	5,041
West Virginia	6	525	716	20	1,267	6	475	793	0	1,274	13	538	760	0	1,311
SOUTHWEST															
Arizona	0	844	655	332	1,831	0	748	749	341	1,838	0	772	1,222	343	2,337
New Mexico	0	401	402	0	803	0	419	419	0	838	0	403	432	0	835
Oklahoma	0	1,109	540	178	1,827	0	924	477	110	1,511	0	784	617	116	1,517
Texas	27	2,915	3,217	1,092	7,251	67	2,853	3,441	1,161	7,522	85	2,768	4,032	1,363	8,248
ROCKY MOUNTAIN															
Colorado*	1	695	770	0	1,466	1	616	926	0	1,543	0	722	859	0	1,581
Idaho	0	328	399	0	727	0	294	386	0	680	0	331	477	0	808
Montana	10	439	255	0	704	8	457	286	0	751	7	391	269	0	667
Utah	2	293	1,154	0	1,449	3	483	596	0	1,082	1	202	928	0	1,131
Wyoming	91	114	369	0	574	92	114	369	0	575	134	185	261	0	580
FAR WEST															
Alaska	394	899	361	0	1,654	684	869	423	0	1,976	884	698	396	321	2,299
California*	83	4,086	4,441	1,250	9,860	83	4,859	5,054	2,595	12,591	83	6,966	5,122	4,464	16,635
Hawaii	0	205	773	54	1,032	0	211	848	90	1,149	0	199	858	90	1,147
Nevada	0	374	232	0	606	0	471	252	0	723	0	355	108	0	463
Oregon	9	49	1,774	48	1,880	1	62	1,676	69	1,808	1	52	1,471	54	1,578
Washington	1	529	1,176	1,086	2,792	1	608	1,157	1,175	2,941	1	668	1,224	971	2,864
TOTAL	\$3,030	\$40,605	\$67,173	\$12,956	\$123,764	\$3,460	\$42,103	\$69,916	\$12,879	\$128,358	\$3,963	\$45,268	\$72,076	\$14,771	\$136,078

*See notes at the end of the chapter.

TABLE 39
TRANSPORTATION EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2011	Fiscal 2012	Fiscal 2013
NEW ENGLAND			
Connecticut	11.6 %	10.0 %	9.7 %
Maine	8.5	8.6	8.2
Massachusetts	6.0	6.2	6.2
New Hampshire	9.5	10.1	10.0
Rhode Island	6.2	6.5	5.1
Vermont	10.9	12.8	10.6
MID-ATLANTIC			
Delaware	8.3	8.9	8.7
Maryland	9.4	9.9	10.3
New Jersey	9.2	9.3	10.0
New York	6.4	6.2	6.4
Pennsylvania	8.8	9.3	9.5
GREAT LAKES			
Illinois	10.0	8.5	8.3
Indiana	11.0	9.3	8.4
Michigan	6.8	6.9	7.6
Ohio	4.7	5.1	5.1
Wisconsin	6.4	6.9	6.9
PLAINS			
Iowa	7.8	7.5	6.9
Kansas	10.3	8.8	8.0
Minnesota	10.1	8.3	10.2
Missouri	11.9	10.4	9.4
Nebraska	6.6	7.5	7.9
North Dakota	12.4	16.4	15.2
South Dakota	15.0	15.9	14.9
SOUTHEAST			
Alabama	6.4	6.1	5.5
Arkansas	5.3	5.8	5.8
Florida	9.6	11.0	11.7
Georgia	5.3	5.2	5.1
Kentucky	7.9	8.9	9.8
Louisiana	6.9	7.1	5.8
Mississippi	7.2	7.5	5.7
North Carolina	8.9	9.9	8.9
South Carolina	5.7	6.6	5.4
Tennessee	6.2	6.4	5.5
Virginia	10.1	11.3	11.3
West Virginia	6.0	5.8	5.6
SOUTHWEST			
Arizona	6.0	6.4	8.0
New Mexico	5.6	5.9	5.7
Oklahoma	8.6	7.2	7.1
Texas	7.7	8.1	8.5
ROCKY MOUNTAIN			
Colorado	4.7	5.4	5.6
Idaho	11.0	10.9	11.2
Montana	11.4	12.7	11.0
Utah	11.4	9.2	9.0
Wyoming	9.5	9.5	6.7
FAR WEST			
Alaska	11.8	16.8	18.9
California	4.6	6.3	7.3
Hawaii	9.2	10.0	9.9
Nevada	7.1	9.5	5.2
Oregon	5.6	6.7	6.1
Washington	8.3	8.4	8.6
ALL STATES	7.4 %	7.8 %	7.9 %

TABLE 40
ANNUAL PERCENTAGE CHANGE IN TRANSPORTATION EXPENDITURES

Region/State	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	11.1 %	-1.2 %	-9.1 %	-3.5 %	-0.1 %	-0.6 %
Maine	5.8	7.7	-0.3	-10.3	1.3	-8.9
Massachusetts	6.8	9.1	10.1	10.2	-9.5	2.7
New Hampshire	2.6	-9.0	-1.2	-4.3	11.8	0.6
Rhode Island	-18.7	27.0	3.4	39.1	-15.1	-19.7
Vermont	9.8	33.0	20.9	1.8	-30.1	-18.3
MID-ATLANTIC						
Delaware	16.5	4.5	13.1	-0.9	3.3	0.3
Maryland	6.1	15.1	8.4	13.2	0.4	9.8
New Jersey	15.0	13.8	4.0	23.1	20.2	14.7
New York	-1.0	-14.3	-2.7	3.3	-0.2	1.6
Pennsylvania	6.2	-6.5	2.6	-0.9	10.1	3.2
GREAT LAKES						
Illinois	5.2	-0.9	-0.1	-1.3	0.9	-1.4
Indiana	-14.5	-16.8	-15.5	-5.7	-4.6	-5.2
Michigan	8.4	-13.5	-1.3	15.9	17.2	14.6
Ohio	5.3	12.1	6.3	3.3	1.4	-0.7
Wisconsin	12.3	-14.8	3.0	4.4	4.4	4.4
PLAINS						
Iowa	-5.3	3.6	0.1	15.0	-26.9	-4.4
Kansas	-17.7	-25.2	-16.9	-7.1	-9.1	-9.0
Minnesota	-18.8	-8.9	-17.6	34.9	68.5	39.9
Missouri	12.7	-47.4	-12.3	-10.7	-12.3	-10.8
Nebraska	10.4	18.4	13.5	0.2	20.1	8.4
North Dakota	74.6	48.1	59.2	22.0	-34.9	-8.7
South Dakota	6.1	-1.3	1.2	16.3	-2.4	4.2
SOUTHEAST						
Alabama	0.0	-8.1	-4.9	-17.8	-3.0	-9.2
Arkansas	11.4	8.5	11.4	13.4	-2.3	4.9
Florida	20.3	-3.6	10.9	20.2	16.1	17.8
Georgia	8.8	11.4	0.2	1.9	-6.2	-3.3
Kentucky	14.8	11.5	13.5	19.5	-7.0	9.9
Louisiana	-54.2	4,905.3	-10.7	-21.5	-9.9	-10.5
Mississippi	0.9	7.6	4.5	-17.8	-21.8	-20.3
North Carolina	12.3	-11.5	2.1	0.7	4.6	-1.6
South Carolina	-0.5	28.1	14.7	-4.9	-26.7	-17.8
Tennessee	-3.1	10.6	3.8	-14.5	-15.8	-11.1
Virginia	20.4	-2.5	14.1	-40.7	144.7	2.5
West Virginia	10.7	-9.5	0.6	-3.3	13.3	2.9
SOUTHWEST						
Arizona	14.4	-11.4	0.4	63.2	3.2	27.1
New Mexico	4.2	4.5	4.4	3.1	-3.8	-0.4
Oklahoma	-11.7	-16.7	-17.3	29.4	-15.2	0.4
Texas	8.1	-2.1	3.7	17.4	-3.0	9.7
ROCKY MOUNTAIN						
Colorado	20.2	-11.4	5.3	-7.3	17.2	2.5
Idaho	-3.3	-10.4	-6.5	23.6	12.6	18.8
Montana	10.9	4.1	6.7	-6.1	-14.4	-11.2
Utah	-48.2	64.8	-25.3	55.1	-58.2	4.5
Wyoming	0.2	0.0	0.2	-14.3	62.3	0.9
FAR WEST						
Alaska	46.6	-3.3	19.5	15.6	-19.7	16.3
California	13.5	18.9	27.7	1.3	43.4	32.1
Hawaii	9.7	2.9	11.3	1.2	-5.7	-0.2
Nevada	8.6	25.9	19.3	-57.1	-24.6	-36.0
Oregon	-5.9	26.5	-3.8	-12.2	-16.1	-12.7
Washington	-1.6	14.9	5.3	5.8	9.9	-2.6
ALL STATES	4.5 %	3.7 %	3.7 %	3.6 %	7.5 %	6.0 %

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

TABLE 41
ITEMS EXCLUDED FROM TRANSPORTATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Port Authority Operations	Gasoline Tax & Fee Collections	Truck Enforcement Reg. Programs	Train/Railroad Subsidy Programs	Road Assist. Subsidy Prog. for Local Govts.	Motor Vehicle Licensing	State Police/ Highway Patrol
NEW ENGLAND									
Connecticut	X	X	X	X	X			X	X
Maine			X		X			X	X
Massachusetts	X	X		X					
New Hampshire								X	X
Rhode Island			X		X		X	X	X
Vermont			X						X
MID-ATLANTIC									
Delaware			X						
Maryland*									P
New Jersey			X						X
New York	P	P	N/A	X					X
Pennsylvania			P	P					X
GREAT LAKES									
Illinois	P	P	X	X				X	P
Indiana			X						X
Michigan			X						X
Ohio									
Wisconsin			X						
PLAINS									
Iowa									
Kansas			X		X			X	X
Minnesota			X						
Missouri				X			X	X	X
Nebraska			N/A		P				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	X	X			X	X
Kentucky			X						X
Louisiana			X		P	X	X	X	X
Mississippi				X		X		X	X
North Carolina			X						
South Carolina			X		X	X	X	X	X
Tennessee				X	X			X	X
Virginia									
West Virginia			P	X	X	N/A	N/A		X
SOUTHWEST									
Arizona			P				P		
New Mexico			X		X	X	X	X	X
Oklahoma	X		X	P	X			X	X
Texas				P	X			X	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		X
California*			X						X
Hawaii			X		X	X	X	X	X
Nevada			X		X	X		X	X
Oregon			X						X
Washington			X		X				X
ALL STATES	5	4	38	14	23	12	12	23	40

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

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.

California: Change in methodology for calculating Transportation expenditures. Expenditures now include the Department of Motor Vehicles, Board of Pilot Commissioners, and Office of Traffic Safety.

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

Maryland: Debt service and information technology projects have been included as capital expenditures. Highway User Revenue has been included as an operating expenditure. Capital expenditures for the Port are included.

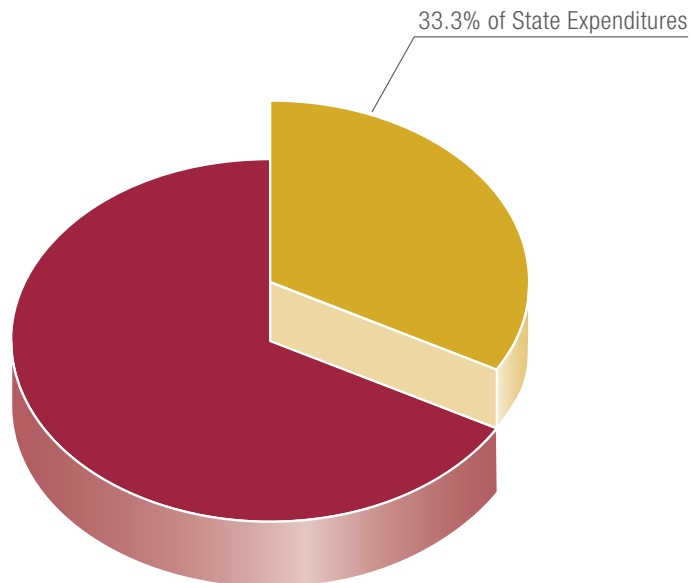
Michigan: General fund support in fiscal 2013 mitigates a shortfall in restricted revenue funds needed to match federal transit grants. Actual ARRA expenditures will be recorded with the fiscal 2013 annual financial report.

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

CHAPTER



ALL OTHER EXPENDITURES



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 \$547.9 billion for fiscal 2012, or 33.3 percent of total state spending. Total spending in the “All Other” category declined by 1.0 percent in fiscal 2012 and increased by an estimated 3.8 percent in fiscal 2013. In fiscal 2012, both state funds (general funds and other state funds combined) and federal funds declined, by 0.4 percent and 3.2 percent respectively. The large decline in federal funds for the “All Other” category can be traced to a reduction in *American Recovery and Reinvestment Act* (ARRA) funds. States reported \$22.0 billion in “All Other” ARRA spending in fiscal 2011 and \$12.7 billion in fiscal 2012.

Children’s Health Insurance Program

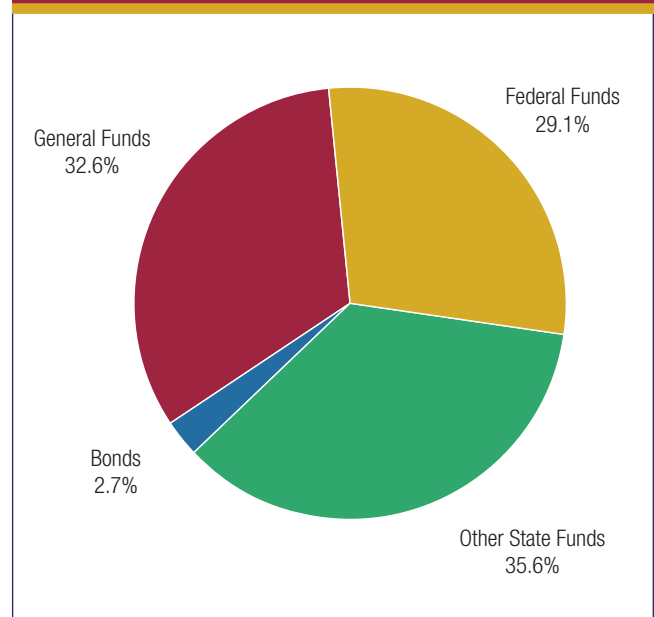
Enacted as part of the *Balanced Budget Act of 1997*, the State Children’s Health Insurance Program (SCHIP) expanded health care coverage for previously uninsured children. The program is targeted toward children from families with incomes too high to qualify for Medicaid but too low to afford private 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 8.0 million children were enrolled under CHIP during fiscal 2011. As shown in Appendix Table A-2, total spending for CHIP was \$11.4 billion in fiscal 2011, \$11.6 billion in fiscal 2012, and is estimated at \$11.9 billion in fiscal 2013.

Fund Shares

The figure below illustrates fund shares for fiscal 2012.

FIGURE 17
STATE EXPENDITURES FOR ALL OTHER PROGRAMS BY FUND SOURCE, FISCAL 2012



Regional Expenditures

The following table shows percentage changes for “All Other” expenditures for fiscal 2011-2012 and 2012-2013 by region.

TABLE 42
REGIONAL PERCENTAGE CHANGE IN STATE ALL OTHER EXPENDITURES,
FISCAL 2012 AND 2013

Region	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-1.9 %	23.3 %	3.7 %	0.1 %	-9.5 %	-1.7 %
Mid-Atlantic	3.3	-5.4	1.7	-0.4	20.4	2.8
Great Lakes	7.4	23.8	11.6	4.9	-17.3	-1.4
Plains	2.0	6.5	2.9	10.5	-9.1	3.8
Southeast	-1.7	-14.7	-6.0	12.9	-3.9	7.7
Southwest	-3.2	-0.7	-1.9	13.3	5.4	10.0
Rocky Mountain	-6.3	-9.1	-6.7	14.9	11.0	13.5
Far West	-6.2	-11.0	-7.6	3.3	-3.7	3.5
ALL STATES	-0.4 %	-3.2 %	-1.0 %	5.9 %	-2.6 %	3.8 %

TABLE 43

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

Region/State	Actual Fiscal 2011					Actual Fiscal 2012					Estimated Fiscal 2013				
	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	\$7,714	\$1,012	\$652	\$625	\$10,003	\$8,414	\$968	\$675	\$1,127	\$11,184	\$8,297	\$968	\$675	\$1,339	\$11,279
Maine	894	932	1,580	50	3,456	942	877	1,544	26	3,389	778	554	1,423	8	2,763
Massachusetts	10,186	4,859	12,134	868	28,047	10,638	7,178	10,132	835	28,783	11,512	6,474	9,616	783	28,385
New Hampshire	578	733	469	63	1,843	599	666	496	23	1,784	521	601	601	41	1,764
Rhode Island	924	920	1,094	55	2,993	928	942	1,052	34	2,956	997	1,067	1,080	26	3,170
Vermont*	275	570	294	52	1,191	342	496	335	42	1,215	364	404	278	56	1,102
MID-ATLANTIC															
Delaware	1,164	471	1,933	48	3,616	1,290	466	2,042	38	3,836	1,250	413	1,900	285	3,848
Maryland	2,970	1,382	3,219	831	8,402	3,359	1,804	3,359	737	9,259	3,526	4,196	1,578	849	10,149
New Jersey	9,399	2,982	2,490	87	14,958	10,209	2,941	2,454	128	15,732	10,638	4,285	2,747	0	17,670
New York	20,607	6,338	13,061	1,697	41,703	20,445	6,486	13,788	1,724	42,443	21,369	7,259	13,040	1,060	42,728
Pennsylvania	6,005	8,447	6,824	407	21,683	5,890	6,864	7,090	780	20,624	5,929	6,187	7,700	241	20,057
GREAT LAKES															
Illinois	10,258	1,132	7,263	448	19,101	14,202	9,234	7,462	718	31,616	13,926	3,542	11,009	671	29,148
Indiana	1,990	2,373	1,034	0	5,397	2,093	1,939	1,144	0	5,176	2,365	2,016	739	0	5,120
Michigan*	2,488	6,796	5,566	87	14,937	2,933	5,788	5,503	44	14,268	3,255	7,090	4,244	67	14,656
Ohio	7,377	7,316	10,194	565	25,452	6,846	6,134	10,405	464	23,849	6,728	5,956	11,069	483	24,236
Wisconsin	3,141	3,386	11,437	0	17,964	3,253	2,909	11,392	0	17,554	3,285	2,890	11,830	0	18,005
PLAINS															
Iowa	1,271	2,192	1,318	197	4,978	1,241	2,838	1,032	163	5,274	1,360	2,249	1,969	112	5,690
Kansas	774	899	2,021	122	3,816	792	1,005	1,975	127	3,899	743	454	2,340	178	3,715
Minnesota	3,526	2,576	2,469	347	8,918	3,373	2,349	2,739	221	8,682	3,473	2,853	3,476	230	10,032
Missouri	2,025	1,831	1,541	0	5,397	2,040	1,926	1,623	0	5,589	1,985	1,763	1,702	0	5,450
Nebraska	941	943	1,538	0	3,422	862	937	1,588	0	3,387	847	935	1,625	0	3,407
North Dakota	376	648	731	3	1,758	853	634	803	0	2,290	595	517	853	0	1,965
South Dakota	266	320	422	4	1,012	303	329	388	4	1,024	287	334	423	1	1,045
SOUTHEAST															
Alabama	895	2,639	2,906	290	6,730	826	2,351	3,016	323	6,516	590	2,430	3,118	188	6,326
Arkansas	588	1,886	4,884	84	7,442	632	1,654	5,111	54	7,451	639	1,543	5,839	122	8,143
Florida	4,960	10,644	247	1,579	17,430	5,074	9,207	1,800	1,588	17,669	5,229	7,749	5,348	1,632	19,958
Georgia*	3,344	3,401	3,852	225	10,822	3,355	3,219	4,279	180	11,033	3,906	2,776	3,863	198	10,743
Kentucky	2,037	2,369	1,276	0	5,682	2,051	1,763	1,252	0	5,066	2,212	1,347	1,256	0	4,815
Louisiana	2,092	4,130	7,161	248	13,631	1,583	3,359	4,196	162	9,300	1,662	4,816	4,696	159	11,333
Mississippi	1,177	2,659	1,397	220	5,453	1,242	2,079	1,474	302	5,097	1,259	2,519	1,512	728	6,018
North Carolina	3,821	6,843	6,800	159	17,623	3,839	3,912	5,338	417	13,506	3,935	5,279	6,451	707	16,372
South Carolina	1,656	2,703	1,938	0	6,297	1,811	3,378	1,815	0	7,004	2,293	2,000	2,974	0	7,267
Tennessee	2,629	4,323	2,218	109	9,279	2,622	4,162	1,962	174	8,920	3,073	4,436	1,909	105	9,523
Virginia	5,637	1,841	8,412	459	16,349	5,642	1,895	9,458	411	17,406	5,694	537	9,982	332	16,545
West Virginia	889	872	10,120	0	11,881	860	822	10,291	0	11,973	1,129	878	11,226	0	13,233
SOUTHWEST															
Arizona	1,010	4,766	3,026	0	8,802	1,298	3,544	2,165	0	7,007	1,344	3,549	2,232	0	7,125
New Mexico	1,300	1,636	1,010	0	3,946	1,268	1,597	1,085	0	3,950	1,298	1,611	1,123	0	4,032
Oklahoma	1,513	1,821	2,152	28	5,514	1,490	1,726	2,160	24	5,400	1,678	1,722	2,165	23	5,588
Texas	6,307	3,992	807	356	11,462	6,126	5,258	983	447	12,814	6,996	5,899	1,937	514	15,346
ROCKY MOUNTAIN															
Colorado*	1,659	4,004	5,707	0	11,370	1,481	3,373	5,774	0	10,628	1,779	2,825	5,745	0	10,349
Idaho	365	755	425	26	1,571	377	716	399	27	1,519	398	941	595	27	1,961
Montana	584	835	1,327	0	2,746	527	758	1,173	0	2,458	630	755	1,139	0	2,524
Utah	987	1,172	2,006	366	4,531	969	1,186	1,404	453	4,012	1,061	1,309	1,636	469	4,475
Wyoming	2,047	828	1,187	0	4,062	1,984	869	1,179	0	4,032	2,762	1,830	1,795	0	6,387
FAR WEST															
Alaska	6,027	983	811	0	7,821	4,005	929	352	0	5,286	3,362	847	415	229	4,853
California	21,590	31,615	20,539	1,771	75,515	18,566	26,780	24,355	2,092	71,793	21,368	26,249	23,478	4,565	75,660
Hawaii	2,407	795	1,808	373	5,383	2,787	561	1,804	360	5,512	2,787	540	1,728	378	5,433
Nevada	601	668	1,804	20	3,093	618	671	596	10	1,895	654	820	1,629	13	3,116
Oregon	1,331	4,370	13,998	204	19,903	1,545	3,755	9,194	109	14,603	1,428	3,208	8,887	61	13,584
Washington	2,202	2,967	3,229	440	8,838	4,276	4,138	3,478	381	12,273	5,380	3,796	2,820	629	12,625
TOTAL	\$174,804	\$164,575	\$200,331	\$13,513	\$553,223	\$178,701	\$159,372	\$195,114	\$14,749	\$547,936	\$188,576	\$155,218	\$207,415	\$17,509	\$568,718

*See notes at the end of the chapter.

TABLE 44
ALL OTHER EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2011	Fiscal 2012	Fiscal 2013
NEW ENGLAND			
Connecticut	38.2 %	40.6 %	40.1 %
Maine	41.8	41.8	35.4
Massachusetts	50.5	48.6	47.1
New Hampshire	34.5	35.9	35.1
Rhode Island	37.6	37.4	39.0
Vermont	24.5	24.2	22.2
MID-ATLANTIC			
Delaware	43.0	42.9	42.0
Maryland	24.8	26.5	27.4
New Jersey	31.7	32.4	33.9
New York	31.4	31.8	32.1
Pennsylvania	31.4	30.8	29.5
GREAT LAKES			
Illinois	33.9	48.1	43.9
Indiana	20.4	19.7	18.4
Michigan	30.7	30.2	30.1
Ohio	42.2	41.2	41.6
Wisconsin	41.9	42.5	42.1
PLAINS			
Iowa	27.7	27.8	29.0
Kansas	26.0	27.1	25.8
Minnesota	28.4	27.7	28.0
Missouri	23.4	23.9	23.8
Nebraska	34.9	34.3	33.5
North Dakota	35.0	38.0	33.1
South Dakota	26.1	27.7	25.3
SOUTHEAST			
Alabama	27.9	27.0	26.2
Arkansas	36.6	36.0	37.7
Florida	26.6	28.1	28.5
Georgia	26.5	26.8	26.2
Kentucky	22.3	19.8	18.8
Louisiana	43.7	34.4	38.2
Mississippi	29.7	27.7	31.0
North Carolina	34.6	29.0	31.9
South Carolina	28.4	31.7	32.6
Tennessee	30.7	29.3	30.3
Virginia	38.5	40.1	37.1
West Virginia	56.0	54.9	56.6
SOUTHWEST			
Arizona	28.6	24.6	24.3
New Mexico	27.5	27.9	27.7
Oklahoma	26.1	25.8	26.1
Texas	12.2	13.8	15.8
ROCKY MOUNTAIN			
Colorado	36.8	36.9	36.3
Idaho	23.8	24.2	27.1
Montana	44.5	41.5	41.8
Utah	35.7	33.9	35.5
Wyoming	67.3	66.9	74.2
FAR WEST			
Alaska	55.9	44.8	40.0
California	35.0	36.0	33.2
Hawaii	48.0	48.0	46.9
Nevada	36.3	24.9	35.0
Oregon	59.5	54.1	52.6
Washington	26.3	35.1	38.0
ALL STATES	33.1 %	33.3 %	33.1 %

TABLE 45
ANNUAL PERCENTAGE CHANGE IN ALL OTHER EXPENDITURES

Region/State	Fiscal 2011 to 2012			Fiscal 2012 to 2013		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	8.6 %	-4.3 %	11.8 %	-1.3 %	0.0 %	0.8 %
Maine	0.5	-5.9	-1.9	-11.5	-36.8	-18.5
Massachusetts	-6.9	47.7	2.6	1.7	-9.8	-1.4
New Hampshire	4.6	-9.1	-3.2	2.5	-9.8	-1.1
Rhode Island	-1.9	2.4	-1.2	4.9	13.3	7.2
Vermont	19.0	-13.0	2.0	-5.2	-18.5	-9.3
MID-ATLANTIC						
Delaware	7.6	-1.1	6.1	-5.5	-11.4	0.3
Maryland	8.5	30.5	10.2	-24.0	132.6	9.6
New Jersey	6.5	-1.4	5.2	5.7	45.7	12.3
New York	1.7	2.3	1.8	0.5	11.9	0.7
Pennsylvania	1.2	-18.7	-4.9	5.0	-9.9	-2.7
GREAT LAKES						
Illinois	23.6	715.7	65.5	15.1	-61.6	-7.8
Indiana	7.0	-18.3	-4.1	-4.1	4.0	-1.1
Michigan	4.7	-14.8	-4.5	-11.1	22.5	2.7
Ohio	-1.8	-16.2	-6.3	3.2	-2.9	1.6
Wisconsin	0.5	-14.1	-2.3	3.2	-0.7	2.6
PLAINS						
Iowa	-12.2	29.5	5.9	46.5	-20.8	7.9
Kansas	-1.0	11.8	2.2	11.4	-54.8	-4.7
Minnesota	2.0	-8.8	-2.6	13.7	21.5	15.5
Missouri	2.7	5.2	3.6	0.7	-8.5	-2.5
Nebraska	-1.2	-0.6	-1.0	0.9	-0.2	0.6
North Dakota	49.6	-2.2	30.3	-12.6	-18.5	-14.2
South Dakota	0.4	2.8	1.2	2.7	1.5	2.1
SOUTHEAST						
Alabama	1.1	-10.9	-3.2	-3.5	3.4	-2.9
Arkansas	5.0	-12.3	0.1	12.8	-6.7	9.3
Florida	32.0	-13.5	1.4	53.9	-15.8	13.0
Georgia	6.1	-5.4	1.9	1.8	-13.8	-2.6
Kentucky	-0.3	-25.6	-10.8	5.0	-23.6	-5.0
Louisiana	-37.5	-18.7	-31.8	10.0	43.4	21.9
Mississippi	5.5	-21.8	-6.5	2.0	21.2	18.1
North Carolina	-13.6	-42.8	-23.4	13.2	34.9	21.2
South Carolina	0.9	25.0	11.2	45.3	-40.8	3.8
Tennessee	-5.4	-3.7	-3.9	8.7	6.6	6.8
Virginia	7.5	2.9	6.5	3.8	-71.7	-4.9
West Virginia	1.3	-5.7	0.8	10.8	6.8	10.5
SOUTHWEST						
Arizona	-14.2	-25.6	-20.4	3.3	0.1	1.7
New Mexico	1.9	-2.4	0.1	2.9	0.9	2.1
Oklahoma	-0.4	-5.2	-2.1	5.3	-0.2	3.5
Texas	-0.1	31.7	11.8	25.7	12.2	19.8
ROCKY MOUNTAIN						
Colorado	-1.5	-15.8	-6.5	3.7	-16.2	-2.6
Idaho	-1.8	-5.2	-3.3	28.0	31.4	29.1
Montana	-11.0	-9.2	-10.5	4.1	-0.4	2.7
Utah	-20.7	1.2	-11.5	13.7	10.4	11.5
Wyoming	-2.2	5.0	-0.7	44.1	110.6	58.4
FAR WEST						
Alaska	-36.3	-5.5	-32.4	-13.3	-8.8	-8.2
California	1.9	-15.3	-4.9	4.5	-2.0	5.4
Hawaii	8.9	-29.4	2.4	-1.7	-3.7	-1.4
Nevada	-49.5	0.4	-38.7	88.1	22.2	64.4
Oregon	-29.9	-14.1	-26.6	-3.9	-14.6	-7.0
Washington	42.8	39.5	38.9	5.8	-8.3	2.9
ALL STATES	-0.4 %	-3.2 %	-1.0 %	5.9 %	-2.6 %	3.8 %

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

TABLE 46
ITEMS EXCLUDED FROM ALL OTHER EXPENDITURES

Region/State	Employers Contribution to Pensions	Employer Contributions to Health Benefits	Child Health Insurance Program	Public Health	Community and Institutional for Mental Health	Community and Institutional for Dev. Disabled	Environmental Programs	Parks and Recreation	Housing	General Aid to Local Government
NEW ENGLAND										
Connecticut										
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	
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										
Kentucky										
Louisiana										
Mississippi									X	
North Carolina										
South Carolina										X
Tennessee										X
Virginia										
West Virginia										
SOUTHWEST										
Arizona										
New Mexico										
Oklahoma									P	P
Texas				X	P	P				X
ROCKY MOUNTAIN										
Colorado*										
Idaho									X	X
Montana										
Utah										
Wyoming										
FAR WEST										
Alaska										
California									X	
Hawaii	P	P								
Nevada										X
Oregon										
Washington				P						X
ALL STATES	2	2	0	4	3	3	1	0	11	9

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

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.

Colorado: CHIP is included in “Medicaid” expenditures, all part of the Department of Health Care Policy and Financing.

Georgia: Capital expenditures for debt service are included under All Other State expenditures.

Michigan: Public health and community and institutional care for mentally and developmentally disabled persons are partially reported in the Medicaid totals. Actual ARRA expenditures will be recorded with the fiscal 2013 annual financial report.

8

CHAPTER



CAPITAL EXPENDITURES

Capital Expenditures

Capital expenditures are made for new construction, infrastructure, major repairs and improvements, land purchases and the acquisition of major equipment and existing structures. Minor repairs and routine maintenance are reported as operating expenses. 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 and data 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, state spending on capital projects has historically fluctuated

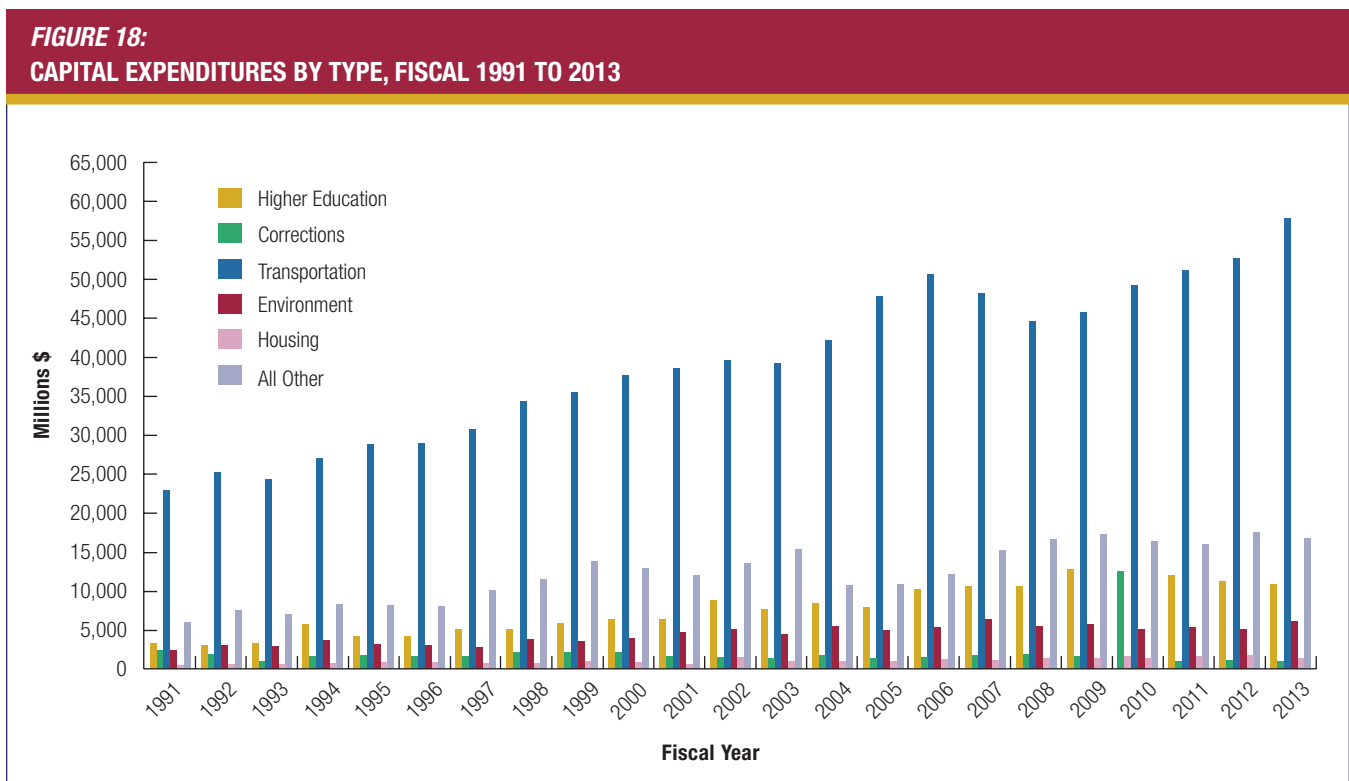
from year-to-year. States increased capital spending by 1.0 percent in fiscal 2011, by 2.4 percent in fiscal 2012 and by an estimated 5.5 percent in fiscal 2013. Overall, state capital spending totaled \$86.4 billion in fiscal 2011, \$88.5 billion in fiscal 2012, and is estimated to total \$93.4 billion in fiscal 2013. Capital spending has been partly financed over the past several years by 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 to reduce the cost of borrowing such as Build America Bonds, Recovery Zone Economic Development Bonds, and School Construction Bonds.

Capital Fund Sources

State spending on capital projects traditionally has come from non-general fund sources. Bonds (33.7 percent in fiscal 2012) and other state funds such as dedicated fees and fund surpluses (30.5 percent) combine to account for 64.2 percent of total state spending on capital projects. Federal funds (30.4 percent) and state general funds (5.3 percent) also contribute to capital spending.

Capital Funds by Use

Comprising 59.4 percent (\$52.6 billion) of all capital expenditures in fiscal 2012, transportation is the largest category of state



capital expenditures. Capital spending for **transportation** increased by 2.9 percent in fiscal 2012, and is expected to increase by 9.9 percent in fiscal 2013.

Higher education capital expenditures decreased by 6.4 percent in fiscal 2012, totaling \$11.2 billion, and accounting for 12.6 percent of total state capital outlays. In fiscal 2013, higher education capital spending is estimated to decrease by 3.4 percent.

State capital spending for **environmental** purposes in fiscal 2012 totaled \$5.1 billion, 5.8 percent of total capital spending and a 4.4 percent decrease from fiscal 2011. Environmental capital expenditures are estimated to increase 19.3 percent in fiscal 2013, mostly driven by a large increase in California.

Housing capital expenditures account for just 1.9 percent of total fiscal 2012 capital spending, at approximately \$1.7 billion. Housing capital spending increased by 0.5 percent in fiscal 2012, and is estimated to decrease by 19.3 percent in fiscal 2013, falling to \$1.3 billion.

Corrections capital spending experienced an increase of 11.6 percent in fiscal 2012, totaling \$1.1 billion. Corrections accounted for only 1.3 percent of total state capital expenditures. Fiscal 2013 estimates indicate spending of \$1.0 billion, an 11.0 percent decrease.

State spending for “all other” purposes totaled \$17.4 billion in fiscal 2012, or 19.7 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. In fiscal 2013, “all other” capital spending is estimated to decrease by 4.0 percent to \$16.8 billion.

FIGURE 20
TOTAL CAPITAL EXPENDITURES BY FUNDING SOURCE,
FISCAL 2012

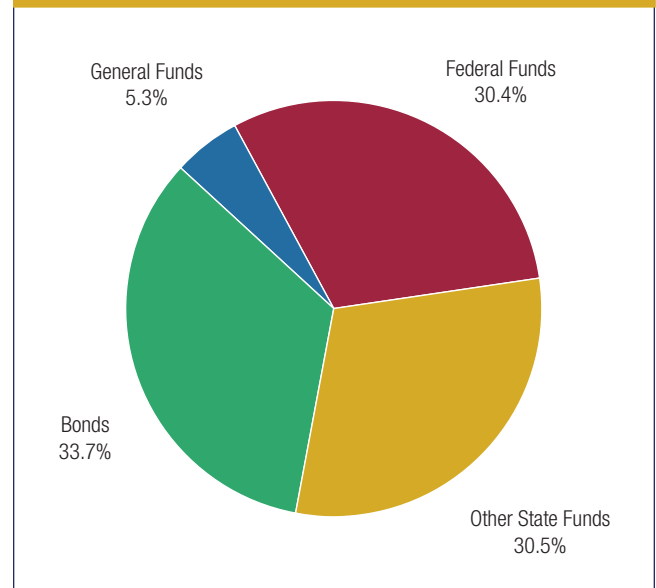


FIGURE 19:
ANNUAL PERCENTAGE CHANGE IN TOTAL CAPITAL EXPENDITURES

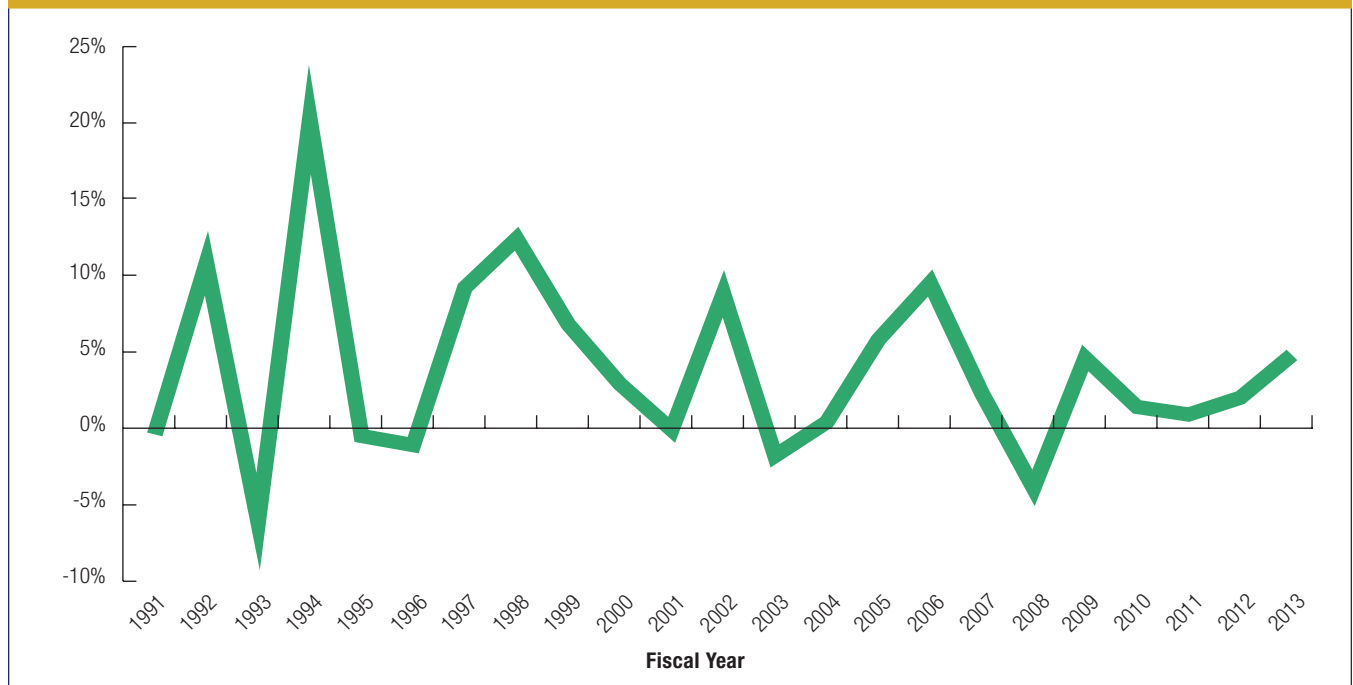


TABLE 47
TOTAL CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2011					Actual Fiscal 2012					Estimated Fiscal 2013				
	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	\$550	\$24	\$2,381	\$2,955	\$0	\$524	\$29	\$2,612	\$3,165	\$0	\$526	\$36	\$2,501	\$3,063
Maine*	7	165	123	68	363	0	171	130	26	327	1	176	130	8	315
Massachusetts	0	677	5	1,920	2,602	0	666	26	2,167	2,859	0	631	17	2,106	2,754
New Hampshire	0	11	143	145	299	0	16	128	80	224	0	18	145	81	244
Rhode Island	2	168	62	244	476	3	237	62	198	500	2	187	90	84	363
Vermont	0	220	44	78	342	0	270	39	56	365	0	210	49	73	332
MID-ATLANTIC															
Delaware	0	199	141	204	544	0	209	227	185	621	0	212	215	225	652
Maryland	1	773	1,101	1,156	3,031	48	986	1,244	962	3,240	1	991	1,558	1,135	3,685
New Jersey*	1,215	1,292	37	1,616	4,160	1,281	1,383	121	1,421	4,206	1,405	1,579	19	1,247	4,250
New York	0	2,143	2,120	3,582	7,845	0	1,824	2,151	3,861	7,836	0	1,860	2,422	3,258	7,540
Pennsylvania	0	0	0	868	868	0	0	0	1,379	1,379	0	0	0	800	800
GREAT LAKES															
Illinois	0	124	2,610	1,957	4,691	0	124	2,608	2,122	4,854	0	123	2,404	1,955	4,482
Indiana	214	28	44	100	386	158	4	51	0	213	151	0	50	0	201
Michigan	235	1,803	377	265	2,680	241	1,599	765	250	2,856	253	1,583	474	182	2,492
Ohio	23	1,246	503	1,866	3,637	25	1,392	555	1,269	3,241	25	1,407	575	1,000	3,007
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	407	201	148	756	0	468	302	177	947	0	393	588	55	1,036
Kansas	41	622	326	167	1,156	47	533	558	162	1,300	30	455	363	192	1,040
Minnesota	42	61	1,009	847	1,959	2	28	570	609	1,209	8	21	1,004	810	1,843
Missouri	33	68	63	0	164	88	11	33	0	132	70	11	27	0	108
Nebraska	15	292	503	0	810	15	329	539	0	883	15	400	595	0	1,010
North Dakota	80	340	139	21	580	84	474	359	11	928	193	294	325	26	838
South Dakota	12	7	31	67	117	3	7	34	35	79	2	4	45	35	86
SOUTHEAST															
Alabama	1	549	173	292	1,015	0	436	245	326	1,007	1	498	172	189	860
Arkansas	0	32	63	35	130	0	23	56	14	93	1	19	30	51	101
Florida	158	2,463	3,428	2,800	8,849	161	2,364	4,247	2,393	9,165	152	2,654	5,374	2,084	10,264
Georgia*	0	755	296	858	1,909	0	866	340	632	1,838	0	1,034	316	808	2,158
Kentucky	0	0	667	0	667	0	0	876	0	876	0	0	697	0	697
Louisiana	199	51	1,655	591	2,496	125	871	698	320	2,014	53	698	729	404	1,884
Mississippi	32	479	460	268	1,239	36	497	480	353	1,366	32	323	329	784	1,468
North Carolina	11	1,337	1,038	473	2,859	6	1,169	1,310	648	3,133	28	1,193	1,485	785	3,491
South Carolina*	51	27	199	104	381	29	25	159	123	336	0	0	0	0	0
Tennessee*	161	946	435	119	1,661	83	1,057	455	254	1,849	150	897	330	381	1,758
Virginia	3	21	166	1,057	1,246	3	21	165	1,057	1,245	3	14	117	900	1,034
West Virginia	24	592	603	39	1,258	35	573	964	50	1,622	24	610	948	51	1,633
SOUTHWEST															
Arizona	30	662	208	652	1,552	0	552	50	673	1,275	5	725	63	681	1,474
New Mexico	0	0	0	86	86	0	0	0	266	266	0	0	0	220	220
Oklahoma	4	1,307	785	237	2,333	4	1,074	644	146	1,868	5	863	614	144	1,626
Texas*	296	750	2,706	132	3,090	323	721	2,723	292	3,293	265	719	2,699	233	3,213
ROCKY MOUNTAIN															
Colorado	57	0	407	0	464	104	0	409	0	513	111	0	171	0	282
Idaho	12	294	122	32	460	13	263	87	32	395	11	298	217	32	558
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Utah	181	270	887	366	1,704	60	434	480	453	1,427	117	156	809	469	1,551
Wyoming	88	51	153	0	292	89	51	153	0	293	72	72	101	0	245
FAR WEST															
Alaska	609	999	496	228	2,332	1,661	1,096	158	50	2,965	2,072	901	160	550	3,683
California	28	2,029	642	1,237	3,936	27	2,344	662	1,590	4,623	81	4,538	932	4,203	9,754
Hawaii	0	221	241	582	1,044	0	203	273	766	1,242	0	193	247	735	1,175
Nevada	3	379	247	78	707	0	487	255	29	771	0	388	111	27	526
Oregon	4	47	120	569	740	0	24	30	329	384	0	15	0	132	147
Washington	0	654	830	2,064	3,548	0	726	803	1,711	3,240	0	781	894	1,759	3,434
TOTAL*	\$3,872	\$26,110	\$26,631	\$30,600	\$86,418	\$4,754	\$27,131	\$27,254	\$30,090	\$88,462	\$5,339	\$28,670	\$28,675	\$31,395	\$93,376

*See notes at the end of the chapter.

TABLE 48

HIGHER EDUCATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2011					Actual Fiscal 2012					Estimated Fiscal 2013				
	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	\$285	\$285	\$0	\$0	\$0	\$317	\$317	\$0	\$0	\$0	\$311	\$311
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	139	139	0	0	0	267	267	0	0	0	250	250
New Hampshire	0	0	0	23	23	0	0	0	47	47	0	0	0	24	24
Rhode Island	2	7	25	27	61	3	20	27	31	81	2	0	28	15	45
Vermont	0	0	0	5	5	0	0	0	4	4	0	0	0	4	4
MID-ATLANTIC															
Delaware	0	0	0	5	5	0	0	0	9	9	0	0	0	12	12
Maryland	0	0	27	325	352	0	0	27	208	235	0	0	32	278	310
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	0	87	775	862	0	0	135	911	1,046	0	0	186	1,082	1,268
Pennsylvania	0	0	0	225	225	0	0	0	212	212	0	0	0	162	162
GREAT LAKES															
Illinois	0	0	0	116	116	0	0	0	227	227	0	0	0	118	118
Indiana	0	23	0	100	123	0	4	0	0	4	0	0	0	0	0
Michigan*	133	0	0	120	253	135	0	0	146	281	138	0	0	76	214
Ohio	0	0	0	261	261	0	0	0	167	167	0	0	0	165	165
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	14	28	42	0	0	6	10	16	0	0	43	0	43
Kansas	5	17	47	31	100	1	22	79	22	124	0	1	97	29	127
Minnesota	0	0	0	167	167	0	0	0	114	114	0	0	0	216	216
Missouri	2	6	28	0	36	0	0	2	0	2	0	0	1	0	1
Nebraska	12	4	134	0	150	12	4	129	0	145	13	13	173	0	199
North Dakota	38	9	25	18	90	37	0	33	11	81	85	1	45	26	157
South Dakota	0	0	0	63	63	0	0	0	31	31	0	0	0	34	34
SOUTHEAST															
Alabama*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	0	0	16	0	16	0	0	16	0	16	0	0	13	0	13
Florida	2	0	76	737	815	23	0	0	339	362	0	0	112	30	142
Georgia	0	0	0	221	221	0	0	0	188	188	0	0	0	431	431
Kentucky	0	0	312	0	312	0	0	329	0	329	0	0	210	0	210
Louisiana	47	0	24	45	116	46	43	99	30	218	15	1	280	42	338
Mississippi	25	5	128	10	168	26	3	122	9	160	25	3	82	29	139
North Carolina	0	0	0	0	0	0	0	0	0	0	4	0	0	0	4
South Carolina	21	18	172	104	315	12	11	144	123	290	0	0	0	0	0
Tennessee	69	0	0	10	79	20	0	0	80	100	84	0	61	197	342
Virginia	1	0	112	827	940	0	1	78	794	873	0	0	70	765	835
West Virginia	0	0	312	19	331	0	0	585	50	635	0	0	603	51	654
SOUTHWEST															
Arizona	30	23	90	320	463	0	0	0	332	332	0	0	0	338	338
New Mexico	0	0	0	0	0	0	0	0	129	129	0	0	0	37	37
Oklahoma	0	12	305	31	348	0	9	324	12	345	0	8	240	5	253
Texas*	114	101	2,461	0	2,511	110	84	2,422	0	2,511	113	87	2,481	0	2,378
ROCKY MOUNTAIN															
Colorado	13	0	206	0	219	11	0	177	0	188	13	0	32	0	45
Idaho	10	0	10	6	26	11	0	7	6	24	9	0	27	6	42
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	109	0	0	0	109	0	0	0	0	0	0	0	0	0	0
Wyoming	1	0	0	0	1	1	0	0	0	1	9	0	0	0	9
FAR WEST															
Alaska	69	1	0	228	298	80	30	0	50	160	197	0	2	0	199
California	0	0	0	294	294	0	0	0	199	199	0	0	0	57	57
Hawaii	0	0	0	155	155	0	0	0	316	316	0	0	-4	267	263
Nevada	1	0	10	48	59	0	0	2	15	17	0	0	2	4	6
Oregon	4	2	94	281	381	0	0	0	136	136	0	0	0	0	0
Washington	0	0	149	270	419	0	0	124	126	250	0	0	282	128	410
TOTAL	\$708	\$228	\$4,864	\$6,319	\$11,954	\$528	\$231	\$4,867	\$5,668	\$11,189	\$707	\$114	\$5,098	\$5,189	\$10,805

*See notes at the end of the chapter.

TABLE 49
CORRECTIONS CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2011					Actual Fiscal 2012					Estimated Fiscal 2013				
	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	\$17	\$17	\$0	\$0	\$0	\$19	\$19	\$0	\$0	\$0	\$5	\$5
Maine	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1
Massachusetts	0	0	0	21	21	0	0	0	21	21	0	0	0	42	42
New Hampshire	0	0	0	2	2	0	0	0	3	3	0	0	0	2	2
Rhode Island	0	0	3	0	3	0	0	3	0	3	0	0	3	0	3
Vermont	0	0	0	1	1	0	0	0	1	1	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	0	0	0	0	0	17	17	0	8	0	8	16
New Jersey	7	0	0	1	8	12	7	1	0	20	3	0	0	0	3
New York	0	0	0	216	216	0	0	0	240	240	0	0	0	192	192
Pennsylvania	0	0	0	32	32	0	0	0	137	137	0	0	0	102	102
GREAT LAKES															
Illinois	0	0	0	6	6	0	0	0	7	7	0	0	0	19	19
Indiana	56	0	15	0	71	56	0	13	0	69	56	0	14	0	70
Michigan	45	0	0	2	47	37	0	0	2	39	37	0	14	0	51
Ohio	0	0	0	40	40	0	0	0	24	24	0	0	0	26	26
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	2	64	66	0	0	4	106	110	0	0	57	38	95
Kansas	3	0	3	6	12	2	0	4	6	12	4	0	5	5	14
Minnesota	10	0	0	14	24	1	0	0	14	15	0	0	0	8	8
Missouri	0	0	1	0	1	0	0	1	0	1	0	0	0	0	0
Nebraska	1	0	1	0	2	1	0	1	0	2	1	0	0	0	1
North Dakota	12	0	0	0	12	4	0	24	0	28	2	0	14	0	16
South Dakota	1	0	1	0	2	1	0	1	0	2	0	0	2	0	2
SOUTHEAST															
Alabama	0	13	0	2	15	0	8	2	3	13	0	0	1	1	2
Arkansas	0	0	1	0	1	0	0	2	0	2	1	0	1	0	2
Florida	0	0	0	85	85	0	0	0	60	60	0	0	0	19	19
Georgia	0	0	0	39	39	0	0	0	27	27	0	0	0	13	13
Kentucky	0	0	12	0	12	0	0	27	0	27	0	0	18	0	18
Louisiana	0	0	0	1	1	0	0	0	1	1	0	0	1	3	4
Mississippi	1	0	2	0	3	1	0	1	0	2	1	0	1	0	2
North Carolina	0	0	0	0	0	0	0	0	0	0	5	0	0	0	5
South Carolina	1	0	4	0	5	1	1	1	0	3	0	0	0	0	0
Tennessee	0	0	32	0	32	0	0	35	0	35	0	0	33	0	33
Virginia	0	1	1	25	27	0	3	3	17	23	1	0	0	23	24
West Virginia	2	0	3	0	5	6	0	6	0	12	4	0	10	0	14
SOUTHWEST															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	0	0	0	21	21	0	0	0	4	4	0	0	0	11	11
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas	10	0	0	38	48	19	0	0	39	58	20	0	0	56	76
ROCKY MOUNTAIN															
Colorado	9	0	14	0	23	20	0	4	0	24	18	0	2	0	20
Idaho	2	0	1	0	3	2	0	1	0	3	1	1	2	0	4
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	22	0	0	0	22	14	0	0	0	14	10	0	0	0	10
California	20	0	0	0	20	12	0	0	0	12	27	0	0	1	28
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	0	0	0	10	10	0	0	0	4	4	0	0	0	10	10
Oregon	0	0	0	37	37	0	0	0	14	14	0	0	0	17	17
Washington	0	0	0	27	27	0	0	0	29	29	0	0	0	31	31
TOTAL	\$202	\$14	\$96	\$707	\$1,019	\$189	\$19	\$134	\$795	\$1,137	\$192	\$9	\$178	\$633	\$1,012

*See notes at the end of the chapter.

TABLE 50
TRANSPORTATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2011					Actual Fiscal 2012					Estimated Fiscal 2013				
	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	\$550	\$24	\$1,087	\$1,661	\$0	\$524	\$29	\$687	\$1,240	\$0	\$526	\$36	\$717	\$1,279
Maine	7	154	118	60	339	0	161	122	22	305	0	160	121	3	284
Massachusetts	0	677	5	891	1,573	0	666	26	1,045	1,737	0	631	17	1,031	1,679
New Hampshire	0	11	143	0	154	0	16	128	0	144	0	18	145	0	163
Rhode Island	0	159	3	158	320	0	214	2	133	349	0	180	20	42	242
Vermont	0	220	44	13	277	0	270	39	1	310	0	210	49	5	264
MID-ATLANTIC															
Delaware	0	199	141	0	340	0	209	227	0	436	0	212	215	0	427
Maryland*	0	709	776	0	1,485	0	829	909	0	1,738	0	840	1,176	0	2,016
New Jersey	895	1,153	15	1,528	3,591	957	1,304	89	1,293	3,643	1,095	1,563	12	1,247	3,917
New York	0	1,681	1,538	885	4,104	0	1,437	1,492	969	3,898	0	1,433	1,634	908	3,975
Pennsylvania	0	0	0	204	204	0	0	0	250	250	0	0	0	295	295
GREAT LAKES															
Illinois	0	117	2,038	1,387	3,542	0	115	2,183	1,170	3,468	0	116	2,054	1,147	3,317
Indiana	0	0	6	0	6	0	0	14	0	14	0	0	14	0	14
Michigan	0	1,403	283	56	1,742	0	1,202	628	59	1,889	0	1,446	278	39	1,763
Ohio	0	1,242	467	322	2,031	0	1,392	529	269	2,190	0	1,406	545	188	2,139
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	407	156	28	591	0	468	256	24	748	0	338	400	0	738
Kansas	8	596	276	105	985	16	464	181	110	771	16	422	102	107	647
Minnesota	0	16	904	318	1,238	0	0	523	259	782	0	4	886	363	1,253
Missouri	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Nebraska	0	256	322	0	578	0	302	369	0	671	0	363	384	0	747
North Dakota	0	304	90	0	394	0	444	210	0	654	45	278	228	0	551
South Dakota	0	1	21	0	22	0	2	22	0	24	0	0	16	0	16
SOUTHEAST															
Alabama	0	536	88	0	624	0	428	170	0	598	0	498	121	0	619
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1
Florida	1	2,150	2,765	399	5,315	0	2,072	3,720	406	6,198	4	2,405	4,580	403	7,392
Georgia	0	755	296	202	1,253	0	866	340	6	1,212	0	1,034	316	0	1,350
Kentucky	0	0	17	0	17	0	0	18	0	18	0	0	22	0	22
Louisiana	0	2	1,329	297	1,628	0	807	447	127	1,381	0	660	332	200	1,192
Mississippi	0	447	244	37	728	0	465	253	42	760	0	283	115	27	425
North Carolina	0	1,337	1,038	314	2,689	0	1,169	1,310	231	2,710	0	1,193	1,485	78	2,756
South Carolina	0	0	1	0	1	0	0	1	0	1	0	0	0	0	0
Tennessee	0	941	403	0	1,344	0	1,041	419	0	1,460	0	877	221	80	1,178
Virginia	0	0	34	16	50	0	0	11	28	39	0	0	18	8	26
West Virginia	3	513	223	20	759	3	464	266	0	733	7	524	283	0	814
SOUTHWEST															
Arizona	0	639	55	332	1,026	0	552	50	341	943	0	725	63	343	1,131
New Mexico	0	0	0	0	0	0	0	0	35	35	0	0	0	12	12
Oklahoma	0	1,109	197	178	1,484	0	896	142	110	1,148	0	756	160	116	1,032
Texas*	0	0	95	0	95	0	0	108	0	108	0	0	100	0	100
ROCKY MOUNTAIN															
Colorado	1	0	1	0	2	1	0	1	0	2	0	0	0	0	0
Idaho	0	294	90	0	384	0	263	48	0	311	0	298	155	0	453
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	2	266	873	0	1,141	3	432	360	0	795	1	153	688	0	842
Wyoming	75	45	146	0	266	76	45	146	0	267	51	71	100	0	222
FAR WEST															
Alaska	120	896	49	0	1,065	392	867	81	0	1,340	602	692	44	321	1,659
California	0	2,000	488	707	3,195	0	2,223	550	1,265	4,038	0	4,434	865	2,682	7,981
Hawaii	0	181	89	54	324	0	190	81	90	361	0	180	80	90	350
Nevada	0	374	232	0	606	0	471	252	0	723	0	355	108	0	463
Oregon	0	0	0	48	48	0	2	0	70	72	0	2	0	54	56
Washington	0	500	305	1,086	1,891	0	579	311	1,175	2,065	0	632	369	971	1,972
TOTAL	\$1,113	\$22,840	\$16,428	\$10,732	\$51,113	\$1,448	\$23,851	\$17,063	\$10,217	\$52,579	\$1,821	\$25,918	\$18,558	\$11,477	\$57,774

*See notes at the end of the chapter.

TABLE 51
ENVIRONMENTAL PROJECTS CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2011					Actual Fiscal 2012					Estimated Fiscal 2013				
	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	\$335	\$335	\$0	\$0	\$0	\$374	\$374	\$0	\$0	\$0	\$110	\$110
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	156	156	0	0	0	155	155	0	0	0	142	142
New Hampshire	0	0	0	8	8	0	0	0	9	9	0	0	0	10	10
Rhode Island	0	1	2	12	15	0	1	6	19	26	0	5	3	14	22
Vermont	0	0	0	5	5	0	0	0	8	8	0	0	0	10	10
MID-ATLANTIC															
Delaware	0	0	0	8	8	0	0	0	1	1	0	0	0	4	4
Maryland*	1	46	275	320	642	0	58	288	260	606	0	48	324	224	596
New Jersey*	80	100	5	56	241	109	20	19	70	218	98	0	6	0	104
New York	0	307	285	136	728	0	291	223	171	685	0	278	259	201	738
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GREAT LAKES															
Illinois	0	7	571	72	650	0	9	423	62	494	0	7	344	60	411
Indiana	30	0	2	0	32	18	0	2	0	20	17	0	2	0	19
Michigan*	2	15	39	17	73	2	13	45	29	89	5	19	89	49	162
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	1	9	10	0	0	4	12	16	0	0	32	2	34
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	7	14	83	11	115	0	3	45	23	71	0	2	88	51	141
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	4	9	11	0	24	17	17	82	0	116	19	5	26	0	50
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHEAST															
Alabama*	0	0	22	0	22	0	0	23	0	23	0	0	30	0	30
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	65	313	237	432	1,047	44	292	307	435	1,078	31	249	277	449	1,006
Georgia	0	0	0	34	34	0	0	0	56	56	0	0	0	50	50
Kentucky	0	0	35	0	35	0	0	41	0	41	0	0	28	0	28
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	7	13	3	23	0	6	10	2	18	0	7	6	24	37
North Carolina	11	0	0	0	11	5	0	0	0	5	12	0	0	0	12
South Carolina	1	5	3	0	9	2	0	1	0	3	0	0	0	0	0
Tennessee	5	0	0	0	5	12	0	0	5	17	14	0	4	11	29
Virginia	0	11	5	21	37	0	4	0	15	19	0	3	6	13	22
West Virginia	0	20	13	0	33	0	25	15	0	40	0	32	12	0	44
SOUTHWEST															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	0	0	0	19	19	0	0	0	9	9	0	0	0	18	18
Oklahoma	1	6	162	6	175	1	6	131	10	148	2	3	142	10	157
Texas	3	1	17	0	21	3	0	7	0	10	3	1	12	0	16
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	36	28	6	0	70	31	42	7	0	80	45	1	51	0	97
California	7	29	9	233	278	3	20	6	126	155	8	60	24	1,457	1,549
Hawaii	0	0	0	8	8	0	0	0	11	11	0	0	0	10	10
Nevada	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	0	0	0	30	30	0	0	0	33	33	0	0	0	29	29
Washington	0	89	126	218	433	0	81	247	134	462	0	106	233	54	393
TOTAL	\$253	\$1,008	\$1,922	\$2,149	\$5,332	\$247	\$888	\$1,932	\$2,029	\$5,096	\$254	\$826	\$1,998	\$3,002	\$6,080

*See notes at the end of the chapter.

TABLE 52
HOUSING CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2011					Actual Fiscal 2012					Estimated Fiscal 2013				
	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	\$32	\$32	\$0	\$0	\$0	\$88	\$88	\$0	\$0	\$0	\$19	\$19
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	174	174	0	0	0	185	185	0	0	0	183	183
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	6	6	0	0	0	4	4	0	0	0	2	2
MID-ATLANTIC															
Delaware	0	0	0	3	3	0	0	0	3	3	0	0	0	8	8
Maryland	0	18	23	37	78	0	27	20	29	76	0	24	26	51	101
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	2	0	125	127	0	1	0	121	122
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	34	34	0	0	0	26	26
Indiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Michigan	0	380	47	10	437	0	382	80	11	473	0	118	64	11	193
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	38	0	38	0	0	0	0	0	0	0	10	10	
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	0	0
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHWEST															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	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	493	7	90	590	0	436	8	49	493	0	457	6	125	588
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	40	17	9	0	66	138	14	1	0	153	36	10	1	22	69
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	11	83	94	0	0	5	28	33	0	0	2	24	26
TOTAL	\$40	\$911	\$135	\$575	\$1,661	\$138	\$861	\$114	\$557	\$1,670	\$36	\$610	\$109	\$592	\$1,347

*See notes at the end of the chapter.

TABLE 53

ALL OTHER CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2011					Actual Fiscal 2012					Estimated Fiscal 2013				
	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	\$625	\$625	\$0	\$0	\$0	\$1,127	\$1,127	\$0	\$0	\$0	\$1,339	\$1,339
Maine	0	11	5	8	24	0	10	8	4	22	0	16	9	5	30
Massachusetts	0	0	0	539	539	0	0	0	494	494	0	0	0	458	458
New Hampshire	0	0	0	112	112	0	0	0	21	21	0	0	0	45	45
Rhode Island	0	1	29	47	77	0	2	24	15	41	0	2	36	13	51
Vermont	0	0	0	48	48	0	0	0	38	38	0	0	0	51	51
MID-ATLANTIC															
Delaware	0	0	0	188	188	0	0	0	172	172	0	0	0	201	201
Maryland	0	0	0	474	474	48	72	0	448	568	1	70	0	574	645
New Jersey*	233	39	17	31	320	203	52	12	58	325	209	16	1	0	226
New York	0	152	210	1,431	1,793	0	94	301	1,445	1,840	0	148	343	754	1,245
Pennsylvania	0	0	0	407	407	0	0	0	780	780	0	0	0	241	241
GREAT LAKES															
Illinois	0	0	1	376	377	0	0	2	622	624	0	0	6	585	591
Indiana	128	5	21	0	154	84	0	22	0	106	78	0	20	0	98
Michigan	55	5	8	60	128	67	3	13	4	87	74	1	29	7	111
Ohio	23	3	36	1,242	1,304	25	0	26	809	860	25	0	30	621	676
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	28	19	47	0	0	32	25	57	0	55	56	15	126
Kansas	25	9	0	25	59	28	47	294	24	393	10	32	159	51	252
Minnesota	25	31	22	337	415	1	25	2	199	227	8	15	30	172	225
Missouri	30	62	34	0	126	88	11	30	0	129	70	11	26	0	107
Nebraska	2	32	46	0	80	2	23	41	0	66	1	24	39	0	64
North Dakota	26	18	13	3	60	26	13	10	0	49	42	10	12	0	64
South Dakota	11	6	9	4	30	2	5	11	4	22	2	4	27	1	34
SOUTHEAST															
Alabama*	1	0	63	290	354	0	0	50	323	373	1	0	20	188	209
Arkansas	0	32	46	35	113	0	23	38	14	75	0	19	15	51	85
Florida	90	0	312	1,147	1,549	94	0	220	1,153	1,467	117	0	395	1,183	1,695
Georgia	0	0	0	363	363	0	0	0	356	356	0	0	0	315	315
Kentucky	0	0	291	0	291	0	0	461	0	461	0	0	419	0	419
Louisiana	152	49	302	248	751	79	21	152	162	414	38	37	116	159	350
Mississippi	6	20	73	217	316	9	23	94	299	425	6	30	125	704	865
North Carolina	0	0	0	159	159	1	0	0	417	418	7	0	0	707	714
South Carolina	28	4	19	0	51	14	13	12	0	39	0	0	0	0	0
Tennessee	87	5	0	109	201	51	16	1	169	237	52	20	11	93	176
Virginia	2	9	14	168	193	2	13	74	203	292	2	10	23	93	128
West Virginia	19	59	52	0	130	26	84	92	0	202	13	54	40	0	107
SOUTHWEST															
Arizona	0	0	63	0	63	0	0	0	0	0	5	0	0	0	5
New Mexico	0	0	0	46	46	0	0	0	89	89	0	0	0	142	142
Oklahoma	3	180	121	22	326	3	163	47	14	227	3	96	72	13	184
Texas	169	155	126	4	454	191	201	178	204	774	129	174	100	52	455
ROCKY MOUNTAIN															
Colorado	34	0	186	0	220	73	0	227	0	300	80	0	137	0	217
Idaho	0	0	21	26	47	0	0	31	26	57	0	0	33	26	59
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	70	4	14	366	454	57	2	120	453	632	116	3	121	469	709
Wyoming	12	6	7	0	25	12	6	7	0	25	12	1	1	0	14
FAR WEST															
Alaska	322	57	432	0	811	1,006	143	69	0	1,218	1,182	198	62	207	1,649
California	1	0	145	3	149	12	101	106	0	219	46	44	43	6	139
Hawaii*	0	40	152	365	557	0	13	192	349	554	0	13	171	368	552
Nevada	2	5	5	20	32	0	16	1	10	27	0	33	1	13	47
Oregon	0	45	26	174	245	0	22	30	76	128	0	14	0	32	46
Washington	0	65	239	380	684	0	66	116	219	401	0	43	8	551	602
TOTAL*	\$1,556	\$1,109	\$3,188	\$10,118	\$15,971	\$2,204	\$1,283	\$3,146	\$10,825	\$17,458	\$2,329	\$1,193	\$2,736	\$10,505	\$16,763

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.

Georgia: Capital expenditures for debt service are included under All Other State expenditures.

Hawaii: Not possible to separate capital expenditures into the Housing functional area, included in All Other.

Maine: School health care/immunization includes under \$0.5M in capital expenditures.

Maryland: In the environmental capital program, budget amendments increased fiscal 2011 general funds and reduced fiscal 2011 special funds.

Michigan: Higher education capital expenditures made from non-state funds are excluded. Actual fiscal 2011 environmental capital spending reflects a change in accounting standards, shifting \$17.3 million from other state funds to bond funds.

New Jersey: Fiscal 2011 Federal Funds for Environmental and All Other have been revised since last year to be consistent with fiscal 2012 and fiscal 2013 amounts.

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

Texas: Transportation figures do not include highway construction. Higher education figures include amounts for community colleges.

South Carolina: FY12-13 numbers not available at this time.

9

CHAPTER



REVENUE SOURCES IN THE GENERAL FUND

Revenue Sources in the General Fund

General fund revenue, the source of most state expenditures, totaled \$671.1 billion in fiscal 2012. The three main sources of general fund revenue—personal income taxes, sales and compensating use taxes, and corporate income taxes—accounted for 78.1 percent of general fund collections. Specifically, personal income taxes accounted for 41.4 percent of the total, sales and compensating use taxes for 30.6 percent, and corporate income taxes for 6.1 percent of total general fund revenues in 2012. Other taxes and fees represented 21.1 percent of general fund revenues, while gaming taxes were 0.7 percent. The major sources of general fund revenues are displayed by state in Table 54, while information on items excluded from revenue sources can be found in Table 55.

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 \$592.8 billion. In total, revenues declined \$77.6 billion during the two-year period, or 11.6 percent. Revenue conditions have noticeably improved since the end of the national recession, with general fund revenues reaching \$647.7 billion in fiscal 2011, \$671.1 billion in fiscal 2012, and an estimated \$707.5 billion in fiscal 2013.

In total, general fund revenues increased 3.6 percent in fiscal 2012 compared to fiscal 2011. With the exception of corporate income taxes, all of the other various sources of state revenue increased in fiscal 2012. Personal income taxes experienced the largest increase at 8.4, while gaming taxes rose 1.4 percent, other taxes and fees grew 0.8 percent, sales taxes increased 0.5 percent, and corporate income taxes declined 1.0 percent.

State general fund revenues again increased in fiscal 2013, rising by an estimated 5.4 percent compared to fiscal 2012. Personal income taxes once again demonstrated the strongest growth at 7.9 percent, while corporate income taxes grew 7.6 percent, sales taxes rose 5.5 percent, gaming taxes increased 2.2 percent, and other taxes and fees experienced a slight increase by 0.2 percent. There is some concern that the robust growth in personal income taxes may be short-lived as much of the growth was a result of the strong performance of the stock market and the fact that some taxpayers likely accelerated their income into calendar year 2012 due to uncertainty surrounding possible federal tax code changes. States are also concerned about the continued decline of the sales tax base due to both an increase in services that are often not subject to sales taxes and the rise of purchases on the Internet, which remain untaxed in many instances. In May 2013, the United States Senate approved the *Marketplace Fairness Act*, which grants states the authority to compel most online and remote sellers to collect sales tax at the time of transaction; however, to date the House of Representatives has not yet approved the legislation.

FIGURE 21
REVENUE SOURCES IN THE GENERAL FUND, FISCAL 2012

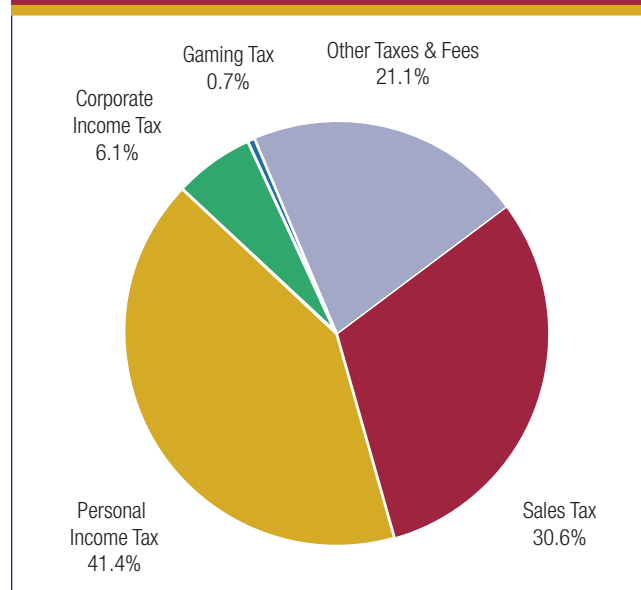


TABLE 54
REVENUE SOURCES IN THE GENERAL FUND (\$ IN MILLIONS)

Region/state	Actual Fiscal 2011						Actual Fiscal 2012						Estimated Fiscal 2013					
	Sales Tax	Personal Income Tax	Corporate Income Tax	Gaming Tax	Other Taxes & Fees	Total	Sales Tax	Personal Income Tax	Corporate Income Tax	Gaming Tax	Other Taxes & Fees	Total	Sales Tax	Personal Income Tax	Corporate Income Tax	Gaming Tax	Other Taxes & Fees	Total
NEW ENGLAND																		
Connecticut	\$3,353	\$7,246	\$794	\$653	\$5,661	\$17,707	\$3,830	\$8,311	\$717	\$658	\$5,046	\$18,562	\$3,857	\$8,719	\$742	\$612	\$5,437	\$19,366
Maine*	976	1,415	209	0	345	2,945	1,030	1,434	232	0	320	3,016	1,034	1,495	171	0	351	3,051
Massachusetts*	4,905	11,576	1,951	0	6,765	25,197	5,059	11,911	1,771	0	7,304	26,046	5,164	12,831	1,822	0	7,352	27,169
New Hampshire	0	0	490	1	1,704	2,195	0	0	516	4	1,670	2,190	0	0	552	3	1,728	2,283
Rhode Island	813	1,021	85	1	1,164	3,084	851	1,060	123	1	1,235	3,271	873	1,075	137	1	1,238	3,324
Vermont	217	551	94	0	313	1,175	229	593	84	0	293	1,199	231	661	95	0	302	1,289
MID-ATLANTIC																		
Delaware	0	997	168	0	2,366	3,531	0	1,042	119	0	2,198	3,359	0	1,084	206	0	2,440	3,730
Maryland*	3,656	6,643	571	0	2,667	13,537	4,039	7,115	646	0	2,458	14,258	7,686	4,075	873	0	2,324	14,958
New Jersey	8,144	10,617	2,463	949	6,740	28,913	8,100	11,128	2,143	972	7,276	29,619	8,460	12,193	2,454	1,118	6,697	30,922
New York	10,782	36,209	5,279	17	2,509	54,796	11,126	38,767	5,760	17	2,398	58,068	11,232	40,227	6,253	18	2,461	60,191
Pennsylvania	8,590	10,436	2,131	65	6,275	27,497	8,772	10,801	2,022	95	5,988	27,678	8,968	11,472	2,492	89	5,801	28,822
GREAT LAKES																		
Illinois	6,833	11,225	1,851	324	9,930	30,163	7,226	15,512	2,461	340	8,083	33,622	7,335	16,630	3,086	340	8,899	36,290
Indiana	6,218	4,586	705	660	1,106	13,275	6,622	4,766	959	614	1,164	14,125	6,796	4,978	968	555	1,165	14,462
Michigan*	1,801	4,445	1,347	0	1,221	8,814	1,875	4,817	1,279	0	1,293	9,264	1,832	5,844	438	0	1,075	9,189
Ohio*	7,578	8,120	237	0	11,828	27,763	8,087	8,433	117	0	10,549	27,186	8,445	9,508	262	0	11,344	29,559
Wisconsin	4,109	6,701	853	0	1,249	12,912	4,289	7,042	907	0	1,278	13,516	4,410	7,497	925	0	1,254	14,086
PLAINS																		
Iowa	1,941	2,852	251	133	722	5,899	2,052	3,030	426	142	661	6,311	2,109	3,315	448	120	645	6,637
Kansas	2,253	2,710	225	0	694	5,882	2,462	2,908	284	0	759	6,413	2,525	2,931	371	0	514	6,341
Minnesota	4,403	7,529	925	42	2,764	15,663	4,678	7,972	1,044	41	2,691	16,426	4,817	8,649	1,165	39	2,786	17,456
Missouri	1,760	4,640	386	0	324	7,110	1,845	4,914	341	0	241	7,341	1,872	5,489	415	0	307	8,083
Nebraska	1,373	1,735	155	1	236	3,500	1,437	1,823	234	1	201	3,696	1,475	2,102	276	1	199	4,052
North Dakota	782	428	147	8	342	1,707	1,154	430	199	6	731	2,520	1,256	596	162	5	528	2,547
South Dakota	710	0	0	1	437	1,148	744	0	0	1	537	1,282	776	0	0	1	587	1,364
SOUTHEAST																		
Alabama*	1,925	2,693	291	2	1,944	6,855	2,028	2,919	379	2	2,060	7,388	1,945	3,104	376	2	1,887	7,314
Arkansas	2,056	2,739	392	19	468	5,674	2,111	2,895	435	31	451	5,924	2,125	3,144	431	39	475	6,214
Florida	16,638	0	1,875	171	3,868	22,552	17,422	0	2,011	171	4,015	23,619	18,302	0	2,233	242	4,244	25,021
Georgia	5,081	7,659	670	0	3,149	16,559	5,304	8,142	591	0	3,233	17,270	5,226	8,486	706	0	3,562	17,980
Kentucky	2,896	3,418	301	0	2,144	8,759	3,052	3,512	374	0	2,153	9,091	3,022	3,723	401	0	2,202	9,348
Louisiana	2,838	2,405	262	388	1,876	7,770	2,840	2,486	374	387	1,978	8,066	2,853	2,685	340	386	1,839	8,103
Mississippi	1,791	1,383	448	147	732	4,501	1,855	1,489	505	152	767	4,768	1,887	1,480	463	145	763	4,738
North Carolina	5,872	9,735	1,014	0	2,536	19,157	5,258	10,272	1,133	0	2,869	19,532	5,309	10,958	1,192	0	3,100	20,559
South Carolina	2,245	2,396	183	0	809	5,633	2,354	2,592	212	0	700	5,858	2,448	2,796	265	0	742	6,251
Tennessee*	6,112	123	898	0	3,112	10,245	6,500	120	1,003	0	3,520	11,143	6,643	126	1,083	0	3,551	11,403
Virginia	3,012	9,944	822	0	1,261	15,039	3,122	10,613	860	0	1,253	15,847	3,249	11,093	821	0	1,259	16,421
West Virginia	1,148	1,593	303	0	1,020	4,064	1,178	1,647	174	0	1,017	4,016	1,197	1,722	249	0	982	4,150
SOUTHWEST																		
Arizona	3,467	2,864	560	0	1,490	8,381	3,655	3,092	648	0	833	8,228	3,822	3,288	688	0	785	8,583
New Mexico	2,267	1,061	230	66	1,847	5,471	2,363	1,151	281	66	1,958	5,819	2,395	1,210	250	69	1,731	5,655
Oklahoma	1,819	1,832	274	15	1,198	5,137	2,004	2,044	343	15	1,158	5,565	2,087	2,114	452	15	936	5,604
Texas*	21,401	0	0	0	18,367	39,768	24,100	0	0	0	20,780	44,880	25,992	0	0	0	21,289	47,281
ROCKY MOUNTAIN																		
Colorado*	2,234	4,496	394	20	-58	7,086	2,388	5,012	487	20	-170	7,736	2,186	5,642	640	13	111	8,592
Idaho	972	1,153	169	0	150	2,444	1,027	1,206	187	0	167	2,587	1,152	1,313	194	0	140	2,799
Montana	65	816	119	50	733	1,783	60	899	128	54	730	1,871	62	1,048	177	57	734	2,078
Utah	1,601	2,298	261	0	499	4,659	1,583	2,459	269	0	548	4,859	1,633	2,652	313	0	495	5,093
Wyoming	471	0	0	0	704	1,175	498	0	0	0	706	1,204	499	0	0	0	549	1,048
FAR WEST																		
Alaska	0	0	700	8	6,965	7,673	0	0	667	8	8,810	9,485	0	0	605	8	6,863	7,476
California*	26,983	49,445	9,614	1	7,400	93,443	18,658	54,261	7,233	1	6,633	86,786	20,240	63,901	7,509	1	6,544	98,195
Hawaii	2,496	1,231	50	0	1,376	5,153	2,698	1,541	73	0	1,349	5,661	2,945	1,736	101	0	1,452	6,234
Nevada	826	0	0	684	1,665	3,175	876	0	0	686	1,520	3,082	919	0	0	705	1,463	3,087
Oregon	0	5,524	469	0	512	6,504	0	5,853	431	0	657	6,941	0	6,300	500	0	496	7,296
Washington*	7,154	0	0	0	7,494	14,648	7,225	0	0	0	7,649	14,874	7,656	0	0	0	8,116	15,772
ALL STATES	\$204,567	\$256,491	\$41,616	\$4,425	\$140,622	\$647,720	\$205,666	\$278,015	\$41,182	\$4,485	\$141,718	\$671,066	\$216,946	\$299,891	\$44,301	\$4,584	\$141,743	\$707,465

*See notes at the end of the chapter.

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	P		P		P	X	P	
Massachusetts*										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		X	X		
Maryland*				X			P			X		X	X		
New Jersey	P		P	X		P		P	P	X	P	X	X	P	
New York	P		P		X	P	X		P	X	P	X	X	X	X
Pennsylvania	P			P	X	P	X		P	P		X	X	P	P
GREAT LAKES															
Illinois															
Indiana					X		X			X	P	X	X		
Michigan	P	P		X	X	P	X	P		X			P	P	P
Ohio*				X	X		X			X		X			
Wisconsin				X	X		X			X		X	X	X	
PLAINS															
Iowa				P		P	X			X			X		
Kansas				P	P		X			P	X		X	P	P
Minnesota					X					X	X	P			
Missouri	P			X	X	X	X	P	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		N/A	N/A	P			X			X	X		X		
SOUTHEAST															
Alabama					X	P	X	P		P			X	P	
Arkansas					X					X					
Florida		X			X	X	X			X	X		X	P	
Georgia				X	X							X	X		X
Kentucky				N/A			X						X	X	
Louisiana				P	X		X			X	X		X	X	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		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					P					
Wyoming		X	X												
FAR WEST															
Alaska	X	X			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		P			X	X	P	X	P	
Oregon	N/A			X	X	P	X	P		X	X		X		
Washington		X	X	X	X	P	X					X	X	P	
ALL STATES	13	12	9	31	33	19	36	9	8	40	24	27	40	22	12

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

Revenue Sources in the General Fund

Alabama: Fiscal 2012 Other Taxes and Fees includes \$266 million from prior year capital gains errors in Alabama Trust Fund. Fiscal 2013 Other Taxes and Fees includes \$145M transfer from Alabama Trust Fund per Constitutional Amendment 856.

California: Horse racing is partially excluded under gaming taxes.

Colorado: The source of fiscal 2011 revenue figures is Table 2 of June 2012 OSPB forecast, while the source for fiscal 2012 and fiscal 2013 is Table 2 of June 2013 OSPB forecast. This “other taxes” area reflects cigarette, tobacco, liquor, estate, insurance, interest income, pari-mutuel, court receipts, and other income. This income is offset by a diversion to the State Education Fund of one-third of 1% of Colorado taxable income, which is required by the Colorado Constitution to be transferred. This sum reduces the amount of “other taxes and fees” by its inclusion in this category. The SEF diversion was estimated at \$407.5M in FY 11-12, was \$393.9M in FY 10-11, and \$372.1M in FY 09-10. 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.

Maine: The December 2012 Revenue Forecast was used to report revenue on the Spring Fiscal Survey of the States for fiscal year 2012-13. The most recent forecast, May 2013, was used to complete this survey for fiscal year 2012-13. Maine historically reports Gaming Revenue in Other Taxes and Fees.

Maryland: Fiscal 2013 General Fund revenue includes \$276.5 million in Budget Restoration Funds used to restore fiscal reductions, including \$247.3 million from individual income taxes, \$7.4 million in corporate income taxes, and \$21.8 million in other sources. Fiscal 2013 General Fund revenue also includes extraordinary revenues of \$32.9 million from a GAAP transfer. Motor fuel taxes were partially excluded last year and are fully excluded this year.

Massachusetts: Data provides the gross tax revenue figures, before accounting for statutorily required transfers to off-budget funds. Figures do not represent the true discretionary amount available to state budget writers. The statutorily required transfers totaled \$3.043 billion in fiscal 2013, including: \$786.9 million for the Massachusetts Bay Transportation Authority (MBTA); \$682.0 million for the School Building Authority (SBA); \$1.552 billion for the pension fund transfer, which represents full funding of the scheduled pension contribution for fiscal 2014; and \$22.2 million for the Workforce Training Fund.

Michigan: Actual fiscal 2011 and fiscal 2012 amounts reflect general fund non-dedicated revenue as contained in the respective State of Michigan Comprehensive Annual Financial Reports. Revenue figures have been adjusted to put them on a basis comparable to the consensus estimates. Fiscal 2013 estimates are the May 2013 consensus revenue estimates.

Ohio: Ohio deposits federal reimbursements for Medicaid expenditures made from the General Revenue Fund into the General Revenue Fund.

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.

Texas: Texas has no personal/corporate income tax, gaming taxes, or statewide property tax.

Washington: Fiscal 2011 totals are based on the June 2012 revenue forecast document while fiscal 2012 and estimated fiscal 2013 are based on the June 2013 revenue forecast document.

APPENDIX

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

Region/State	Actual Fiscal 2011			Actual Fiscal 2012			Estimated Fiscal 2013		
	State Funds	Federal Funds	State & Federal Funds	State Funds	Federal Funds	State & Federal Funds	State Funds	Federal Funds	State & Federal Funds
NEW ENGLAND									
Connecticut	\$21,069	\$2,701	\$23,770	\$22,271	\$2,631	\$24,902	\$22,648	\$2,555	\$25,203
Maine	5,152	3,000	8,152	5,396	2,649	8,045	5,218	2,564	7,782
Massachusetts	40,567	13,088	53,655	40,946	16,157	57,103	42,644	15,548	58,192
New Hampshire	3,266	1,929	5,195	3,245	1,650	4,895	3,342	1,601	4,943
Rhode Island	4,971	2,749	7,720	5,110	2,599	7,709	5,390	2,659	8,049
Vermont	2,816	1,966	4,782	3,130	1,831	4,961	3,225	1,662	4,887
MID-ATLANTIC									
Delaware	6,360	1,849	8,209	6,980	1,777	8,757	6,940	1,783	8,723
Maryland	22,733	9,951	32,684	24,857	9,058	33,915	24,028	11,811	35,839
New Jersey	33,482	12,044	45,526	36,193	10,998	47,191	38,353	12,485	50,838
New York	84,476	44,707	129,183	89,332	40,311	129,643	91,265	38,574	129,839
Pennsylvania	38,768	29,511	68,279	41,392	24,177	65,569	42,936	24,144	67,080
GREAT LAKES									
Illinois	39,612	14,821	54,433	44,201	19,407	63,608	49,085	15,407	64,492
Indiana	16,385	9,952	26,337	17,033	9,272	26,305	17,409	10,357	27,766
Michigan	28,395	19,919	48,314	29,463	17,549	47,012	29,271	19,295	48,566
Ohio	43,663	14,553	58,216	43,333	13,135	56,468	44,464	12,630	57,094
Wisconsin	30,608	12,236	42,844	30,752	10,572	41,324	31,954	10,815	42,769
PLAINS									
Iowa	11,612	6,147	17,759	12,082	6,551	18,633	13,770	5,682	19,452
Kansas	9,839	4,472	14,311	9,835	4,153	13,988	10,391	3,599	13,990
Minnesota	21,354	9,200	30,554	22,550	8,170	30,720	26,319	8,637	34,956
Missouri	14,850	7,805	22,655	15,825	7,539	23,364	15,734	7,209	22,943
Nebraska	6,585	3,222	9,807	6,889	2,988	9,877	7,149	3,014	10,163
North Dakota	3,183	1,813	4,996	4,132	1,884	6,016	4,292	1,621	5,913
South Dakota	2,124	1,679	3,803	2,175	1,488	3,663	2,609	1,487	4,096
SOUTHEAST									
Alabama	13,595	10,252	23,847	14,544	9,308	23,852	14,387	9,541	23,928
Arkansas	13,385	6,819	20,204	14,275	6,278	20,553	15,193	6,189	21,382
Florida	33,258	29,403	62,661	35,981	24,615	60,596	43,154	24,737	67,891
Georgia	26,694	13,273	39,967	28,026	12,469	40,495	28,514	11,752	40,266
Kentucky	15,669	9,763	25,432	16,962	8,687	25,649	17,672	8,001	25,673
Louisiana	19,640	10,969	30,609	16,137	10,616	26,753	16,947	12,311	29,258
Mississippi	9,692	8,401	18,093	10,088	7,945	18,033	10,359	8,274	18,633
North Carolina	32,723	17,711	50,434	31,402	14,513	45,915	33,145	17,459	50,604
South Carolina	12,263	9,821	22,084	12,681	9,284	21,965	14,508	7,792	22,300
Tennessee	16,531	13,578	30,109	17,359	12,806	30,165	18,016	13,055	31,071
Virginia	31,274	9,832	41,106	32,929	9,212	42,141	33,882	9,546	43,428
West Virginia	16,676	4,460	21,136	17,684	4,064	21,748	18,895	4,394	23,289
SOUTHWEST									
Arizona	15,021	14,971	29,992	15,478	12,299	27,777	16,191	12,332	28,523
New Mexico	8,237	6,110	14,347	8,556	5,608	14,164	8,883	5,660	14,543
Oklahoma	13,336	7,592	20,928	14,067	6,718	20,785	14,770	6,516	21,286
Texas	57,006	35,606	92,612	59,766	31,536	91,302	61,839	33,147	94,986
ROCKY MOUNTAIN									
Colorado	22,024	8,893	30,917	21,086	7,691	28,777	21,145	7,334	28,479
Idaho	3,901	2,670	6,571	3,853	2,382	6,235	4,417	2,792	7,209
Montana	3,784	2,380	6,164	3,788	2,131	5,919	3,925	2,115	6,040
Utah	8,743	3,579	12,322	7,781	3,588	11,369	8,729	3,405	12,134
Wyoming	4,486	1,547	6,033	4,479	1,547	6,026	6,258	2,353	8,611
FAR WEST									
Alaska	10,591	3,173	13,764	8,722	3,017	11,739	8,690	2,902	11,592
California	124,981	84,764	209,745	120,257	73,063	193,320	134,321	81,299	215,620
Hawaii	8,085	2,554	10,639	8,796	1,932	10,728	8,937	1,912	10,849
Nevada	5,806	2,642	8,448	5,040	2,554	7,594	5,948	2,918	8,866
Oregon	24,274	8,628	32,902	18,932	7,753	26,685	18,222	7,452	25,674
Washington	22,607	8,989	31,596	24,992	8,049	33,041	23,442	7,744	31,186
TOTAL	\$1,066,152	\$567,694	\$1,633,846	\$1,090,783	\$516,211	\$1,606,994	\$1,148,825	\$528,071	\$1,676,896

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

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

Region/State	Actual Fiscal 2011				Actual Fiscal 2012				Estimated Fiscal 2013			
	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	\$36	\$0	\$0	\$36	\$24	\$0	\$0	\$24	\$26	\$0	\$0	\$26
Maine	10	0	31	41	10	0	28	38	10	0	30	40
Massachusetts*	112	0	313	425	140	0	286	426	173	0	322	495
New Hampshire	7	0	12	19	8	0	14	22	5	0	10	15
Rhode Island	13	0	27	40	17	0	34	51	15	0	32	47
Vermont	2	0	6	8	3	0	9	12	3	0	13	16
MID-ATLANTIC												
Delaware	0	7	12	19	0	7	12	19	0	7	16	23
Maryland	60	6	119	185	61	6	121	188	62	7	129	198
New Jersey	242	100	636	978	220	111	615	946	257	114	607	978
New York	0	348	567	915	0	350	507	857	0	372	525	897
Pennsylvania	100	28	297	425	102	34	310	446	105	35	302	442
GREAT LAKES												
Illinois	127	9	253	389	102	11	210	323	108	8	216	333
Indiana	0	35	109	144	0	37	84	121	0	37	84	121
Michigan*	21	0	66	88	20	0	64	84	18	0	57	75
Ohio	354	0	0	354	335	0	0	335	365	0	0	365
Wisconsin	106	26	162	293	98	28	163	290	87	29	159	275
PLAINS												
Iowa	34	4	77	115	34	4	86	124	37	4	89	130
Kansas	16	5	52	73	16	5	48	69	18	1	45	65
Minnesota	8	0	21	29	7	0	31	38		6	0	30
Missouri	23	16	129	168	28	16	129	173	28	19	126	172
Nebraska	9	5	37	51	7	9	38	54	13	7	46	67
North Dakota	3	0	7	10	4	0	8	12	4	0	9	13
South Dakota	7	0	18	25	7	0	18	25	8	0	18	26
SOUTHEAST												
Alabama	35	4	153	192	35	5	166	206	35	5	194	234
Arkansas	22	0	90	112	25	0	99	124	28	0	99	127
Florida	50	101	298	449	51	105	326	482	59	115	365	539
Georgia	65	2	211	278	76	2	251	329	92	2	311	404
Kentucky	33	0	130	163	36	0	141	177	35	0	135	170
Louisiana	56	0	170	226	50	7	153	210	48	2	139	189
Mississippi	33	0	159	192	36	0	164	200	39	0	167	206
North Carolina	87	2	228	317	77	3	256	336	79	11	236	326
South Carolina	25	0	95	120	25	0	98	123	25	0	98	123
Tennessee*	50	159	0	209	56	175	6	237	60	187	2	249
Virginia	78	16	178	272	72	16	167	255	88	14	189	291
West Virginia	11	0	42	53	12	0	46	58	11	0	48	59
SOUTHWEST												
Arizona	11	6	38	55	7	3	23	33	5	3	7	15
New Mexico	39	0	145	184	32	0	120	153	15	0	53	68
Oklahoma	26	2	87	115	29	2	93	124	37	3	119	159
Texas	315	0	811	1126	336	0	821	1158	339	0	840	1179
ROCKY MOUNTAIN												
Colorado	7	55	115	177	29	36	117	182	30	38	124	192
Idaho	10	0	38	48	9	0	37	46	11	0	41	52
Montana	2	12	44	58	2	15	55	72	3	17	67	87
Utah	3	12	56	71	5	11	58	74	2	16	61	79
Wyoming	5	0	10	15	5	0	10	15	5	0	10	15
FAR WEST												
Alaska	9	0	18	27	11	0	20	31	11	0	20	31
California*	358	219	1278	1855	513	173	1327	2013	478	192	1330	2000
Hawaii	17	0	34	51	15	0	29	44	11	0	21	32
Nevada	10	2	22	34	10	2	24	36	9	2	25	36
Oregon	-2	40	109	147	29	16	129	174	-3	56	151	204
Washington	17	0	26	43	15	1	25	41	13	1	27	41
TOTAL	\$2,662	\$1,221	\$7,536	\$11,419	\$2,843	\$1,190	\$7,577	\$11,610	\$2,906	\$1,310	\$7,714	\$11,954

*See notes at the end of the chapter.

Children's Health Insurance Block Grants

California: Inadvertently omitted some program expenditures on the previous NASBO survey (2011 State Expenditure Report). In addition, federal funds on the 2011 State Expenditure Report were inaccurately identified as "Other State Funds".

Massachusetts: Revenue includes prior year adjustments.

Michigan: Prior to January 2010, Child Health Insurance expenditures were for the traditional SCHIP program for chil-

dren ("MiChild") and for the Adult Benefits Waiver (ABW). ABW is a program to provide health care to childless adults using SCHIP funding. As of January 1, 2010, the ABW program was converted to a Medicaid (Title XIX) financed program. Fiscal 2011 through fiscal 2013 expenditures reflect MiChild expenditures only.

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 2011			Actual Fiscal 2012			Estimated Fiscal 2013		
	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total
NEW ENGLAND									
Connecticut	\$96	\$0	\$96	\$135	\$0	\$135	\$142	\$0	\$142
Maine	28	0	28	50	0	50	51	0	51
Massachusetts	207	0	207	263	0	263	286	0	286
New Hampshire	26	0	26	34	0	34	36	0	36
Rhode Island	36	0	36	47	0	47	50	0	50
Vermont	18	0	18	24	0	24	26	0	26
MID-ATLANTIC									
Delaware	13	0	13	15	0	15	15	0	15
Maryland	89	0	89	117	0	117	126	0	126
New Jersey	261	0	261	335	0	335	348	0	348
New York	980	0	980	818	0	818	1007	0	1007
Pennsylvania	312	0	312	486	0	486	511	0	511
GREAT LAKES									
Illinois	313	0	313	473	0	473	459	0	459
Indiana	55	0	55	92	0	92	102	0	102
Michigan	139	0	139	178	0	178	183	0	183
Ohio	188	0	188	262	0	262	293	0	293
Wisconsin	115	0	115	160	0	160	160	0	160
PLAINS									
Iowa	59	0	59	80	0	80	85	0	85
Kansas	8	27	35	4	51	55	0	58	58
Minnesota	132	0	132	173	0	173	182	0	182
Missouri	139	0	139	186	0	186	194	0	194
Nebraska	35	0	35	47	0	47	51	0	51
North Dakota	8	1	9	12	1	13	14	1	14
South Dakota	12	0	12	15	0	15	16	0	16
SOUTHEAST									
Alabama	4	46	50	15	52	67	7	65	72
Arkansas	24	2	26	39	3	42	41	3	44
Florida	371	0	371	441	0	441	491	0	491
Georgia	79	0	79	142	0	142	132	0	132
Kentucky	0	53	53	0	78	78	0	86	86
Louisiana	43	0	43	91	0	91	105	0	105
Mississippi	20	0	20	42	0	42	49	0	49
North Carolina	185	0	185	212	0	212	260	0	260
South Carolina	44	0	44	73	0	73	80	0	80
Tennessee	117	0	117	164	0	164	170	0	170
Virginia	143	0	143	191	0	191	194	0	194
West Virginia	18	0	18	34	0	34	36	0	36
SOUTHWEST									
Arizona	48	0	48	59	0	59	64	0	64
New Mexico	12	0	12	24	0	24	25	0	25
Oklahoma	69	0	69	75	0	75	78	0	78
Texas	270	0	270	343	0	343	374	0	374
ROCKY MOUNTAIN									
Colorado	59	14	72	63	31	94	50	50	100
Idaho	13	0	13	23	0	23	23	0	23
Montana	10	0	10	15	0	15	16	0	16
Utah	14	0	14	29	0	29	28	0	28
Wyoming	9	0	9	12	0	12	12	0	12
FAR WEST									
Alaska	19	0	19	25	0	25	26	0	26
California	1050	0	1050	1367	0	1367	1456	0	1456
Hawaii	21	0	21	28	0	28	33	0	33
Nevada	19	0	19	28	0	28	26	0	26
Oregon	50	0	50	71	0	71	77	0	77
Washington	137	0	137	181	0	181	188	0	188
TOTAL	\$6,117	\$143	\$6,260	\$7,793	\$216	\$8,009	\$8,378	\$262	\$8,640

*See notes at the end of the chapter.

Methodology

The Fiscal Year 2012 *State Expenditure Report* reflects three years of data: actual fiscal year 2011, actual fiscal year 2012, and estimated fiscal year 2013. The text of this report focuses on actual fiscal year 2012 data, with a secondary focus on estimated fiscal 2013.

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, detailed in chapter one, includes state and federal fund expenditures only, and excludes local funds raised for education purposes. States also were asked to include, where applicable, state expenditures that support the state's Department of Education, 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. Higher education data can be found in chapter two.

Spending for public assistance, which is examined in chapter three, 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 assis-

tance). States were asked to exclude administrative costs from reported expenditures.

Medicaid spending, highlighted in chapter four, 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. Corrections data can be found in chapter five.

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

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. "All other" expenditure data can be found in chapter seven.

Capital spending is included with operating expenditures within each functional category, unless otherwise noted. Capital expenditures have also been collected separately in the following categories: 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.

