



# **The Fiscal Survey of States**



**June 2009**

**National Governors Association  
National Association of State Budget Officers**

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# Preface

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*The Fiscal Survey of States* is published twice annually by the National Association of State Budget Officers (NASBO) and the National Governors Association (NGA). The series was started in 1979. The survey presents aggregate and individual data on the states' general fund receipts, expenditures, and balances. Although not the totality of state spending, these funds are used to finance most broad-based state services and are the most important elements in determining the fiscal health of the states. A separate survey that includes total state spending also is conducted annually.

The field survey on which this report is based was conducted by NASBO from February through May 2009. The surveys were completed by Governors' state budget officers in all 50 states.

Fiscal 2008 data represent actual figures, fiscal 2009 figures are estimated, and fiscal 2010 data reflect recommended budgets.

Forty-six states begin their fiscal years in July and end them in June. The exceptions are Alabama and Michigan, with October to September fiscal years; New York, with an April to March fiscal year; and Texas, with a September to August fiscal year. Additionally, 20 states operate on a biennial budget cycle.

NASBO staff member Ben Husch compiled the data and prepared the text for the report. Nelle Sandridge of State Services Organization provided typesetting services.



# Executive Summary

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The 50 states are facing one of the worst fiscal periods in decades. Fiscal conditions deteriorated for nearly every state during fiscal year 2009, and weak fiscal conditions are expected to continue in fiscal 2010 and possibly into fiscal years 2011 and 2012. While general fund expenditures and revenue collections increased for many states in fiscal 2008, the economic recession, which began in December 2007, significantly changed the fiscal outlook, resulting in almost half the states experiencing negative budget growth in fiscal 2009, and nearly three quarters of states recommending fiscal 2010 budgets with negative growth. As the severe national recession continued, tax revenues from sales, personal income, and corporate income taxes continued to come in lower than expected during fiscal 2009. Substantial job losses and significant reductions in corporate profits resulted in declines in capital gains and other investment income, an important source of revenue for states. State fiscal conditions historically lag behind any national economic recovery, which indicates that state fiscal conditions will remain weak in fiscal 2010 and likely into fiscal years 2011 and 2012.

Fiscal 2009 general fund expenditures are currently estimated to decline 2.2 percent compared to fiscal 2008 levels. Likewise, governors' recommended budgets for fiscal 2010 show a 2.5 percent decrease in general fund expenditures. These decreases in general fund expenditures would be the largest declines in the history of the Fiscal Survey, as well as the first time in which state general fund expenditures declined in consecutive years. Prior to 2009, actual state general fund spending had only declined in 1983.

The weakening of state fiscal conditions is also reflected in the fact that states currently estimate that they will have faced \$230 billion in reported budget gaps between fiscal 2009 and fiscal 2011. Of this \$230 billion, states have already closed \$46.2 billion in budget gaps during fiscal 2009. As such, over three quarters of the states have already cut their enacted fiscal 2009 budgets by \$31.6 billion.

Expenditure pressures continue as demand for additional funding of programs such as Medicaid increase during tough economic periods and states deal with looming long-term issues such as funding pensions, demographic shifts, and maintenance and repair of infrastructure. Unfortunately, when revenue growth declines as a result of a weakened economy, spending pressures for social programs and health care increase.

While the *American Recovery and Reinvestment Act of 2009* has helped states avoid draconian levels of cuts, it will not end the need for states to cut spending as exhibited by the 2.5 percent decline in governors' recommended budgets for fiscal 2010.

This edition of *The Fiscal Survey of States* reflects actual fiscal 2008, estimated fiscal 2009, and recommended fiscal 2010 figures. The data were collected during spring 2009.

## State Spending

Findings of this edition of the *Fiscal Survey of States* include the following:

- So far, 42 states were forced to reduce enacted budgets in fiscal 2009 by \$31.6 billion. This is in stark contrast to the thirteen states that had to reduce their enacted budgets in fiscal 2008 and the three states that reduced their enacted budgets during 2007. During the last fiscal downturn, the peak years of reductions to

enacted budgets occurred in fiscal 2002 and fiscal 2003, when thirty-seven states were forced to make mid-year budget reductions totaling \$14 billion and \$12 billion, respectively. These years of peak cuts occurred after the national economic downturn ended in 2001.

- Thirty-five states assume negative budget growth for fiscal 2010 governors' recommended general fund budgets, while 30 states are estimating negative growth budgets for fiscal 2009.
- Medicaid spending from state funds is estimated to decline by 1.7 percent in governors' recommended budgets for fiscal 2010, although federal funds are expected to increase 5.5 percent. Similarly, Medicaid spending from state funds is estimated to decline by 0.5 percent in fiscal 2009, while federal funds are estimated to increase by 11.1 percent.
- Three states are recommending an increase to their fiscal 2010 cash assistance levels under the Temporary Assistance for Needy Families (TANF) program, while three states are recommending a decrease.

## State Revenue Actions

Recommended net tax and fee changes would result in \$23.9 billion in additional revenue based on governors' recommended fiscal 2010 budgets. For fiscal 2010, 29 states recommend net increases while five states recommend net decreases. This amount well exceeds fiscal 2009, when states recommended \$726 million tax and fee increases, as sixteen states recommended net decreases while eleven state recommended net increases.

Other findings include:

- The number of states experiencing revenue shortfalls increased in fiscal 2009. Revenues from all sources which include sales, personal income, corporate income and all other taxes and fees exceed expectations in two states, are on target in ten states, and are below expectations in thirty-eight states. This is in contrast to fiscal 2008 when twenty-five states reported that revenue collections exceeded estimates.
- Fiscal 2009 estimated tax collections of sales, personal income, and corporate income are 6.1 percent lower than actual fiscal 2008 collections. This average contains a range of performance with considerable weakening of personal income tax and corporate income tax collections, while sales tax collections declined by the least of the three major sources. Specifically, sales tax collections are 3.2 percent lower and personal income tax collections are 6.6 percent lower. Corporate income tax collections are 15.2 percent lower for current fiscal 2009 estimates relative to actual fiscal 2008 collections. Within state budgets, about 40 percent of general fund revenue is from the personal income tax, 33 percent is from the sales tax, and eight percent is from the corporate tax, with the rest from various other sources.
- States are projecting a growth of 1.7 percent in tax collections for fiscal 2010 recommended budgets relative to fiscal 2009 current year estimates. Compared to fiscal 2009 collections, recommended fiscal 2010 budgets reflect a 3.0 percent increase in sales tax revenue, 1.3 percent increase in personal income tax revenue, and a 1.7 percent decrease in corporate income tax revenue. However, many states have since reported that April tax collections were well below estimates.

## Year-End Balances

Total balances—ending balances and the amounts in budget stabilization “rainy day” funds—are a crucial tool that states heavily rely on during fiscal downturns and budget shortfalls. Balance levels are one of the indicators of overall state fiscal health.

- After reaching a peak in fiscal 2006 at \$69 billion or 11.5 percent of expenditures, balances declined in fiscal 2008 to 9.1 percent of expenditures. However, balance levels have fallen significantly during fiscal 2009, as balance level estimates now represent 5.5 percent of

expenditures. Balance levels are projected to decrease to 5.3 percent of expenditures based on governors’ recommended fiscal 2010 budgets. While balance levels have fallen from their 2006 highs, they are expected to nearly match their historical average of 5.8 percent of expenditures. Because states recognize that an economic downturn may last for more than one year they are reluctant to deplete balances. This is in part due to concerns that the poor fiscal situation may continue through fiscal 2011.



# State Expenditure Developments

## CHAPTER ONE

### Overview

State finances have continued to worsen throughout 2009. Nearly every state faced tightening fiscal conditions compared to fiscal 2008, when such fiscal difficulties were seen in about half the states. In fiscal 2009, forty-two states reduced enacted budgets by \$31.6 billion. In comparison, three states cut enacted budgets in fiscal 2007 and 13 states imposed cuts to enacted budgets during fiscal 2008. The number of states reducing enacted budgets in fiscal 2009 already exceeds the thirty-seven states in both fiscal 2002 and fiscal 2003 that were forced to make mid-year budget cuts at the depth of the previous state fiscal crisis totaling nearly \$14 billion and \$12 billion, respectively. The continued downward trend during 2009 resulted predominantly from a significant slowdown in revenue collections. However, based on previous downturns, the impact on state budgets may lag the downturn in the economy as states may take up to several years after a recession is over to recover.

Due to the decline in revenues, 41 states have already reported budget gaps during fiscal 2009. Additionally, 37 states have already reported that they will face budget gaps for fiscal 2010, while 24 states are currently forecasting budget gaps for fiscal 2011.

As a result of declining state fiscal conditions, states have been considerably more active in addressing budget gaps in fiscal 2009. More than half the states

relied on targeted cuts, while more than forty percent of states enacted across-the-board cuts, and used rainy day funds to reduce or eliminate these gaps. Other common strategies include furloughs, layoffs, and reduction in local aid. (see Table 1 and Appendix Table A-5).

### State Spending from All Sources

This report captures only state general fund spending. General fund spending represents the primary component of discretionary expenditures of revenue derived from general sources which has not been earmarked for specific items. According to the most recent edition of NASBO's *State Expenditure Report*, estimated fiscal 2008 spending from all sources (general funds, federal funds, other state funds and bonds) is approximately \$1.56 trillion with the general fund representing 44.3 percent of the total. The components of total state spending for estimated fiscal 2008 are: Elementary and secondary education, 20.9 percent; Medicaid, 20.7 percent; higher education, 10.3 percent; transportation, 8.1 percent; corrections, 3.4 percent; public assistance, 1.6 percent; and all other expenditures, 35.1 percent.

For estimated fiscal 2008, components of state spending within the general fund are elementary and secondary education, 34.5 percent; Medicaid, 16.9 percent; higher education, 11.5 percent; corrections, 6.9 percent; transportation, 1 percent; public assistance, 1.8 percent; and all other expenditures, 27.6 percent.

TABLE 1

**Budget Cuts Made After the Fiscal 2009 Budget Passed**

<i>State</i>	<i>Size of Cuts (\$ in Millions)</i>	<i>Exempted Programs or Expenditures</i>
Alabama	\$ 570.0	Debt Service
Alaska	17.6	Public Safety, Military & Veterans Affairs, and University of Alaska
Arizona	540.0	Portions of Education, Medicaid/Health and Parts are voter protected; however, administration cuts were assessed in all areas.
Arkansas	64.9	Education and Selected Agencies
California	10,399.2	
Colorado*	346.7	
Connecticut	343.3	Municipal Aid
Delaware	197.4	Debt Service, Public/Higher Ed
Florida	887.4	
Georgia	2,262.2	
Hawaii	49.9	Debt service, employees' retirement system and health insurance, children and adult mental health, emergency medical services
Idaho	229.3	
Illinois	500.0	K-12 Education
Iowa	119.9	Every program received some type of reduction
Indiana	767.4	K-12 Education, Public Safety, Medicaid, Child Protection, Transportation
Kansas	200.3	Debt service, health, human service caseloads
Kentucky	147.0	K-12 formula funding, Medicaid, student financial aid, corrections, mental health
Louisiana	341.0	
Maine	74.6	
Maryland	470.9	Mandated K-12 expenditures and debt service
Massachusetts	946.0	Debt Service
Michigan	438.4	Higher education funding and scholarships, Medicaid eligibility, children's services, staff needed to process unemployment benefits and public assistance claims, and veterans' homes
Minnesota	426.3	
Mississippi	199.9	K-12 Chickasaw Interest, IHL Ayers settlement, Medicaid services, Family & Children Services, Youth Services, Billy A Rehab Services, Homestead Exemption assistance, and Debt Service.
Missouri	261.2	Medicaid and Education
New Hampshire	81.9	Direct Care, Education Adequacy
New Jersey*	1,760.0	
Nevada	136.0	
New Mexico	282.1	Public health and safety
New York	1,700.0	
North Carolina	1,211.0	Debt service
Ohio	1,165.8	K-12; Higher Ed Institution Subsidy; Corrections
Oregon	764.0	Non-general fund
Pennsylvania	521.0	The Governor does not have the authority to reduce appropriations to the Attorney General, Auditor General and Treasurer (which are independently elected); the legislature and judiciary.
Rhode Island*	212.0	
South Carolina*	1,106.5	Higher Education Scholarships and Tuition Grants; Southern Regional Education Board Professional Scholarship Programs and Fees; Debt Service; Aid to Fire Districts; First Responder Interoperability; National Guard Pension Fund; Compensation of County Registration Board Members & County Election Commissioners
South Dakota	71.6	
Utah*	36.0	
Vermont	27.3	Juvenile rehabilitation center, state police, state veterans' home, correctional officers, state hospital
Virginia	480.3	K-12 Standards of Quality exempt in FY 2009
Washington*	580.1	K-12 basic education, debt service payments, and pension payments are always exempt
Wisconsin*	635.0	
<b>Total</b>	<b>\$ 31,571.4</b>	

NOTE: \*See Notes to Table 1.

SOURCE: National Association of State Budget Officers.

TABLE 1-A

## 2009 Program Area Cuts

<i>Region/State</i>	<i>K-12 Education</i>	<i>Higher Education</i>	<i>Public Assistance</i>	<i>Medicaid</i>	<i>Corrections</i>	<i>Transportation</i>	<i>Personnel</i>	<i>Other</i>
<b>NEW ENGLAND</b>								
Connecticut	x	x	x	x			x	
Maine	x	x						
Massachusetts	x	x	x	x	x	x	x	
New Hampshire								
Rhode Island	x	x		x			x	
Vermont			x	x	x			
<b>MID-ATLANTIC</b>								
Delaware					x		x	x
Maryland*	x	x	x	x	x		x	x
New Jersey	x	x	x	x	x	x	x	
New York		x		x				
Pennsylvania	x	x			x	x	x	x
<b>GREAT LAKES</b>								
Illinois								
Indiana		x						x
Michigan	x		x	x	x	x	x	x
Ohio				x			x	x
Wisconsin*	x			x				x
<b>PLAINS</b>								
Iowa	x	x	x	x	x		x	x
Kansas		x			x			
Minnesota		x	x	x				x
Missouri							x	x
Nebraska								
North Dakota								
South Dakota	x	x			x			
<b>SOUTHEAST</b>								
Alabama	x	x						
Arkansas		x	x		x			
Florida								
Georgia	x	x	x	x	x	x	x	x
Kentucky	x	x	x					x
Louisiana	x	x	x	x	x	x	x	x
Mississippi	x	x		x	x	x		x
North Carolina	x	x	x	x	x	x	x	
South Carolina*	x	x	x	x	x	x	x	x
Tennessee								
Virginia*		x	x	x	x	x	x	x
West Virginia								
<b>SOUTHWEST</b>								
Arizona	x	x	x		x	x	x	x
New Mexico	x	x	x	x	x		x	
Oklahoma								
Texas								
<b>ROCKY MOUNTAIN</b>								
Colorado*	x	x		x	x		x	x
Idaho	x	x	x	x	x		x	
Montana								
Utah		x	x	x	x	x	x	x
Wyoming								
<b>FAR WEST</b>								
Alaska								x
California	x	x	x			x	x	x
Hawaii	x	x		x	x		x	x
Nevada								
Oregon	x	x	x	x	x	x	x	x
Washington	x	x	x	x	x	x	x	x
<b>Total</b>	<b>26</b>	<b>31</b>	<b>22</b>	<b>25</b>	<b>25</b>	<b>15</b>	<b>25</b>	<b>24</b>

NOTE: \*See Notes to Table 1-A.

SOURCE: National Association of State Budget Officers.

TABLE 1-B

## Proposed 2010 Program Area Cuts

<i>Region/State</i>	<i>K-12 Education</i>	<i>Higher Education</i>	<i>Public Assistance</i>	<i>Medicaid</i>	<i>Corrections</i>	<i>Transportation</i>	<i>Personnel</i>	<i>Other</i>
<b>NEW ENGLAND</b>								
Connecticut	x	x	x	x	x		x	x
Maine	x	x		x		x	x	
Massachusetts	x	x	x	x	x	x	x	
New Hampshire								
Rhode Island	x	x		x				
Vermont			x	x	x			
<b>MID-ATLANTIC</b>								
Delaware	x	x	x	x	x	x	x	x
Maryland	x	x	x	x	x		x	x
New Jersey*	x	x	x	x	x	x	x	
New York	x	x	x	x	x	x	x	
Pennsylvania	x	x					x	x
<b>GREAT LAKES</b>								
Illinois					x	x	x	x
Indiana*								
Michigan	x	x	x	x	x	x	x	x
Ohio								
Wisconsin*	x		x	x			x	x
<b>PLAINS</b>								
Iowa								
Kansas		x			x			
Minnesota	x	x	x	x		x		x
Missouri							x	x
Nebraska*				x			x	x
North Dakota								
South Dakota	x	x	x		x		x	x
<b>SOUTHEAST</b>								
Alabama								
Arkansas								
Florida								
Georgia	x	x	x	x	x	x	x	x
Kentucky								
Louisiana	x	x	x	x	x	x	x	x
Mississippi								
North Carolina	x	x	x	x	x	x	x	
South Carolina*	x	x	x	x	x	x	x	x
Tennessee								
Virginia	x	x	x	x	x	x	x	x
West Virginia	x	x	x	x	x	x	x	x
<b>SOUTHWEST</b>								
Arizona	x	x	x		x	x	x	x
New Mexico	x	x	x	x	x		x	x
Oklahoma*								
Texas								
<b>ROCKY MOUNTAIN</b>								
Colorado	x	x		x	x		x	x
Idaho	x	x	x	x	x	x	x	
Montana		x						
Utah	x	x	x	x	x	x	x	x
Wyoming								
<b>FAR WEST</b>								
Alaska								
California	x	x	x	x	x	x	x	x
Hawaii	x	x			x		x	x
Nevada								
Oregon*								
Washington	x	x	x	x	x	x	x	x
<b>Total</b>	<b>27</b>	<b>28</b>	<b>23</b>	<b>25</b>	<b>25</b>	<b>19</b>	<b>28</b>	<b>23</b>

NOTE: \*See Notes to Table 1-B.

SOURCE: National Association of State Budget Officers.

**NOTES TO TABLE 1**

Colorado	Reflects General Assembly GF (Only) Budget cuts as of May 5, 2009
New Jersey	Balance of FY 2009 solutions included use of \$730 million in balances, \$783 million in federal stimulus, and \$100 million in revenue from Tax Amnesty.
Rhode Island	Reduction in general revenue expenditures, \$178.3 million of which is estimated relief from the federal ARRA (\$137.3 million from FMAP/Title IV-E enhancement and \$41.0 million from the stabilization fund).
South Carolina	Cuts through March 18, 2009
Utah	Agency cuts were \$36.0 million, with (\$2.0 million) backfill to agency cuts.
Washington	Additional cuts are forthcoming prior to end of FY 2009.
Wisconsin	\$597 million in Federal Fiscal Relief - Budget in Brief, Table 2. + \$38 million in lapses, Act 2.

**NOTES TO TABLE 1-A**

Colorado	Medicaid costs increased in FY 2009, netting out against the cuts, requiring \$24.4 million in new General Fund (GF) compared to the original appropriation. Transportation funding occurs through a GF diversion-based formula, determined by total GF revenues relative to base (appropriations) spending. As such, transportation did not receive its formula-based funding; but it was not cut after receiving funding. Much of K-12 Education is governed by a constitutional provision (Amendment 23) which limits the flexibility in funding but it is not exempt in total so this box is not checked.
Maryland	Reduction amounts shown for Medicaid include reductions to the State Department of Health and Mental Hygiene, which includes Medicaid as well as other health related programs. Reduction amounts shown for Public Assistance include reductions to the State Department of Human Resources, which includes temporary cash assistance, foster care, energy assistance as well as other social service programs. Identified gaps and solutions are for the State's general fund only.
South Carolina	Reduced the Capital Reserve Fund (totaling \$133.2 million) and local aid (totaling \$20.1 million).
Virginia	In FY 2009: Administration, Finance, Commerce and Trade, Natural Resources, Agriculture, Technology. In FY 2010: Administration, Finance, Commerce and Trade, Natural Resources, Agriculture, Technology
Wisconsin	Cuts were based on federal fiscal relief, unspecified reductions, and agency-specific cuts, and an ATB 1 percent cut. They were backfilled with federal fiscal relief dollars.

**NOTES TO TABLE 1-B**

Indiana	Most state agencies
Nebraska	The Governor's recommendations for FY 2010 assumed a 2.5 percent annual increase in employee salaries and wages and a 10 percent annual increase in the employer cost for employee health insurance. With just a few exceptions, the Governor's recommendations included budget adjustments to offset the cost of employee salary and health insurance increases in an effort to provide no or minimal net increase in appropriations. Agencies will address these budget adjustments in different ways. However, given the proportion that employee salary and benefit costs are of total agency budgets it is reasonable to assume there will be some position eliminations. The Governor's recommendations for FY 2010 included a reduction of \$14.6 million in state General Fund appropriations for Medicaid and SCHIP. The base adjustment was the result of an analysis of the projected needs of the programs relative to the available baseline appropriation and was not a reduction in eligibility, services or provider reimbursements. The Governor's recommendations for FY 2010 included a reduction of \$13.9 million in state General Fund appropriations for the state's Homestead Exemption program. This was the result of an analysis of the projected needs of the program relative to the baseline appropriation and was not a reduction in eligibility or level of exemption.
New Jersey	No cuts to cash assistance grants, but other cuts to Public Assistance were implemented. Most cuts to Medicaid services relate to federal stimulus, but there were other reductions that did not involve stimulus funds. Debt service was exempted from cuts, and there was no net reduction to children's services.
Oklahoma	Oklahoma doesn't have an FY-2010 budget in place at this time; so, we can't report which if any of the listed measures will be taken
Oregon	The Legislature has not yet decided how to balance the FY 2010 budget.
South Carolina	Reduce local aid; reduce several agency bases to the FY 2005-2006 funding levels; reduce agency travel
Wisconsin	Cuts were based on federal fiscal relief, unspecified reductions, and agency-specific cuts, and an ATB 1 percent cut. They were backfilled with federal fiscal relief dollars. Current estimates are from the LFB General Fund and Revenue Projections, January 29, 2009, Table 3 combined with adjustments from Act 2.

### State General Fund Spending

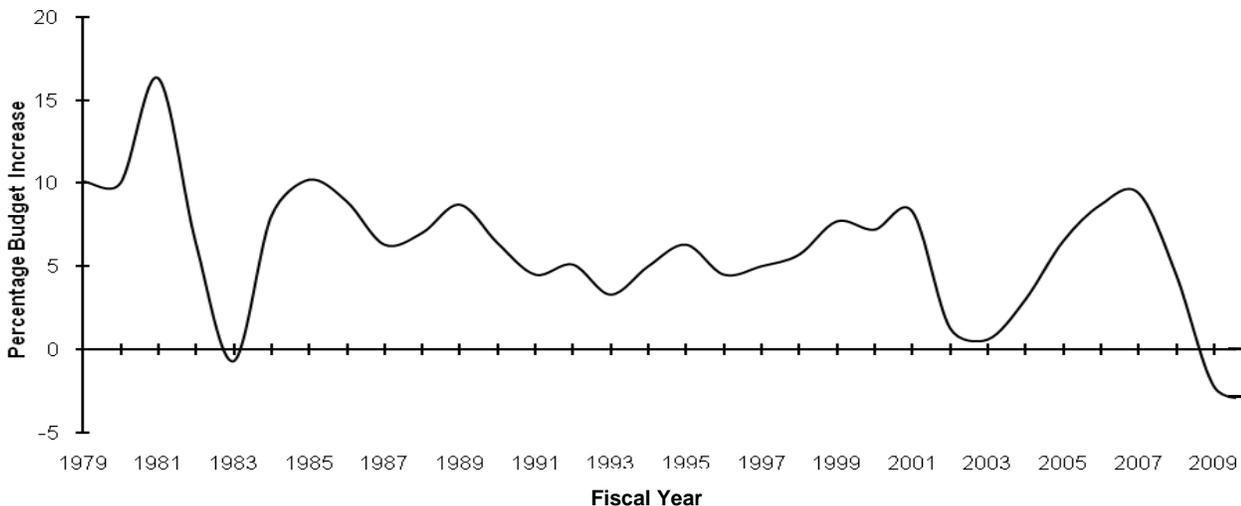
State general fund spending in governors' proposed fiscal 2010 budgets totals \$652.9 billion, or 2.5 percent below fiscal 2009 estimated spending. This spending decrease of 2.5 percent would be the worst expenditure growth in the past thirty-two years. For fiscal 2009, estimated general fund spending decreased by 2.2 percent, the second worst decline in state spending in the past 32 years (see Table 2, Figure 1, and Appendix Table A-4).

Contributing to the significant slowdown in state general fund spending is the decline in tax revenue collections due to the ongoing national recession. The current recession, which started in December 2007, has been described as the longest and most severe recession since the Great Depression in the 1930s. GDP growth has declined significantly during the past two quarters, and current forecasts do not expect GDP to expand until the third quarter of 2009, at the earliest. Capital gains and investment income has significantly declined as a result of the financial crisis. Additionally, the unemployment rate could peak near 10 percent, from its

current level of 8.9 percent. This lack of economic expansion along with significant job losses have resulted in decreasing sales, personal income, and corporate income tax collections during fiscal 2009.

In response, thirty-five states, in their fiscal 2010 recommended budgets, stated that general fund spending would be below the previous year. Additionally, eleven states recommended general fund expenditure growth between 0 and 4.9 percent, two states recommended expenditure growth between 5 and 9.9 percent, while two states recommended general fund expenditure growth greater than 10 percent. For fiscal 2009, 30 states are estimating general fund spending below the previous year, along with 12 states that are estimating general fund spending growth to be between 0 and 4.9 percent, seven states estimate that general fund expenditure growth will be between 5 and 9.9 percent, while one state is estimating that general fund spending will grow by 10 percent or more. In contrast, only one state reported negative expenditure growth for fiscal 2007 (see Table 3 and Appendix Table A-4).

**FIGURE 1**  
**Annual Percentage Budget Increases, Fiscal 1979 to Fiscal 2010**



SOURCE: National Association of State Budget Officers.

**TABLE 2**  
**State Nominal and Real Annual Budget Increases, Fiscal 1979 to Fiscal 2010**

	State General Fund	
	Nominal Increase	Real Increase
2010	-2.5%	-
2009*	-2.2	-4.6
2008*	4.5	-1.4
2007	9.4	4.9
2006	8.7	2.2
2005	6.5	0.9
2004	3.0	-0.6
2003	0.6	-3.1
2002	1.3	-0.8
2001	8.3	4.4
2000	7.2	3.1
1999	7.7	5.6
1998	5.7	4.1
1997	5.0	2.9
1996	4.5	2.2
1995	6.3	3.4
1994	5.0	2.6
1993	3.3	1.0
1992	5.1	2.9
1991	4.5	0.1
1990	6.4	2.6
1989	8.7	5.4
1988	7.0	3.5
1987	6.3	2.7
1986	8.9	5.6
1985	10.2	6.1
1984	8.0	3.7
1983	-0.7	-6.3
1982	6.4	-1.1
1981	16.3	5.1
1980	10.0	0.2
1979	10.1	1.5
<b>1979-2010 average</b>	<b>5.9%</b>	<b>1.9%</b>

**NOTES:**\*The state and local government implicit price deflator, as cited by the Bureau of Economic Analysis in May 2009, is used for state expenditures in determining real changes. Fiscal 2009 figures are based on the change from fiscal 2008 actuals to estimated fiscal 2009. Fiscal 2010 figures are based on the change from estimated fiscal 2009 to recommended fiscal 2010.

**SOURCE:** National Association of State Budget Officers.

**TABLE 3**  
**Annual State General Fund Expenditure Increases, Fiscal 2009 and Fiscal 2010**

Spending Growth	Number of States	
	Fiscal 2009 (Estimated)	Fiscal 2010 (Recommended)
Negative growth	30	35
0.0% to 4.9%	12	11
5.0% to 9.9%	7	2
10% or more	1	2

**NOTE:** Average spending growth for fiscal 2009 (estimated) is -2.2 percent; average spending growth for fiscal 2010 (recommended) is -2.5 percent.

**SOURCE:** National Association of State Budget Officers.

### State Cash Assistance Increased Under the Temporary Assistance for Needy Families Program

The Temporary Assistance for Needy Families (TANF) program was reauthorized under the Deficit Reduction Act in February 2006. The TANF block grant is funded at \$16.6 billion each year through 2010. *The American Recovery and Reinvestment Act of 2009* (ARRA) included an additional \$5 billion for the TANF program for two years in the form of an emergency contingency fund.

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

This report has information only on the changes in the cash assistance benefit levels within the program which represents approximately 35 percent of total program costs. For governors' recommended budgets for fiscal 2010, forty-four states would maintain the same cash assistance benefit levels that were in effect in fiscal 2009. Three states propose decreases in cash assistance benefit levels, ranging from 4 to 11 percent, while three states propose increases in cash assistance benefit levels ranging from 4.4 to 10.0 percent (see Table 4 and Notes to Table 4).

**TABLE 4**  
**Proposed Cost-of-Living Changes for Cash Assistance Benefit Levels under the Temporary Assistance For Needy Families Block Grant, Fiscal 2010**

State	Percent Change
California	-4.0%
Florida	-6.0%
Hawaii	-11.0%
Michigan*	See Note
Montana	5.0%
Nebraska*	See Note
New York	10.0%
South Carolina	4.4%

**SOURCE:**National Association of State Budget Officers.

**NOTES TO TABLE 4**

Michigan	The FY 2010 Executive recommendation does not include an increase for TANF cash assistance benefit levels; however, the FY 2009 clothing allowance increase to \$88 for all children from birth through age 18 is maintained in the FY 2010 Executive recommendation.
Nebraska	No increase in the maximum grant an individual may receive has been enacted for FY 2010. Effective July 1, 2009 Nebraska is increasing the maximum "standard of need" for TANF cash assistance from \$681 to \$710 per month (family of three). This increase is based on a 4.1 percent CPI increase in CY 2007 and 0.1 percent CPI increase in CY 2008.

## Medicaid Spending, Cost Containment, and Governors' Proposals for Health Care Expansion

### Medicaid

Medicaid is a means-tested entitlement program financed by the states and the federal government that provides comprehensive and long-term medical care for more than 59 million low-income individuals. Medicaid accounted for approximately 21 percent of total state spending in fiscal 2008 and is only slightly below elementary and secondary education as the largest component of total state spending.

**The American Recovery and Reinvestment Act (ARRA).** The enactment of the *American Recovery and Reinvestment Act of 2009* (ARRA) provides a temporary increase in the Federal Medicaid Assistance Percentage (FMAP) in order to enable states to maintain health care services during the recession. The estimated increase from the temporary increase in the FMAP is \$87 billion over the 27 months which began October 2008 and ends December 2010. All states receive a temporary increase of 6.2 percent in their FMAP as well as additional amounts for those states facing the highest unemployment rates. Maintenance of effort requirements (MOE) in order to receive the federal funds include not having more restrictive eligibility and enrollment standards, methodologies and procedures in place than were in place July 1, 2008.

Please note that due to the release of governors' proposed budgets for fiscal 2010 and the enactment of ARRA during the same time frame, about one-third of the states were not able to incorporate either partial or total ARRA funds in the governors' budget request for fiscal 2010.

**Medicaid Growth Rates.** The enhanced federal match for Medicaid as part of ARRA allows states to continue health care coverage under Medicaid with federal funds as state funds have declined during fiscal 2009 and fiscal 2010. Total Medicaid spending increased by 4.8 percent in fiscal 2008 and is estimated to increase by 6.4 percent in fiscal 2009 with state funds decreasing by 0.5 percent and federal funds increasing by 11.1 percent. In governors' proposed budgets for fiscal 2010, Medicaid spending would increase by 3.1 percent with state funds decreasing by 1.7 percent and federal funds increasing by 5.5 percent. In both

fiscal 2009 and fiscal 2010, state funds decline in each year while federal funds increase to sustain the program due to ARRA funds (see Table 5).

**Medicaid Enrollment.** The economic downturn has resulted in an increase in Medicaid enrollment. Enrollment had been stable over the past several years and even decreased by 0.5 percent in fiscal 2007, according to the Kaiser Commission on Medicaid and the Uninsured. Now with unemployment rising, states are beginning to experience a significant increase in Medicaid enrollment.

Medicaid enrollment increased by 1.6 percent for fiscal 2008 and is estimated to increase by 3.7 percent in fiscal 2009. In governors' recommended budgets for fiscal 2010, Medicaid enrollment would rise by an additional 4.0 percent, as shown in Table 5-A. The downturn in the economy is expected to result in significant increases in Medicaid enrollment as it has in previous economic slowdowns. With unemployment forecasted to increase over the next year, Medicaid enrollment is anticipated to rise even further. Enrollment increased by 9.5 percent, for example, in fiscal 2002.

**Medicaid Cost Containment.** Even with the use of ARRA funds, governors' budgets include proposals to contain Medicaid costs as shown in Tables 6-A and 6-B. The most common strategies for fiscal 2009 include reducing provider payments, delaying expansions, limiting prescription drugs, restricting long-term care, and expanding managed care. Even a larger number of states are planning to contain Medicaid costs in proposed fiscal 2010 budgets as shown in Table 6-B. Proposals for fiscal 2010 include reducing and freezing provider rates, delaying expansions, limiting prescription drugs, and reducing benefits. Depending on the timing, not all governors' proposed budgets for fiscal 2010 included ARRA funds and therefore may have been adjusted during the legislative process to comply with maintenance of effort requirements. States that had proposed eligibility or enrollment restrictions would not be able to implement such policies and still receive ARRA funds.

Some states are also proposing to increase resources for Medicaid mostly from provider taxes or fees and some from tobacco taxes as shown in Tables 7-A and 7-B. For fiscal 2009, four states plan on raising provider taxes or fees while twelve states have plans to raise provider taxes or fees in governors' proposed budgets for fiscal 2010.

**TABLE 5**  
**Annual Percentage Medicaid Growth Rate**

Region/State	Fiscal 2008 (Actual)			Fiscal 2009 (Estimated)			Fiscal 2010 (Recommended)		
	State Funds	Federal Funds	Total Funds	State Funds	Federal Funds	Total Funds	State Funds	Federal Funds	Total Funds
<b>NEW ENGLAND</b>									
Connecticut*	10.4%	*	10.4%	11.4%	*	11.4%	7.4%	*	7.4%
Maine	-16.7	3.9	-3.7	12.4	10.5	11.1	-10.6	10.1	3.4
Massachusetts*	5.4	5.4	5.4	4.4	4.4	4.4	6.4	6.4	6.4
New Hampshire	5.7	5.9	6.0	-2.8	13.2	6.8	-19.2	23.5	8.5
Rhode Island	17.3	11.3	14.0	-11.4	12.5	1.4	-6.8	5.9	0.7
Vermont	4.3	4.7	4.6	-13.9	28.6	11.2	3.5	12.1	9.3
<b>MID-ATLANTIC</b>									
Delaware	NA	NA	NA	-10.5	23.6	6.6	-2.4	7.3	3.3
Maryland	3.9	4.2	4.1	-4.8	27.3	11.4	-3.3	10.1	4.4
New Jersey	3.3	5.4	4.4	-16.2	17.7	1.4	-13.5	17.0	4.8
New York	-3.3	-2.6	-2.9	2.0	-0.4	0.6	3.8	-1.5	0.7
Pennsylvania	4.1	4.2	4.4	-4.7	17.7	7.5	-7.5	9.0	2.8
<b>GREAT LAKES</b>									
Illinois	11.5	8.7	10.2	-9.2	20.7	4.8	-5.2	3.2	-0.6
Indiana	10.6	2.4	5.4	5.1	16.7	12.2	2.2	9.5	6.9
Michigan	2.5	9.1	6.3	-2.8	11.3	5.5	-5.8	14.1	13.5
Ohio	-6.6	2.6	-1.3	-2.5	20.9	11.7	-26.6	-2.4	-10.8
Wisconsin	1.0	3.4	2.4	3.5	7.8	6.1	-11.0	3.6	-6.5
<b>PLAINS</b>									
Iowa	11.7	9.2	9.9	9.7	11.9	11.1	-2.5	1.3	-0.1
Kansas	6.4	6.9	8.4	6.7	3.1	3.1	-0.1	0.1	1.0
Minnesota	7.6	6.3	6.5	-3.8	26.9	11.4	2.0	21.3	12.4
Missouri	10.0	-0.6	4.1	3.4	8.7	6.2	4.3	10.2	7.5
Nebraska	3.1	0.0	1.2	3.8	7.9	6.3	2.5	4.6	3.8
North Dakota	15.5	9.2	11.4	-2.5	-4.3	-3.7	24.3	23.7	23.9
South Dakota	19.1	4.6	9.6	-11.8	24.7	11.1	-3.0	6.4	3.6
<b>SOUTHEAST</b>									
Alabama	7.9	-6.7	-2.3	0.1	4.1	2.8	7.2	7.7	7.6
Arkansas	9.6	7.8	8.2	6.6	4.8	5.2	8.7	8.8	8.7
Florida	8.1	0.6	3.8	11.9	5.0	8.1	8.2	4.9	6.4
Georgia	-3.8	0.2	-1.3	-14.9	18.3	6.0	-4.2	13.7	8.4
Kentucky									
Louisiana	19.9	14.6	15.9	15.8	7.6	9.7	-24.3	1.2	-5.4
Mississippi	4.6	6.9	6.3	4.4	1.9	2.5	6.7	5.7	6.0
North Carolina									
South Carolina	22.6	-1.0	-1.4	-19.1	21.8	19.7	-0.4	-1.6	-3.5
Tennessee	24.8	4.9	8.5	2.0	-3.5	-1.7	-26.2	20.3	3.5
Virginia	6.8	5.3	6.0	2.4	3.2	2.8	7.8	8.2	8.0
West Virginia	3.0	6.0	5.0	-14.0	18.0	9.0	-3.0	6.0	4.0
<b>SOUTHWEST</b>									
Arizona	19.3	7.7	11.4	-16.8	27.9	12.5	6.5	17.4	14.6
New Mexico	14.6	12.6	13.2	11.2	10.0	10.3	0.3	1.8	1.3
Oklahoma	NA	NA	NA	NA	NA	NA	NA	NA	NA
Texas	9.8	6.9	8.0	6.9	2.3	4.1	2.5	0.3	1.3
<b>ROCKY MOUNTAIN</b>									
Colorado	5.3	7.1	6.2	9.7	9.0	9.3	9.7	10.1	9.9
Idaho	9.1	11.8	9.8	-13.5	18.7	9.0	-8.9	8.1	4.4
Montana	5.1	1.5	2.6	12.7	9.7	10.6	11.7	9.2	9.8
Utah	4.8	7.2	6.4	-11.5	7.2	0.9	-0.9	-1.4	-1.3
Wyoming	16.6	8.0	12.1	-6.6	15.2	4.5	-10.0	-10.0	-10.0
<b>FAR WEST</b>									
Alaska	14.0	-9.1	-1.1	21.0	19.9	20.3	-16.6	6.9	2.7
California	11.5	4.8	7.6	-2.6	16.9	8.4	3.2	1.1	1.9
Hawaii	5.7	2.0	3.6	-18.4	16.0	4.5	2.0	4.6	3.7
Nevada	4.9	-0.2	2.1	-21.1	5.8	-6.7	-12.2	15.4	4.5
Oregon	6.8	6.6	6.7	-8.6	18.2	7.7	-13.1	16.3	6.5
Washington	5.7	9.8	7.8	10.0	8.1	9.1	5.7	9.1	7.4
<b>Average**</b>	<b>6.47%</b>	<b>3.95%</b>	<b>4.77%</b>	<b>-0.52%</b>	<b>11.12%</b>	<b>6.36%</b>	<b>-1.71%</b>	<b>5.51%</b>	<b>3.13%</b>

**NOTES:** NA indicates data not available. \*See Notes to Table 5. \*\*Average percent changes are weighted averages.

**SOURCE:** National Association of State Budget Officers.

**NOTES TO TABLE 5**

Connecticut Medicaid appropriation is "gross funded" – Federal funds are deposited directly to the State Treasury.  
 Massachusetts In FY 2010 ANF backed out off-budget spending that was moved on budget.

TABLE 5-A

## Percentage Change in Medicaid Enrollment

<i>Region/State</i>	<i>FY 2008 Actual</i>	<i>FY 2009 Estimated</i>	<i>FY 2010 Proposed</i>
<b>NEW ENGLAND</b>			
Connecticut*	5.7%	5.2%	4.4%
Maine	-1.8	1.6	
Massachusetts	4.0	3.0	5.1
New Hampshire	0.5	7.7	8.5
Rhode Island	-2.1	-2.4	1.7
Vermont	3.7	5.3	6.9
<b>MID-ATLANTIC</b>			
Delaware	NA	5.6	6.0
Maryland	0.8	6.2	5.8
New Jersey	1.4	3.4	4.4
New York	-1.3	2.5	4.8
Pennsylvania	1.3	2.8	3.2
<b>GREAT LAKES</b>			
Illinois	5.8	1.4	2.7
Indiana	3.4	9.2	6.7
Michigan	1.1	1.1	8.0
Ohio	1.4	5.5	6.1
Wisconsin	4.9	8.2	3.7
<b>PLAINS</b>			
Iowa	3.1	7.0	2.6
Kansas	2.9	3.0	3.3
Minnesota	3.3	5.8	8.8
Missouri	0.5	0.4	0.4
Nebraska	0.5	1.8	1.7
North Dakota	2.8	3.4	4.8
South Dakota	1.9	1.3	1.3
<b>SOUTHEAST</b>			
Alabama	-1.0	5.0	1.0
Arkansas	3.7	4.8	6.0
Florida	2.0	11.0	9.0
Georgia	-1.4	8.4	10.2
Kentucky	NA	NA	NA
Louisiana	7.4	5.3	8.6
Mississippi	3.0	5.0	10.0
North Carolina	NA	NA	NA
South Carolina	-1.4	2.0	1.0
Tennessee	0.2	0.5	3.0
Virginia	2.0	5.1	4.6
West Virginia	0.6	0.2	0.2
<b>SOUTHWEST</b>			
Arizona	5.4	10.9	12.4
New Mexico	5.4	8.6	1.4
Oklahoma	NA	NA	NA
Texas	1.7	2.2	3.8
<b>ROCKY MOUNTAIN</b>			
Colorado*	-0.1	10.4	8.4
Idaho	0.0	3.3	3.8
Montana	2.0	1.8	8.3
Utah	2.7	11.2	3.5
Wyoming	-1.2	1.0	1.0
<b>FAR WEST</b>			
Alaska	-3.2	2.1	1.3
California	1.4	2.2	-1.8
Hawaii	5.0	9.0	4.0
Nevada	6.7	8.0	9.6
Oregon	NA	9.2	10.5
Washington	2.3	5.0	4.0
<b>Average**</b>	<b>1.6%</b>	<b>3.7%</b>	<b>4.0%</b>

NOTES: NA indicates data not available. \*See Note to Table 5-A. \*\* Average percent changes are weighted averages.

SOURCE: National Association of State Budget Officers.

## NOTE TO TABLE 5-A

Colorado

"Medicaid Spending" is all Title XIX funding including the administrative costs (Executive Director's Office), Medical Services Premiums (the actual cost of providing medical services to clients), Medicaid Mental Health services, and Medicaid services provided by the Department of Human Services.

**TABLE 6-A**  
**Fiscal 2009 Budgetary Actions Aimed at Containing Medicaid Costs**

Region/State	Reduce Provider Payments	Freeze Provider Payments	Reduce Benefits	Restrict Eligibility/ Enrollment	Delay Expansions	Limit Prescription Drugs	Institute New or Higher Copayments	Expand Managed Care	Restrict Long-Term Care	Other (Please describe)
<b>NEW ENGLAND</b>										
Massachusetts	x							x		
New Hampshire	x									
Rhode Island	x			x					x	
Vermont					x				x	
<b>MID-ATLANTIC</b>										
Delaware		x								
Maryland	x	x								
<b>GREAT LAKES</b>										
Illinois*	x	x						x		x
Indiana					x					
Michigan*	x	x	x			x		x		x
Ohio	x									
Wisconsin					x					
<b>PLAINS</b>										
Iowa*	x									x
Minnesota	x									
Missouri										
<b>SOUTHEAST</b>										
Alabama		x								
Arkansas*					x					x
Florida	x	x						x		
Georgia*		x								x
Kentucky										
Louisiana	x									x
North Carolina										
Virginia	x				x					
<b>SOUTHWEST</b>										
Arizona	x	x					x			
New Mexico								x		
Oklahoma										
<b>ROCKY MOUNTAIN</b>										
Colorado					x	x				
Idaho	x		x			x				
Utah	x		x			x				
<b>FAR WEST</b>										
Alaska						x				
California	x		x		x	x	x	x		
Nevada	x		x							
Washington	x		x		x	x				
<b>Total</b>	<b>18</b>	<b>8</b>	<b>6</b>	<b>1</b>	<b>8</b>	<b>7</b>	<b>2</b>	<b>6</b>	<b>2</b>	<b>6</b>

NOTES:\*See Notes to Table 6-A.

SOURCE: National Association of State Budget Officers.

**NOTES TO TABLE 6-A**

Arkansas	Restructured Rehabilitation Services for Persons with Mental Illness (RSPMI) program
Georgia	Utilize the public assistance reporting and information system. Fee schedule update for durable medical equipment and physician injectable drugs.
Iowa	Across the board reductions
Illinois	Reduce provider payments through minor automated laboratories. Other changes include ongoing care management initiatives & preferred drug list initiative
Michigan	Administrative savings, fund shifts, and lapses.

**TABLE 6-B**  
**Fiscal 2010 Proposed Budgetary Actions Aimed at Containing Medicaid Costs**

<i>Region/State</i>	<i>Reduce Provider Payments</i>	<i>Freeze Provider Payments</i>	<i>Reduce Benefits</i>	<i>Restrict Eligibility/ Enrollment</i>	<i>Delay Expansions</i>	<i>Limit Prescription Drugs</i>	<i>Institute New or Higher Copayments</i>	<i>Expand Managed Care</i>	<i>Restrict Long- Term Care</i>	<i>Other (Please describe)</i>
<b>NEW ENGLAND</b>										
Connecticut*		x	x	x	x	x	x			
Maine	x								x	x
Massachusetts	x									
New Hampshire	x	x								
Rhode Island	x			x				x	x	
Vermont	x	x	x		x	x			x	
<b>MID-ATLANTIC</b>										
Delaware		x								
Maryland		x			x	x				
New Jersey	x					x	x			
New York*	x					x				x
Pennsylvania		x								
<b>GREAT LAKES</b>										
Illinois*		x								x
Indiana*					x					x
Michigan*	x	x				x				x
Ohio*										x
Wisconsin*		x			x			x		x
<b>PLAINS</b>										
Iowa*										x
Kansas						x				
Minnesota	x	x	x	x	x				x	
Missouri*										x
<b>SOUTHEAST</b>										
Alabama		x				x				
Arkansas										
Florida	x									
Georgia*		x								x
Kentucky										
Louisiana	x					x				x
North Carolina										
Tennessee*	x				x		x			x
Virginia	x			x	x					
<b>SOUTHWEST</b>										
Arizona*										
Oklahoma										
<b>ROCKY MOUNTAIN</b>										
Colorado	x	x			x	x		x		
Idaho	x	x	x			x	x			
Utah	x		x			x		x		
Wyoming	x	x								
<b>FAR WEST</b>										
Alaska						x				
California	x		x		x	x	x	x		
Nevada	x		x							
Washington	x		x		x	x				
<b>Total</b>	<b>20</b>	<b>15</b>	<b>8</b>	<b>4</b>	<b>11</b>	<b>15</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>12</b>

NOTES:\*See Notes to Table 6-B

SOURCE: National Association of State Budget Officers.

**NOTES TO TABLE 6-B**

Arizona	FY 2010 Governor's budget not yet released
Connecticut	Restricted eligibility/enrollment applies to certain state-funded populations only
Georgia	Utilize the public assistance reporting and information system. Fee schedule update for durable medical equipment and physician injectable drugs.
Illinois	Other changes include ongoing care management initiatives & preferred drug list initiative
Indiana	Pharmacy Carve-Out
Iowa	Across the board reductions
Michigan	Administrative savings, fund shifts, and lapses
Missouri	Pharmacy consolidation to increase the state's ability to earn rebates
New York	Establishment of 0.7 percent provider assessment, reduction of administrative and marketing costs, cost rebasing, and maximization of federal participation
Ohio	Governor's Budget includes several cost-containment initiatives, including carve-out of the pharmacy benefit from Managed Care Plans (MCPs), moving to a retrospective payment system for MCPs, shifting to non-GRF funds through increased assessments, and moving nursing facilities to a pricing model instead of cost based.
Tennessee	Other administrative reductions
Wisconsin	The Department of Health Services will need to realize reductions in GPR through administratively implemented savings and efficiency measures. These measures are currently being formulated.

**TABLE 7-A**

**Changes During Fiscal 2009 to Generate Additional Resources for Medicaid**

<i>Region/State</i>	<i>Tobacco Tax</i>	<i>Provider Tax/Fee</i>	<i>Other</i>
<b>NEW ENGLAND</b>			
Massachusetts	x		
Rhode Island*			
Vermont*	x		
<b>MID-ATLANTIC</b>			
Maryland		x	
<b>GREAT LAKES</b>			
Illinois		x	
Ohio			
Michigan		x	
Wisconsin		x	
<b>SOUTHEAST</b>			
Arkansas			x
Kentucky			
North Carolina			
<b>SOUTHWEST</b>			
Oklahoma			
<b>Total</b>	<b>2</b>	<b>4</b>	<b>1</b>

**NOTES:** \*See Notes to Table 7-A.

**SOURCE:** National Association of State Budget Officers.

**NOTES TO TABLE 7-A**

Rhode Island	Under the Global Medicaid Waiver, Rhode Island will receive federal financial participation for Costs Not Otherwise Matchable (CNOM) programs \$8.5 million in FY 2009
Vermont	Per Act 191 of 2006, tobacco tax was already scheduled to increase in FY 2009

TABLE 7-B

## Proposed Changes for Fiscal 2010 to Generate Additional Resources for Medicaid

<i>Region/State</i>	<i>Tobacco Tax</i>	<i>Provider Tax/Fee</i>	<i>Other</i>
<b>NEW ENGLAND</b>			
Massachusetts		x	
Rhode Island*			
<b>MID-ATLANTIC</b>			
New York*	x		x
Pennsylvania		x	
<b>GREAT LAKES</b>			
Illinois		x	
Ohio*			X
Wisconsin		x	
<b>PLAINS</b>			
Missouri*		x	
<b>SOUTHEAST</b>			
Arkansas*	x	x	
Florida		x	
Kentucky			
Mississippi*	x	x	x
North Carolina			
Tennessee		x	
Virginia	x	x	
<b>SOUTHWEST</b>			
Arizona*			
Oklahoma			
<b>ROCKY MOUNTAIN</b>			
Colorado		x	
Idaho		x	
Montana*			x
<b>Total</b>	<b>4</b>	<b>12</b>	<b>4</b>
<b>NOTES:</b> *See Notes to Table 7-B.			
<b>SOURCE:</b> National Association of State Budget Officers.			

## NOTES TO TABLE 7-B

Arizona	FY 2010 Governor's budget not yet released
Arkansas	Added third party liability staff; RFP for Health Insurance Premium Program
Mississippi	Hospital Assessment
Missouri	Sunset extension of current provider taxes.
Montana	Insurance premium taxes
New York	Additional income from audit recoveries
Ohio	Increased assessments for ICF/MRs, nursing facilities, and hospitals.
Rhode Island	Under the Global Medicaid Waiver, Rhode Island will receive federal financial participation for Costs Not Otherwise Matchable (CNOM) programs \$15.8 million in FY 2010

## Governors' Proposals for Health Care Expansion

The deterioration of economic conditions has affected states' ability to move ahead with plans to increase coverage to the uninsured. About one-fifth of the states propose to expand coverage to the uninsured focusing mostly on children. Medicaid and CHIP funding are the most common sources of funds for these expansions.

Not surprisingly, the weakening fiscal conditions have led to declines in states with proposals to expand coverage relative to the past two years. Two years ago, more than two-thirds of governors' budgets had some proposal to expand health care coverage. By last year, about one-half of the states had proposals to cover the uninsured in governors' proposed budgets for fiscal 2009. In eighteen states, proposals to cover the uninsured were enacted, partially enacted, or partially implemented through administrative order in fiscal 2008.

The approximate number of additional people that would be covered under governors' proposals varies significantly across states and is highly dependent on the scope of the proposal, the population of the state, and the percentage of the state's population that is uninsured.

Total funding for the health care expansion proposals in governors' proposed fiscal 2010 budgets is shown in Table 9-B. The majority of states are assuming that Medicaid and CHIP would provide funding for expansions. Other funding sources assumed for health care expansions are provider taxes or fees, tobacco taxes, state general funds, and contributions from participants and employers.

About one-fifth of the states have plans to conduct outreach and streamline eligibility in Medicaid and CHIP in order to attain greater participation in these programs. This is to address concerns about those currently eligible but who have not enrolled in Medicaid and CHIP programs.

Not surprisingly, health care reform efforts at the national level will likely impact health care proposals and actions at the state level.

**Children's Health Insurance Program Reauthorization Act (CHIPRA).** The expansion and reauthorization of the Children's Health Insurance Program Reauthorization Act (CHIPRA) in 2009 allows additional resources for states to cover uninsured children. In governors' proposals for fiscal 2010 over half of the states proposed no changes in the program while nine states proposed expansions and nine states proposed restrictions as shown on Table 8-A. A few states are proposing to restrict CHIP in governors' proposed budgets for fiscal 2010, mostly from enrollment caps, as shown in Table 8-B.

According to recent estimates by CMS's Office of the Actuary, projections over the next ten years for national health expenditures are at an average annual rate of about 6.2 percent from fiscal 2008 through fiscal 2018. Medicaid is expected to increase above the rate of growth for overall national health expenditures due to increased numbers of aged and disabled individuals, who are relatively more costly to serve, comprising a greater share of program participants. With Medicaid comprising 21 percent of state budgets, these long-term growth rates will continue to strain state budgets even after economic conditions improve over the next several years.

TABLE 8-A

## Proposed Changes for Children's Health Insurance Program for Fiscal 2010

<i>Region/State</i>	<i>Expansion</i>	<i>No Change</i>	<i>Restriction</i>
<b>NEW ENGLAND</b>			
Connecticut			x
Maine		x	
Massachusetts		x	
New Hampshire			x
Rhode Island	x		
Vermont		x	
<b>MID-ATLANTIC</b>			
Delaware		x	
Maryland		x	
New Jersey		x	
New York			x
Pennsylvania			x
<b>GREAT LAKES</b>			
Illinois		x	
Indiana*		x	
Michigan		x	
Ohio	x		
Wisconsin		x	
<b>PLAINS</b>			
Iowa		x	
Kansas		x	
Minnesota		x	
Missouri*	x		
Nebraska		x	
North Dakota	x		
South Dakota		x	
<b>SOUTHEAST</b>			
Alabama		x	
Arkansas	x		
Florida		x	
Georgia		x	
Kentucky	x		
Louisiana		x	
North Carolina			
South Carolina			x
Tennessee			x
Virginia		x	
West Virginia*			
<b>SOUTHWEST</b>			
Arizona*			
New Mexico	x		
Oklahoma			
Texas		x	
<b>ROCKY MOUNTAIN</b>			
Colorado		x	
Idaho*		x	
Montana	x		
Utah		x	
Wyoming			x
<b>FAR WEST</b>			
Alaska		x	
California		x	
Hawaii		x	
Nevada			x
Oregon*	x		
Washington			x
<b>Total</b>	<b>9</b>	<b>27</b>	<b>9</b>

NOTES: \*See Notes to Table 8-A.

SOURCE: National Association of State Budget Officers.

**TABLE 8-B**

**Proposed Eligibility Restrictions for Children’s Health Insurance Program for Fiscal 2010**

<i>Region and State</i>	<i>Eligibility Restrictions</i>	<i>Enrollment Cap</i>	<i>Premium Increase</i>
<b>NEW ENGLAND</b>			
Connecticut			x
New Hampshire			x
<b>MID-ATLANTIC</b>			
New York*			x
Pennsylvania	x		
<b>SOUTHEAST</b>			
Kentucky			
North Carolina			
South Carolina		x	
Tennessee		x	
<b>SOUTHWEST</b>			
Arizona*			
Oklahoma			
<b>ROCKY MOUNTAIN</b>			
Wyoming		x	
<b>FAR WEST</b>			
Nevada*		x	
Oregon*			
Washington	x		
<b>Total</b>	<b>2</b>	<b>4</b>	<b>3</b>

**NOTES:** \*See Notes to Table 8-B.

**SOURCE:** National Association of State Budget Officers.

**NOTES TO 8-A**

Arizona	FY 2010 Governor’s budget not yet released
Idaho	State is exploring options under CHIPRA to improve its efforts to reach eligible but unenrolled children that are estimated to be about 25,000 children.
Indiana	Budget does not yet incorporate federally legislated changes
Missouri	It does not increase eligibility, it removes premiums for families with incomes below 22 percent Federal Poverty Limit (FPL) and implements a standard premium of \$50 per month for families between 225 percent to 300 percent FPL.
Oregon	Healthy Kids Program
West Virginia	Due to the recent reauthorization of the CHIP Act at the federal level, the state program is reviewing options now available under the new legislation and will be finalizing proposed changes with the board in the coming months.

**NOTES TO TABLE 8-B**

Arizona	FY 2010 Governor’s budget not yet released
Nevada	Cap at 25,000
New York	Other measures including family contributions to CHIP are modified to bring New York rates more in line with those of other states. In addition, a cap on marketing costs has been placed on CHIP.
Oregon	Changes include reductions allow for the Plan Drug List (PDL) to be enforceable, adding MH Drugs to the enforceable PDL, reducing Cap Rate to Managed Care (MC) by 3 percent, delay Fee for Service (FFS) COLA, Reduce DRG from 80 percent to 72 percent, and eliminate provider services.

**TABLE 9-A**

**Recommended Fiscal 2010 Budget Proposals to Reduce the Number of Uninsured State Residents**

<i>Region/State</i>	<i>Total Number to be Covered</i>	<i>All Residents</i>	<i>Children</i>	<i>Parents</i>	<i>Young Adults</i>	<i>Childless Adults</i>	<i>Aged or Disabled</i>	<i>Low-Wage Workers</i>	<i>Small Business Employees</i>	<i>Immigrants</i>	<i>Other</i>
<b>NEW ENGLAND</b>											
Massachusetts	1% - 2%	x									
<b>MID-ATLANTIC</b>											
New Jersey*	32,730		x								
Pennsylvania	90,000			x	x	x		x	x		
<b>GREAT LAKES</b>											
Illinois*	Not Yet Known										x
Michigan*											
Wisconsin	33,200					x					
<b>PLAINS</b>											
Missouri*	62,409		x	x							
<b>SOUTHEAST</b>											
Arkansas	19,600		x	x							
Kentucky											
Louisiana	16,953		x								
North Carolina											
<b>SOUTHWEST</b>											
Arizona*											
Oklahoma											
<b>ROCKY MTN.</b>											
Montana	29,000		x								
<b>FAR WEST</b>											
California*											
Oregon*	16,217		x								

**NOTES:** \*See Notes to Table 9-A.

**SOURCE:** National Association of State Budget Officers.

**NOTES TO TABLE 9-A**

Arizona	FY 2010 Governor's budget not yet released
California	The Governor and Legislature are working on proposals to reduce the number of uninsured; however, these proposals are not contained in the 2009-10 state budget.
Illinois	Expansion of Veterans Care
Michigan	Under the Governor's proposal, 500 uninsured and 1,500 underinsured individuals would be covered.
Missouri	27,609 children and 34,800 parents would be covered under the Governor's proposal. The Governor and Legislature are working on a plan to utilize hospital provider taxes and disproportionate share payments in lieu of the state's general revenue fund to provide coverage to parents. The General Assembly did not approve the Governor's proposed coverage expansion to the children's program.
New Jersey	The proposal eliminates premiums for low-income children who are at 151 percent to 200 percent of the federal poverty level.
Oregon	Monthly average for 2010

**TABLE 9-B**

**Recommended Fiscal 2010 Revenue Sources to Fund the Proposal to Reduce the Number of Uninsured State Residents**  
**Revenue Sources for Proposal (in millions)**

Region/State	General Fund:			Federal Funds:			Other Sources:					Total
	Medicaid	CHIP	Other	Medicaid	CHIP	Other	Tobacco Tax	Provider Tax	Contribution from Participants	Contribution from Employers	Other	
<b>NEW ENGLAND</b>												
Massachusetts*	\$3,904.0	\$315.4	\$491.8	\$3,904.0	\$169.8	\$357.6	\$0.1	\$0.8	\$0.1	\$0.0	\$0.0	\$9,439.0
<b>MID-ATLANTIC</b>												
New Jersey		1.2			2.2							3.4
Pennsylvania				132.9					5.7		113.2	251.8
<b>GREAT LAKES</b>												
Illinois			Not yet known			Not yet known						Not yet known
Michigan*			6.6	11.4								18.0
Wisconsin				51.1				27.3				78.4
<b>PLAINS</b>												
Missouri	25.6	13.6		112.3	42.0			37.1			0.5	231.1
<b>SOUTHEAST</b>												
Arkansas	1.9	2.3		4.7	9.1	3.8	1.0					22.8
Kentucky												
Louisiana	3.5	1.8	0.1	7.9	6.5							19.8
North Carolina												
<b>SOUTHWEST</b>												
Oklahoma												
<b>ROCKY MTN.</b>												
Montana				15.0	18.0						15	48.0
<b>FAR WEST</b>												
Oregon		12.7			21.7							34.4

**NOTES:** \*See Notes to Table 9-B.

**SOURCE:** National Association of State Budget Officers.

**NOTES TO TABLE 9-B**

Massachusetts	Other Federal funds includes administrative revenue and contributions from participants includes premiums for Commonwealth Care and CommonHealth at MassHealth. Total spending reflects total funds included in the Governor's FY 2010 proposal filed on January 28, 2009. Total spending does not reflect incremental costs above the previous year.
Michigan	Under the Governor's proposal, target population includes disabled children meeting SSI eligibility criteria between 200 percent and 300 percent of federal poverty level.

**TABLE 9-C****Inclusion of Outreach and Eligibility Process Changes to Reduce Those Eligible but not Enrolled**

<i>Region/State</i>	<i>Yes</i>	<i>No</i>
<b>NEW ENGLAND</b>		
Massachusetts		x
<b>MID-ATLANTIC</b>		
New Jersey		x
Pennsylvania	x	
<b>GREAT LAKES</b>		
Illinois*		
Michigan	x	
Wisconsin		x
<b>PLAINS</b>		
Missouri	x	
<b>SOUTHEAST</b>		
Arkansas	x	
Kentucky		
Louisiana	x	
North Carolina		
<b>SOUTHWEST</b>		
Oklahoma		
<b>ROCKY MOUNTAIN</b>		
Montana	x	
<b>FAR WEST</b>		
Oregon*	x	

**NOTES:** \*See Notes to Table 9-C.**SOURCE:** National Association of State Budget Officers.**NOTES TO TABLE 9-C**

Illinois	Not yet known
Oregon	Health Kids Program



## State Revenue Developments

### CHAPTER TWO

#### Overview

State revenue growth in fiscal 2009 continued the decline that began in fiscal 2008. Although corporate income taxes were the only major source to show an actual decline in fiscal 2008, sales and personal income tax collections showed a slower rate of growth. In fiscal 2009, both sales and personal income tax collections, along with corporate income tax collections, showed negative growth. Total revenue collections shrank for many states during fiscal 2009. Current estimates for fiscal 2009 show that revenue collections exceed projections in two states and are on target in 10 states, while collections are below expectations in 38 states (see Table A-6). In comparison to fiscal 2008, revenue forecasts exceeded expectations in 25 states, were on target in 5 states and below expectations in 20 states.

Recommended net tax and fee changes would result in \$23.9 billion in additional revenue based on governors' recommended budgets. For fiscal 2010, twenty-nine states recommend net increases while five states recommend net decreases. Of this total, \$11.3 billion reflects tax and fee changes that were proposed by California.

States also recommended \$3.4 billion of other revenue measures for fiscal 2010 that enhance general fund revenue but that do not affect taxpayer liability. These measures may rely on enforcement of existing laws, additional audits and compliance efforts, and increasing fines for late filings.

**TABLE 10**

#### Enacted State Revenue Changes, Fiscal 1979 to Fiscal 2009; and Proposed State Revenue Actions, Fiscal 2010

<i>Fiscal Year</i>	<i>Revenue Change (Billions)</i>
2010	\$23.9
2009	1.5
2008	4.5
2007	-2.1
2006	2.4
2005	3.5
2004	9.6
2003	8.3
2002	0.3
2001	-5.8
2000	-5.2
1999	-7.0
1998	-4.6
1997	-4.1
1996	-3.8
1995	-2.6
1994	3.0
1993	3.0
1992	15.0
1991	10.3
1990	4.9
1989	0.8
1988	6.0
1987	0.6
1986	-1.1
1985	0.9
1984	10.1
1983	3.5
1982	3.8
1981	0.4
1980	-2.0
1979	-2.3

**SOURCES:** Advisory Commission on Intergovernmental Relations, Significant Features of Fiscal Federalism, 1985-86 edition, page 77, based on data from the Tax Foundation and the National Conference of State Legislatures. Fiscal 1988–2010 data provided by the National Association of State Budget Officers.

TABLE 11

**Proposed Fiscal 2010 Revenue Actions by Type of Revenue and Net Increase or Decrease\*\* (Millions)**

State	Sales	Personal Income	Corporate Income	Cigarettes/ Tobacco	Motor Fuels	Alcohol	Other Taxes	Fees	Total
Alabama									\$ 0.0
Alaska					-8.0			-3.2	-11.2
Arizona									0.0
Arkansas	-44.3			86.2					41.9
California	4,776.0	4,744.0	4.0			38.0		1,692.0	11,254.0
Colorado							-2.9	200.0	197.1
Connecticut								137.2	137.2
Delaware		30.0		16.0		3.5	111.4	3.5	164.4
Florida								151.3	151.3
Georgia								23.0	23.0
Hawaii									0.0
Idaho					17.6		6.0	16.0	39.6
Illinois	94.0	2,920.0	470.0	365.0			593.0		4,442.0
Indiana									0.0
Iowa			28.0						28.0
Kansas		4.4					19.0		23.4
Kentucky	52.0			107.0					159.0
Louisiana							-8.0		-8.0
Maine		10.0	2.6	1.5			3.8	1.6	19.5
Maryland							4.5		4.5
Massachusetts	149.2								149.2
Michigan	50.6	61.1		48.2		24.1	10.0		194.0
Minnesota	-33.6	-39.9	-82.1				-5.8	14.6	-146.8
Mississippi				79.8					79.8
Missouri									0.0
Montana*									0.0
Nebraska									0.0
Nevada									0.0
New				35.0			28.1		63.1
New Jersey		788.0	80.0	26.0	20.0	22.0	4.0		940.0
New Mexico									0.0
New York	1,463.4	250.0		26.7		78.0		2,192.7	4,010.8
North Carolina		-10.4	-12.0	342.9		157.5		27.4	505.4
North Dakota		-50.0							-50.0
Ohio									0.0
Oklahoma								29.7	0.0
Oregon			28.0	37.0	58.0		232.0	442.0	797.0
Pennsylvania				60.8			-77.8		-17.0
Rhode Island	2.7	-5.0	-14.5	27.5			-0.6	7.6	17.7
South Carolina		-102.0		102.0			1.0	4.6	5.6
South Dakota									0.0
Tennessee			25.0				139.3		164.3
Texas									0.0
Utah								73.8	73.8
Vermont								8.9	8.9
Virginia	2.0	58.5	10.0				0.3		70.8
Washington									0.0
West Virginia									0.0
Wisconsin		175.6		127.4			15.2		318.2
Wyoming									0.0
<b>Total</b>	<b>\$6,512.0</b>	<b>\$8,834.3</b>	<b>\$539.0</b>	<b>\$1,489.0</b>	<b>\$87.6</b>	<b>\$323.1</b>	<b>\$1,072.5</b>	<b>\$5,022.7</b>	<b>\$23,850.5</b>

NOTE: \*\*See Table A-8 for details on specific revenue changes.

SOURCE: National Association of State Budget Officers.

## Collections in Fiscal 2009

Collections of sales, personal income, and corporate income taxes during fiscal 2009 are currently estimated to be 6.1 percent lower than actual fiscal 2008 collections. Specifically, sales tax collections are 3.2 percent lower and personal income tax collections are 6.6 percent lower than collections in fiscal 2008. Corporate income tax collections are estimated to be 15.2 percent lower relative to actual fiscal 2008 collections. (See Table A-7b).

## Projected Collections in Fiscal 2010

Based on governors' recommended budgets, states are projecting a 1.7 percent growth in tax collections for fiscal 2010 relative to fiscal 2009 current year estimates. Compared to fiscal 2009 collections, recommended fiscal 2010 budgets reflect a 3.0 percent increase in sales tax revenue, 1.3 percent increase in personal income tax revenue, and a 1.7 percent decline in corporate income tax revenue. (See Table A-7b). However, many states have since reported that April tax collections were well below expectations.

## Recommended Fiscal 2010 Revenue Changes

In thirty-four states, governors are recommending net tax and fee changes of \$23.9 billion. Twenty-nine states recommend net tax and fee increases while five states recommend net tax and fee decreases. The largest change would occur in personal income taxes (\$8.8 billion). Of this \$8.8 billion, \$4.7 billion and \$2.9 billion are accounted for in changes recommended in California and Illinois, respectively. Other tax and fee increases proposed include increases of \$6.5 billion in sales taxes, \$5.0 billion in fees, \$1.5 billion in cigarette and tobacco taxes, \$1.1 billion

in other taxes, \$539 million in corporate income taxes, \$323 million in alcohol taxes, and \$87.6 million in motor fuels.

The Fiscal Survey of States distinguishes between tax and fee changes (detailed in Table 11 and Table A-8) and revenue measures (detailed in Table A-9). Tax and fee changes are revisions in current law that affect taxpayer liability and that in some instances reflect one-time actions such as sales tax holidays. Revenue measures refer to actions that do not affect taxpayer liability, such as the deferral of a tax increase or decrease or the extension of a tax credit that occurs each year. Also included in this category is greater enforcement of existing laws.

**Sales Taxes.** Eight states recommended sales tax increases while two recommended decreases in their fiscal 2010 governors recommended budgets. The result is a net revenue increase of \$6.5 billion. Much of this change is due to a proposed rate increase in California that would give the state \$4.8 billion.

**Personal Income Taxes.** Ten states recommended personal income tax increases while five recommend decreases for a net change of \$8.8 billion. More than half of this change is accounted for in rate increases and credit reduction proposals from California and Illinois that would increase collections by \$4.7 and \$2.9 billion, respectively.

**Corporate Income Taxes.** Eight states recommended corporate income tax increases while three recommended decreases in their fiscal 2010 governors' recommended budgets for a net change of \$539 million. A rate increase proposed in Illinois accounts for \$470 million of this change.

**Cigarette and Tobacco Taxes.** Sixteen states recommended cigarette income tax increases for a net change of \$1.5 billion. An increase in the tax rate of \$1 per pack in Illinois proposes to raise \$365 million, while a rate increase in North Carolina proposes to raise over \$340 million.

**Motor Fuel Taxes.** Three states recommended motor fuel tax increases while one state proposed a decrease for a net change of \$87.6 million. A rate increase in Oregon proposed to raise \$58 million.

**Alcohol Taxes.** Six states recommended alcohol tax increases in their fiscal 2010 governors' recommended budgets for a net change of

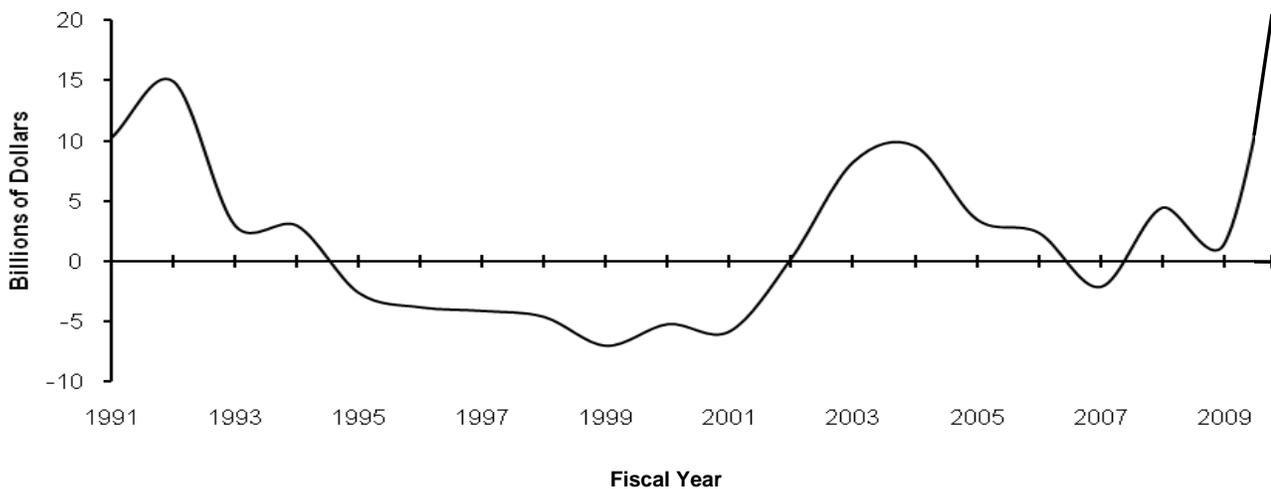
\$323.1 million. Increased tax rates are proposed to raise \$158 million in North Carolina.

**Other Taxes.** Fourteen states recommended other tax increases while five states proposed decreases in their fiscal 2010 governors' recommended budgets for a net change of \$1.1 billion. Various measures in Illinois are proposed to raise \$593 million.

**Fees.** Seventeen states recommend fee increases while one state proposed a decrease in their fiscal 2010 governors' recommended budgets for a net change of \$5.0 billion. Over 40 proposed fee changes in New York are expected to raise nearly \$2.2 billion.

**FIGURE 2**

**Enacted State Revenue Changes, Fiscal 1991 to Fiscal 2009, and Proposed State Revenue Change, Fiscal 2010**



**SOURCE:** National Association of State Budget Officers.

## Total Balances

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### CHAPTER THREE

Following declines in revenue collections during previous economic downturns, states began to set aside additional funds in “rainy day” accounts to help stabilize budgets from any decline in tax collections. The effort to maintain adequate balances helps mitigate the disruption to state services during an economic downturn. Even while maintaining adequate balances, states have been forced to cut midyear budgets during both of the last two economic downturns.

Though budget experts’ views vary, the informal rule-of-thumb has previously been to build-up budget reserve balances to a level that equals at least five percent of total expenditures to provide a relatively adequate fiscal cushion. Due to strong revenue growth experienced by nearly all states during the middle part of the decade, most states were able to meet or exceed a balance level of five percent. Total balances include both ending balances and the amounts in states’ budget stabilization funds; they reflect the funds that states may use to respond to unforeseen circumstances after budget obligations have been met. State officials often try and avoid drawing down balance levels at the beginning of a downturn.

Prior to the start of both this most recent recession and the recession in the early part of this decade, states had built up fairly significant balance levels. In fiscal 2000, balances reached 10.4 percent of expenditures while balance levels reached 11.5 percent of expenditures in fiscal 2006. However, by 2003 balance levels had fallen to 3.2 percent of expenditures. Similarly the reduction in state balance levels began in fiscal 2008, when balance levels fell to 9.1 percent of expenditures, while fiscal 2009 balance levels are estimated to

have declined further to 5.5 percent of expenditures. (See Table 12 and Tables A-1, A-2, A-3, and A-10.)

While total state balance levels are declining, they remain nearly equivalent to the historical average of 5.8 percent of expenditures. States are often hesitant to make substantial draw downs from their rainy day funds early in the downturn. Even though the national recession is currently forecast to end during the second half of 2009, state fiscal conditions often do not recover until well after the national economy has begun expanding.

Although total balance levels representing 5.5 percent of general fund expenditures may seem like a significant cushion, when examining balance levels for fiscal 2009 a bit further, a starker picture emerges. For fiscal 2009, total balance levels were \$36.7 billion. However, balance levels for Texas and Alaska, at \$8.7 billion and \$5.4 billion respectively combine to represent 38 percent of total funds. If you remove these two states from total balance levels, then fiscal 2009 balance levels represent only 3.6 percent of expenditures, nearly equal to the low seen in the previous downturn, which occurred two years following the end of the previous recession.

Additionally, the view of falling balance levels is reinforced by Table 13 which shows that in fiscal 2008, 20 states had balance levels above 10 percent, 16 states had balance levels above five percent but below 10 percent, 12 states had balance levels below five percent but above one percent, while two states had balance levels below one percent. In fiscal 2009, these totals are estimated to have declined to 11 states having balance levels above 10 percent, 15 states having balance levels above five percent but below 10 percent, 16 states having balance levels above one percent, but below five percent, and eight states with balance levels below one percent.

According to governor’s recommended budgets for fiscal 2010, these totals will decline further with 11 states recommending balance levels above 10 percent, 12 states recommending balance levels above five percent but below 10 percent, 19 states recommending balance levels above one percent but below five percent, and eight states recommending balance levels below one percent.

Forty-eight states have budget stabilization funds, which may be budget reserve funds, revenue-shortfall accounts, or cash-flow accounts. About three-fifths of the states have limits on the size of their budget reserve funds, ranging from 3 percent to 10 percent of appropriations. Ordinarily, funds above those limits remain in a state’s ending balances.

**TABLE 12**

**Total Year-End Balances, Fiscal 1979 to Fiscal 2010**

<i>Fiscal Year</i>	<i>Total Balance (Billions)</i>	<i>Total Balance (Percentage of Expenditures)</i>
2010*	\$ 34.7	5.3%
2009*	36.7	5.5
2008	62.3	9.1
2007	65.9	10.1
2006	69.0	11.5
2005	48.0	8.7
2004	26.7	5.1
2003	16.4	3.2
2002	18.3	3.7
2001	44.1	9.1
2000	48.8	10.4
1999	39.3	8.4
1998	35.4	9.2
1997	30.7	7.9
1996	25.1	6.8
1995	20.6	5.8
1994	16.9	5.1
1993	13.0	4.2
1992	5.3	1.8
1991	3.1	1.1
1990	9.4	3.4
1989	12.5	4.8
1988	9.8	4.2
1987	6.7	3.1
1986	7.2	3.5
1985	9.7	5.2
1984	6.4	3.8
1983	2.3	1.5
1982	4.5	2.9
1981	6.5	4.4
1980	11.8	9.0
1979	11.2	8.7
<b>Average</b>	<b>–</b>	<b>5.8%</b>

**TABLE 13**

**Total Year-End Balances as a Percentage of Expenditures, Fiscal 2008 to Fiscal 2010**

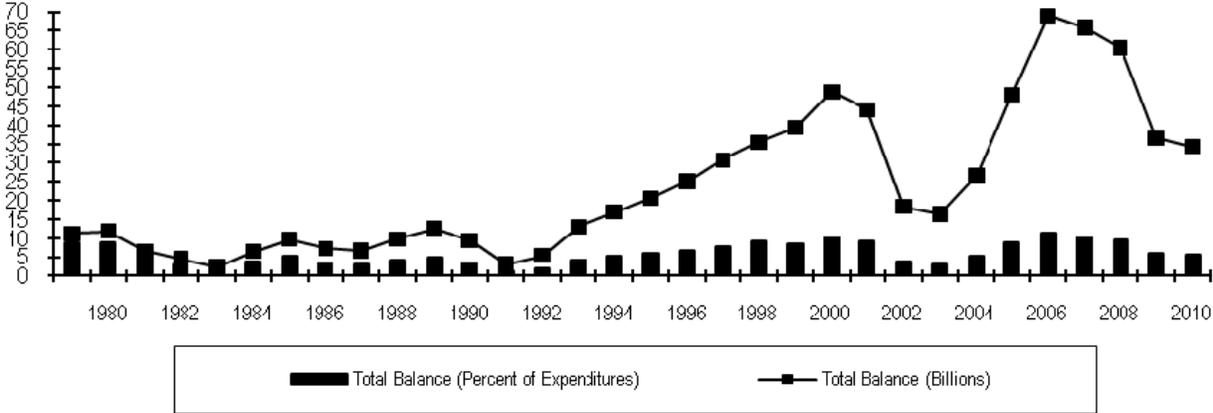
<i>Percentage</i>	<i>Number of States</i>		
	<i>Fiscal 2008 (Actual)</i>	<i>Fiscal 2009 (Estimated)</i>	<i>Fiscal 2010 (Recommended)</i>
Less than 1.0%	2	8	8
1.0% to 4.9%	12	16	19
5.0% to 9.9%	16	15	12
10% or more	20	11	11

**NOTE:** The average for fiscal 2008 (actual) was 9.1 percent; the average for fiscal 2009 (estimated) is 5.5 percent; and the average for fiscal 2010 (recommended) is 5.3 percent.

**SOURCE:** National Association of State Budget Officers.

**FIGURE 3**

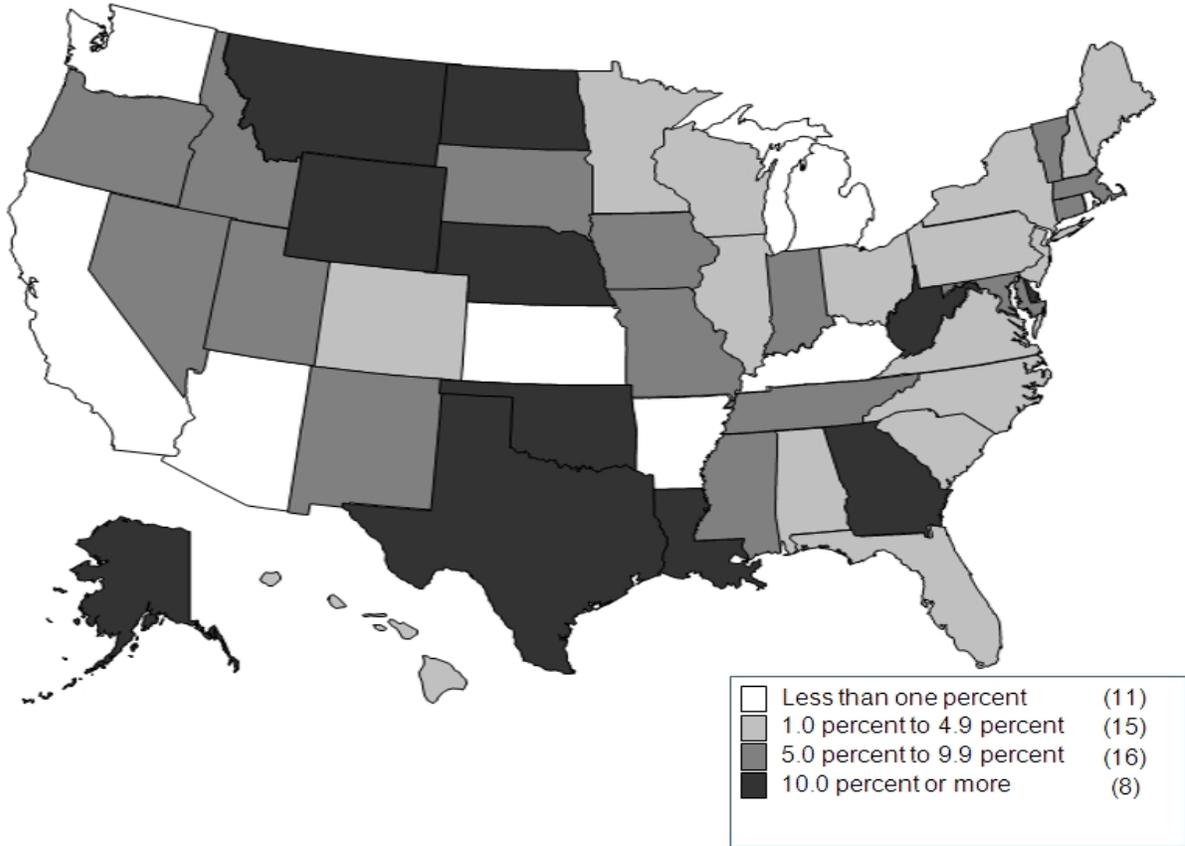
**Total Year-End Balances and Total Year-End Balances as a Percentage of Expenditures, Fiscal 1979 to Fiscal 2010**



**SOURCE:** National Association of State Budget Officers.

**FIGURE 4**

**Total Year-End Balances as a Percentage of Expenditures, Fiscal 2009**



**SOURCE:** National Association of State Budget Officers.

# Appendix



TABLE A-1

## Fiscal 2008 State General Fund, Actual (Millions)

Region/State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Budget Stabilization Fund
<b>NEW ENGLAND</b>								
Connecticut	\$0	\$16,419	\$0	\$16,419	\$16,319	\$0	\$99	\$1,382
Maine*	36	3,041	54	3,131	3,129	0	1	116
Massachusetts* **	2,901	26,732	0	29,633	27,227	0	2,406	2,119
New Hampshire	62	1,484	0	1,546	1,528	0	17	89
Rhode Island*	4	3,429	-26	3,407	3,405	0	2	59
Vermont*	0	1,200	31	1,230	1,200	30	0	58
<b>MID-ATLANTIC</b>								
Delaware**	591	3,357	0	3,948	3,422	0	526	183
Maryland*	285	13,546	1,096	14,926	14,439	0	487	685
New Jersey* **	2,586	32,738	0	35,324	33,112	908	1,304	735
New York* **	3,045	53,096	0	56,141	53,387	0	2,754	1,206
Pennsylvania*	531	26,878	142	27,551	26,968	0	583	742
<b>GREAT LAKES</b>								
Illinois*	642	27,759	1,900	30,301	27,153	3,007	141	276
Indiana*	941	13,051	152	14,144	12,730	364	1,050	363
Michigan*	259	8,168	1,916	10,343	9,885	0	458	2
Ohio	1,433	26,659	0	28,092	26,410	0	1,682	1,012
Wisconsin*	66	13,043	568	13,678	13,526	21	131	0
<b>PLAINS</b>								
Iowa*	0	6,084	0	6,084	5,888	148	48	592
Kansas*	935	5,693	0	6,628	6,102	0	527	0
Minnesota* **	2,245	16,680	0	18,925	17,005	0	1,920	1,222
Missouri*	753	8,004	153	8,910	8,074	0	836	279
Nebraska*	591	3,501	-260	3,832	3,248	0	584	546
North Dakota	296	1,361	0	1,657	1,204	0	453	200
South Dakota*	0	1,144	32	1,177	1,176	0	0	107
<b>SOUTHEAST</b>								
Alabama*	515	7,758	476	8,748	8,612	-83	219	248
Arkansas	0	4,353	0	4,353	4,353	0	0	0
Florida	3,434	24,595	0	28,028	27,708	0	321	1,345
Georgia* **	2,786	18,728	141	21,655	19,438	0	2,217	1,025
Kentucky*	579	8,779	457	9,815	9,450	280	85	215
Louisiana*	1,015	10,181	130	11,327	9,633	828	866	776
Mississippi*	226	4,933	0	5,159	5,083	0	76	364
North Carolina*	1,221	19,824	145	21,190	20,521	70	599	787
South Carolina* **	1,081	6,392	0	7,473	7,149	0	324	95
Tennessee*	1,006	10,756	210	11,972	10,973	652	348	750
Virginia	326	17,250	0	17,576	17,263	0	313	1,015
West Virginia*	432	3,928	0	4,361	3,757	53	550	581
<b>SOUTHWEST</b>								
Arizona	390	8,740	859	10,038	10,037		1	150
New Mexico* **	651	6,114	93	6,858	6,008	115	735	735
Oklahoma	196	6,575	-35	6,737	6,447	0	290	597
Texas*	8,791	39,079	2,591	50,460	42,585	1,060	6,815	4,355
<b>ROCKY MOUNTAIN</b>								
Colorado* **	267	7,743	-243	7,767	7,440	0	327	284
Idaho*	255	2,910	-131	3,033	2,794	0	240	141
Montana	549	1,954	0	2,503	2,069	-2	436	0
Utah*	242	5,213	489	5,943	5,943	0	0	414
Wyoming	5	1,818	0	1,823	1,813	0	10	296
<b>FAR WEST</b>								
Alaska*	0	6,605	3,119	9,723	5,463	3,578	683	8,063
California**	2,787	102,574	0	105,361	102,986	0	2,376	0
Hawaii	493	5,245	0	5,738	5,407	0	331	74
Nevada	138	3,614	0	3,752	3,436	0	316	73
Oregon*	1,437	5,866	-319	6,984	7,223	0	-239	330
Washington*	781	14,614	11	15,405	14,616	0	789	303
<b>Total</b>	<b>\$47,803</b>	<b>\$669,255</b>	<b>-</b>	<b>\$730,808</b>	<b>\$684,742</b>	<b>-</b>	<b>\$35,036</b>	<b>\$34,985</b>

NOTES: NA indicates data are not available. \*See Notes to Table A-1. \*\*In these states, the ending balance includes the balance in the budget stabilization fund.

SOURCE: National Association of State Budget Officers.

## NOTES TO TABLE A-1

**For all states, unless otherwise noted, transfers into budget stabilization funds are counted as expenditures, and transfers from budget stabilization funds are counted as revenues.**

Alabama	Revenue adjustments include release of prior year Debt Service Reserve, Public School and College Authority repayment for Enterprise School, and ETF Fund Receipts. Expenditure adjustments are reversions.
Alaska	Revenue Adjustments include: \$2,849.0 million in forecast adjustments, \$250.0 million in Oil and Gas Tax Credits and \$19.9 million in re-appropriations and carry forward. Expenditure adjustments include fund increases/decreases and additional savings/investments: \$4,000.0 million in additional Budget Reserve Savings Deposit, -\$611.8 million in Public Education Fund, \$10.0 million in the Alaska Marine Highway Stabilization Fund and \$180.0 million in the Community Revenue Sharing Fund.
Colorado	Revenue adjustments include general fund (GF) diversion (which are not counted as expenditures) to fund the State's transportation needs, as well as transfers to the State Veterans Trust Fund and the Older Coloradans Cash Fund. The difference between the rainy day fund balance and the ending GF balance is allocated to capital construction and transportation purposes in the following fiscal year.
Georgia	Adjustment for FY 2007 is agency surplus returned to Treasury as reported by State Accounting Office.
Idaho	Revenue adjustments include the following transfers: \$21.8 million for deficiency warrants; \$5.3 million to the Disaster Emergency Fund; \$19 million to the Budget Stabilization Fund; \$351,500 to the Public School Permanent Endowment Fund; \$1.5 million to the Dept. of Environmental Quality; \$1.3 million to Dept. of Water Resources; \$60 million to the Economic Recovery Reserve Fund; \$10 million to the Opportunity Scholarship Fund; and \$34,500 in miscellaneous adjustments.
Illinois	Revenue adjustments include \$1,900 million in transfers to General Funds. Expenditure adjustments include \$2,735.0 million in transfers out, \$467.0 million for Pension Obligation Bond Debt Service, \$3 million in interest payments on general obligation bond short-term borrowing and a \$198 million increase in the end of year accounts payable.
Indiana	Revenue Adjustments: Property Tax Reform (HEA 1001-2008) Revenues Expenditure Adjustments: Local Option Income Tax Distributions, Reversal of Payment Delays, PTRF Adjust for Abstracts, Property Tax Reform (HEA 1001-2008) Appropriations
Iowa	Expenditure Adjustments include \$99.8 million appropriated from the ending balance of the general fund to the Property Tax Credit fund to pay for property tax credits in FY08. \$48.3 million of the ending balance was credited to the Senior Living Trust Fund.
Kansas	Kansas does not have a "Rainy Day" fund. However, the balanced budget provision of the constitution requires revenues to finance the approved budget.
Kentucky	Revenue: includes \$115 million in Tobacco Settlement funds. Adjustments (Revenue): includes fund transfers (\$168 million), and Reserve for Continuing Appropriations (\$289 million). Adjustments (Expenditures): includes funds reserved for Continued Appropriations.
Louisiana	Revenues-Act 208 of 2007 transfers \$3 million from Incentive Fund and \$9.9 million from Higher Education Initiatives Fund; FY 2006-2007 carry-forward of mid-year budget adjustments into FY 2007-2008 of \$114.7 million; Carry-forward of Interim Emergency Board (IEB) prior years appropriations \$1.5 million; "Re-Appropriation" of capital outlay per Act 28 of 2007 from various prior years \$1.2 million. Expenses-FY 2007-2008 IEB carry-forward balances \$3.3 million; FY 2007-2008 carry-forward of mid-year budget adjustments \$91.2 million; Capital Outlay carry-forward \$733.7 million.
Maine	Revenue & Expenditure adjustments reflect Legislatively authorized transfers.
Maryland	Revenue adjustments reflect a \$14.0 million reimbursement from the reserve for Heritage Tax Credits, \$6 million reimbursement from the reserve for Biotechnology Tax Credits, and transfers of \$1,078 million from the State Reserve Fund.
Massachusetts	Includes balances in all budgeted funds included in the state's definition of fiscal balance.
Michigan	FY 2008 revenue adjustments include the impact of federal and state law changes (\$1,192.1 million); revenue sharing law changes (\$589.3 million); sale of properties (\$23.0 million); and other revenue adjustments (\$111.6 million)
Minnesota	Ending balance includes budget reserve of \$654.9 million, cash flow account of \$350 million and appropriations carried forward of \$217.2 million.
Mississippi	\$35.8 million of the Ending Balance is transferred to the Rainy Day Fund, \$750,000 provides aid to municipalities, and the remainder becomes the FY 2009 Beginning Balance.
Missouri	Revenue adjustments include transfers from other funds into the general revenue fund.
Nebraska	Revenue adjustments are transfers between the General Fund and other funds. Per Nebraska law, includes a transfer of \$191.4 million to the Cash Reserve Fund (Rainy Day Fund) of the amount the prior year's net General Fund receipts exceeded the official forecast. The Revenue adjustment also includes a \$105 million transfer from the General Fund to the Property Tax Credit Cash Fund.

**NOTES TO TABLE A-1 (continued)**


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New Jersey	Expenditure adjustments consist of Budget vs. GAAP adjustments and transfers to other funds.
New Mexico	All adjustments are transfers between reserve accounts, except for \$22.4 million transferred out from Tobacco Settlement Permanent Fund, a reserve account to the Tobacco Settlement Program Fund, a non-reserve account.
New York	The ending balance includes \$1.2 billion in rainy day reserve funds, \$1.1 billion reserved for labor settlements and other risks, \$340 million in a community projects fund, \$122 million reserved for debt reduction and \$21 million in a reserve for litigation risks.
North Carolina	Repair and Renovation accounts for both revenue and expenditure adjustments.
Oregon	Oregon budgets on a biennial basis. The constitution requires the state to be balanced at the end of each biennium. Revenues are after \$1.1 billion "kicker" refunds were returned to taxpayers. Revenue adjustment is the transfer of revenues to the new Rainy Day Fund.
Pennsylvania	Revenue adjustments include \$142.1 million in prior year lapses.
Rhode Island	Opening balance includes a free surplus of \$0 and re-appropriations of \$3.6 million from the prior year. Adjustments to revenues represent (net) transfers to the Budget Stabilization (Rainy Day) Fund, including a transfer-in of \$68.6 million and a requested, but not yet approved, appropriation of \$43.0 million out of the fund to accommodate the FY 2008 closing shortfall.
South Carolina	Spending data reflects figures from the Governor's Recommended Budget.
South Dakota	Adjustments in Revenues: \$6.5 million is from one-time receipts, \$25.7 million was transferred from the Property Tax Reduction fund to cover the budget shortfall and \$0.2 million is obligated cash carried forward from FY 2007. Adjustments in Expenditures: \$0.2 million was transferred to the Budget Reserve Fund from the prior year's obligated cash and \$0.2 was obligated cash to the budget reserve fund.
Tennessee	\$106.0 million transfer from debt service fund unexpended appropriations. \$284.2 million transfer from statutory and other reserves. -\$207.1 million transfer to Rainy Day Fund. 26.5 million transfer from other dedicated revenue reserves. \$293.0 million transfer to capital outlay projects fund. \$15.1 million transfer to Highway Fund. \$343.9 million transfer to reserves for dedicated revenue appropriations.
Texas	The information is from Comptroller's 2008-09 Certification Revenue Estimate, adjusted for calculations based on updated information from the 2010-11 Biennial Revenue Estimate. The revenue adjustment is a transfer to the Rainy Day Fund.
Utah	-\$4,400 transfer to Economic Incentive Fund. \$1,727 in lapsing balances. -\$332 other. \$100,468 transfer to rainy day fund. \$1,513 IAF Reserve from prior fiscal year. \$787,257 reserve from prior fiscal year. -\$196,815 reserve for following fiscal year.
Vermont	Revenue adjustments include \$16.6 million in direct applications and transfers, \$3.2 million from an increase in property transfer tax revenue estimate, and \$10.9 million from the General Fund Surplus Reserve. Expenditure Adjustments include -\$4.7 million from the Education Fund, \$3.5 million to the Catamount Fund, \$8.0 to miscellaneous other funds, \$2.6 million to the Budget Stabilization Reserve, and \$19.9 million to the General Fund Surplus Reserve.
Washington	\$11 million in adjustments is the net of transfers into the General Fund, transfers out to the Budget Stabilization Account, and other small adjustments.
West Virginia	Fiscal Year 2008 beginning balance includes \$287.1 million in re-appropriations, un-appropriated surplus balance of \$106.8 million, and FY 2007 13th month expenditures of \$38.2 million. Expenditures include regular, surplus and re-appropriated and \$38.2 million of 31 day prior year expenditures. Revenue adjustment are from prior year redeposit. Expenditure adjustment represents the amount transferred to the Rainy Day Fund.
Wisconsin	Revenue adjustments include Transfers In General Fund, \$242.9 million, Other Revenue, \$307.5 million, Tribal Gaming, \$18 million. Expenditure Adjustments Include Designation for Continuing Balances, \$27.4 million and Unreserved Designated Balance, -\$6.8 million.

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TABLE A-2

## Fiscal 2009 State General Fund, Estimated (Millions)

Region/State	Beginning Balance	Revenues	Adjustments	Resources	Expenditures	Adjustments	Ending Balance	Budget Stabilization Fund
<b>NEW ENGLAND</b>								
Connecticut	\$0	\$15,833	\$0	\$16,230	\$16,889	\$0	-\$667	\$1,100
Maine*	1	2,962	127	3,090	3,062	28	0	75
Massachusetts* **	2,406	26,823	0	29,229	27,763	0	1,466	1,341
New Hampshire*	17	1,497	0	1,514	1,552	-38	0	51
Rhode Island*	2	3,141	-69	3,074	3,064	0	10	107
Vermont*	0	1,104	58	1,162	1,146	16	0	60
<b>MID-ATLANTIC</b>								
Delaware**	526	3,163	0	3,689	3,310	0	378	186
Maryland*	487	13,248	1,021	14,756	14,315	0	441	692
New Jersey* **	1,304	29,538	373	31,215	30,515	0	699	0
New York* **	2,754	54,136	0	56,890	55,376	0	1,514	1,206
Pennsylvania*	583	25,533	519	26,635	26,627	0	8	507
<b>GREAT LAKES</b>								
Illinois*	141	27,654	1,870	29,665	29,203	321	141	276
Indiana*	1,050	13,624	0	14,674	13,769	0	905	370
Michigan*	458	7,224	1,042	8,724	8,724	0	0	2
Ohio**	1,682	26,956	0	28,638	28,251	0	387	949
Wisconsin*	131	12,526	713	13,370	14,034	-881	216	0
<b>PLAINS</b>								
Iowa*	0	5,970	18	5,988	6,037	-79	30	564
Kansas*	527	5,880	0	6,407	6,349	0	58	0
Minnesota* **	1,920	15,552	0	17,472	16,904	0	569	350
Missouri*	836	7,687	154	8,677	8,476	0	201	281
Nebraska*	584	3,546	-182	3,948	3,416	243	289	564
North Dakota*	453	1,321	0	1,774	1,271	111	392	311
South Dakota*	0	1,141	13	1,154	1,154	0	0	107
<b>SOUTHEAST</b>								
Alabama*	219	7,059	557	7,834	7,887	-101	49	188
Arkansas	0	4,411	0	4,411	4,411	0	0	0
Florida*	321	24,198	1,223	25,742	24,898	0	844	281
Georgia* **	2,217	17,455	387	20,059	17,842	0	2,217	825
Kentucky*	86	8,600	641	9,327	9,215	72	40	7
Louisiana*	866	9,362	113	10,341	9,386	89	866	776
Mississippi*	33	4,809	-96	4,745	5,150	-404	0	375
North Carolina*	599	18,628	1,000	20,227	20,227	0	0	537
South Carolina**	324	5,783	0	6,107	5,960	0	147	108
Tennessee*	348	10,114	526	10,988	10,897	90	0	685
Virginia	313	16,162	0	16,475	16,292	0	183	572
West Virginia*	550	3,903	0	4,453	4,414	18	22	435
<b>SOUTHWEST</b>								
Arizona	1	7,392	1,273	9,166	9,606	0	-441	2
New Mexico* **	735	5,866	108	6,709	5,988	153	568	568
Oklahoma*	290	6,563	56	6,909	6,556	0	353	597
Texas*	6,815	38,817	-28	45,604	42,411	1,235	1,959	6,739
<b>ROCKY MOUNTAIN</b>								
Colorado* **	284	7,329	19	7,631	7,339	0	148	291
Idaho*	240	2,560	1	2,801	2,743	0	58	141
Montana*	436	1,840	0	2,276	1,935	0	341	0
Utah* **	0	4,700	514	5,214	5,214	0	0	395
Wyoming	10	1,825	0	1,835	1,830	0	5	279
<b>FAR WEST</b>								
Alaska*	0	7,523	-1,987	5,536	4,977	1,922	-1,363	6,759
California**	2,376	89,373	0	91,748	94,089	0	-2,341	0
Hawaii	331	5,018	0	5,349	5,218	0	131	6
Nevada	316	3,538	0	3,854	3,667	0	187	1
Oregon	-239	6,199	0	5,960	5,959	0	1	340
Washington*	789	13,277	96	14,163	14,642	0	-480	431
<b>Total</b>	<b>\$34,120</b>	<b>\$638,364</b>	<b>-</b>	<b>\$683,438</b>	<b>\$669,960</b>	<b>-</b>	<b>\$10,532</b>	<b>\$30,437</b>

NOTES: NA indicates data are not available. \*See Notes to Table A-2. \*\*In these states, the ending balance includes the balance in the budget stabilization fund.

SOURCE: National Association of State Budget Officers.

**NOTES TO TABLE A-2**

**For all states, unless otherwise noted, transfers into budget stabilization funds are counted as expenditures, and transfers from budget stabilization funds are counted as revenues.**

Alabama	Revenue adjustments include one-time revenue, tobacco funds transfer, transfer from the ETF Proration Prevention Account and the ETF Rainy Day Account. Adjustments of expenditure is anticipated reduction from proration.
Alaska	Revenue adjustments include: -\$2001.1 million Forecast adjustments and \$14.0 million re-appropriations and carry forward. Expenditures include: \$200.0 million for Oil and Gas Tax Credits and -\$18.6 million proposed supplemental reductions. Expenditure adjustments include: \$746.4 million Resource Rebate, \$1,000.0 million additional Budget Reserve Savings Deposit and \$175.3 million Public Education Fund.
Colorado	Revenue adjustments include anticipated transfers into the GF (one time) from excess fund balance in the capital construction fund, based on recent de-appropriation of many capital construction projects. Existing GF transfers to the State Veterans Trust Fund and Older Coloradans Cash Fund remain.
Florida	Receipt of federal funds provided by American Recovery and Reinvestment Act of 2009.
Georgia	Appropriation from the Mid-Year Adjustment Reserve of \$187.3 million and \$200 million from Revenue Shortfall Reserve.
Idaho	Revenue adjustments include the following transfers: \$569,800 for deficiency warrants; \$20 million to the Water Resources Aquifer Study; \$1 million to the Health and Welfare Community Health Center Grant; \$10 million to Opportunity Scholarship Fund; \$1.8 million to the Dept. of Water Resources Board Revolving Development Fund; \$12 million transfer in from the Water Resources Aquifer Study; and \$5 million transfer in from Capitol Commission.
Illinois	Revenue adjustments include \$1,870 million in transfers to General Funds. Expenditure adjustments include \$2,744.0 million in transfers out and \$298.0 million for Pension Obligation Bond Debt Service; net "failure of revenue" borrowing proceeds of \$2,223 and a \$498 million increase in accounts payable.
Indiana	The full impact of Property Tax Reform (HEA 1001-2008) revenues and expenditures have been incorporated into the FY 2009 and FY 2010 figures, as the State of Indiana recently assumed more than \$1 billion of expenses from the local level.
Iowa	FY 2009 Estimate is based upon Governor Culver's revised budget issued April 3, 2009. Revenues are based upon the Revenue Estimating Conference revised estimates as of March 20, 2009. Revenue Adjustments include transfers from other funds to the General Fund. Expenditure Adjustments include additional recommended de-appropriations in Education and Human Services areas that will be replaced with ARRA funding. \$30.0 million of the ending balance is credited to the Senior Living Trust Fund. Governor Culver recommended and the Legislature passed \$56 million from the Reserves be used for disaster recovery from the 2008 floods.
Kansas	Kansas does not have a "Rainy Day" fund. However, the balanced budget provision of the constitution requires revenues to finance the approved budget.
Kentucky	Revenue: includes \$118 million in Tobacco Settlement funds. Adjustments (Revenue): includes Fund transfers (\$361 million), and Reserve for Continuing Appropriations (\$280 million). Adjustments (Expenditures): includes funds reserved for Continued Appropriations.
Louisiana	Revenues: FY 2007-2008 carry-forward of mid-year budget adjustments into FY 2008-2009 of \$88.9 million; Fiscal Year 2008-2009 Transfers Statutory Dedications to the State General Fund as part of the Deficit Reduction Plan approved by the Joint Legislative Committee on the Budget on January 9, 2009 for \$24.4 million. Expenses: FY 2007-2008 carry-forward of mid-year budget adjustments into FY 2008-2009 of \$88.9 million.
Maine	Revenue and expenditure adjustments reflect legislatively authorized transfers.
Maryland	Revenue adjustments reflect a \$21.2 million reimbursement from the reserve for Heritage Tax Credits, \$6 million reimbursement from the reserve for Biotechnology Tax Credits, transfer of \$170 million from the State Reserve Fund, transfer of \$380.2 million from Accounting Reserves, and transfers of \$264.4 million from other special funds.
Massachusetts	Includes balances in all budgeted funds included in the state's definition of fiscal balance.
Michigan	FY 2009 revenue adjustments include the impact of federal and state law changes (\$210.9 million); revenue sharing law changes (\$538.3 million); deposits from state restricted revenues (\$51.3 million); and pending revenue options (\$241.1 million).
Minnesota	Ending balance includes cash flow account of \$350 million.
Mississippi	Adjustments columns represent budget cuts and adjustments to appropriations.
Missouri	Revenue adjustments include transfers from other funds into the general revenue fund.
Montana	Estimate status of spending as of 3/26/2009 – not final expenditure estimate.
Nebraska	Revenue adjustments are transfers between the General Fund and other funds. Per Nebraska law, includes a transfer of \$117 million to the Cash Reserve Fund (Rainy Day Fund) of the amount the prior year's net General Fund receipts exceeded the official forecast. The Revenue adjustment also includes a \$115 million transfer from the General Fund to the Property Tax Credit Cash Fund. Expenditure adjustments are re-appropriations (\$243.2 million) of the unexpended balance of appropriations from the first fiscal year of the biennium. The revenue forecasts for FY 2009 and FY 2010 have been revised since the amounts shown were included in the Governor's budget recommendations. Official revenue estimates have decreased by \$152 million for FY 2009 and by \$220 million for FY 2010. Included in these estimates are projections that the federal American Recovery and Reinvestment Act of 2009 will reduce state General Fund tax receipts by \$3.3 million for FY 2009 and by \$44.1 million for FY 2010.

**NOTES TO TABLE A-2 (continued)**


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New Hampshire	\$37.8 million transfer from the rainy day fund
New Jersey	Revenue adjustments consist of transfers from other funds.
New Mexico	All adjustments are transfers between reserve accounts, except for \$44.9 million transferred out from Tobacco Settlement Permanent Fund, a reserve account to the Tobacco Settlement Program Fund, a non-reserve account.
New York	The ending balance includes \$1.2 billion in rainy day reserve funds, \$145 million reserved for labor settlements and other risks, \$142 million in a community projects fund, and \$21 million in a reserve for litigation risks.
North Carolina	Revenue adjustment includes \$751.1 million of Federal Recovery Funds and \$249.1 million of transfers of cash balances of Special Revenue, Trust, Internal Service, and Enterprise Funds.
North Dakota	Adjustments to expenditures include a \$111 million transfer from the general fund to the budget stabilization fund.
Oklahoma	Only includes money that was appropriated in FY 2009. Since cash appropriations and supplementals have not been made as of 4/17/09 they are not included. No Rainy Day Fund deposit is expected; the balance remains the same from FY-2008.
Pennsylvania	Revenue adjustments include a \$2.5 million adjustment to beginning balance, \$266.0 million in estimated prior year lapses and a proposed transfer of \$250.0 million from the Rainy Day Fund.
Rhode Island	Opening balance includes a free surplus of \$0 and re-appropriations of \$1.7 million from the prior year. Adjustments to revenues reflect transfers to the Budget Stabilization Fund.
South Dakota	Adjustments in revenues: \$12.8 million is from one-time receipts and \$0.2 million is obligated cash carried forward from FY 2008. Adjustments in expenditures: \$0.2 million was transferred to the budget reserve fund from the prior year's unobligated cash.
Tennessee	\$97.0 million transfer from debt service fund unexpended appropriations. \$126.5 million transfer from TennCare reserve. \$196.2 million transfer from capital outlay projects fund. \$41.2 million transfer from other agency reserves. \$64.6 million transfer from Rainy Day Fund. \$70.4 million transfer to capital outlay projects fund. \$19.8 million for dedicated revenue appropriations.
Texas	The information is from the FY 2010-2011 Biennial Revenue Estimate, Tables A-1, A-3, and A-8. The expenditure adjustment is the net amount from a transfer to the Rainy Day Fund and the proposed FY 2009 supplemental appropriations bill.
Utah	\$38,000 transfer for mineral leases. \$9,000 tourism marketing performance. \$15,480 transfer to Economic Incentive Fund. \$15,041 transfer of interest from rainy day fund. \$82,822 transfer non-lapsing balances. \$6,359 other. -\$5,000 Housing Tax Credit. \$95,753 reduced earmark for critical highway needs. \$41,947 reduced earmark for Centennial Highway. \$17,478 transfer from rainy day fund. \$196,815 reserve from prior fiscal year.
Vermont	Revenue Adjustment includes \$35.3 million in direct applications and transfers, \$1.6 million in other bills revenue, \$2.1 million from an increase in property transfer tax estimate, and \$19.1 million from the General Fund Surplus Reserve. Expenditure adjustments include -\$3.6 million from Tobacco Settlement Fund, \$7.3 million to the Next Generation Fund, -\$1.0 million from the Human Services Caseload Reserve, \$2.7 million to Internal Service Funds, -\$3.9 million from miscellaneous other funds, \$2.2 million to the Budget Stabilization Reserve, and \$11.7 to the General Fund Surplus Reserve.
Washington	\$96 million in adjustments is the net of transfers into the General Fund, transfers out to the Budget Stabilization Account, and other small adjustments.
West Virginia	Fiscal Year 2009 beginning balance includes \$409.6 million in re-appropriations, un-appropriated surplus balance of \$35.3 million, and FY 2008 13th month expenditures of \$105.5 million. Expenditures include regular, surplus and re-appropriated and \$105.5 million of 31 day prior year expenditures. Total expenditures for fiscal year 2009 assume all appropriations will be expended (no re-appropriations to carry forward). However, historically amounts will remain and be re-appropriated to the next fiscal year. Ending Balance is the amount that is available for appropriation (From FY 2009 revenue estimate and from surplus {previous year} general revenue).
Wisconsin	Revenue adjustments include Tribal Gaming, \$93.9 million, and Other Revenue, \$570.4 million, as well as \$49 million in other revenue included in AB 75, the Executive Budget Bill currently in session. Expenditure adjustments include Compensation Reserves, \$132.6 million, Biennial Appropriation Adjustments, -\$34.6 million, Estimated Lapses, -\$416.3 million, Sum Sufficient Re-estimates, -\$18.4 million, as well as -\$543.9 million in additional lapses included in AB 75.

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TABLE A-3

## Fiscal 2010 State General Fund, Recommended (Millions)

Region/State	Beginning Balance	Revenues	Adjustments	Resources	Expenditures	Adjustments	Ending Balance	Budget Stabilization Fund
<b>NEW ENGLAND</b>								
Connecticut	\$0	\$17,509	\$0	\$17,509	\$17,509	\$0	\$0	\$586
Maine*	0	3,009	3	3,011	2,996	1	15	75
Massachusetts* **	1,466	27,521	0	28,987	27,973	0	1,014	888
New Hampshire	0	1,541	0	1,541	1,541	0	0	51
Rhode Island*	10	3,147	-76	3,081	3,079	0	1	120
Vermont*	0	1,072	33	1,105	1,120	-14	0	57
<b>MID-ATLANTIC</b>								
Delaware**	378	3,176	0	3,554	3,161	0	393	186
Maryland*	441	13,001	451	13,894	13,797	0	96	647
New Jersey* **	699	29,219	0	29,918	29,411	7	500	0
New York* **	1,514	55,083	0	56,597	55,355	0	1,242	1,206
Pennsylvania*	8	26,184	375	26,567	26,563	0	4	137
<b>GREAT LAKES</b>								
Illinois*	141	31,099	1,977	33,217	27,891	5,185	141	276
Indiana*	905	13,913	0	14,818	14,155	0	664	377
Michigan*	0	6,895	1,670	7,965	8,097	0	-132	2
Ohio**	387	26,828	0	27,215	26,922	0	293	949
Wisconsin*	216	12,845	588	13,650	13,702	-289	237	0
<b>PLAINS</b>								
Iowa*	0	5,756	230	5,986	5,914	36	36	412
Kansas*	58	6,096	0	6,154	6,154	0	1	0
Minnesota* **	569	15,380	0	15,949	15,045	0	903	600
Missouri*	201	7,764	985	8,950	8,950	0	0	271
Nebraska*	289	3,546	-73	3,762	3,529	5	228	332
North Dakota	392	1,364	0	1,756	1,524	0	232	311
South Dakota*	0	1,130	4	1,134	1,134	0	0	107
<b>SOUTHEAST</b>								
Alabama*	49	7,198	2	7,249	7,249	0	0	216
Arkansas	0	4,500	0	4,500	4,500	0	0	0
Florida*	844	21,840	2,239	24,922	24,815	0	108	281
Georgia* **	2,217	16,994	259	19,470	17,253	0	2,217	566
Kentucky*	40	9,259	354	9,653	9,619	34	0	24
Louisiana*	0	8,090	-5	8,085	8,085	0	0	854
Mississippi*	0	5,149	-155	4,994	4,980	0	15	285
North Carolina* **	0	19,442	1,714	21,156	20,981	175	0	537
South Carolina**	147	5,856	0	6,003	5,792	0	211	172
Tennessee*	0	10,556	-65	10,492	10,447	45	0	750
Virginia	183	16,051	0	16,234	16,223	0	11	591
West Virginia*	22	3,788	0	3,810	3,788	0	22	543
<b>SOUTHWEST</b>								
Arizona	1	7,375	2,370	9,745	9,733	0	13	2
New Mexico* **	568	5,534	166	6,268	5,507	246	515	515
Oklahoma*	354	5,719	0	6,072	5,719	0	354	N/A
Texas*	1,959	37,532	0	39,490	36,836	1,060	1,595	8,539
<b>ROCKY MOUNTAIN</b>								
Colorado* **	291	7,520	-8	7,803	7,501	0	161	302
Idaho*	58	2,550	-52	2,556	2,507	0	49	102
Montana*	341	1,754	0	2,095	1,821	0	274	0
Utah* **	0	4,600	451	5,050	5,050	0	0	270
Wyoming	5	1,825	0	1,830	1,830	0	0	279
<b>FAR WEST</b>								
Alaska*	0	5,275	-2,090	3,186	4,432	10	-1,255	5,898
California**	-2,341	97,729	0	95,388	92,206	0	3,182	0
Hawaii	131	5,101	0	5,232	5,122	0	110	4
Nevada	187	3,193	0	3,379	3,073	0	306	1
Oregon*	0	6,200	0	6,200	6,790	0	-590	353
Washington*	-480	13,524	1,229	14,273	15,557	0	-1,284	145
<b>Total</b>	<b>\$12,251</b>	<b>\$647,231</b>	<b>-</b>	<b>\$671,407</b>	<b>\$652,934</b>	<b>-</b>	<b>\$11,882</b>	<b>\$28,819</b>

NOTES: NA indicates data are not available. \*See Notes to Table A-3. \*\*In these states, the ending balance includes the balance in the budget stabilization fund.

SOURCE: National Association of State Budget Officers.

**NOTES TO TABLE A-3**

**For all states, unless otherwise noted, transfers into budget stabilization funds are counted as expenditures, and transfers from budget stabilization funds are counted as revenues.**

Alabama	Revenue adjustments include one-time revenue and a transfer of Tobacco funds.
Alaska	Revenue adjustments include: -\$2,089.5 million in forecast adjustments. Expenditures include: \$200.0 million for Oil and Gas Tax Credits. Expenditure adjustments include: \$9.6 million additional savings to the Public Education Fund.
Colorado	Revenue adjustments include transfers from the GF to the State Veterans Trust Fund and Older Coloradans Cash Fund.
Florida	Receipt of Federal Funds provided by American Recovery and Reinvestment Act of 2009
Georgia	Appropriation from Revenue Shortfall Reserve of \$258.6 million.
Idaho	Revenue adjustments include the following transfers: \$25.3 transfer in from the Budget Stabilization Fund; \$25.3 transfer in from the Economic Recovery Reserve Fund; \$25.1 million transfer in from the Millennium Fund; \$1,680,000 transfer in from Div. of Human Resources cash on hand; \$1 million from the Department of Agriculture; \$446,900 from Dept. of Labor; and \$429,200 from dedicated agencies for Attorney General.
Illinois	Revenue adjustments include \$1,977 million in transfers to General Funds. Expenditure adjustments include \$2,306 million in transfers out and \$465 million for Pension Obligation Bond Debt Service; the "failure of revenue" borrowing repayment of \$2,318 and a \$96 million decrease in accounts payable.
Indiana	The full impact of Property Tax Reform (HEA 1001-2008) revenues and expenditures have been incorporated into the FY 2009 and FY 2010 figures, as the State of Indiana recently assumed more than \$1 billion of expenses from the local level
Iowa	FY 2010 Recommendations are based on Governor Culver's revised budget recommendations issued April 3, 2009. Revenue Adjustments include transfers from other funds along with capping selected tax credits at \$200 million and an elimination of doubling of research and activities tax credit. Also included is a recommended \$182.2 million transfer from the Reserve Funds to the General Fund. Expenditure Adjustments include \$36.2 million of the ending balance is credited to the Senior Living Trust Fund.
Kansas	Kansas does not have a "Rainy Day" fund. However, the balanced budget provision of the constitution requires revenues to finance the approved budget.
Kentucky	The FY 2010 figures represent the budget enacted by the 2008 Kentucky General Assembly. These figures have not yet been officially revised. The revenue estimates will be significantly decreased at the end of May and subsequently other actions will take place that are necessary to balance the budget. Revenue: includes \$122 million in Tobacco Settlement funds. Adjustments (Revenue): includes Fund transfers (\$129 million), and Reserve for Continuing Appropriations (\$225 million). Adjustments (Expenditures): includes funds reserved for Continued Appropriations.
Louisiana	Revenues-Act 208 of 2007 Transfers \$3 million from Incentive Fund; Reserved \$8.0 million for proposed tax credits.
Maine	Revenue & Expenditure adjustments reflect legislatively authorized transfers.
Massachusetts	Includes balances in all budgeted funds included in the state's definition of fiscal balance.
Maryland	Revenue adjustments reflect a \$18.5 million reimbursement from the reserve for Heritage Tax Credits, \$6 million reimbursement from the reserve for Biotechnology Tax Credits, transfer of \$210 million from the State Reserve Fund, and transfers of \$15.6 million from other special funds.
Michigan	FY 2010 revenue adjustments include the impact of federal and state law changes (\$55.1 million); revenue sharing law changes (\$429.9 million); deposits from state restricted revenues (\$45.5 million); and pending revenue options (\$539.8 million). An estimated budget gap of \$132 million for fiscal 2010 is due to declining consensus revenue estimate released in May 2009. Annualized savings from two executive orders implemented in fiscal 2009, additional revenue enhancements and reductions included in the governor's budget recommendation, and use of available federal ARRA FMAP increases do not sufficiently offset the revenue decline. The governor will work with the legislature to devise strategies to address the budget gap and enact a balanced budget for the fiscal year beginning on October 1, 2009.
Minnesota	Ending balance includes budget reserve of \$250 million and cash flow account of \$350 million.
Mississippi	Adjustments (Revenues) is comprised of delaying a \$38 million repayment to the Health Care Trust Fund, \$14.8 million delay of accelerated tax change, and \$96.2 million statutory 2-percent holdback of revenues.
Missouri	Revenue adjustments include transfers from other funds into the general revenue fund and \$809.2 million from the federal American Recovery and Reinvestment Act of 2009
Montana	Estimate status of spending as of 3/26/2009 - not final expenditure estimate
Nebraska	Revenue adjustments are transfers between the General Fund and other funds. Per Nebraska law, includes a transfer of \$14.3 million to the Cash Reserve Fund (Rainy Day Fund) of the amount the prior year's net General Fund receipts were estimated to exceed the official forecast. Expenditure adjustments include a small amount (\$5 million) reserved for supplemental/deficit appropriations. Due to a declining economic environment, the Governor's recommendations included a lower General Fund revenue estimate than the official Nebraska Economic Forecasting Advisory Board forecast that was available at the time the recommendations were presented to the Legislature in January. For FY 2010, the revenue estimate used in the Governor's recommendations is \$49 million less than the official forecast of \$3.595 billion. The Rainy Day Fund Balance shown includes an assumption that \$200 million in contingent budget liabilities would be committed during the 2009-2011 biennium, including obligations for teacher, law enforcement, and judges defined benefit retirement plans.

**NOTES TO TABLE A-3 (continued)**


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New Jersey	Expenditure adjustments consist of transfers to other funds.
New Mexico	All adjustments are transfers between reserve accounts, except for (1) \$44.9 million transferred out from Tobacco Settlement Permanent Fund, a reserve account to the Tobacco Settlement Program Fund, a non-reserve account; (2) \$15 million transferred from the appropriation account to the College Affordability Fund; and (3) \$20 million transferred from the appropriation account to the public school capital outlay fund.
New York	The ending balance includes \$1.2 billion in rainy day reserve funds, \$15 million in a community projects fund, and \$21 million in a reserve for litigation risks.
North Carolina	Revenue adjustment includes \$1,713.9 for Federal Recovery Funds. Expenditure adjustment of \$174.7 includes a transfer to the newly created "Fiscal Responsibility Reserve.
Oklahoma	The legislature has not appropriated General Revenue Fund money as of 4/17/09. This report assumes that they will spend everything available.
Oregon	Oregon budgets on a biennial basis. The constitution requires the state to be balanced at the end of each biennium. Because revenue has fallen so much since the Governor's Recommended Budget was released, that budget is no longer feasible and so is not reported here. Instead a budget level that can be supported under the current revenue picture is estimated.
Pennsylvania	Revenue adjustments reflect a proposed transfer of \$375.0 million from the Rainy Day Fund.
Rhode Island	Opening balance includes a free surplus of \$9.7 million. Adjustments to revenues reflect transfers to the Budget Stabilization Fund.
South Dakota	Adjustments in revenues: \$3.9 million is from one-time receipts.
Tennessee	-\$64.6 million transfer to Rainy Day Fund. \$26.3 million transfer to capital outlay projects fund. \$18.3 million transfer to dedicated revenue appropriations.
Texas	The information is from the 2010-11 Biennial Revenue Estimate, Tables A-1, A-3, and A-8. The beginning balance is the estimate from the FY 2010-2011 Biennial Revenue Estimate, so does not match the calculated ending balance of FY 2009 because of pending budget adjustments. The Texas Legislature is currently considering the FY 2010-2011 biennial budget so no final expenditures (appropriations) are available and the Rainy Day Fund balance is tentative pending final legislative funding decisions.
Utah	\$12,000 tourism marketing performance. \$14,400 transfer to Economic Incentive Fund. \$100,000 transfer from Enrollment Growth Fund. \$101,137 reduced earmark for critical highway needs. \$96,563 reduced earmark for Centennial Highway. \$126,545 transfer from rainy day fund.
Vermont	Revenue adjustments include \$11.5 million for direct applications and transfers in, \$10 million due to an increase in property transfer tax revenue estimate, and \$11.7 million from the General Fund Surplus Reserve. Expenditure adjustments include \$7.3 million to the Next Generation Fund, -\$16.3 from the Human Services Caseload Reserve, -\$3.3 from miscellaneous other funds, and -\$2.7 from the Budget Stabilization Reserve.
Washington	\$1.229 billion in adjustments is the net of transfers into the General Fund, transfers out to the Budget Stabilization Account, and other small adjustments.
West Virginia	Fiscal Year 2010 Beginning balance assumes that all funds appropriated in FY 2009 are expended in that fiscal year, however, historically amounts will remain and be re-appropriated to the next fiscal year.
Wisconsin	The recommended revenue and appropriation figures are presented as part of AB 75, the Executive Budget Bill currently in session. Revenue adjustments include Tribal Gaming, \$26.6 million and other revenues, \$561.6 million. Expenditure adjustments include estimated lapses, -\$366 million, and compensation reserve, \$47.3 million.

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**TABLE A-4**  
**General Fund Nominal Percentage Expenditure**  
**Change, Fiscal 2009 and Fiscal 2010\*\***

<i>Region/State</i>	<i>Fiscal 2009</i>	<i>Fiscal 2010</i>
<b>NEW ENGLAND</b>		
Connecticut	3.5%	3.7%
Maine	-2.2	-2.2
Massachusetts	2.0	0.8
New Hampshire	1.5	-0.7
Rhode Island	-10.0	0.5
Vermont	-4.5	-2.3
<b>MID-ATLANTIC</b>		
Delaware	-3.2	-4.5
Maryland	-0.9	-3.6
New Jersey	-7.8	-3.6
New York	3.7	0.0
Pennsylvania	-1.3	-0.2
<b>GREAT LAKES</b>		
Illinois	7.5	-4.5
Indiana	8.2	2.8
Michigan*	-11.7	-7.2
Ohio	7.0	-4.7
Wisconsin	3.8	-2.4
<b>PLAINS</b>		
Iowa	2.5	-2.0
Kansas	4.0	-3.1
Minnesota	-0.6	-11.0
Missouri	5.0	5.6
Nebraska	5.2	3.3
North Dakota	5.6	19.9
South Dakota	-1.9	-1.7
<b>SOUTHEAST</b>		
Alabama	-8.4	-8.1
Arkansas	1.3	2.0
Florida	-10.1	-0.3
Georgia	-8.2	-3.3
Kentucky	-2.5	4.4
Louisiana	-2.6	-13.9
Mississippi	1.3	-3.3
North Carolina	-1.4	3.7
South Carolina	-16.6	-2.8
Tennessee	-0.7	-4.1
Virginia	-5.6	-0.4
West Virginia	17.5	-14.2
<b>SOUTHWEST</b>		
Arizona	-4.3	1.3
New Mexico	-0.3	-8.0
Oklahoma	1.7	-12.8
Texas	-0.4	-13.1
<b>ROCKY MOUNTAIN</b>		
Colorado	-1.4	2.2
Idaho	-1.8	-8.6
Montana	-6.5	-5.9
Utah	-12.3	-3.1
Wyoming	0.9	0.0
<b>FAR WEST</b>		
Alaska	-8.9	-11.0
California	-8.6	-2.0
Hawaii	-3.5	-1.8
Nevada	6.7	-16.2
Oregon	-17.5	13.9
Washington	0.2	6.2
<b>Average</b>	<b>-2.2%</b>	<b>-2.5%</b>

\*See Note to Table A-4. \*\*Fiscal 2009 reflects changes from fiscal 2008 expenditures (actual) to fiscal 2009 expenditures (estimated). Fiscal 2010 reflects changes from fiscal 2009 expenditures (estimated) to fiscal 2010 expenditures (recommended). NA indicates data not available.

**SOURCE:** National Association of State Budget Officers.

**NOTE TO TABLE A-4**

Michigan Fiscal 2008 expenditures are artificially high and Fiscal 2010 estimated spending is artificially low, distorting the year-to-year comparisons. Partial fiscal 2007 payments to higher education institutions were deferred to fiscal 2008 and fiscal 2010 use of federal American Recovery and Reinvestment Act revenue is replaced with General Fund in 2011. Adjusting for these one-time actions results in nominal percentage expenditure changes of -10.2 percent and -7.2 percent for fiscal 2009 and fiscal 2010, respectively.

**TABLE A-5a**

**Strategies Used to Reduce or Eliminate Budget Gaps, Fiscal 2009**

Region/State	User Fees	Higher Education Related Fees	Court Related Fees	Transportation/ Motor Vehicle Related Fees	Business Related Fees	Layoffs	Furloughs	Early Retirement	Salary Reductions	Cuts to State Employee Benefits	Across-the-Board % Cuts	Targeted Cuts	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Lottery Expansion	Gaming/ Gambling Expansion	Other (Specify)
<b>NEW ENGLAND</b>																			
Connecticut*							X				X	X				X			X
Maine											X	X	X			X			
Massachusetts	X			X	X	X	X		X	X	X	X	X	X		X			
New Hampshire												X				X			
Rhode Island*		X	X	X			X			X		X	X						X
Vermont*									X			X		X					X
<b>MID-ATLANTIC</b>																			
Delaware*			X																
Maryland*						X	X				X	X	X			X			X
New Jersey		X		X			X		X	X	X	X	X			X			
New York	X	X										X	X						
Pennsylvania*											X	X				X			X
<b>GREAT LAKES</b>																			
Illinois	X			X		X					X	X				X			
Indiana											X	X						X	
Michigan*						X	X				X	X	X						X
Ohio						X		X			X	X				X	X		
Wisconsin*											X	X							X
<b>PLAINS</b>																			
Iowa*											X	X							
Kansas*											X	X	X						X
Minnesota											X	X	X			X			
Missouri												X							
Nebraska																			
North Dakota																			
South Dakota*																			X
<b>SOUTHEAST</b>																			
Alabama											X					X			
Arkansas											X								
Florida			X									X				X			
Georgia						X	X				X	X		X		X			
Kentucky											X	X				X			
Louisiana						X	X					X	X	X					
Mississippi												X							
North Carolina*								X	X			X	X			X			X
South Carolina*						X	X	X	X		X	X	X			X			X
Tennessee																			
Virginia*	X		X			X	X	X		X		X	X	X	X	X			X
West Virginia																			
<b>SOUTHWEST</b>																			
Arizona	X	X	X	X	X	X	X	X		X	X	X	X		X	X			
New Mexico											X	X	X						
Oklahoma																			
Texas*																			X
<b>ROCKY MOUNTAIN</b>																			
Colorado*						X						X	X			X			X
Idaho						X	X												
Montana																			
Utah*	X	X	X		X	X	X	X			X	X	X			X			X
Wyoming																			
<b>FAR WEST</b>																			
Alaska*												X				X			X
California				X			X		X	X	X	X							
Hawaii*											X					X			X
Nevada*		X				X			X	X	X	X	X	X		X			X
Oregon						X	X					X							
Washington						X	X	X				X							
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>3</b>	<b>16</b>	<b>17</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>23</b>	<b>36</b>	<b>18</b>	<b>6</b>	<b>3</b>	<b>23</b>	<b>1</b>	<b>0</b>	<b>18</b>

NOTE: \*See Notes to Table A-5a.

SOURCE: National Association of State Budget Officers.

## NOTES TO TABLE A-5a

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Alaska	Hiring freeze, operational savings, other operational and capital reductions.
Colorado	The Governor's budget plan was not based on a percentage applied; instead all cuts were evaluated and targeted based on the circumstance. Other includes: \$121.2 million in CF transfers to the GF, \$10.7 million in other GF revenue changes, \$47.2 million in higher education reserve transfer to GF, \$12.8 million in reduction to vendor fee payment and \$11.9 million from gaming diversion. Also includes FMAP benefit of \$198.4 million.
Connecticut	Payroll savings currently under discussion
Delaware	Hiring freeze, purchase order review, reprogram surplus funds, deauthorization of capital projects, maximizing federal funds
Hawaii	Carry-over balance from prior year; conversion of capital improvement project funding from general fund to general obligation bond funds; federal stimulus.
Iowa	Across the board reductions
Kansas	Restructure debt
Maryland	Fund swaps with federal and special funds
Michigan	FY 2009 strategies include administrative economies and efficiencies, closure of adult prison and juvenile facilities, transitioning individuals from nursing homes to community settings, prescription drug rebates, reduced funding for education and training programs, use of restricted revenue funds, revised caseload estimates, and increased Federal Medical Assistance Percentage (FMAP) rate, and federal ARRA State Fiscal Stabilization Fund Revenue.
Nevada	Redirection of funds previously allocated to other entities
North Carolina	Federal Recovery-FMAP, and Stabilization
Oklahoma	Oklahoma doesn't have an FY-2010 budget in place at this time; so, we can't report which if any of the listed measures will be taken
Pennsylvania	Federal ARRA funds, budgetary freeze (lapses) and a salary freeze for management employees effective 1/1/2009.
Rhode Island	One furlough day through labor negotiations. Increases in employee medical benefit co-shares resulting from labor negotiations. Deferred actuarial funding of retiree health benefits. Modified retiree health such that there were many retirements to avoid new plan provisions.
South Carolina	Agencies given flexibility to use other funds to off-set reductions
South Dakota	Federal stimulus funds
Texas	Federal stimulus funds
Utah	Bond for buildings, bond for roads, and other one-time revenue sources.
Vermont	Vacant position elimination and ARRA funds
Virginia	Eliminated proposed salary increases.
Wisconsin	Combined Reporting (\$27.7 million), Tax on software (\$9.4 million), Use of federal funds for TANF (\$22.5 million), Hospital Assessment, \$78.5 million, Federal Medical Assistance, Required Ending Balance (\$65 million). Act 2 provided for additional \$38 million in lapses, and revenue enhancements for combined reporting, software tax, hospital assessment, and federal dollars for TANF and MA. In addition, the requirement to retain \$65 million in the rainy day fund was removed.

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**TABLE A-5b**

**Strategies Used to Reduce or Eliminate Budget Gaps, Fiscal 2010**

Region/State	User Fees	Higher Education Related Fees	Court Related Fees	Transportation/ Motor Vehicle Related Fees	Business Related Fees	Layoffs	Furloughs	Early Retirement	Salary Reductions	Cuts to State Employee Benefits	Across-the-Board % Cuts	Targeted Cuts	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Lottery Expansion	Gaming/ Gambling Expansion	Other (Specify)
<b>NEW ENGLAND</b>																			
Connecticut*	x			x	x						x	x		x		x			x
Maine	x					x		x		x	x	x	x						
Massachusetts																			
New Hampshire				x		x				x		x	x						
Rhode Island*		x	x	x						x		x	x						
Vermont*				x		x	x					x							x
<b>MID-ATLANTIC</b>																			
Delaware*	x		x		x				x	x	x	x		x				x	
Maryland*						x			x	x	x	x	x			x			x
New Jersey*				x			x		x	x	x	x	x						
New York	x	x		x	x				x	x	x	x	x	x				x	
Pennsylvania*						x	x					x				x			x
<b>GREAT LAKES</b>																			
Illinois*	x			x			x			x	x	x	x	x		x			x
Indiana																			
Michigan*	x				x	x					x	x	x		x				x
Ohio*	x			x	x	x	x		x	x	x	x	x	x		x			x
Wisconsin						x	x				x			x					
<b>PLAINS</b>																			
Iowa*																			
Kansas*					x							x	x	x					x
Minnesota*											x	x	x						x
Missouri*												x							x
Nebraska*						x										x			x
North Dakota																	x		x
South Dakota*	x			x	x							x							x
<b>SOUTHEAST</b>																			
Alabama																			
Arkansas																			
Florida	x	x	x	x								x		x				x	
Georgia*						x	x				x	x	x	x		x			x
Kentucky											x	x	x						
Louisiana						x	x					x	x	x					
Mississippi																			
North Carolina*		x	x		x		x		x			x	x			x			x
South Carolina*							x					x	x	x					x
Tennessee																			
Virginia*	x		x			x	x	x		x		x	x	x	x	x	x		x
West Virginia*												x							x
<b>SOUTHWEST</b>																			
Arizona*																			
New Mexico									x	x	x	x	x						
Oklahoma*																			
Texas*																			x
<b>ROCKY MOUNTAIN</b>																			
Colorado*						x	x			x		x	x			x			x
Idaho						x	x			x				x		x			
Montana*											x	x							x
Utah*	x	x	x	x	x	x		x		x	x	x	x			x			x
Wyoming																			
<b>FAR WEST</b>																			
Alaska																			
California				x			x		x	x	x	x	x						x
Hawaii*									x	x	x					x			x
Nevada*		x				x			x	x	x	x	x	x					x
Oregon*																			
Washington		x				x	x	x				x		x		x			
<b>Total</b>	<b>11</b>	<b>7</b>	<b>6</b>	<b>12</b>	<b>9</b>	<b>17</b>	<b>15</b>	<b>4</b>	<b>10</b>	<b>16</b>	<b>16</b>	<b>30</b>	<b>20</b>	<b>16</b>	<b>2</b>	<b>15</b>	<b>1</b>	<b>2</b>	<b>24</b>

NOTE: \*See Notes to Table A-5b.

SOURCE: National Association of State Budget Officers.

**NOTES TO TABLE A-5b**


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Arizona	FY 2010 Governor's budget not yet released
Colorado	The Governor's budget proposes to divert a vendor fee (benefit for vendors) instead into the GF but it is not a fee increase for businesses to pay. The Governor's budget plan was not based on a percentage applied; instead all cuts were evaluated and targeted based on the circumstance. Other includes: \$155.5 million in CF transfers to the GF, \$10.2 million in other GF revenue changes, \$47.2 million in higher education reserve transfer to GF, \$39.1 million in reduction to vendor fee payment and \$12.2 million from gaming diversion. Also includes FMAP benefit of \$302.8 million.
Connecticut	Payroll savings currently under discussion
Delaware	Hiring freeze, purchase order review, reprogram surplus funds, deauthorization of capital projects, maximizing federal funds
Georgia	Super Speeder Fine
Hawaii	Carry-over balance from prior year; federal stimulus; transfers from specific non-general funds.
Illinois	Personal and corporate income tax increases
Iowa	Across the board reductions
Kansas	Restructure debt
Maryland	Fund swaps with federal and special funds; Federal stimulus funds
Michigan	FY 2010 strategies include employee concessions (specifics to be determined); closure of state-operated facilities, elimination of state support for non-core state functions, elimination of pilot programs and programs targeted to specific areas; reductions in K-12 education and university operations; closure of tax loopholes; additional lottery investments and tax enforcement actions; and increased Federal Medical Assistance Percentage (FMAP) rate.
Minnesota	Federal stimulus, state appropriation bonds and merging funds
Missouri	Federal budget stabilization funds
Montana	Federal stimulus replacement
Nebraska	The Governor's recommendations for FY 2010 assumed a 2.5 percent annual increase in employee salaries and wages and a 10 percent annual increase in the employer cost for employee health insurance. With just a few exceptions, the Governor's recommendations included budget adjustments to offset the cost of employee salary and health insurance increases in an effort to provide no or minimal net increase in appropriations. Agencies will address these budget adjustments in different ways. However, given the proportion that employee salary and benefit costs are of total agency budgets it is reasonable to assume there will be some position eliminations.
New Jersey	Salary freeze is assumed through fiscal year 2010. Fiscal year 2009 Budget assumed a \$25 million reduction across all departments for procurement reform; the Fiscal Year 2010 Budget applies a similar cut of \$25 million as well as an additional reduction of \$40 million for management efficiencies which will affect all departments.
North Carolina	Federal Recovery-FMAP, and Stabilization
Nevada	Redirection of funds previously allocated to other entities
Ohio	Transfer non-GRF funds to GRF to supplement tax collections
Oklahoma	Oklahoma doesn't have an FY 2010 budget in place at this time; so, we can't report which if any of the listed measures will be taken.
Oregon	The Legislature has not yet decided how to balance the FY 2010 budget.
Pennsylvania	Federal ARRA funds, maintain management salary freeze through FY 2010 and proposed non-broad-based tax increases.
Rhode Island	Deferred actuarial funding of retiree health benefits. Pension reform: Restrict minimum age of retirement to 59 and eliminate pension COLAs for retirees.
South Carolina	Appropriated federal stimulus dollars from Budget Stabilization Fund and Federal Medicaid Assistance Program (FMAP)
South Dakota	Federal stimulus funds
Texas	Federal stimulus funds
Utah	Enrollment growth set aside and other one-time revenue sources.
Vermont	Human Services Caseload Reserve funds and ARRA funds
Virginia	Eliminated proposed salary increases.
West Virginia	Backfill education reductions with federal stabilization funds

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TABLE A-6

## Fiscal 2009 Tax Collections Compared with Projections Used in Adopting Fiscal 2009 Budgets (Millions)\*\*

Region and State	Sales Tax		Personal Income Tax		Corporate Income Tax		Total Revenue Collection***
	Original Estimate	Current Estimate	Original Estimate	Current Estimate	Original Estimate	Current Estimate	
<b>NEW ENGLAND</b>							
Connecticut	\$3,748	\$3,361	\$7,676	\$6,840	\$792	\$608	L
Maine	1,008	987	1,398	1,327	197	169	L
Massachusetts	4,286	3,929	12,762	11,431	1,705	1,654	L
New Hampshire	NA	NA	NA	NA	320	256	L
Rhode Island	863	832	1,124	1,011	161	108	L
Vermont	229	215	588	552	59	52	L
<b>MID-ATLANTIC</b>							
Delaware	NA	NA	1,038	926	92	125	L
Maryland	4,034	3,611	7,445	7,364	673	582	L
New Jersey	9,136	8,448	12,700	11,249	2,898	2,497	L
New York	10,914	10,700	38,149	36,559	6,559	5,645	L
Pennsylvania	8,731	8,275	11,489	10,756	2,321	2,037	L
<b>GREAT LAKES</b>							
Illinois	7,297	6,674	10,432	9,417	1,937	1,450	L
Indiana	5,827	5,426	4,934	4,726	947	822	L
Michigan	6,645	6,212	7,010	6,058	2,661	2,318	L
Ohio	7,948	7,452	9,201	8,258	522	495	L
Wisconsin	4,479	4,034	7,106	6,585	860	678	L
<b>PLAINS</b>							
Iowa	2,000	2,355	3,344	3,363	468	407	T
Kansas	1,994	1,935	3,071	2,890	325	340	L
Minnesota	4,601	4,378	7,767	7,217	969	659	L
Missouri	1,937	1,860	5,448	5,084	471	362	T
Nebraska	1,359	1,340	1,750	1,780	215	210	L
North Dakota	656	648	308	324	112	112	H
South Dakota	676	645	NA	NA	NA	NA	L
<b>SOUTHEAST</b>							
Alabama	2,114	1,945	3,245	2,897	481	345	L
Arkansas	2,185	2,135	2,295	2,271	306	258	T
Florida	19,093	17,220	NA	NA	2,223	1,880	L
Georgia	5,594	5,433	8,479	8,224	729	695	L
Kentucky	2,978	2,878	3,473	3,365	513	242	L
Louisiana	2,891	2,841	2,873	2,831	969	881	T
Mississippi	2,019	1,950	1,617	1,548	528	403	L
North Carolina	5,374	4,754	11,386	9,517	1,192	833	L
South Carolina	2,699	2,282	2,970	2,582	249	126	L
Tennessee	7,019	6,475	262	204	1,664	1,328	L
Virginia	3,226	3,011	10,777	10,045	706	685	T
West Virginia	1,181	1,125	1,490	1,516	301	260	T
<b>SOUTHWEST</b>							
Arizona	4,643	3,905	3,614	2,779	841	576	L
New Mexico	2,404	2,378	1,140	1,214	399	293	T
Oklahoma	1,701	1,726	2,165	2,061	289	311	T
Texas	21,348	21,700	NA	NA	NA	NA	L
<b>ROCKY MOUNTAIN</b>							
Colorado	2,062	1,963	5,200	4,895	508	341	L
Idaho	1,069	1,042	1,268	1,223	157	156	L
Montana	16	16	851	857	167	158	T
Utah	1,821	1,583	2,772	2,424	330	297	L
Wyoming	485	522	NA	NA	NA	NA	H
<b>FAR WEST</b>							
Alaska	NA	NA	NA	NA	724	795	T
California	27,111	26,332	55,720	46,792	13,073	10,197	L
Hawaii	2,590	2,475	1,529	1,448	83	78	L
Nevada	1,164	873	NA	NA	NA	NA	L
Oregon	NA	NA	6,375	5,399	432	308	L
Washington	8,508	7,478	NA	NA	NA	NA	L
<b>Total</b>	<b>\$219,660</b>	<b>\$207,358</b>	<b>\$284,241</b>	<b>\$257,085</b>	<b>\$52,126</b>	<b>\$43,034</b>	<b>-</b>

NOTES: NA indicates data are not available because, in most cases, these states do not have that type of tax.

\* \*\*Unless otherwise noted, original estimates reflect the figures used when the fiscal 2009 budget was adopted, and current estimates reflect preliminary actual tax collections.

\*\*\*Key: L=Revenues lower than estimates. H=Revenues higher than estimates. T=Revenues on target.

TABLE A-7a

## Comparison of Tax Collections in Fiscal 2008, Fiscal 2009, and Fiscal 2010 Recommended (Millions)\*\*

Region/State	Sales Tax			Personal Income Tax			Corporate Income Tax		
	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2008	Fiscal 2009	Fiscal 2010
<b>NEW ENGLAND</b>									
Connecticut	\$3,582	\$3,361	\$3,582	\$7,513	\$6,840	\$6,754	\$734	\$608	\$632
Maine	983	987	1,007	1,444	1,327	1,374	185	169	177
Massachusetts	4,087	3,929	4,021	12,484	11,431	11,432	1,512	1,654	1,514
New Hampshire	NA	NA	NA	NA	NA	NA	317	256	256
Rhode Island	844	832	839	1,074	1,011	1,013	151	108	96
Vermont	226	215	215	622	552	536	75	52	42
<b>MID-ATLANTIC</b>									
Delaware	NA	NA	NA	1,007	926	925	179	125	44
Maryland*	3,675	3,611	3,592	6,940	7,364	6,637	552	582	600
New Jersey	8,916	8,448	8,712	12,606	11,249	11,288	3,133	2,497	2,196
New York	10,591	10,700	12,127	36,564	36,559	34,769	6,018	5,645	6,084
Pennsylvania	8,497	8,275	8,390	10,908	10,756	10,755	2,418	2,037	1,919
<b>GREAT LAKES</b>									
Illinois	7,215	6,674	6,488	10,320	9,417	11,845	1,860	1,450	1,513
Indiana	5,534	5,426	5,550	4,838	4,726	4,774	910	822	828
Michigan	6,773	6,212	6,067	7,226	6,058	5,354	2,466	2,318	2,234
Ohio	7,614	7,452	7,265	9,115	8,258	7,922	754	495	163
Wisconsin	4,268	4,034	4,011	6,714	6,585	6,613	838	678	860
<b>PLAINS</b>									
Iowa	2,000	2,355	2,398	3,360	3,363	3,309	484	407	376
Kansas	1,958	1,935	1,975	2,897	2,890	2,990	432	340	365
Minnesota*	4,571	4,378	4,157	7,759	7,217	7,034	1,020	659	450
Missouri	1,931	1,860	1,861	5,210	5,084	5,122	459	362	410
Nebraska	1,322	1,340	1,350	1,726	1,780	1,840	233	210	210
North Dakota	555	648	615	307	324	327	141	112	132
South Dakota	645	645	659	NA	NA	NA	NA	NA	NA
<b>SOUTHEAST</b>									
Alabama	2,067	1,945	1,984	2,971	2,897	2,883	501	345	347
Arkansas	2,111	2,135	2,226	2,345	2,271	2,306	318	258	253
Florida	18,429	17,220	17,588	NA	NA	NA	2,217	1,880	1,820
Georgia	5,797	5,433	5,213	8,830	8,224	8,338	942	695	543
Kentucky	2,878	2,878	3,067	3,483	3,365	3,360	435	242	506
Louisiana	2,864	2,841	2,673	3,169	2,831	2,519	940	881	570
Mississippi	1,947	1,950	1,930	1,542	1,548	1,530	501	403	379
North Carolina	4,982	4,754	4,812	10,902	9,517	9,406	1,112	833	810
South Carolina	2,463	2,282	2,192	2,864	2,582	2,475	269	126	129
Tennessee*	6,851	6,475	6,605	292	204	164	1,620	1,328	1,301
Virginia	3,076	3,011	3,167	10,115	10,045	10,388	808	685	729
West Virginia	1,110	1,125	1,144	1,519	1,516	1,522	388	260	231
<b>SOUTHWEST</b>									
Arizona	4,354	3,905	3,884	3,407	2,779	2,688	785	576	586
New Mexico	2,323	2,378	2,399	1,214	1,214	1,230	355	293	275
Oklahoma	1,612	1,726	1,754	2,239	2,061	2,007	279	311	308
Texas	21,604	21,700	21,812	0	0	0	0	0	0
<b>ROCKY MOUNTAIN</b>									
Colorado	2,127	1,963	2,107	4,974	4,895	4,884	508	341	348
Idaho	1,142	1,042	1,026	1,430	1,223	1,212	190	156	162
Montana	17	16	17	867	857	845	160	158	118
Utah	1,739	1,583	1,533	2,612	2,424	2,335	416	297	304
Wyoming	505	522	506	0	0	0	0	0	0
<b>FAR WEST</b>									
Alaska	NA	NA	NA	NA	NA	NA	789	795	650
California	26,613	26,332	30,221	54,234	46,792	51,237	11,849	10,197	10,445
Hawaii	2,619	2,475	2,498	1,544	1,448	1,457	85	78	62
Nevada	986	873	815	NA	NA	NA	NA	NA	NA
Oregon	NA	NA	NA	4,973	5,399	5,433	441	308	326
Washington	8,216	7,478	7,551	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>\$214,217</b>	<b>\$207,358</b>	<b>\$213,601</b>	<b>\$276,155</b>	<b>\$257,805</b>	<b>\$261,100</b>	<b>\$50,772</b>	<b>\$43,034</b>	<b>\$42,303</b>

NOTES: NA indicates data are not available because, in most cases, these states do not have that type of tax. \*See Notes to Table A-7a.

\*\* Unless otherwise noted, fiscal 2008 figures reflect actual tax collections, fiscal 2009 figures reflect the current estimates, and fiscal 2010 figures are projections.

SOURCE: National Association of State Budget Officers.

TABLE A-7b

## Comparison of Tax Collections in Fiscal 2008, Fiscal 2009, and Fiscal 2010 Recommended (Percentages)\*\*

Region/State	Sales Tax			Personal Income Tax			Corporate Income Tax		
	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2008	Fiscal 2009	Fiscal 2010
<b>NEW ENGLAND</b>									
Connecticut	2.5%	-6.2%	6.6%	11.3%	-9.0%	-1.3%	-17.6%	-17.2%	4.0%
Maine	-3.7	0.4	2.0	6.6	-8.1	3.6	0.3	-8.5	5.0
Massachusetts	0.5	-3.9	2.3	9.5	-8.4	0.0	-4.7	9.4	-8.5
New Hampshire	NA	NA	NA	NA	NA	NA	10.4	-19.2	0.0
Rhode Island	-3.3	-1.5	0.8	0.8	-5.8	0.2	1.6	-28.2	-10.8
Vermont	1.4	-4.9	0.1	7.1	-11.3	-2.9	2.5	-29.9	-20.5
<b>MID-ATLANTIC</b>									
Delaware	NA	NA	NA	-0.1	-8.0	-0.1	27.2	-30.0	-64.7
Maryland*	7.5	-1.8	-0.5	3.9	6.1	-9.9	-6.5	5.5	3.1
New Jersey	3.6	-5.2	3.1	7.5	-10.8	0.3	-2.3	-20.3	-12.0
New York	5.4	1.0	13.3	5.7	0.0	-4.9	-7.0	-6.2	7.8
Pennsylvania	-1.1	-2.6	1.4	6.3	-1.4	0.0	-3.0	-15.7	-5.8
<b>GREAT LAKES</b>									
Illinois	1.1	-7.5	-2.8	9.7	-8.8	25.8	6.3	-22.0	4.3
Indiana	2.9	-2.0	2.3	4.8	-2.3	1.0	-7.9	-9.6	0.6
Michigan	3.4	-8.3	-2.3	12.2	-16.2	-11.6	35.8	-6.0	-3.6
Ohio	2.6	-2.1	-2.5	2.6	-9.4	-4.1	-30.0	-34.3	-67.1
Wisconsin	2.6	-5.5	-0.6	2.1	-1.9	0.4	-5.9	-19.1	27.0
<b>PLAINS</b>									
Iowa	4.7	17.7	1.8	8.9	0.1	-1.6	13.9	-15.8	-7.6
Kansas	-4.6	-1.2	2.1	6.9	-0.2	3.5	-2.3	-21.3	7.4
Minnesota*	1.4	-4.2	-5.0	7.3	-7.0	-2.5	-12.9	-35.4	-31.6
Missouri	-1.2	-3.7	0.0	5.9	-2.4	0.7	0.2	-21.2	13.3
Nebraska	1.4	1.4	0.7	4.6	3.1	3.4	9.3	-9.8	0.0
North Dakota	8.6	16.9	-5.1	-2.6	5.5	1.0	16.3	-20.5	17.7
South Dakota	6.9	0.0	2.3	NA	NA	NA	NA	NA	NA
<b>SOUTHEAST</b>									
Alabama	-1.0	-5.9	2.0	1.1	-2.5	-0.5	10.2	-31.1	0.6
Arkansas	-3.5	1.1	4.3	8.1	-3.1	1.5	-5.9	-18.8	-2.1
Florida	-5.2	-6.6	2.1	NA	NA	NA	-9.3	-15.2	-3.2
Georgia	-2.0	-6.3	-4.0	0.1	-6.9	1.4	-7.6	-26.2	-21.9
Kentucky	21	0.0	6.6	14.5	-3.4	7.9	56	-44.4	109.1
Louisiana	-9.2	-0.8	-5.9	-2.7	-10.7	-11.0	-10.7	-6.2	-35.3
Mississippi	0.9	0.1	-1.0	4.5	0.4	-1.2	3.3	-19.5	-6.1
North Carolina	-0.3	-4.6	1.2	3.8	-12.7	-1.2	-23.4	-25.1	-2.8
South Carolina	-6.4	-7.3	-3.9	-0.6	-9.9	-4.1	2.7	-53.2	2.5
Tennessee*	0.5	-5.5	2.0	17.7	-30.0	-20.0	-8.3	-18.0	-2.0
Virginia	0.9	-2.1	5.2	3.3	-0.7	3.4	-8.2	-15.2	6.4
West Virginia	7.2	1.4	1.7	7.4	-0.2	0.4	5.3	-33.0	-11.2
<b>SOUTHWEST</b>									
Arizona	-2.3	-10.3	-0.5	-8.8	-18.4	-3.3	-20.4	-26.6	1.7
New Mexico	0.4	2.4	0.9	2.8	0.0	1.4	-22.9	-17.4	-6.1
Oklahoma	5.3	7.1	1.6	-4.2	-8.0	-2.6	-35.9	11.4	-1.0
Texas	7.0	0.4	0.5	NA	NA	NA	NA	NA	NA
<b>ROCKY MOUNTAIN</b>									
Colorado	-3.8	-7.7	7.4	2.1	-1.6	-0.2	2.0	-32.8	2.0
Idaho	6.0	-8.8	-1.5	2.1	-14.5	-0.9	-0.3	-17.5	3.6
Montana	0.9	-1.6	2.3	4.8	-1.2	-1.3	-9.7	-1.6	-25.4
Utah	-6.4	-9.0	-3.1	1.5	-7.2	-3.7	-2.2	-28.6	2.4
Wyoming	5.4	3.4	-3.1	NA	NA	NA	NA	NA	NA
<b>FAR WEST</b>									
Alaska	NA	NA	NA	NA	NA	NA	2.2	0.8	-18.2
California	-3.0	-1.1	14.8	4.4	-13.7	9.5	6.2	-13.9	2.4
Hawaii	2.4	-5.5	1.0	-1.0	-6.2	0.6	4.0	-8.9	-20.1
Nevada	-1.4	-11.4	-6.7	NA	NA	NA	NA	NA	NA
Oregon	NA	NA	NA	-11.1	8.6	0.6	8.6	-30.1	5.8
Washington	4.1	-9.0	1.0	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>0.6%</b>	<b>-3.2%</b>	<b>3.0%</b>	<b>4.7%</b>	<b>-6.6%</b>	<b>1.3%</b>	<b>-3.3%</b>	<b>-15.2%</b>	<b>-1.7%</b>

NOTES: NA indicates data are not available because, in most cases, these states do not have that type of tax. \*See Notes to Table A-7.

\*\* Unless otherwise noted, fiscal 2008 figures reflect actual tax collections, fiscal 2009 figures reflect the current estimates, and fiscal 2010 figures are projections. SOURCE: National Association of State Budget Officers.

## NOTE TO TABLES A-7a and b.

Tennessee Corporate Income Tax includes excise tax and franchise tax. Sales tax, personal income tax and corporate excise tax are shared with local governments.

TABLE A-8

## Proposed Revenue Changes by Type of Revenue, Fiscal 2010

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2010 Revenue Changes (\$ in Millions)</i>
<b>SALES TAXES</b>			
Arkansas	Decrease in state sales tax rate applied to food for home consumption from 3 percent to 2 percent	7/09	\$ -40.5
	Decrease in state sales tax rate applied to manufacturing electricity and natural gas usage from 4 percent to 3.25 percent.	7/09	-3.8
California	(a) Compliance effort (\$10 million) + (b) Rate increase (\$4.766 million)	4/09	4,776.0
Illinois	Loophole Closures	7/09	94.0
Massachusetts	A one percent increase to Statewide Meals and Hotel & Motel Tax to support local aid	Upon Enactment	149.2
Michigan	Lower bad debt deduction; lower collection allowance; change taxation of interstate trucks; change taxation of certain interstate communications	10/09	50.6
Minnesota	Capital equipment sales tax exemption	1/10	-33.6
New York	Expanded the definition of vendor to preclude certain retailers from avoiding the SUT	6/09	9.0
	Impose sales tax on digital property	6/09	15.0
	Curtail certain abusive tax avoidance schemes	6/09	4.0
	Impose sales tax on cable/satellite services	6/09	136.0
	Repeal the sales tax cap on motor fuel	6/09	90.0
	Equalize the current coupon system	6/09	3.0
	Eliminate clothing exemption	6/09	462.0
	Impose sales tax on certain miscellaneous personal services	6/09	78.0
	Repeal bad debt law	6/09	8.0
	Increase prepaid sales tax rate on cigarettes	6/09	14.0
	Allow wine in grocery stores	6/09	0.8
	Limit capital improvement exemption to new construction, additions	6/09	120.0
	Impose sales tax on entertainment related spending	6/09	53.0
	Impose sales tax on transportation-related spending	6/09	45.0
	Increase tobacco retail fee	6/09	-0.4
	Increase beer and wine tax	6/09	2.0
	Impose sales tax on Soft Drinks	6/09	404.0
	Impose an additional 5 percent tax on certain luxury goods	6/09	12.0
	Increase the auto rental tax from 5 percent to 6 percent	6/09	8.0
Rhode Island	Increase Cigarette excise tax by \$1.00 while retaining minimum price markup	4/09	2.7
Virginia	Sales tax on cigarettes		2.0
<b>Total Revenue Changes—Sales Taxes</b>			<b>\$6,512.0</b>

TABLE A-8 (continued)

## Proposed Revenue Changes by Type of Revenue, Fiscal 2010

State	Tax Change Description	Effective Date	Fiscal 2010 Revenue Changes (\$ in Millions)
<b>PERSONAL INCOME TAXES</b>			
California	(a) Compliance effort (+\$9 million) + (b) Dependent Credit Reduction (+\$1,440 million) + (c) Rate increase (+\$3,658 million) + (d) (-\$330 million Jobs credit) + (-\$33 million Homebuyer credit)	1/09	\$4,744.0
Delaware	New Top Rate of 6.95 percent	1/10	30.0
Illinois	1.5 percent tax rate increase (3 percent to 4.5 percent)	7/09	2,920.0
Kansas	Would repeal community services contribution tax credit	7/09	4.4
Maine	Limits benefits under tax reimbursement programs		10.0
Michigan	Suspend inflation indexing of exemptions; eliminate double deduction for oil and gas producers	1/09	61.1
Minnesota	Federal conformity provisions	7/09	-39.9
North Dakota	Decreased personal income tax rate	7/09	-50.0
New Jersey	One year tax rate increase to 10.25 percent on income > \$500,000	1/09	620.0
	One year suspension of property tax deduction for non- seniors with income > \$150,000	1/09	160.0
	Lottery winnings > \$10,000 will be subject to income tax	1/09	8.0
New York	Impose tax on full amount of investment management fee earned by non-resident managers	1/09	60.0
	Levy fee on non-LLC partnerships with NY-source income at or above \$1 million at rates currently applicable to LLC partnerships	1/09	50.0
	Increase the itemized deduction limitation applicable to high income taxpayers from 50 percent to 100 percent except charitable contributions	1/09	140.0
North Carolina	IRC Update – The Governor recommends an update to the IRC reference used in defining and determining certain state tax provisions	1/10	-10.4
Rhode Island	The American Recovery and Reinvestment Act of 2009 contains the following provisions: Increase weekly unemployment compensation by \$25.00, \$1.8 million; Deduction from AGI of first \$2,400 of Unemployment compensation, \$(5.4) million; and Deduction from AGI of Sales tax paid on new car purchase, \$(1.4) million	1/09	-5.0
South Carolina	Lower the state's income tax from 7 percent to a flat 3.65 percent by using revenues from a cigarette tax increase of 30-cents per pack	7/09	-102.0
Virginia	Federal Tax Conformity \$10.5 million; decrease land preservation tax credit cap \$50.0 million; add energy tax credit increase (\$2.0 million)	1/09	58.5
Wisconsin	Creates new high marginal tax bracket for very high income earners; \$225 thousand single, \$300 thousand married filing jointly; \$150 thousand married filing separately	1/09	175.6
<b>Total Revenue Changes—Personal Income Taxes</b>			<b>\$8,834.3</b>

TABLE A-8 (continued)

## Proposed Revenue Changes by Type of Revenue, Fiscal 2010

State	Tax Change Description	Effective Date	Fiscal 2010 Revenue Changes (\$ in Millions)
<b>CORPORATE INCOME TAXES</b>			
California	Compliance Efforts	7/09	\$4.0
Illinois	2.4 percent tax increase (4.8 percent to 7.2 percent)	7/09	\$470.0
Iowa	Yearly \$200 million budget cap on currently uncapped awarded tax credits for \$15 million and elimination of doubling of research and activities tax credit for \$13 million.	1/09	28.0
Maine	Removes from the apportionment calculation the sales of tangible personal property by businesses operating in more than one state where the taxpayer is not taxable.		2.6
Minnesota	Reduce the corporate tax rate from 9.8 percent to 4.8 percent over a six-year period.	1/10	-10.0
	Section 179 business expensing.	7/09	-20.9
	Reinvestment tax credit.	7/09	-50.0
	Green JOBZ	Final Enactment	-1.2
New Jersey	Extend 4 percent surcharge that was to expire on 6/30/09	1/09	80.0
North Carolina	The Governor recommended that companies with profits below \$100,000 be able to exempt the first \$25,000 from net income and companies with profits between \$100,000 and \$200,000 be able to exempt the first \$15,000.	1/10	-12.0
Oregon	Increase corporate minimum tax.	1/10	28.0
Rhode Island	Reduce rate to 7.5 percent from 9.0 percent	1/10	-14.5
Tennessee	Family-Owned Non-Corporate Entities (FONCE) subject to Franchise & Excise Taxes.		25.0
Virginia	Captive REIT legislation	7/09	10.0
<b>Total Revenue Changes—Corporate Income Taxes</b>			<b>\$539.0</b>
<b>CIGARETTE AND TOBACCO TAXES</b>			
Arkansas	Increase in cigarette tax rate from 59 cents to \$1.15 per package of 20 cigarettes. Increase in tax rate for other tobacco products.	3/09	\$86.2
Delaware	Increase from \$1.15/pack to \$1.60/pack	8/09	16.0
Illinois	\$1.00 per pack increase	7/09	365.0
Maine	Change in basis to tax on smokeless tobacco.		1.5
Michigan	Double the tax rate on other tobacco products; lower collection allowance	10/09	48.2
Mississippi	Increase by \$0.24 per pack for manufacturers participating in the tobacco settlement with the State and \$0.43 for non-participating manufacturers, and increase on smokeless tobacco.	7/09	79.8
New Hampshire	35 cent per pack increase in Tobacco Tax	7/09	35.0
New Jersey	Increase cigarette tax from \$2.575 per pack of 20 cigarettes to \$2.70 per pack	7/09	26.0
New York	Change method of taxation of cigars to \$0.50 per cigar from 37 percent of wholesale price	4/09	10.0
	Increase retail registration fee	1/09	16.7
North Carolina	Increase cigarette tax from \$.35/pack to \$1.35/pack. Also recommended the tax on other products from 10 percent to 28 percent of the wholesale price.	9/09	342.9
Oregon	Increase tax rate. A portion of this increase goes to the General Fund.	1/10	37.0
Pennsylvania	Increase cigarette tax by \$0.10 per pack.	8/09	60.8
Rhode Island	Increase cigarette excise tax to \$3.46 while retaining minimum price markup	4/09	27.5
South Carolina	Increase cigarette tax by 30-cents per pack and use the revenues to lower the state's income tax from 7 percent to a flat 3.65 percent.	7/09	102.0
Wisconsin	Increases cigarette tax rate by \$0.75 per pack.	9/09	127.4
<b>Total Revenue Changes—Cigarette and Tobacco Taxes</b>			<b>\$1,489.0</b>

TABLE A-8 (continued)

## Proposed Revenue Changes by Type of Revenue, Fiscal 2010

State	Tax Change Description	Effective Date	Fiscal 2010 Revenue Changes (\$ in Millions)
<b>MOTOR FUELS TAXES</b>			
Alaska	Suspend Motor Fuel Tax		\$ -8
Idaho	Increase the state fuel tax by two cents per gallon each year for five years.	7/09	17.6
New Jersey	Increase to motor vehicle fees, including transactions, processes and services	7/09	20
Oregon	Increase fuel tax. None of this increase goes to the General Fund.	7/09	58
<b>Total Revenue Changes—Motor Fuels Taxes</b>			<b>\$87.6</b>
<b>ALCOHOLIC BEVERAGES</b>			
California	Compliance (Flavored Malt Beverages)	7/09	\$38.0
Delaware	Increase taxes by 50 percent	9/09	3.5
Michigan	Increase license fees; extend hours of sales	10/09	24.1
New Jersey	Increase alcoholic beverage excise tax, excluding beer, by 25 percent	7/09	22.0
New York	Reform tax on flavored malt beverages	6/09	15.0
	Increase rates on beer and wine	4/09	63.0
North Carolina	A 5 percent tax surcharge to all alcohol purchases	9/09	157.5
<b>Total Revenue Changes—Alcoholic Beverages</b>			<b>\$323.1</b>
<b>OTHER</b>			
Colorado	HB 09-1001 Tax Credit – Creates an income tax credit to firms that create new jobs in Colorado and meet specified criteria. (03/10/09 Revised Legislative Council Staff Fiscal Note)	8/09	\$ -2.9
Delaware	Corporate Franchise Tax	1/09	97.4
	Gross Receipts Tax - Increase by 10 percent	1/09	7.0
	Public Utility Tax	8/09	7.0
Idaho	Rental Car Tax, creates a six percent tax assessed on car rentals.	7/09	2.0
	Speciality Plates, increases fees for speciality license plates by \$20.	7/09	4.0
Illinois	Various	7/09	593.0
Kansas	Suspend franchise tax phase-out	7/09	14.0
	Suspend phase-out of estate tax	1/10	5.0
Louisiana	Extension of Tax Credits - due to sunset this year. The extension will apply to film production, targeted infrastructure, digital media, sound recording, research and development, and Angel investor.	7/09	-8.0
Maine	Estate Tax revision and change in tax rate on telecommunication personal property.		3.8
Maryland	Reduced the Mined Coal Tax Credit for the Franchise Tax	6/09	4.5
Michigan	Change taxation of commercial rental property under property tax	10/09	10.0
Minnesota	Reduce taconite state appropriation from 22 cents per taxable ton of iron ore produced to 7 cents per ton.	7/09	-5.8
New Hampshire	\$20.1 million from a 0.75 percent increase in Meals & Rooms Tax; \$8.0 million from a tax on Gambling Winnings greater than \$600	7/09	28.1
New Jersey	Unclaimed slot machine vouchers would be escheated	7/09	4.0
Oregon	Extend and restructure provider tax. None of this revenue goes to the General Fund.	10/09	232.0
Pennsylvania	Implement a tax on other tobacco products.	10/09	37.9
	Implement a severance tax on natural gas.	10/09	107.2
	Continued phase out of the Capital Stock and Franchise Tax.	1/10	-222.9
Rhode Island	Increase Health Care Insurers Gross Premiums Rate to 2.00 percent	1/09	3.8
	Eliminate Exemption for Managed Care Plans	1/09	9.8
	Reduce Nursing Home Tax Revenue	7/09	-1.6
	Eliminate Group Home tax	5/09	-11.1
	Increase Estate tax exemption amount to \$1.0 million	1/10	-1.5
South Dakota	Additional Gaming tax of 1 percent on Deadwood casinos	7/09	1.0
Tennessee	Health Maintenance Organization premium tax increase from 2.2 percent to 5.5 percent.		139.3
Virginia	Hotel Movie Rental Tax	7/09	0.3
Wisconsin	Increases taxes on other tobacco products including moist snuff and cigars by 42 percent.	9/09	15.2
<b>Total Revenue Changes—Other Taxes</b>			<b>\$1,072.5</b>

TABLE A-8 (continued)

## Proposed Revenue Changes by Type of Revenue, Fiscal 2010

State	Tax Change Description	Effective Date	Fiscal 2010 Revenue Changes (\$ in Millions)
<b>FEES</b>			
Alaska	Business License Fee Reduction	10/08	\$ -3.2
California	Vehicle License Fee Rate Increase	5/09	1,692.0
Colorado	SB 09-108 Fee Increase for Transportation (Fasttracks) 03/10/09 Revised Legislative Council Staff Fiscal Note	Section 5 takes effect in January 10; rest was upon signature (law)	200.0
Connecticut	Increase various licenses, permits, and fees	7/09	137.2
Delaware	Various Judicial Fees		1.3
	Vital Records fee increases		1.0
	Alcohol Beverage Control Commission licensing fees		1.2
Florida	Various fee increases	Various	151.3
Georgia	Driver Services Super Speeder Fine		23.0
Idaho	Vehicle Registration, increases fees for cars, motorcycles, etc. according to vehicle age and for light trucks according to age and weight.	7/09	13.6
	Heavy trucks, increases registration by 5 percent.	7/09	2.4
Maine	Increases State Park fees, Marine Resource license fees & Hunting/Fishing/Trapping license fees.		1.6
Minnesota	Health Department - Vital Records Technology Improvement Fee. Extends the current \$2 surcharge on all vital records to ensure system upgrades scheduled to be implemented in 2010 continue, and future costs are recovered.	7/09	1.2
	Human Services Dept - Licensing Funding. Restructures the funding mechanism for the department's licensing activities, increasing fees to fully recover licensing costs.	7/09	1.2
	Human Services Dept - Stabilizes funding for State Operated Services dental clinics.	7/09	1.8
	Dept of Natural Resources - Utility and land lease fees.	7/09	1.8
	Agriculture Dept - Increase pesticide fees.	7/09	2.8
	Enterprise Technology Office - Surcharge for electronic licensing system.	7/09	5.8
New York	Increase Registration Fees	9/09	60.5
	Increase Driver's License Fees	9/09	21.9
	Reissue License Plates	4/10	0.0
	Increase HUT registration fee from \$4 to \$15 and allow the Tax Department to mail out decals	4/09	4.6
	Increase Food licensing fees	4/09	3.7
	Increase Food Safety Violation Penalties	4/09	1.2
	Increase and Expand New Statewide Central Register Fees	4/09	2.7
	Increase various Civil Service Exam Fees	4/09	1.6
	Expand Insurance Fingerprinting Fee	4/09	6.3
	Increase Nuclear Power Plant Fee	4/09	2.7
	Remove Cap on DMV Surcharges	4/09	8.3
	Increase License Termination Fees	4/09	13.4
	Increase State Pollutant Discharge Elimination Fees	4/09	5.0
	Establish Fishing Fees	4/09	6.0
	Increase Physician Fees	4/09	16.4
	Assess Early Intervention Provider Fee	4/09	1.7
	Restructure Clinical Lab Fees	4/09	36.5
	Increase Certificate of Need Fees	4/09	4.0

TABLE A-8 (continued)

## Proposed Revenue Changes by Type of Revenue, Fiscal 2010

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2010 Revenue Changes (\$ in Millions)</i>
<b>FEES (cont'd)</b>			
New York (cont'd)	Reinstitute Hospital Assessment	4/09	\$ 316.4
	Reinstitute Home Care Assessment	4/09	19.1
	Increase Hospital Surcharges	4/09	126.0
	Increase Covered Lives Assessments	4/09	240.0
	Extend the Covered Lives Assessment	4/09	5.0
	Establish Physical Procedure Surcharge	4/09	49.8
	Increase Insurance Assessment for Public Health Programs	4/09	99.8
	Establish Timothy's Law Insurance Assessment	4/09	179.0
	Increase Insurance Assessment for Tobacco Control and early Intervention	4/09	92.6
	Establish Third Party Administrator Fee	4/09	63.1
	Increase Various Asbestos Related Fees	4/09	9.2
	Boiler Inspection Fee Increases	4/09	2.2
	Increase Real Property Transfer Fee	4/09	14.3
	Increase Administrative Parks Fees	4/09	6.5
	Increase Utility Assessment	4/09	651.6
	Establish Horse Entrance Fee	4/09	1.0
	Increase State Licensing Fees	4/09	3.5
	Increase Surcharge on Auto Insurance	4/09	48.4
	Automated Speed Enforcement Cameras	4/09	50.0
	Establish Processing Fee for Paper Returns	4/09	6.8
	Establish Bad Check Fee	4/09	1.5
	Establish Installment Payment Fee	4/09	4.5
	Establish Tax Preparer Fee	4/09	6.0
North Carolina	Increase annual license fee on professionals from \$50 to \$200 and increase in non-tax judicial fees and various smaller fee increases.	7/09	27.4
Ohio	Executive recommendations for FY 2010-2011 contained multiple fee increases to support certain activities including industry specific licensing and inspection services.	7/09	
Oklahoma	Miscellaneous fee increases for several agencies.		29.7
Oregon	Increase transportation registration and title fees. None of this revenue goes to the General Funds.	7/09	442.0
Rhode Island	Motor vehicles: Increase reinstatement fees for Operator's license from \$75.00 to \$250.00	4/09	3.7
	Motor vehicles: Increase Certificate of title fee from \$25.00 to \$50.00	4/09	3.9
South Dakota	Increases in licensing, registration and inspection fees in Dept. of Health; Increases in parole supervision fees in Dept. of Corrections; Increases in coin laundry fees, alcohol brand registration fees and alcohol licensing fees in the Dept. of Revenue; Increases in business registration and licensing fees within the Secretary of State. Increases in licensing and permit fees within the Dept. of Agriculture. Increases in park related fees within the Dept. of Game Fish and Parks. Increases in license and registration fees within the Dept. of Environment and Natural Resources.	7/09	4.6
Utah	Regulatory fees to cover costs.		20.8
	Motor Vehicle Registration increase by \$20.	7/09	53.0
Vermont	Motor Vehicle fee increase	7/09	8.521
	Public Safety: sale of audio/videotapes	7/09	0.003
	Historic preservation/archeology	7/09	0.190
	Change for technical analysis to review economic development and community development grants	7/09	0.016
	Secretary of State professional regulation	7/09	0.164
	Workers' Compensation premium assessment	7/09	0.006
<b>Total Revenue Changes—Fees</b>			<b>\$5,022.6</b>

TABLE A-9

Recommended Revenue Measures, Fiscal 2010

State	Description	Effective Date	Fiscal 2010 Recommended Changes (\$ in Millions)
Colorado*	Sales-Capped the amount of state sales tax vendors can retain to offset administrative costs associated with collecting state sales tax at time of purchase (Figure represents Governor's policy proposal – legislative estimate in final bill is \$38.0M)		\$39.1
Connecticut	Sales-Suspension of the sales tax week for two years	7/09	4.2
	Personal Income-Delay the increase in the singles personal income tax exemption for 3 years	7/09	13.3
	Corporate-Cap the film industry tax credit at \$30 million per year. Suspend the Historic Homes and Historic Structures tax credits for two years	7/09	35.0
	Fees-Reduce lottery retailer commission from 5 percent to 4 percent	4/09	10.0
Delaware	Increase state share of Video Lottery/institute sports betting		55.0
Florida	Other-Redistribution and delayed distribution of tax collections ; trust fund sweeps	7/09	646.3
Idaho	Sales-Ethanol Exemption, repeals the exemption on ethanol.	7/09	4.1
Kansas	Alcohol-The amount of liquor taxes that under current law is distributed to local governments is recommended to be deposited in the State General Fund.	7/09	27.2
	Other-Require mineral taxes to be paid within one month instead of two, resulting in one additional mineral tax payment in FY 2010.	7/09	10.0
Maine	Personal Income-Enhanced revenue collections, reduction in amount transferred to Local Government Fund and revision on estimated tax payments.		18.5
	Other-Additional Investment earnings		1.3
Massachusetts	Sales-The Governor recommended eliminating the sales tax exemption on alcohol, candy and sweetened beverage products.	Upon Enactment	150.0
Maryland	Fees-Adjusts commission level for lottery sales agents from 5.5 percent to 5.0 percent of ticket sales.	6/09	8.6
Michigan	Sales-Use tax audit letter to businesses	10/09	2.5
	Personal Income-Income tax automation	10/09	4.1
	Other-Increased lottery advertising; publicize names of major delinquent taxpayers to increase compliance; delinquent business accounts compliance efforts	10/09	31.0
Minnesota	Gambling-Establishes a single tax rate on all forms of charitable gambling in order to reduce complexity and provide a more fair distribution. The proposed rate of 3.75 percent of gross receipts replaces four different tax rates currently assessed on five forms of lawful gambling: pull tabs, tip boards, raffles, bingo, and paddle wheels. The proposed tax is estimated to raise the same amount of revenue as the existing four taxes, which collectively are forecast to provide \$39.2 million to the general fund in FY 2010.	7/09 and 1/10	0.0
	Fees-Human Services Dept - Transforms the Child & Adolescent Behavioral Health Services (CABHS) hospital from an enterprise program to an appropriation-based program and establishes a new partial hospitalization model of care.	7/09	8.4
	Fees-Dept of Labor & Industry - Move to a biennial licensure and registration process and stagger the renewal cycles to save agency operating costs.	7/09	2.7
	Other-Merge Health Care Access Fund into the general fund.	7/09	0.0
Montana	Other-Mitigate Property tax Re-appraisal	1/09	-9.3
Nevada	Increase SUT commission by 1 percent	7/09	12.9
	Redirection of various revenue streams from local governments and other segments of state government to the General Fund.	7/09	155.4
	Redirection of fees formerly deposited in other accounts to the General Fund.		7.0
New Hampshire	Alcohol-Pricing, product and efficiency improvements/initiatives at state liquor stores	7/09	14.0

TABLE A-9 (continued)

## Recommended Revenue Measures, Fiscal 2010

State	Description	Effective Date	Fiscal 2010 Recommended Changes (\$ in Millions)
New York	Sales-Tax Compliance	6/09	\$ 78.0
	Personal Income-Reform the Empire Zones Tax Credit Program	1/08	272.0
	Personal Income-Enact reciprocal program with the US Treasury Department and other states to intercept vendor payments to satisfy eligible past-due debts.	1/09	2.5
	Personal Income-Eliminate Underutilized Tax Credits	1/09	5.9
	Corporate Income-Reform the Taxation of Digital Property	3/09, 1/09	15.0
	Corporate Income-Increase the mandatory first installment from 25 percent to 30 percent.	1/10	351.0
	Corporate Income-Eliminate Exemption for Large Cooperative Insurance Companies	1/09	19.0
	Corporate Income-Restructure and Simplify the Insurance Tax	1/09	65.0
	Corporate Income-Change Filing Requirement for Overcapitalized Captive Insurance Corporations	1/09	33.0
	Corporate Income-Clarify that Utilities do not Meet Definition of Manufacturers for Capital Base Cap	1/09	18.0
	Corporate Income-Expand the State Low Income Housing Tax Credit Program by \$4 million	1/09	-4.0
	Alcohol-Allow the sale of wine in grocery stores and impose a franchise fee	10/09	105.0
	Fees-Expand the Bottle Bill	4/09	118.0
Ohio	Fees-Increase in certain user, licensing, and inspection fees reduced pressure in the General Revenue Fund in FY 2010-2011	7/09	53.4
Oregon	Personal Income-Expands tax credit; Allows Higher Education to retain interest earnings.	1/10	-6.0
Pennsylvania	Sales-Eliminate the 1 percent vendor discount for timely remittance of sales tax collections.	7/09	74.9
	Cigarette-Eliminate the transfer of 18.52 percent of the cigarette tax to the Health Care Provider Retention Account.	7/09	198.9
	Other-One-time transfer of a portion of the balance in the Health Care Provider Retention Account.	7/09	350.0
Rhode Island	Motor Fuel-Transfer of \$0.01 general revenue share of \$0.30 Gas Tax to Department of Transportation	7/09	-4.5
	Fees-Reinstitute Hospital Licensing Fee and implement base year rate	N/A	111.4
	Fees-Sale of Various State Property	7/09	10.0
South Carolina	Other-Redirect Redevelopment Authority taxes and fees to the General Fund	7/09	4.6
Virginia	Sales-Change in dealer discount sales tax	7/09	64.3
	Fees-2/3 excess court fees	7/09	6.0
Wisconsin	Sales-\$19.8 Requires similar treatment of sales and individual income tax for business entities of parent corporations (disregards); \$1.5 Require internet sellers to collect sales tax if affiliated with business that has nexus in state	7/09	21.3
	Personal Income-Requires quarterly withholding payments by nonresident members of pass-through entities;	1/09	38.5
	Corporate Income-\$38.2 decouples from the federal qualified production activities deduction; \$57.7 compute throwback sales equal to normal sales for corporate income apportionment purposes; \$4.0 clarifies definition of direct air carrier for income apportionment purposes; \$5.0 sunsets the refundable film tax credit; \$4.5 delays electronic medical records tax credit until 2011.	1/09	109.4
	Other-Reduces capital gains excludable from income from 60 percent to 40 percent.	1/09	85.1
<b>Total</b>			<b>\$3,409.4</b>

**NOTE:** See Notes to Table A-9. **SOURCE:** National Association of State Budget Officers.

## NOTE TO TABLE A-9

Colorado Figure represented the Governor's request. There were other revenue policy changes proposed by the executive but they do not fit within the categories listed here (e.g., cash fund transfers). As such, they are described in Table A-5b. All Colorado revenue policy changes for budget balancing involve the diversion of existing GF revenues into the GF instead of use for other purposes. The policy changes do not involve any tax changes, pursuant to Article X, Section 20 of the Colorado Constitution.

TABLE A-10

## Total Balances and Balances as a Percentage of Expenditures, Fiscal 2008 to Fiscal 2010\*

Region/State	Total Balance (\$ in Millions)**			Balances as a Percent of Expenditures		
	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2008	Fiscal 2009	Fiscal 2010
<b>NEW ENGLAND</b>						
Connecticut	\$1,382	\$1,100	\$586	8.5%	6.5%	3.3%
Maine	116	75	90	3.7	2.5	3.0
Massachusetts	2,406	1,466	1,014	8.8	5.3	3.6
New Hampshire	106	51	51	6.9	3.3	3.3
Rhode Island	61	10	121	1.8	0.3	3.9
Vermont	58	60	57	4.8	5.2	5.1
<b>MID-ATLANTIC</b>						
Delaware	526	378	393	15.4	11.4	12.4
Maryland	1,172	1,134	744	8.1	7.9	5.4
New Jersey	1,304	699	500	3.9	2.3	1.7
New York	2,754	1,514	1,242	5.2	2.7	2.2
Pennsylvania	1,325	515	141	4.9	1.9	0.5
<b>GREAT LAKES</b>						
Illinois	417	417	417	1.5	1.4	1.5
Indiana	1,413	1,275	1,040	11.1	9.3	7.3
Michigan	460	2	-130	4.7	0.0	-1.6
Ohio	2,694	1,336	1,242	10.2	4.7	4.6
Wisconsin	131	216	237	1.0	1.5	1.7
<b>PLAINS</b>						
Iowa	641	594	448	10.9	9.8	7.6
Kansas	527	58	1	8.6	0.9	0.0
Minnesota	1,920	569	903	11.3	3.4	6.0
Missouri	1,115	483	271	13.8	5.7	3.0
Nebraska	1,130	853	560	34.8	25.0	15.9
North Dakota	653	703	543	54.2	55.3	35.6
South Dakota	107	107	107	9.1	9.3	9.4
<b>SOUTHEAST</b>						
Alabama	467	237	216	5.4	3.0	3.0
Arkansas	0	0	0	0.0	0.0	0.0
Florida	1,666	1,125	389	6.0	4.5	1.6
Georgia	2,217	2,217	2,217	11.4	12.4	12.9
Kentucky	300	47	24	3.2	0.5	0.2
Louisiana	1,641	1,641	854	17.0	17.5	10.6
Mississippi	440	375	300	8.7	7.3	6.0
North Carolina	1,386	537	537	6.8	2.7	2.6
South Carolina	324	147	211	4.5	2.5	3.6
Tennessee	1,098	686	750	10.0	6.3	7.2
Virginia	1,328	755	602	7.7	4.6	3.7
West Virginia*	1,132	456	564	30.1	10.3	14.9
<b>SOUTHWEST</b>						
Arizona	151	-430	15	1.5	-4.6	0.2
New Mexico	735	568	515	12.2	9.5	9.4
Oklahoma	886	950	354	13.7	14.5	6.2
Texas	11,171	8,698	8,539	26.2	20.5	23.2
<b>ROCKY MOUNTAIN</b>						
Colorado*	327	148	161	4.4	2.0	2.1
Idaho	380	198	152	13.6	7.2	6.0
Montana	436	341	274	21.1	17.6	15.0
Utah	414	395	270	7.0	7.6	5.3
Wyoming	306	284	279	16.9	15.5	15.2
<b>FAR WEST</b>						
Alaska	8,746	5,396	4,643	160.1	108.4	104.8
California	2,376	-2,341	3,182	2.3	-2.5	3.5
Hawaii	405	138	114	7.5	2.6	2.2
Nevada	388	187	307	11.3	5.1	10.0
Oregon	91	341	-237	1.3	5.7	-3.5
Washington	1,093	-49	-1,139	7.5	-0.3	-7.3
<b>Total</b>	<b>\$62,319</b>	<b>\$36,655</b>	<b>\$34,669</b>	<b>9.1%</b>	<b>5.5%</b>	<b>5.3%</b>

NOTES: NA indicates data not available. \*Fiscal 2008 are actual figures, fiscal 2009 are estimated figures, and fiscal 2010 are recommended figures. \*\* Total balances include both the ending balance and balances in budget stabilization funds.

SOURCE: National Association of State Budget Officers.

**NOTES TO TABLE A-10**

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Colorado	Reflects General Assembly's final budget balancing proposals.
West Virginia	FY 2008 Balance includes \$409.6 million in appropriated balances that were carried forward into FY 2009 and authorized for expenditure. Data assumes that all appropriations in FY 2009 and FY 2010 will be spent with no appropriations carrying forward, however historically amounts will remain at the end of each fiscal year and be re-appropriated to the next fiscal year. FY 2009 also reflects anticipated investment losses in the Rainy Day Fund.

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