



**The**



**Fiscal**



**Survey**



**of**



**States**

**June 2010**

**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, NASBO's *State Expenditure Report*, also is conducted annually.

The field survey on which this report is based was conducted by NASBO from March through May 2010. The surveys were completed by governors' state budget officers in all 50 states.

This survey also includes Puerto Rico; however, their data is not included in the 50 state totals.

Fiscal 2009 data represent actual figures, fiscal 2010 figures are estimated, and fiscal 2011 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, 21 states operate on a biennial budget cycle.

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



## Executive Summary

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Fiscal 2010 presented the most difficult challenge for states' financial management since the Great Depression and fiscal 2011 is expected to present states with similar challenges. The severe national recession that most likely ended in the second half of calendar year 2009 has drastically reduced tax revenues from every revenue source.

As state revenue collections historically lag behind any national economic recovery, state revenues will remain sluggish throughout fiscal years 2011 and 2012. State general fund spending has been so negatively affected by this recession that both fiscal 2009 and fiscal 2010 saw declines in state spending. This two year decline is unprecedented and is only the second time that state general fund spending has declined in the history of the Fiscal Survey. Forty states decreased their general fund expenditures in fiscal 2010 compared to fiscal 2009. According to governor's recommended budgets for fiscal 2011, 13 states recommended lower general fund expenditures compared to fiscal 2010. In total, 44 states estimate that they will have lower general fund expenditures in fiscal 2010 compared to fiscal 2008. In fiscal 2011, 39 states recommended lower spending than in fiscal 2008. Fiscal 2008 serves as a baseline as it the last fiscal year on record in which states were not significantly affected by the national recession.

Fiscal 2010 general fund expenditures are currently estimated to be \$612.9 billion compared to \$657.9 billion in fiscal 2009, a 6.8 percent decline. Governors' recommended budgets for fiscal 2011 forecast a 3.6 percent increase to \$635.3 billion in general fund expenditures. In contrast, general fund spending in fiscal 2008 was \$687.3 billion indicating that general fund spending will be \$74.4 billion less in fiscal 2010 and \$52.0 less in fiscal 2011 compared to fiscal 2008.

This reduction in general fund spending is the result of significant declines in sales, personal income, and

corporate income tax collections, which make up approximately 80 percent of general fund revenue. States estimate that these tax revenues in 2010 will be \$477.4 billion compared to \$541.4 billion in fiscal 2008, a decline of 11.8 percent. Governors' recommended fiscal 2011 budgets forecast collections of \$495.8 billion, an 8.4 percent decline from fiscal 2008 levels. States have also experienced the decline of tens of billions of dollars in fees and other taxes.

This decrease in revenues resulted in 40 states making mid-year budget cuts to their fiscal 2010 budgets totaling \$22 billion along with 43 states making mid-year budget cuts of \$31.3 billion in fiscal 2009.

The decrease in general fund spending and tax collections includes nearly \$23.9 billion in increased taxes and fees in fiscal 2010 along with an additional \$7.5 billion in other revenue measures. Aggregated tax increase proposals are much lower for fiscal 2011 with governors proposing a net \$3.1 billion in taxes and fees increases for fiscal 2011 with an additional \$2.0 billion in other revenue measures for fiscal 2011.

Balance levels are estimated to total \$38.0 billion or 6.2 percent of expenditures at the end of fiscal 2010. Balance levels are expected to decrease slightly in fiscal 2011 to \$36.6 billion or 5.8 percent of expenditures based on governors' fiscal year 2011 recommended budgets. However, the aggregate totals overstate the average balance level, since only two states, Texas and Alaska, make up 66 percent of total state balance levels in fiscal 2010. Without these two states, the remaining 48 states have balance levels that represent only 2.2 percent of general fund expenditures.

The significant reduction of state revenue collections along with increased demand for state services during the national recession, such as Medicaid and public assistance, is reflected in the fact that states

will have faced \$296.6 billion in budget gaps between fiscal year 2009 and fiscal year 2012. Of this \$296.6 billion, states still face \$127.4 billion in gaps for the remainder of fiscal 2010, fiscal 2011, and fiscal 2012.

By providing nearly \$135 billion in flexible emergency funding through the *American Recovery and Reinvestment Act* of 2009 (ARRA) the federal government has helped states avoid even more significant cuts to state services and/or proposed tax increases. These emergency funds include \$87 billion in Medicaid funds and \$48 billion in education funds. Even though general fund expenditures were significantly lower in fiscal 2010 compared to fiscal 2008, states were able to spend nearly \$120 billion in Recovery Act funds.

Nearly all of these ARRA funds are scheduled to be spent by the end of fiscal 2011. As the federal share of total state spending has increased to 30 percent in fiscal 2009 from 26.3 percent in 2008 due to the Recovery Act, the loss of these funds combined with the anticipated slow recovery of state revenues is expected to result in the continuation of difficult state fiscal conditions for the next few years.

This edition of *The Fiscal Survey of States* reflects actual fiscal 2009, estimated fiscal 2010, and recommended fiscal 2011 figures. The data were collected during spring 2010.

## State Spending

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

- Fiscal 2010 general fund expenditures are currently estimated to be \$612.9 billion compared to \$657.9 billion in fiscal 2009. Governors' recommended budgets for fiscal 2011 forecast an increase to \$635.3 billion in general fund expenditures.
- So far, 40 states have made mid-year budget cuts to their fiscal 2010 budgets totaling \$22.0 billion.

Forty-three states made mid-year budget cuts of \$31.3 billion in fiscal 2009. This is in stark contrast to the last fiscal downturn, in 2002 and 2003, when mid-year budget reductions totaled \$14 billion and \$12 billion, respectively.

- Thirteen states propose decreasing general fund expenditures for fiscal 2011, while 40 states are estimating lower general fund expenditures in fiscal 2010 compared to fiscal 2009.
- Medicaid spending from state funds is estimated to decline by 2.7 percent in fiscal 2010, while federal funds are estimated to increase by 17.2 percent. However, the loss of Recovery Act funds is projected to result in Medicaid spending from state funds to increase by 7.0 percent in governors' recommended budgets for fiscal 2011, while federal funds are expected to decrease by 1.7 percent.
- One state is 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 \$3.1 billion in additional revenue based on governors' recommended fiscal 2011 budgets. For fiscal 2011, 18 states recommended net increases while nine states recommended net decreases. This is in contrast to fiscal 2010 when states enacted \$23.9 billion tax and fee increases, with 29 states enacting net increases and nine states enacting net decreases.

The number of states experiencing revenue shortfalls increased in fiscal 2010 as revenues from all sources which include sales, personal income, corporate income and all other taxes and fees are below original projections in 46 states, are on target in two states, and are above projections in two states. This is similar to fiscal 2009 when 41 states

were below projections, four states were on target, and four exceeded projections.

Other findings include:

- Fiscal 2010 tax collections of sales, personal income, and corporate income are estimated to be 2.3 percent lower than actual fiscal 2009 collections. Sales tax collections are estimated to be 1.0 percent lower and personal income tax collections are 2.8 percent lower. Corporate income tax collections were 5.8 percent lower relative to actual fiscal 2009 collections. Within state budgets, about 40 percent of general fund revenue is from personal income tax, 33 percent is from sales tax, and eight percent is from corporate tax, with the rest from various other sources.
- States are projecting a slight rise of 3.9 percent in tax collections for fiscal 2011 recommended budgets relative to current fiscal 2010 estimates. Compared to fiscal 2010 collections, recommended fiscal 2011 budgets reflect increases of 3.9 percent in sales tax revenue, 3.7 percent in personal income tax revenue, and 4.7 percent increase in corporate income tax revenue.

## 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.

- After reaching a peak in fiscal 2006 at \$69 billion or 11.5 percent of general fund expenditures, the severe deterioration in state fiscal conditions resulted in balance levels representing 6.2 percent of expenditures during fiscal 2010. Balance levels are expected to decrease slightly in fiscal 2011 to 5.8 percent of general fund expenditures based on governors’ fiscal year 2011 recommended budgets. However, removing Alaska and Texas from these totals reveals that total balance levels for the remaining 48 states equals an estimated 2.2 percent of general fund expenditures in fiscal 2010 and 2.9 percent in fiscal 2011. Because states recognize that this economic downturn may last at least into 2012 they are reluctant to deplete balances.





# State Expenditure Developments

## CHAPTER ONE

### Overview

State finances continued to worsen in fiscal 2010 following an already difficult fiscal 2009. While general fund spending is projected to rise during fiscal 2011, the loss of Recovery Act funds and diminished levels of tax collections are likely to result in tight fiscal conditions for fiscal 2011, 2012 and possibly beyond. These difficulties are highlighted by the 40 states that made mid-year budget cuts in fiscal 2010 totaling \$22.0 billion (See Table 1).

During the previous state fiscal crisis, 37 states' fiscal in 2003 made mid-year budget cuts totaling \$12 billion more than a year after the end of the national recession. The 2009 and 2010 cuts are an indication of the extent and speed of the fiscal deterioration. Additionally, based on state fiscal data from previous downturns, the impact on state budgets may lag the recovery in the economy. States are expected to take up to several years after the recession has ended to fully recover and begin expansion.

Forty-two states and Puerto Rico reported closing \$73.1 billion in budget gaps during fiscal 2009. Through the first 11 months of fiscal 2010 states have solved budget gaps totaling \$96.2 for fiscal 2010 budgets, although an additional \$11.6 billion still remain unresolved. Additionally, 32 states reported \$62.3 billion in budget gaps for fiscal 2011, while 24 states reported \$53.4 billion in gaps for fiscal 2012. However, since a number of states still have not forecast an exact gap for fiscal 2012, this figure is expected to rise.

As a result of declining state fiscal conditions, states were very active in addressing budget gaps for both fiscal 2010 and 2011. In fiscal 2010, 36 states used targeted cuts and 28 states implemented across the board cuts. Nineteen states addressed their budget gap by making use of their rainy day fund. States

also reduced their workforce in order to solve their budget gaps as 26 states employed layoffs and 22 states instituted furlough programs. To eliminate fiscal 2011 budget gaps, governors in 35 states proposed targeted cuts to address their gap, while 19 governors proposed employing across the board cuts. Twenty states proposed to reduce aid to localities while 15 governors recommended using their states' rainy day funds. Additionally, 19 states recommended layoffs while 13 proposed implementing furlough programs in order to help solve their budget gaps (See Appendix Tables A-5a and A-5b).

### 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 2009 spending from all sources (general funds, federal funds, other state funds and bonds) is approximately \$1.59 trillion with the general fund representing 41.7 percent of the total. The components of total state spending for estimated fiscal 2009 are: elementary and secondary education, 21.1 percent; Medicaid, 21.0 percent; higher education, 9.8 percent; transportation, 8.2 percent; corrections, 3.3 percent; public assistance, 1.6 percent; and all other expenditures, 34.9 percent.

For estimated fiscal 2009, components of state spending within the general fund are elementary and secondary education, 35.1 percent; Medicaid, 16.2 percent; higher education, 11.1 percent; corrections, 7.2 percent; transportation, 0.7 percent; public assistance, 1.9 percent; and all other expenditures, 27.8 percent.

## State General Fund Spending

State general fund spending in governors' proposed fiscal 2011 budgets totals \$635.3 billion, 3.6 percent above the \$612.9 billion spent in fiscal 2010. This spending increase would be the first increase since fiscal 2008, when state spending increased 4.9 percent. However, the recommended spending level for fiscal 2011 is still \$52 billion or 7.6 percent below the \$685.7 billion spent in fiscal 2008. For fiscal 2010, general fund spending is estimated to have decreased by 6.8 percent compared to fiscal 2009, the worst decline in state spending in at least the past 32 years. (See Table 2, Figure 1, and Appendix Table A-4.)

Currently, 40 states are estimating that their fiscal 2010 general fund spending will be below fiscal 2009 levels, 7 states estimate general fund expenditure growth between 0 and 4.9 percent, while three states estimate general fund spending growth greater than 5 percent. For fiscal 2011, governors in 13 states recommended general fund spending below fiscal 2010 levels, while 26 governors proposed general fund spending growth between 0 and 4.9 percent, and 11 governors recommended general fund expenditure growth greater than five percent. (See Table 3 and Appendix Table A-4.)

TABLE 1

## Budget Cuts Made After Fiscal 2010 Budget Passed \*\*

State	FY 2010 Size of Cuts (\$ in millions)	Programs or Expenditures Exempted from Cuts
Alabama*	\$ 426.7	Debt service and federal court decrees
Arkansas	205.9	
Arizona	120.0	
California*	1,000.0	
Colorado*	500.1	
Connecticut*	158.5	Program funding which is compulsory for ARRA funding
Delaware	Yes	
Florida*	3,000.0	
Georgia	1,253.4	
Hawaii	342.6	Employees health insurance
Idaho	87.8	
Illinois*	382.9	Debt service, statutory exemptions, and federal mandates
Iowa	564.4	
Indiana	726.5	Student financial aid, transportation, and public assistance
Kansas	262.0	Debt Service
Kentucky	1,110.5	Corrections, Prosecutors, Debt service, Retirement contributions, Parks, Revenue/tax collection efforts, Mental Health/mental retardation programs, Corrections, Student financial aid
Louisiana	247.9	Programs which are Constitutionally required were not cut
Maryland	565.0	Mandated K-12 expenditures and debt service
Massachusetts	2,394.0	Debt Service
Minnesota	89.0	Military and veterans affairs, core public safety
Mississippi*	499.1	Debt service and statutory exemptions
Missouri	380.4	K-12 foundation formula and higher education Institutions
Nebraska*	55.0	
Nevada	107.5	
New Hampshire	25.0	Appropriation reductions to the University System of NH, the NH Community College System and the Department of Education – Adequacy Funding
New Jersey*	2,028.0	Debt Service
New Mexico*	368.9	
New York	1,083.0	
North Carolina	500.0	Debt Service, Medicaid, CHIPS
Oklahoma	709.1	
Pennsylvania	135.0	After budget enactment, 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	155.4	
South Carolina	566.5	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; Commission on Indigent Defense Legal Services Corporation; Clemson University Public Service Authorities Boll Weevil Eradication Program; Department of Revenue; Homestead Exemption Fund
South Dakota	5.5	
Texas	527.4	
Utah*	39.0	Public education
Vermont*	21.0	
Virginia	1,044.0	
Washington	130.0	K-12 basic education, debt service, retirement contributions
West Virginia*	120.0	Debt service & retirement
<b>Total</b>	<b>\$ 21,973.0</b>	<b>----</b>

Notes: \*See Notes to Table 1. \*\*Budget Cuts for Fiscal 2010 are currently ongoing.

SOURCE: National Association of State Budget Officers.

**Table 1-A**  
**Fiscal 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>Other</i>
<b>NEW ENGLAND</b>							
Connecticut	x	x	x		x		x
Maine	x	x					
Massachusetts	x	x	x	x	x	x	
New Hampshire					x		x
Rhode Island	x	x	x	x	x		x
Vermont				x			x
<b>MID-ATLANTIC</b>							
Delaware							
Maryland		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	x	x
<b>GREAT LAKES</b>							
Illinois	x	x	x	x		x	x
Indiana	x	x			x		x
Michigan							
Ohio							
Wisconsin	x	x		x	x		x
<b>PLAINS</b>							
Iowa	x	x	x	x	x		x
Kansas	x	x		x	x	x	x
Minnesota	x	x	x	x	x	x	x
Missouri			x	x	x	x	x
Nebraska*	x	x	x	x	x	x	x
North Dakota							
South Dakota		x	x	x	x		x
<b>SOUTHEAST</b>							
Alabama							
Alabama	x	x					x
Arkansas	x	x	x	x	x	x	x
Florida							
Florida					x	x	x
Georgia	x	x	x	x	x	x	x
Kentucky	x	x		x	x		x
Louisiana*	x	x		x		x	
Mississippi	x	x		x	x	x	x
North Carolina	x	x	x		x		x
South Carolina	x	x	x	x	x	x	x
Tennessee							
Virginia	x	x	x		x	x	x
West Virginia*	x	x		x	x	x	x
<b>SOUTHWEST</b>							
Arizona	x	x	x	x	x		x
New Mexico	x	x		x	x		x
Oklahoma	x	x			x	x	x
Texas	x	x	x		x		x
<b>ROCKY MOUNTAIN</b>							
Colorado*							
Colorado*		x		x	x		x
Idaho	x	x		x	x		x
Montana							
Utah	x	x	x	x	x	x	x
Wyoming	x	x		x	x		x
<b>FAR WEST</b>							
Alaska							
California	x		x	x	x		
Hawaii	x	x			x		x
Nevada	x	x	x	x	x	x	x
Oregon							
Washington	x	x	x	x	x	x	x
<b>TERRITORIES</b>							
Puerto Rico							
<b>Total</b>	<b>35</b>	<b>37</b>	<b>22</b>	<b>31</b>	<b>37</b>	<b>21</b>	<b>38</b>

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

SOURCE: National Association of State Budget Officers.

Table 1-B

## Proposed Fiscal 2011 Program Area Cuts

Region/State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other
<b>NEW ENGLAND</b>							
Connecticut		x	x		x		
Maine	x			x			x
Massachusetts			x	x	x		
New Hampshire					x		x
Rhode Island	x	x	x	x			x
Vermont			x	x	x		
<b>MID-ATLANTIC</b>							
Delaware	x	x	x		x	x	x
Maryland*	x	x			x		x
New Jersey	x	x	x	x	x	x	x
New York	x	x	x	x	x	x	x
Pennsylvania							
<b>GREAT LAKES</b>							
Illinois	x	x	x	x	x	x	x
Indiana	x	x			x		x
Michigan	x	x	x	x	x	x	x
Ohio							
Wisconsin	x	x		x	x		x
<b>PLAINS</b>							
Iowa							
Kansas	x					x	x
Minnesota	x	x	x	x	x	x	x
Missouri	x	x	x	x	x	x	x
Nebraska*	x	x					
North Dakota							
South Dakota	x	x		x			x
<b>SOUTHEAST</b>							
Alabama	x	x					x
Arkansas							
Florida							
Georgia	x	x	x	x			x
Kentucky	x	x		x			x
Louisiana*	x	x		x	x		x
Mississippi	x	x			x		x
North Carolina	x		x	x	x		x
South Carolina	x	x	x	x			x
Tennessee	x	x	x	x	x		x
Virginia	x	x	x	x	x	x	x
West Virginia*	x	x		x	x	x	x
<b>SOUTHWEST</b>							
Arizona	x	x	x	x	x		x
New Mexico		x			x		x
Oklahoma							
Texas							
<b>ROCKY MOUNTAIN</b>							
Colorado*	x	x		x	x		
Idaho	x	x		x	x		x
Montana							
Utah							
Wyoming							
<b>FAR WEST</b>							
Alaska							
California	x	x	x	x	x		x
Hawaii	x	x			x		x
Nevada	x	x	x	x	x		x
Oregon							
Washington		x	x	x	x	x	
<b>TERRITORIES</b>							
Puerto Rico							
<b>Total</b>	<b>31</b>	<b>31</b>	<b>20</b>	<b>26</b>	<b>28</b>	<b>11</b>	<b>31</b>

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

SOURCE: National Association of State Budget Officers.

Table 1-C

## Fiscal 2010 Program Area Cuts by Value After Budget Enactment

Region/State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other	Total
<b>NEW ENGLAND</b>								
Connecticut	\$1.5	\$0.2	\$1.7	\$0.0	\$4.2	\$0.0	\$151.0	\$158.6
Maine	38.1	8.0	0.0	0.0	0.0	0.0	0.0	46.1
Massachusetts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Hampshire	0.0	0.0	0.0	0.0	2.4	0.0	22.6	25.0
Rhode Island	63.0	10.3	0.5	4.3	2.5	0.0	74.8	155.4
Vermont	0.0	0.0	0.0	1.2	0.0	0.0	19.8	21.0
<b>MID-ATLANTIC</b>								
Delaware	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maryland	0.0	78.0	0.0	47.0	44.0	0.0	396.0	565.0
New Jersey	560.0	62.0	19.0	32.0	54.0	48.0	1,253.0	2,028.0
New York*	40.0	160.0	23.0	140.0	70.0	186.0	464.0	1,083.0
Pennsylvania	20.7	0.8	0.0	12.7	17.9	0.5	82.4	135.0
<b>GREAT LAKES</b>								
Illinois	85.2	6.7	41.1	140.0	0.0	1.7	108.2	382.9
Indiana	148.5	75.0	0.0	0.0	25.0	0.0	478.0	726.5
Michigan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ohio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wisconsin*	142.0	69.0	0.0	114.0	26.5	0.0	1,245.5	1,597.0
<b>PLAINS</b>								
Iowa	238.5	59.8	1.9	71.9	35.7	0.0	156.6	564.4
Kansas	75.8	22.3	TBD	22.8	5.4	105.0	30.7	262.0
Minnesota*	0.5	0.5	7.6	TBD	8.7	1.6	70.1	89.0
Missouri	0.0	0.0	1.5	3.9	11.0	1.8	362.2	380.4
Nebraska*	0.4	21.3	0.9	8.6	0.8	0.0	23.1	55.0
North Dakota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Dakota	0.0	0.7	0.1	3.6	0.7	0.0	0.5	5.6
<b>SOUTHEAST</b>								
Alabama*	296.8	117.2	0.0	0.0	0.0	0.0	12.7	426.7
Arkansas	80.9	33.0	4.6	30.8	20.4	0.0	36.2	205.9
Florida	0.0	0.0	0.0	0.0	212.0	3,000.0	1,200.0	4,412.0
Georgia	617.6	256.6	4.5	63.2	35.8	7.6	268.1	1,253.4
Kentucky*	276.2	109.5	0.0	424.8	50.7	0.0	249.3	1,110.5
Louisiana	16.1	84.0	0.0	37.8	0.0	0.1	0.0	138.0
Mississippi	225.1	101.4	0.0	24.0	32.3	6.4	109.9	499.1
North Carolina*	37.3	202.5	3.3	0.0	52.6	0.0	214.4	510.1
South Carolina	186.9	52.0	11.5	70.5	29.2	0.0	88.6	438.7
Tennessee	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Virginia	550.0	214.1	110.5	0.0	68.5	14.3	86.6	1,044.0
West Virginia*	60.0	12.3	0.0	15.0	4.2	0.3	26.5	118.3
<b>SOUTHWEST</b>								
Arizona	18.7	10.0	19.1	43.4	13.6	0.0	15.2	120.0
New Mexico*	95.2	35.4	0.0	6.6	12.6	0.0	76.8	226.6
Oklahoma	75.5	33.0	0.0	0.0	26.8	15.7	98.0	249.0
Texas	34.9	123.3	90	0.0	110.5	0.0	168.7	527.4
<b>ROCKY MOUNTAIN</b>								
Colorado	0.0	231.7	0.0	152.4	67.4	0.0	48.7	500.1
Idaho	27.0	19.8	0.0	16.8	3.7	0.0	20.5	87.8
Montana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utah	1.0	20.2	0.9	0.3	5.6	0.0	11.3	39.3
Wyoming	0.8	33.0	0.0	26.0	15.0	0.0	79.0	153.8
<b>FAR WEST</b>								
Alaska	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
California	892.6	0.0	114.0	2.3	25.2	0.0	0.0	1,034.1
Hawaii	142.7	54.7	0.0	0.0	15.0	0.0	130.2	342.6
Nevada	28.7	11.5	4.9	15.1	2.5	0.0	44.7	107.5
Oregon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Washington	382.0	58.0	5.0	20.0	8.0	2.0	29.0	504.0
<b>TERRITORIES</b>								
Puerto Rico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>\$5,460.2</b>	<b>\$2,387.8</b>	<b>\$456.6</b>	<b>\$1,551.0</b>	<b>\$1,120.3</b>	<b>\$3,391.0</b>	<b>\$7,952.9</b>	<b>\$22,328.9</b>

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

SOURCE: National Association of State Budget Officers.

**NOTES TO TABLE 1**

Alabama	FY 2011 cuts are the changes in the Governor's Recommended Budget for FY 2011 versus the FY 2010 enacted budget. Cuts would have been higher in FY 2010 and FY 2011 without SFSF funds.
California	General Fund only.
Colorado	Due to American Recovery and Reinvestment Act.
Connecticut	Note that cut to FY11 is based on governor's recommended adjustments to the already enacted FY11 budget. Adjustments are net of \$264.4 million in reductions offset by \$233.7 million in baseline (current services) increases.
Florida	FY 2010 reduction occurred before enactment of the budget. No reductions have occurred after enactment.
Illinois	Total does not include increases to the General Fund of \$212.1 million, making aggregate cuts \$2,375.4 million.
Massachusetts	These budgets gap are based on a projected level of maintenance spending increases (the cost of providing the same level of programs and services from one year to the next) as well as the structural deficit created by the use of one time resources in the prior fiscal year.
Mississippi	FY 2011 budget cuts include General Fund and other state support funding; ARRA funds are excluded.
Nebraska	A 2009 special session included cuts to the fiscal 2010 enacted budget as well as to the fiscal 2011 enacted budget compared to FY 2010. The reduction amounts resulting from the special session are shown. The cut amounts shown are General Funds only and do not take into consideration other fund types or the availability of federal Recovery Act funds.
New Jersey	FY 2010 amount represents lapses enacted; the remainder of the solution to the FY 2010 deficit was largely a drawdown of fund balance and a cost shift to federal funds attributable to the Earned Income Tax Credit Program.
New Mexico	Cuts in FY 2010 include \$139.0 million in operating budgets; \$1.2 million in special appropriations; \$87.6 million in Executive Order reductions; \$141.1 million in capital projects. \$45.5 million of the operating budget reduction was replaced with federal Education Stabilization funds and \$4.0 million of reductions was offset from tobacco settlement program funds. Cuts in FY 2011 include \$134.2 million in operating budgets.
Utah	Includes General Fund and Education Fund only.
Vermont	FY 2011 cuts do not include \$25 million miscellaneous additional revenue from various sources.
West Virginia	Cuts were made in various places to fund increases other areas (retirement/health insurance/statutory increases) with a net result of a total of \$63.2 million less being appropriated in FY 2011 from General Revenue.

**NOTES TO TABLE 1-A**

Colorado	Medicaid cuts Net out FMAP refinance and adjusts for initial caseload estimate in base.
Louisiana	While funding for the K-12 was reduced, no funding for the Constitutional mandated Minimum Foundation Program was cut. Reductions to Higher Education made to Boards of Supervisors, not institutions.
Nebraska	A 2009 special session included cuts to the fiscal 2010 enacted budget as well as to the fiscal 2011 enacted budget compared to FY 2010. The reduction amounts resulting from the special session are shown. The cut amounts shown are General Funds only and do not take into consideration other fund types or the availability of federal Recovery Act funds.
Utah	The funding for K-12 Education was exempt from reductions. However, the state agencies that oversee the districts and charter schools were reduced.
West Virginia	K-12 funding was backfilled with federal stimulus funds so it was fully funded. Higher education was backfilled with federal stimulus funds so it was funded to the FY 2009 level. The FY 2010 numbers are representative of the 3.4 percent mid-year reduction.



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**NOTES TO TABLE 1-B**

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Colorado	Medicaid cuts Net out FMAP refinance and adjusts for initial caseload estimate in base.
Louisiana	While funding for the K-12 was reduced, no funding for the Constitutional mandated Minimum Foundation Program was cut. Reductions to Higher Education made to Boards of Supervisors, not institutions.
Maryland	General Fund Reduction was possible because of using a Special Fund reserve account to fund a portion of K-12 education in FY 2011.
Nebraska	A 2009 special session included cuts to the fiscal 2010 enacted budget as well as to the fiscal 2011 enacted budget compared to FY 2010. The reduction amounts resulting from the special session are shown. The cut amounts shown are General Funds only and do not take into consideration other fund types or the availability of federal Recovery Act funds.
West Virginia	K-12 funding was backfilled with federal stimulus funds so it was fully funded. Higher education was backfilled with federal stimulus.

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**NOTES TO TABLE 1-C**

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Alabama	FY 2011 cuts are the changes in the Governor's Recommended Budget for FY 2011 versus the FY 2010 enacted budget. Cuts would have been higher in FY 2010 and FY 2011 without SFSF funds.
Kentucky	ARRA funds will be used a partial replacement of K-12, Higher Education, and Medicaid reductions.
Minnesota	Medicaid cuts included in public assistance.
Nebraska	A 2009 special session included cuts to the fiscal 2010 enacted budget as well as to the fiscal 2011 enacted budget compared to FY 2010. The reduction amounts resulting from the special session are shown. The cut amounts shown are General Funds only and do not take into consideration other fund types or the availability of federal Recovery Act funds.
New Mexico	K-12 cuts include \$45.5 of reduction replaced with federal Education Stabilization Funds. Medicaid cuts include General Fund reduction of \$22.6, partially offset by \$16.0 million from Tobacco Settlement Fees. All Other cuts include General Fund operating budget reductions.
New York	Includes spending reductions in special funds that reduce General Fund costs through transfers from the accounts where savings are realized.
North Carolina	Amounts are the net of the reductions and expansion amounts for each of the categories below per the Instructions.
Utah	Includes General and Education Fund only. The funding for K-12 Education was exempt from reductions. However, the state agencies that oversee the districts and charter schools were reduced.
Wisconsin	The cuts noted were included under Act 28 (the FY 2010 and FY 2011 budget bill). These cuts along with revenue measures were used to close the \$3,175 million gap. Since the budget is biennial, the cuts noted in the table are estimates for each year of the biennium. The other cuts of \$2,491 million across the biennium include: \$1,505 million in agency budget requests and re-estimates; rollback of 2 percent salary increases set to begin in late FY09 (\$208 million); Shared Revenue cuts of \$30 million; across-the-board cuts of \$249 million; additional unallocated cuts (\$200 million); and other specific agency cuts (\$299 million).
West Virginia	K-12 funding was backfilled with federal stimulus funds so it was fully funded. Higher education was backfilled with federal stimulus funds so it was funded to the FY 2009 level. The FY 2010 numbers are representative of the 3.4 percent mid-year reduction.

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TABLE 2

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**State Nominal and Real Annual Budget Changes, Fiscal 1979 to Fiscal 2011**

<i>Fiscal Year</i>	<b>State General Fund</b>	
	<i>Nominal Change</i>	<i>Real Change</i>
2011	3.6 %	
2010	-6.8	-6.2
2009	-4.3	-3.5
2008	4.9	-0.6
2007	9.4	4.3
2006	8.7	3.4
2005	6.5	0.2
2004	3.0	-1.0
2003	0.6	-3.6
2002	1.3	-1.4
2001	8.3	4.0
2000	7.2	4.0
1999	7.7	5.2
1998	5.7	3.9
1997	5.0	2.3
1996	4.5	1.6
1995	6.3	3.2
1994	5.0	2.3
1993	3.3	0.6
1992	5.1	1.9
1991	4.5	0.7
1990	6.4	2.1
1989	8.7	4.3
1988	7.0	2.9
1987	6.3	2.6
1986	8.9	3.7
1985	10.2	4.6
1984	8.0	3.3
1983	-0.7	-6.3
1982	6.4	-1.1
1981	16.3	6.1
1980	10.0	-0.6
1979	10.1	1.5
<b>1979 - 2011 average</b>	<b>5.6%</b>	<b>1.6%</b>

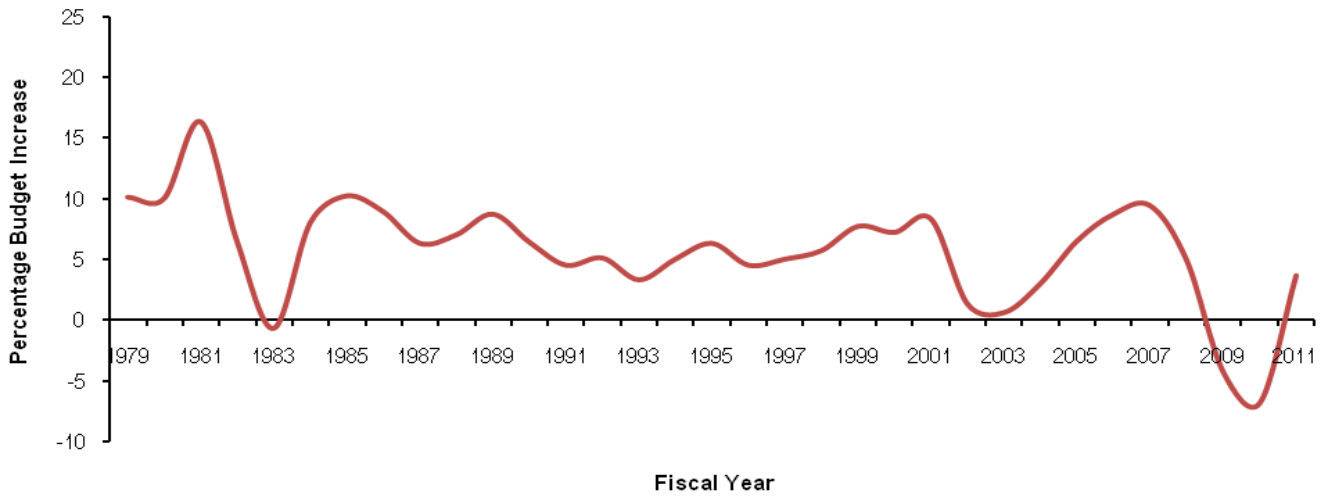
**Notes:** \*The state and local government implicit price deflator cited by the Bureau of Economic Analysis in May 2010 is used for state expenditures in determining real changes. Fiscal 2009 figures are based on the change from fiscal 2009 actuals to fiscal 2010 estimates. Fiscal 2011 figures are based on the change from fiscal 2010 estimates to fiscal 2011 recommended

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

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FIGURE 1

Annual Percentage Budget Changes, Fiscal 1979 to Fiscal 2011



SOURCE: National Association of State Budget Officers.

TABLE 3  
State General Fund Expenditure Change,  
Fiscal 2010 and Fiscal 2011

Spending Growth	Number of States	
	Fiscal 2010 (Estimates)	Fiscal 2011 (Recommended)
Negative growth	40	13
0.0% to 4.9%	7	26
5.0% to 9.9%	1	9
10% or more	2	2

NOTE: Average spending growth for fiscal 2010 (estimates) is -6.8 percent; average spending growth for fiscal 2011 (recommended) is 3.6 percent. See Appendix Table A-4 for state-by-state data.

SOURCE: National Association of State Budget Officers.

### State Cash Assistance 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* (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 2011, forty-six states would maintain the same cash assistance benefit levels that were in effect in fiscal 2010. Three states propose decreases in cash assistance benefit levels, ranging from 2 to 15.7 percent, while one state proposes an increase in cash assistance benefit levels of 5 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 2011**

<i>State/Territory</i>	<i>Percent Change</i>
California	-15.7 %
Florida	-2.0
Hawaii	-3.6
Michigan*	
Nebraska*	
New York	5.0

**NOTE:** \*See Notes to Table 4.

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

**NOTES TO TABLE 4**

Nebraska	No increase in the maximum grant an individual may receive has been enacted for FY2009. Per State Statute (Sec. 43-513), Nebraska will not increase the maximum "standard of need" in FY2011. The next "standard of need" increase is due July 1, 2011.
Michigan	The FY 2011 Executive recommendation does not include an increase for TANF cash assistance benefit levels; however, a clothing allowance of \$88 for all children from birth through age 18 is maintained in the FY 2011 Executive recommendation.

## Medicaid Spending, Cost Containment, Governors' Proposed Budgets, and National Health Care Reform

Medicaid, a means-tested entitlement program financed by the states and the federal government, currently provides comprehensive and long-term medical care to more than 60 million low-income individuals. Medicaid accounted for approximately 21 percent of total state spending in fiscal 2009. Even before expansions under the new health care reform law, Medicaid spending and enrollment growth were accelerating in response to the severe economic downturn in states.

While states received critical relief from an enhanced Medicaid matching rate that was part of the *American Recovery and Reinvestment Act* (ARRA), states are adopting policy changes to try to curb spending growth and raise additional revenues to finance their programs. As governors were releasing proposed budgets for fiscal 2011, they were confronted with the continuation of the economic downturn and the uncertainty of whether Congress will extend these ARRA funds past their scheduled expiration on December 31, 2010. In addition to the uncertainty over the continuation of the ARRA funds, states also were developing budgets prior to the passage of a comprehensive health reform law that includes significant expansions of Medicaid to cover more of the uninsured which goes into effect in 2014.

### The American Recovery and Reinvestment Act (ARRA)

The enactment of the *American Recovery and Reinvestment Act* (ARRA) in 2009 provides a temporary increase in the Federal Medicaid Assistance Percentage (FMAP) in order to allow individuals 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 standards, methodologies and procedures in place than were in place July 1, 2008.

**Medicaid Growth Rates.** The enhanced federal match for Medicaid as part of the ARRA allows states to continue health care coverage under Medicaid with additional federal funds to counter declining state shares of funding during fiscal 2009 and fiscal 2010. Total Medicaid spending increased by 6.6 percent in fiscal 2009 and is estimated to increase by 10.5 percent in fiscal 2010. Increases in total spending growth are primarily due to increased enrollment due to the economic downturn.

When governors released their proposed budgets for fiscal 2011, they were faced with the current expiration of the enhanced match at the end of 2010 under the Recovery Act and the uncertainty of whether these funds would be extended by Congress. Some governors assumed the six month extension of additional Medicaid funds under the Recovery Act until June 30, 2011 in their budget proposals while others developed budget proposals with the decline in federal support.

Overall, governors' proposed budgets for fiscal 2011 included Medicaid spending growth of 0.8 percent with state funds increasing by 7 percent and federal funds decreasing by 1.7 percent. The significant increase in state spending reflects the assumption that the enhanced Medicaid match rate in ARRA will not be extended which therefore shifts additional spending to the states from the federal government (see Table 5).

**Medicaid Enrollment.** The economic downturn and high unemployment have resulted in an increase in Medicaid enrollment as individuals lose job-based coverage and incomes decline. Medicaid enrollment increased by 6.0 percent during fiscal 2009 and is estimated to increase by 8.3 percent in fiscal

2010 (see Table 5-A). In governors' recommended budgets for fiscal 2011, Medicaid enrollment would rise by an additional 5.4 percent. This would represent a 21 percent increase in Medicaid enrollment over this three year period. With unemployment forecasted to remain above 9 percent in the next year, Medicaid enrollment is anticipated to rise even further. During the last economic downturn, enrollment growth peaked at 9.5 percent 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 strategy for fiscal 2010 is reducing provider payments, which is planned or implemented by thirty-two states. Fifteen states have frozen or plan to freeze provider payments in fiscal 2010. Other strategies include limiting prescription drugs (13 states), delaying expansions (10 states), expanding managed care (9 states), and limiting benefits (9 states).

About three-quarters of the states are planning to contain Medicaid costs in proposed fiscal 2011 budgets as shown in Table 6-A. Proposals for fiscal 2011 include reducing provider rates (28 states) and freezing provider rates (20 states), limiting benefits (14 states), limiting prescription drugs (12 states), eliminating benefits (11 states), expanding managed care (9 states), delaying expansions (9 states), and instituting new or higher copayments (8 states).

With the passage of health care reform, provider reimbursement rates for certain primary care providers will be raised to match the rate paid to Medicare for 2013 and 2014 with federal funds paying for the increase in only 2013 and 2014. As shown in Tables 6-A and 6B, the current trend is for provider reimbursement rates to be reduced or frozen due to the current budget constraints in states.

Please note that actions such as changing eligibility or processes or procedures are restricted under the Recovery Act. Some governors assumed that the ARRA funds and maintenance of eligibility requirements would expire, so three governors pro-

posed eligibility restrictions in their budgets for fiscal 2011. These budgets were developed prior to the passage of health reform which requires states to maintain eligibility levels in Medicaid (and the Children's Health Insurance Program) through 2014 for adults and through 2019 for children.

**Additional Resources for Medicaid.** Some states have increased or plan to increase resources for Medicaid mostly from provider taxes or fees and some from tobacco taxes as shown in Table 7-A. For fiscal 2010, seventeen states have raised or plan on raising provider taxes or fees while thirteen states have plans to raise provider taxes or fees in governors' proposed budgets for fiscal 2011. Six states have raised or plan on raising tobacco taxes in fiscal 2010 and five states propose raising tobacco taxes in fiscal 2011 proposed budgets for additional resources for Medicaid.

**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. Most states have been trying to maintain their current programs even with constrained resources from the economic downturn. However, several states proposed to restrict CHIP in governors' proposed budgets for fiscal 2011, from enrollment caps, premium increases or eligibility restrictions, as shown in Table 8. Please note that these budgets were developed prior to the implementation of health reform which includes maintenance of eligibility for children in Medicaid and CHIP through 2019.

### **National Health Care Reform**

The President signed into law a comprehensive health reform measure, the *Patient Protection and Affordable Care Act*, on March 23, 2010 and the *Health Care and Education Reconciliation Act of*

*2010* on March 30, 2010, which makes several significant changes to the main bill. Together these laws are known as the Affordable Care Act.

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

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

While the major expansions to cover the uninsured will not be taking place until January 1, 2014, other changes under national health care reform will be affecting health care in states more immediately including: the maintenance of effort provisions for Medicaid and CHIP, a new option to cover childless adults in Medicaid using the regular Medicaid match, changes to drug rebates under the Medicaid program, new long-term care options for community based care, the establishment of temporary high risk pools in each state until the exchanges are operational, and changes in the insurance markets in every state.

TABLE 5

## Annual Percentage Medicaid Growth Rate

Region and State	Fiscal 2009 (Actual)			Fiscal 2010 (Estimated)			Fiscal 2011 (Recommended)		
	State Funds	Federal Funds	Total Funds	State Funds	Federal Funds	Total Funds	State Funds	Federal Funds	Total Funds
<b>NEW ENGLAND</b>									
Connecticut	11.1%		11.1%	3.9%		3.9%	-2.5%		-2.5%
Maine	12.1	31.5%	25.3	-12.5	8.9%	2.8	-23.8	-13.8%	-16.1
Massachusetts	2.3	3.3	5.6	3.0	4.7	7.7	2.3	3.7	6.0
New Hampshire	-1.9	4.5	4.8	4.9	7.5	7.7	4.9	7.5	7.7
Rhode Island	-19.3	15.5	0.0	8.9	8.6	8.7	-0.7	-0.8	-0.8
Vermont	-11.8	17.7	6.1	-1.5	18.0	11.6	20.8	-6.1	1.6
<b>MID-ATLANTIC</b>									
Delaware	-12.7	20.4	4.0	9.7	22.6	17.3	28.9	11.2	18.0
Maryland	-6.1	26.3	10.2	-2.0	15.5	8.1	3.0	3.8	3.5
New Jersey	-11.2	20.0	5.0	-4.8	15.7	7.4	0.4	5.6	3.7
New York*	-5.8	9.7	3.4	-3.1	27.2	16.1	0.1	1.7	1.4
Pennsylvania	-8.9	16.8	3.6	-2.7	11.9	6.1	-2.2	4.4	2.0
<b>GREAT LAKES</b>									
Illinois	-7.9	16.4	3.8	-6.5	22.9	9.4	1.8	-7.3	-3.7
Indiana	-34.4	-1.6	-13.0	-16.6	15.8	7.3	26.6	-2.2	3.7
Michigan*	-23.2	27.1	6.3	-9.9	10.7	4.7	19.4	11.1	13.1
Ohio	-8.4	21.6	12	-7.0	12.5	7.1	18.6	4.1	8.6
Wisconsin	-33.0	59.6	23.5	6.3	8.2	7.8	26.7	-2.4	3.7
<b>PLAINS</b>									
Iowa	-7.3	17.7	8.0	-6.7	14.8	7.6	9.3	7.1	7.8
Kansas	-15.9	12.9	2.4	-9.5	3.2	-1.0	-17.0	-1.0	5.6
Minnesota	-3.8	24.3	8.1	-6.0	18.9	8.3	25.5	-2.3	8.0
Missouri	5.6	11.9	8.9	3.8	13.4	9.0	0.2	6.1	3.5
Nebraska	-7.8	12.7	4.8	-8.4	14.3	6.6	12.8	-2.5	1.9
North Dakota	-14.2	9.0	0.8	10.9	25.0	20.7	53.6	-4.8	11.3
South Dakota	-8.6	20.2	9.7	2.5	13.1	7.6	21.9	7.0	11.1
<b>SOUTHEAST</b>									
Alabama	-15.9	23.1	10.2	-8.5	4.8	1.4	39.4	-1.6	7.8
Arkansas	-4.2	9.0	5.3	-10.3	16.7	9.9	6.5	6.7	6.7
Florida	-3.6	19.5	9.3	2.6	23.7	15.5	18.7	-7.0	1.9
Georgia	-19.7	19.3	4.8	-2.6	10.9	7.1	4.6	6.7	6.1
Kentucky	-11.0	23.5	12.6	-11.5	-1.2	-3.8	14.3	0.2	3.4
Louisiana	-8.4	12.2	6.9	-2.6	4.2	2.7	24.6	-13.6	-5.7
Mississippi	-20.0	12.6	4.9	-10.2	10.5	6.7	54.2	10.0	16.8
North Carolina	-15.5	16.2	4.1	1.1	11.0	6.7	-9.2	-3.8	-4.2
South Carolina	-35.9	21.1	-1.4	-8.0	13.8	19.7	19.7	-2.8	-3.5
Tennessee	2.0	-3.5	-1.7	-28.3	22.6	4.3	4.1	-16.3	-11.0
Virginia	-6.4	22.8	8.1	0.2	21.4	12.2	21.5	-3.1	6.4
West Virginia	-13.0	15.5	7.8	-1.4	1.9	1.2	18.3	4.9	7.7
<b>SOUTHWEST</b>									
Arizona	-12.0	28.2	14.3	-4.8	14.1	9.1	32.4	4.2	10.8
New Mexico	-7.9	19.1	11.6	-8.3	13.4	8.4	0.8	1.0	0.9
Oklahoma	-2.6	11.5	6.7	-2.1	14.8	9.6	9.4	2.5	4.4
Texas	-9.2	13.8	5.3	2.5	9.2	7.1	33.1	-10.4	3.0
<b>ROCKY MOUNTAIN</b>									
Colorado*	-3.5	28.5	12.6	-9.7	9.8	1.5	17.2	17.1	17.2
Idaho	-13.7	18.5	9.2	14.7	10.0	4.4	4.4	4.5	4.5
Montana*	-11.8	20.4	10.7	5.1	14.5	12.2	31.3	-2.4	5.2
Utah	-2.0	14.0	9.0	-12.0	14.0	6.0	9.0	-6.0	-3.0
Wyoming	-2.4	16.8	7.4	-11.2	23.4	2.5	-1.8	-14.3	-9.5
<b>FAR WEST</b>									
Alaska	-4.2	13.1	5.6	3.7	23.0	16.9	8.8	3.7	5.3
California	-10.1	16.5	6.2	1.5	35.4	24.3	-29.0	-14.6	-18.4
Hawaii	-11.6	20.3	7.0	35.8	21.9	26.7	18.8	7.8	11.9
Nevada	-18.2	25.4	4.9	21.2	22.5	22.0	10.6	11.7	11.3
Oregon	-12.6	36.1	17.0	12.6	16.9	15.7	39.4	1.6	12.4
Washington	-8.2	22.1	7.2	-5.8	11.3	4.1	27.5	-3.3	8.4
<b>TERRITORIES</b>									
Puerto Rico	1.5	58.6	11.9	2.2	-7.3	-0.8	5.2	19.7	9.5
<b>Average**</b>	<b>-9.4%</b>	<b>17.2%</b>	<b>6.6%</b>	<b>-2.7%</b>	<b>17.2%</b>	<b>10.5%</b>	<b>7.0%</b>	<b>-1.7%</b>	<b>0.8%</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

**TABLE 5-A**  
**Percentage Change in Medicaid Enrollment**

<i>Region and State</i>	<i>FY 2009 Actual</i>	<i>FY 2010 Estimated</i>	<i>FY 2011 Proposed</i>
<b>NEW ENGLAND</b>			
Connecticut	5.6%	6.8%	6.0%
Maine	3.0	3.1	N/A
Massachusetts	3.4	4.0	3.0
New Hampshire	9.8	10.0	8.0
Rhode Island	-2.0	4.7	5.1
Vermont	7.7	9.5	8.2
<b>MID-ATLANTIC</b>			
Delaware	5.1	8.6	9.0
Maryland	12.1	18.1	6.9
New Jersey	2.2	5.5	6.6
New York	8.6	11.4	9.5
Pennsylvania	3.4	4.9	3.0
<b>GREAT LAKES</b>			
Illinois	5.1	6.8	6.1
Indiana	9.5	10.0	7.7
Michigan	5.6	5.1	2.9
Ohio	5.6	9.0	3.5
Wisconsin	11.0	13.7	1.8
<b>PLAINS</b>			
Iowa	8.0	9.2	5.7
Kansas	2.5	5.1	2.4
Minnesota	5.8	10.1	4.6
Missouri	4.2	6.4	6.4
Nebraska	2.5	1.7	1.7
North Dakota	7.5	11.3	6.0
South Dakota	2.1	7.2	3.9
<b>SOUTHEAST</b>			
Alabama	6.2	5.7	5.5
Arkansas	2.3	5.5	6.0
Florida	11.7	15.0	6.0
Georgia	7.1	7.2	3.0
Kentucky	3.6	6.4	2.7
Louisiana	5.3	6.6	5.1
Mississippi	5.0	9.0	7.0
North Carolina	4.4	6.4	5.6
South Carolina	3.0	3.0	3.0
Tennessee	3.0	3.0	4.1
Virginia	8.6	10.4	8.7
West Virginia	1.7	3.0	1.4
<b>SOUTHWEST</b>			
Arizona	13.4	16.9	17.5
New Mexico	6.5	6.3	5.5
Oklahoma	2.2	8.3	6.8
Texas	4.2	7.0	-1.2
<b>ROCKY MOUNTAIN</b>			
Colorado	11.4	14.1	10.9
Idaho	4.0	9.5	7.7
Montana	2.1	7.1	5.1
Utah	19.0	13.0	4.0
Wyoming	4.0	4.0	2.0
<b>FAR WEST</b>			
Alaska	2.2	13.9	6.0
California	3.6	5.6	3.4
Hawaii	9.0	12.0	8.0
Nevada	10.7	17.7	15.2
Oregon	9.1	17.9	11.2
Washington	6.2	9.8	7.3
<b>TERRITORIES</b>			
Puerto Rico	5.3	7.2	5.0
<b>Average**</b>	<b>6.0%</b>	<b>8.3%</b>	<b>5.4%</b>

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

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



TABLE 6-A

## Fiscal 2010 Budgetary Actions Aimed at Containing Medicaid Costs

Region/State	Reduce provider payments	Freeze provider payments	Eliminate benefits	Limit benefits	Delay expansions	Limit prescription drugs	Institute new or higher copayments	Expand managed care	Restrict Community-based long-term care	Restrict institutional long-term care	Restrict Eligibility	Change application procedures	Other (please describe)
<b>NEW ENGLAND</b>													
Connecticut	x	x		x	x		x						
Maine	x												
Massachusetts		x					x						
New Hampshire	x			x									
Rhode Island*	x							x		x			x
Vermont	x	x			x	x							
<b>MID-ATLANTIC</b>													
Delaware													
Maryland	x	x			x	x							
New Jersey	x	x				x	x		x				
New York*	x	x											x
Pennsylvania*	x												x
<b>GREAT LAKES</b>													
Illinois*		x						x					x
Indiana*	x	x			x								x
Michigan	x					x							
Ohio*	x				x								
Wisconsin*	x					x							
<b>PLAINS</b>													
Iowa	x							x					
Kansas	x												
Minnesota	x				x	x			x	x			
Missouri	x												
Nebraska*						x		x					
North Dakota													
South Dakota		x											
<b>SOUTHEAST</b>													
Alabama	x												
Arkansas					x								
Florida													
Georgia*													x
Kentucky													
Louisiana	x					x							
Mississippi	x												
North Carolina	x	x	x	x		x	x	x					
South Carolina													
Tennessee								x		x			
Virginia	x				x								
West Virginia													
<b>SOUTHWEST</b>													
Arizona	x	x											
New Mexico	x			x		x		x					
Oklahoma	x			x	x		x						
Texas													
<b>ROCKY MOUNTAIN</b>													
Colorado*	x					x		x					
Idaho	x	x		x			x						
Montana													
Utah	x												
Wyoming	x	x											
<b>FAR WEST</b>													
Alaska													
California*	x	x	x	x				x					x
Hawaii*				x									x
Nevada													
Oregon	x	x	x	x	x	x							
Washington	x					x							
<b>TERRITORIES</b>													
Puerto Rico		x											
<b>Total</b>	<b>32</b>	<b>15</b>	<b>3</b>	<b>9</b>	<b>10</b>	<b>13</b>	<b>6</b>	<b>9</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>8</b>

NOTES: \*See Notes to Table 6-A. SOURCE: National Association of State Budget Officers.

**NOTES TO TABLE 5**

Colorado	Medicaid Spending is all Title XIX funding including administrative costs (Executive Director's Office) Medical Services Premiums (the actual cost of providing medical services to clients, Medicaid Mental Health, and expenditures in the Department of Human Services that are funded with Medicaid dollars. "State Funds" - includes General Fund, cash funds, and re-appropriated funds that are transferred from other state agencies that have been previously appropriated. Data sources (FY 2009-10 and FY 2010-2011 figures represent the Governor's balancing plan as of March 24, 2010).
Michigan	The dramatic decreases in state fund growth rates for fiscal 2009 and fiscal 2010 are attributable to increased Federal Medical Assistance Percentage (FMAP) rate available through the federal stimulus funding. Fiscal 2011 growth rates in state funds and total funds reflect the proposed physician quality assessment program.
Montana	The decrease in state funds in FY 2009 and estimated increase in state funds in FY 2011 is largely attributable to the ARRA enhanced FMAP rate which began in FY 2009 and is scheduled to end in FY 2011, pending further federal legislation.
New York	Measurement of Medicaid spending has changed from previous fiscal surveys. Spending now includes Medicaid spending in State agencies outside of the Department of Health. The assumed elimination of the Maintenance of Effort Requirement under the Recovery Act prevents the need to utilize the Restrict Eligibility and Change Application Procedures strategies.

**NOTES TO TABLE 6-A**

California	Eliminate counties' cost of doing business.
Colorado	Implemented a preferred drug list. The managed care organization is not a true MCO, proposed as an ASO.
Georgia	Contract with Community Service Boards for pre-admission screening and resident review, complete prior-year hospital cost settlements.
Hawaii	Expand community based long term care services and reduce over reliance on institutional long term care.
Illinois	Maintain existing cost containment and care management activities (i.e. Disease Management, Primary Care Case Management, etc).
Indiana	Additional pharmacy rebates confiscated by the federal government as a result of the federal health care legislation.
Nebraska	While the Governor's proposed budget for fiscal 2011 does not make changes to Medicaid program to contain costs, the Governor and Legislature did enact proposals to contain costs during a 2009 special session of the Legislature. The strategies used during the special session are included in the response for fiscal 2011.
New York	Other strategies include: Reduction of administrative and non-core programmatic costs, cost rebasing, and additional auditing and oversight. The assumed elimination of the Maintenance of Effort Requirement under the Recovery Act prevents the need to utilize the Restrict Eligibility and Change Application Procedures strategies.
Ohio	Ohio uses a biennial budget. Revenue strategies are for FY 2010 and FY 2011.
Pennsylvania	Implement a statewide MCO Gross Receipts tax, Autism Parity Act of 2009, enhanced pharmacy utilization management practices and increase fraud and abuse prevention.
Rhode Island	Institution of a State Maximum Allowable Cost (SMAC) program for multi-source generic drugs.
Wisconsin	Targeted provider rate changes designed to promote cost effectiveness and better outcomes.

**TABLE 6-B**

**Proposed Fiscal 2011 Budgetary Actions Aimed at Containing Medicaid Costs**

Region/State	Reduce provider payments	Freeze provider payments	Eliminate benefits	Limit benefits	Delay expansions	Limit prescription drugs	Institute new or higher copayments	Expand managed care	Restrict community-based long-term care	Restrict institutional long-term care	Restrict Eligibility	Change application procedures	Other (please describe)
<b>NEW ENGLAND</b>													
Connecticut	x	x	x	x	x	x	x						
Maine	x												
Massachusetts	x	x		x			x						
New Hampshire	x												
Rhode Island*	x							x		x			x
Vermont	x	x	x	x	x		x					x	
<b>MID-ATLANTIC</b>													
Delaware													
Maryland*	x	x			x								x
New Jersey	x	x	x	x			x			x			
New York*	x	x				x			x				x
Pennsylvania*	x												x
<b>GREAT LAKES</b>													
Illinois*		x						x					x
Indiana*	x	x			x								x
Michigan*	x	x				x							x
Ohio*	x				x								
Wisconsin*	x					x							
<b>PLAINS</b>													
Iowa*								x					x
Kansas													
Minnesota	x		x		x								
Missouri	x	x				x				x			
Nebraska*								x					
South Dakota		x											
<b>SOUTHEAST</b>													
Alabama	x					x							
Arkansas					x								
Florida													
Georgia*	x												
Kentucky*	x			x		x							x
Louisiana	x							x					
Mississippi						x							
North Carolina		x	x	x		x	x	x					
South Carolina													
Tennessee	x		x	x	x		x					x	
Virginia	x	x	x	x	x				x			x	
West Virginia													
<b>SOUTHWEST</b>													
Arizona	x	x	x	x								x	
New Mexico			x	x		x	x	x					
Oklahoma													
Texas													
<b>ROCKY MOUNTAIN</b>													
Colorado	x					x		x					
Idaho	x	x		x									
Montana		x											
Utah	x												
Wyoming		x											
<b>FAR WEST</b>													
Alaska													
California*	x	x	x	x		x	x	x					x
Hawaii*		x		x									x
Nevada													
Oregon	x	x											
Washington			x	x									
<b>TERRITORIES</b>													
Puerto Rico*							x						x
<b>Total</b>	<b>28</b>	<b>20</b>	<b>11</b>	<b>14</b>	<b>9</b>	<b>12</b>	<b>8</b>	<b>9</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>11</b>

NOTES: \*See Notes to Table 6-B. SOURCE: National Association of State Budget Officers.

**NOTES TO TABLE 6-B**


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California	Eliminate counties' cost of doing business.
Georgia	1.98 percent for all providers except hospital and home and community based providers, cap CMO premium risk adjustments.
Hawaii	Expand community based long term care services and reduce over reliance on institutional long term care.
Illinois	Maintain existing cost containment and care management activities (i.e. Disease Management, Primary Care Case Management, etc).
Indiana	Additional pharmacy rebates confiscated by the federal government as a result of the federal health care legislation.
Iowa	False Claims Act, Reduce fraudulent billings, modify drug purchasing.
Kentucky	Other actions include utilization management.
Maryland	Increase pharmacy rebates (via federal health reform bill or State action).
Michigan	The Governor proposes savings from the addition of staff for Medicaid recovery and revenue maximization and an office of Medicaid Inspector General. Savings is also recognized for the proposed repeal of a pharmaceutical manufacturer immunity statute and transitioning individuals from nursing homes to home- and community-based services. Freezing enrollment in the Medicaid mental Health HAB C Waiver is also proposed in order to achieve additional savings.
Nebraska	While the Governor's proposed budget for fiscal 2011 does not make changes to Medicaid program to contain costs, the Governor and Legislature did enact proposals to contain costs during a 2009 special session of the Legislature. The strategies used during the special session are included in the response for fiscal 2011.
New York	Other strategies include: Reduction of administrative and non-core programmatic costs, cost rebasing, and additional auditing and oversight. The assumed elimination of the Maintenance of Effort Requirement under the Recovery Act prevents the need to utilize the Restrict Eligibility and Change Application Procedures strategies.
Ohio	Ohio uses a biennial budget. Revenue strategies are for FY 2010 and FY 2011.
Pennsylvania	Implement a false claims recovery program, enhancements to the Recipient Restriction Program, expand pharmacy automated prior authorization and Specialty Drug Program and collect Federal rebates on managed care drug expenditures.
Puerto Rico	Other actions include administrative changes as follows will be required to MCO's in order to achieve savings: 1. Better management of ER visits 2. Quality measures 3. Establish a network of preferred providers.
Rhode Island	Continuation of a State Maximum Allowable Cost (SMAC) program for multi-source generic drugs.
Wisconsin	Targeted provider rate changes designed to promote cost effectiveness and better outcomes.

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**Table 7-A****Changes During Fiscal 2010 to Generate Additional Resources for Medicaid**

<i>Region and State</i>	<i>Tobacco Tax</i>	<i>Provider Tax/Fee</i>	<i>Other</i>
<b>NEW ENGLAND</b>			
Massachusetts		x	
Vermont	x		
<b>MID-ATLANTIC</b>			
Maryland		x	
New Jersey*			x
New York	x	x	
Pennsylvania		x	
<b>GREAT LAKES</b>			
Michigan		x	
Ohio*		x	
Wisconsin	x	x	
<b>PLAINS</b>			
Missouri		x	
<b>SOUTHEAST</b>			
Alabama		x	
Arkansas	x	x	
Florida	x		
Mississippi		x	
North Carolina*		x	
Tennessee		x	
<b>SOUTHWEST</b>			
New Mexico	x		
<b>ROCKY MOUNTAIN</b>			
Colorado		x	
Idaho		x	
<b>WEST</b>			
California		x	
<b>Total</b>	<b>6</b>	<b>17</b>	<b>1</b>

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

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

**NOTES TO TABLE 7-A**

New Jersey	Forcing delinquent manufacturers, who participate in the General Assistance program, to pay rebates that are retroactively owed to the State.
North Carolina	The existing provider rates for SNF and ICF-MR were increased to offset rate reductions for these provider types.
Ohio	Ohio uses a biennial budget. Strategies are for FY 2010 and FY 2011.

**Table 7-B****Proposed Changes for Fiscal 2011 to Generate Additional Resources for Medicaid**

<i>Region and State</i>	<i>Tobacco Tax</i>	<i>Provider Tax/Fee</i>	<i>Other</i>
<b>NEW ENGLAND</b>			
Rhode Island*			x
Massachusetts	x	x	
Vermont			x
<b>MID-ATLANTIC</b>			
Maryland		x	
New Jersey*			x
New York*	x	x	x
<b>GREAT LAKES</b>			
Michigan		x	
Ohio*		x	
Wisconsin	x	x	
<b>PLAINS</b>			
Kansas	x		
Missouri		x	
<b>SOUTHEAST</b>			
Alabama		x	
Georgia		x	
Virginia		x	
<b>SOUTHWEST</b>			
New Mexico	x		
Oklahoma		x	x
<b>ROCKY MOUNTAIN</b>			
Idaho		x	
<b>WEST</b>			
California		x	
<b>Total</b>	<b>5</b>	<b>13</b>	<b>5</b>

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

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

**NOTES TO TABLE 7-B**

New Jersey	Savings booked in FY 2011 for claiming Title XIX federal funding on childless adults as well as Medicare reimbursement for SSDI-eligible clients, from whom Medicare, not Medicaid, should have paid.
New York	Other strategies include sugar beverage tax, physician surcharge, and wine sold in grocery stores.
Ohio	Ohio uses a biennial budget. Strategies are for FY 2010 and FY 2011.
Rhode Island	Increase the maximum annual assessment from \$5,000 to \$6,000 per child per service for the Children's Health Account, which recovers (from private insurers) state Medicaid costs for various conditions not covered under private insurance plans.

**Table 8****Proposed Eligibility Restrictions for Children's Health Insurance Program for Fiscal 2011**

<i>Region and State</i>	<i>Eligibility Restrictions</i>	<i>Enrollment Cap</i>	<i>Premium Increase</i>	<i>Other</i>
<b>NEW ENGLAND</b>				
Connecticut			x	
<b>Mid-Atlantic</b>				
New Jersey	x	x	x	
<b>Plains</b>				
Iowa		x		
<b>SOUTHEAST</b>				
Alabama		x		
Georgia*			x	
North Carolina*				x
South Carolina		x		
<b>SOUTHWEST</b>				
Arizona	x	x		
<b>FAR WEST</b>				
California	x		x	x
Washington	x			
<b>Total</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>2</b>

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

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

**NOTES TO TABLE 8**

Georgia \$5 per month

Nebraska While the Governor's proposed budget for fiscal 2011 does not make changes to the CHIP program, it does include the continued cost of expanded eligibility from 185 percent of FPL to 200 percent of FPL that was enacted during the 2009 regular legislative session beginning in fiscal 2010.

North Carolina Other value represents state funds reduction. The Governor's proposal includes sole sourcing optical supplies to the Department of Correction's Nash Optical.

# State Revenue Developments

## CHAPTER TWO

### Overview

Largely contributing to the significant slowdown in state general fund spending is the decline in tax revenue collections due to the weak national economy. This recession, which started in December 2007 and likely ended in the second half of 2009, has been described as the longest and most severe downturn since the Great Depression in the 1930s. Additionally, capital gains and investment income significantly declined as a result of the financial crisis. This lack of economic expansion along with significant job losses have resulted in decreasing sales, personal income, and corporate income tax collections during fiscal 2010. Although the national economy grew robustly during the fourth quarter of 2009 and first quarter of 2010, state finances can take many months, and sometimes years to recover, as was the case from 2002-2004, when state spending experienced three consecutive years of declines after being adjusted for inflation.

Specifically, total state revenues were down 4.6 percent in the last quarter of calendar year 2008, 11.6, 16.5, 11.4 and 4.2 percent in the four quarters of 2009, respectively, according to the Rockefeller Institute of Government.\*

Revenue collections of sales, personal income, and corporate income tax collections, which make up approximately 80 percent of general fund revenue, are estimated to be \$477.4 billion in fiscal 2010 compared to \$541.4 billion in fiscal 2008, a decline of 11.8 percent. Governors' recommended fiscal 2011 budgets forecast collections of \$495.8 billion, an 8.4 percent decline from fiscal 2008 levels. States have also experienced the decline of tens of billions of dollars in fees and other taxes.

Personal income and corporate income tax collections all declined by sizeable amounts. Total revenue collections are currently below original estimates for 46 states, on target in two states and exceeded projections in two states (See Table A-7). These figures are similar to fiscal 2009 when total revenue collections were below estimates for 41 states, on target in four states and exceeded projections in four states. However, based on revised projections, revenue collections in 19 states are below these most recent revenue projections, while 20 are on target and nine states are currently above these estimates.

Although revenue collections are not expected to decline further in fiscal 2011, as the unemployment rate remains just under 10 percent, personal income tax collections, the largest source of tax revenue for many states, will continue to be collected at levels well below their 2008 peak.

In reaction to the significant reductions in revenue, states enacted \$23.9 billion in tax and fee changes in fiscal 2010 along with \$7.7 billion in other revenue measures. For fiscal 2011, governors recommended raising taxes and fees by a net \$3.1 billion. Specifically, 18 states recommend net increases while nine states recommend net decreases. Additionally, states proposed an additional \$2.0 billion in revenue measures. These measures enhance general fund revenue but do not affect taxpayer liability and may rely on enforcement of existing laws, additional audits and compliance efforts, and increasing fines for late filings.

\*Dadayan, Lucy; Boyd, Donald J. *Revenue Declines Less Severe, But States Fiscal Crisis Far From Over*. The Nelson A. Rockefeller Institute of Government, April 2010.



TABLE 9

## Enacted State Revenue Changes, Fiscal 1980 to Fiscal 2010 and Proposed State Revenue Actions, Fiscal 2011

<i>Fiscal Year</i>	<i>Revenue Change (Billions)</i>
2011	\$3.1
2010	23.9
2009	1.5
2008	4.5
2007	-2.1
2006	2.5
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

**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 1988–2011 data provided by the National Association of State Budget Officers.

TABLE 10

## Total Proposed Fiscal 2011 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									0.0
Arizona	918.0							17.3	935.3
Arkansas									0.0
California	-2844.0				1868.0				-976.0
Colorado									0.0
Connecticut									0.0
Delaware									0.0
Florida	-42.5		-57.4						-99.9
Georgia	130.0							96.0	226.0
Hawaii	20.6								20.6
Idaho									0.0
Illinois							220.0		220.0
Indiana									0.0
Iowa		-8.8	52.5					-8.9	34.8
Kansas	351.3			52.0			17.5		420.8
Kentucky									0.0
Louisiana									0.0
Maine	-0.7		4.8	1.9			22.6	3.0	31.6
Maryland								17.0	17.0
Massachusetts									0.0
Michigan	725.1	-3.0	-170.8				132.9	8.6	692.8
Minnesota		-10.0	-10.0				26.9		6.9
Mississippi								4.1	4.1
Missouri									0.0
Montana									0.0
Nebraska									0.0
Nevada									0.0
New Hampshire				10.0					10.0
New Jersey		-957.9	-35.0				0.5	5.0	-987.4
New Mexico	71.8			35.8					107.6
New York	-5.0	30.0		210.0			1001.0	282.2	1518.2
North Carolina			-15.8						-15.8
North Dakota	-4.6	-48.6	-5.0				-5.6		-63.8
Ohio			-420						-420
Oklahoma									0.0
Oregon									0.0
Pennsylvania	0.0		0.0				0.0		0.0
Rhode Island		-5.4	-14.3				0.1		-19.6
South Carolina									0.0
South Dakota									0.0
Tennessee	39.8		10.0					21.9	71.7
Texas									0.0
Utah									0.0
Vermont							-9.7	2.5	-7.2
Virginia								10.0	10.0
Washington	164.0			88.8			498.8	182.0	933.6
West Virginia		-1.0							-1.0
Wisconsin	21.0	251.4	-5.0	169.8			-1.0		436.2
Wyoming									0.0
<b>TERRITORIES</b>									
Puerto Rico								220.0	220.0
<b>Total</b>	<b>-\$455.2</b>	<b>-\$753.3</b>	<b>-\$666.0</b>	<b>\$568.3</b>	<b>\$1,868.0</b>	<b>\$0.0</b>	<b>\$1,904.0</b>	<b>\$640.7</b>	<b>\$3,106.5</b>

NOTE: \*See Appendix Table A-9 for details on specific revenue changes.

NOTE: \*\*See Notes to Table 10.

SOURCE: National Association of State Budget Officers.

## Collections in Fiscal 2009 and Fiscal 2010

Collections of sales, personal income, and corporate income taxes during fiscal 2010 are estimated to be 2.3 percent lower than fiscal 2009 collections. Specifically, sales tax collections are 1.0 percent lower and personal income tax collections are 2.8 percent lower than collections in fiscal 2009. Corporate income tax collections are estimated to be 5.8 percent lower relative to actual fiscal 2009 collections. (See Table A-8a.) These declines in tax collection are in addition to the 6.2 percent decline in sales tax, 11.2 percent decline in personal income and 16.9 percent decline in corporate income tax collections in fiscal 2009.

## Projected Collections in Fiscal 2011

Based on governors' recommended fiscal 2011 budgets, states are projecting a 3.9 percent increase in tax collections for fiscal 2011 relative to fiscal 2010. Compared to fiscal 2010 collections, sales tax collections are expected to increase by 3.9 percent, while personal income tax collections are forecast to increase by 3.7 percent. Corporate income tax collections are projected to increase 4.7 percent.

## Proposed Fiscal 2011 Revenue Changes

Twenty-six states recommended net tax and fee changes of \$3.1 billion. Seventeen states proposed net tax and fee increases while nine states proposed net tax and fee decreases. The largest change will occur in other taxes (\$1.9 billion). Of this \$1.9 billion, \$1.0 billion are accounted for by changes recommended in New York. Other tax and fee increases recommended by the states include increases of \$1.9 billion in motor fuels taxes, \$641 million in fees, and \$568 million in cigarette and tobacco taxes. Sales taxes are recommended to decrease by \$455 million, while personal income taxes are recommended to decrease \$753 million, and corporate income taxes are proposed to decrease \$666 million.

**Sales Taxes.** Nine states proposed sales tax increases while five recommended decreases in their fiscal 2011 budgets. The result is a net revenue decrease of \$455 million. Much of this change is due to the proposed elimination of sales tax on gas and diesel in California that would decrease receipts by \$2.8 billion.

**Personal Income Taxes.** Two states recommended personal income tax increases while seven proposed decreases for a net decrease of \$753 million. Much of this change is accounted for due to rate decreases in New Jersey that would decrease collections by \$957 million.

**Corporate Income Taxes.** Three states projected corporate income tax increases while nine recommended decreases in their fiscal 2011 budgets for a net decline of \$666 million.

**Cigarette, Tobacco and Alcohol Taxes.** Seven states proposed cigarette income tax increases for a net change of \$568 million. Rate increases in New York and Wisconsin are projected to raise \$210 million and \$170 million respectively.

**Motor Fuel Taxes.** One state proposed a motor fuel tax increase for a net change of \$1.9 billion. An increase on gas and diesel taxes by 10.8 cents/gallon in California is projected to raise \$1.9 billion.

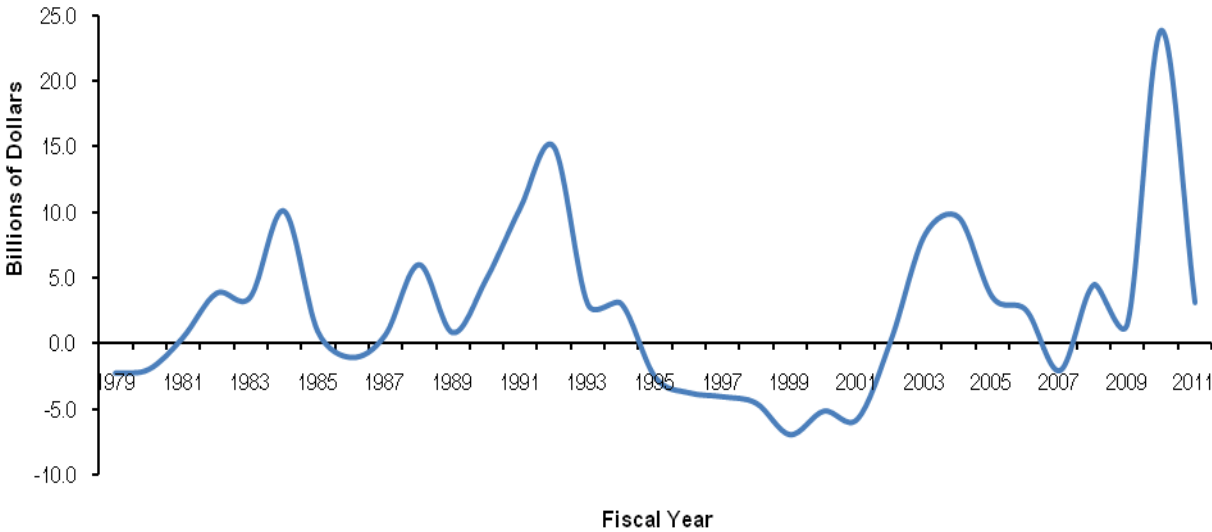
**Alcohol Taxes.** No states recommended alcohol tax increases or decreases in their fiscal 2011 budgets.

**Other Taxes.** Nine states proposed other tax increases while three states recommended decreases in their fiscal 2011 budgets for a net change of \$1.9 billion. An excise tax on syrups, bottled soft drinks and powders and base products in New York is expected to raise \$1.0 billion.

**Fees.** Twelve states recommend fee increases in their fiscal 2011 budgets while one state proposed a decrease for a net change of \$641 million. Six fee changes in New York are expected to raise nearly \$282 million.

FIGURE 2

**Enacted State Revenue Changes, Fiscal 1991 to Fiscal 2010, and Proposed State Revenue Change, Fiscal 2011**



SOURCE: National Association of State Budget Officers.

## Total Balances

### CHAPTER THREE

Following declines in revenue collections during previous economic downturns, states began to set aside additional funds in “rainy day” accounts during times of economic expansion to help stabilize budgets from future declines in tax collections. The effort to maintain adequate balances helps mitigate the disruption to state services during an economic downturn. Additionally, rainy day funds are needed to ensure that budgets can be balanced when revenues do not meet expectations in the latter part of the fiscal year when budget cuts and revenue increases do not have enough time to take effect. 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. Even while maintaining adequate balances, states have been forced to cut midyear budgets during both of the last two economic downturns.

Prior to the start of both this most recent recession and the recession in the early part of the last decade, states had built up fairly significant balance levels. In fiscal 2000, balances reached 10.4 percent of expenditures. However, by 2003 balance levels had fallen to 3.2 percent of expenditures. Balance levels were increased during the economic expansion that took place during the middle part of the decade. By fiscal 2006, balance levels had reached 11.5 percent of expenditures. The reduction in state balance levels began in fiscal 2008, when balance levels fell to 8.6 percent of expenditures. Highlighting the deterioration in state fiscal conditions, fiscal 2010 balance levels are estimated to be 6.2 percent of expenditures. (See Table 11 and Tables A-1, A-2, A-3, and A-11.)

Although total balance levels representing 6.2 percent of general fund expenditures may seem like

a significant cushion, when examining balance levels for fiscal 2010 a bit further, a starker picture emerges. For fiscal 2010, total balance levels were \$38.0 billion. However, balance levels for Texas and Alaska, at \$11.2 billion and \$14 billion respectively, combine to represent 66 percent of total balance levels. If you remove these two states from total balance levels, then fiscal 2010 balance levels represent only 2.2 percent of expenditures.

Additionally, the view of significantly low balance levels is reinforced by Table 12 which shows that in fiscal 2010, 14 states have balance levels below one percent, 16 states have balance levels below five percent but above one percent, 12 states have balance levels above five percent but below 10 percent, and eight states have balance levels above 10 percent. Based on recommended fiscal 2011 budgets, more than half the states will have balance levels below five percent. Specifically, 15 states will have balance levels below one percent, 17 states are expecting to have balance levels above one percent but below five percent, 10 states expect balance levels above five percent but below 10 percent, and 8 states having balance levels above 10 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 to 10 percent of appropriations. Ordinarily, funds above those limits remain in a state’s ending balances. Total balances include both ending balances and the amounts in states’ budget stabilization funds and 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, and may also be prohibited from draining all rainy day funds immediately.

TABLE 11

## Total Year-End Balances, Fiscal 1979 to Fiscal 2011

<i>Fiscal Year</i>	<i>Total Balance (Billions)</i>	<i>Total Balance (Percentage of Expenditures)</i>
2011*	\$ 36.6	5.8 %
2010*	38.0	6.2
2009	31.1	4.7
2008	59.1	8.6
2007	65.9	10.1
2006	69.0	11.5
2005	46.6	8.4
2004	27.5	4.6
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>5.7 %</b>

**NOTE:** \*Figures for fiscal 2010 are estimates ; figures for fiscal 2011 are based on Governors' recommended budgets.

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

TABLE 12

## Total Year-End Balances as a Percentage of Expenditures, Fiscal 2009 to Fiscal 2011

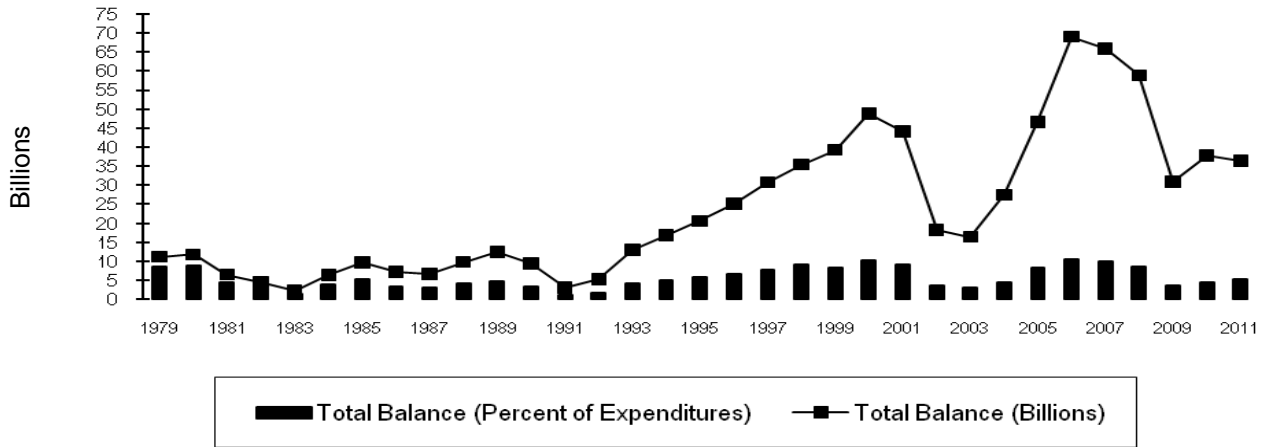
<i>Percentage</i>	<i>Number of States</i>		
	<i>Fiscal 2009 (Actual)</i>	<i>Fiscal 2010 (Estimated)</i>	<i>Fiscal 2011 (Recommended)</i>
Less than 1.0%	11	14	15
1.0% to 4.9%	16	16	17
5.0% to 9.9%	14	12	10
10% or more	9	8	8

**NOTE:** The average for fiscal 2009 (actual) was 4.7 percent; the average for fiscal 2010 (estimated) is 6.2 percent; and the average for fiscal 2011 (recommended) is 5.8 percent.

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

**FIGURE 3**

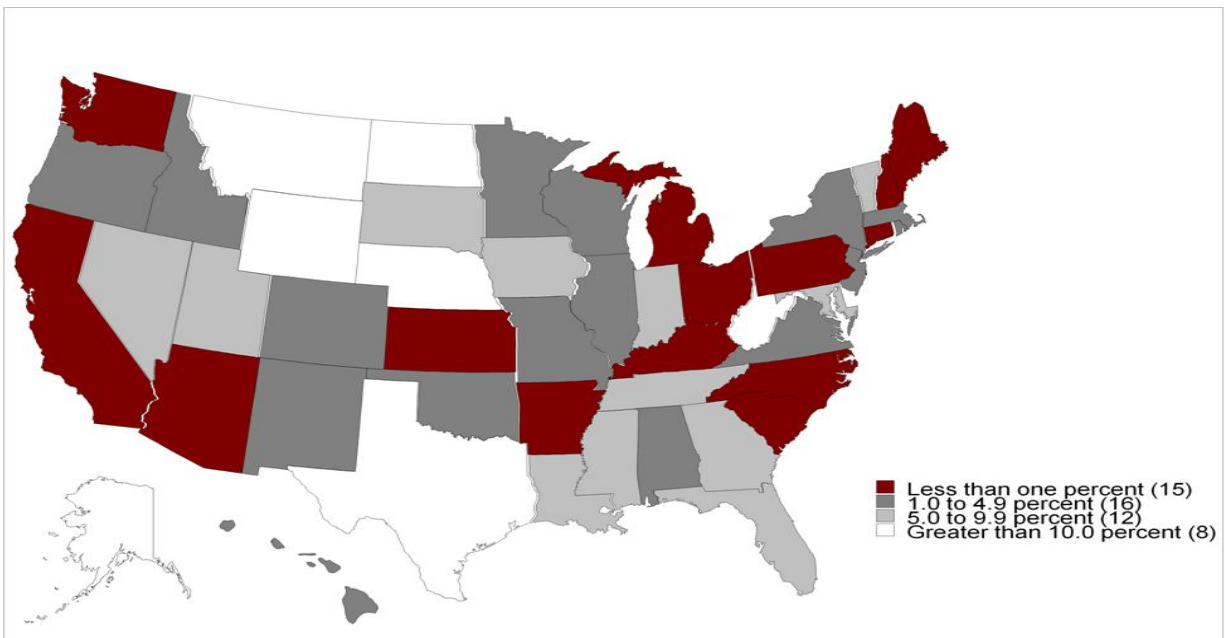
**Total Year-End Balances and Total Year-End Balances as a Percentage of Expenditures, Fiscal 1979 to Fiscal 2011**



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

**FIGURE 4**

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



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

# Appendix





TABLE A-1

## Fiscal 2009 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	\$15,701	\$179	\$15,880	\$16,828	\$0	-\$948	\$1,382
Maine**	1	2,855	244	3,100	3,018	56	26	0
Massachusetts**	2,406	25,994	0	28,400	27,384	0	1,017	841
New Hampshire	17	1,375	0	1,393	1,472	-80	0	9
Rhode Island**	-41	3,023	-45	2,937	2,999	0	-62	80
Vermont**	0	1,103	66	1,168	1,146	22	0	60
<b>MID-ATLANTIC</b>								
Delaware*	526	3,148	0	3,674	3,296	0	379	186
Maryland**	487	12,901	1,015	14,403	15,080	-764	87	692
New Jersey**	1,304	29,060	562	30,926	30,312	0	614	0
New York**	2,754	53,801	0	56,555	54,607	0	1,948	1,206
Pennsylvania*	583	24,305	166	25,054	27,084	0	-2,030	755
<b>GREAT LAKES</b>								
Illinois**	141	27,551	1,593	29,285	26,982	2,023	280	276
Indiana**	1,050	13,063	0	14,113	13,019	130	964	365
Michigan**	458	7,161	1,014	8,633	8,456	0	177	2
Ohio	1,682	26,685	0	28,367	27,362	0	735	0
Wisconsin**	131	12,113	573	12,817	12,744	-17	90	0
<b>PLAINS</b>								
Iowa**	0	5,889	45	5,934	5,934	0	0	519
Kansas	527	5,587	0	6,114	6,064	0	50	0
Minnesota**	1,920	15,388	0	17,308	16,861	0	447	395
Missouri**	836	7,451	425	8,712	8,449	0	263	260
Nebraska**	584	3,351	-182	3,752	3,329	0	424	576
North Dakota**	453	1,354	0	1,807	1,237	208	362	325
South Dakota**	0	1,141	13	1,154	1,153	0	0	107
<b>SOUTHEAST</b>								
Alabama**	219	6,753	529	7,501	7,735	-340	105	188
Arkansas	0	4,435	0	4,435	4,435	0	0	0
Florida	321	23,971	0	24,292	23,661	0	631	274
Georgia**	2,217	17,842	251	20,310	18,572	0	1,738	217
Kentucky**	86	8,553	625	9,263	9,158	66	40	7
Louisiana**	866	9,386	119	10,370	9,382	912	76	854
Mississippi	37	4,955	0	4,992	4,984	0	8	315
North Carolina	599	19,146	0	19,745	19,653	0	92	150
South Carolina*	324	5,544	0	5,869	5,748	0	121	0
Tennessee**	348	9,869	676	10,893	10,804	89	0	557
Virginia	313	15,791	0	16,104	15,943	0	161	575
West Virginia**	550	3,902	27	4,479	3,980	18	481	473
<b>SOUTHWEST</b>								
Arizona**	1	6,966	1,307	8,274	8,754	0	-481	2
New Mexico**	735	5,748	264	6,747	6,046	313	389	389
Oklahoma**	291	6,147	131	6,568	6,542	0	26	597
Texas**	6,815	38,817	-870	44,763	42,411	-75	2,427	6,726
<b>ROCKY MOUNTAIN</b>								
Colorado**	284	6,743	813	7,840	7,396	0	444	148
Idaho**	240	2,466	15	2,720	2,720	0	0	128
Montana**	434	1,808	8	2,250	1,858	0	392	0
Utah**	0	4,567	470	5,038	5,016	0	22	419
Wyoming**	10	1,745	0	1,755	1,750	0	5	398
<b>FAR WEST</b>								
Alaska**	0	5,858	-401	5,457	5,732	1,175	-1,451	8,898
California**	4,071	82,772	-1,757	85,086	90,940	0	-5,855	0
Hawaii	330	5,008	0	5,338	5,375	0	-37	60
Nevada	316	3,673	0	3,989	3,777	0	212	0
Oregon**	5	5,849	-20	5,834	5,834	0	0	113
Washington**	790	13,089	928	14,807	14,617	0	189	21
<b>TERRITORIES</b>								
Puerto Rico**	0	5,008	0	11,250	11,250	0	0	0
<b>Total***</b>	<b>\$36,017</b>	<b>\$621,402</b>	<b>-</b>	<b>\$666,202</b>	<b>\$657,908</b>	<b>-</b>	<b>\$4,458</b>	<b>\$29,546</b>

NOTES: NA Indicates data are not available. \*In these states, the ending balance includes the balance in the budget stabilization fund.

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

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 Privilege Tax Escrow, Education Proration Prevention Account, and Education Rainy Day Fund Transfers. Expenditure adjustments include reversions, savings due to the Governor's Deficit Prevention Plan, and FMAP savings.
Alaska	Revenue adjustments: 14.0 million reappropriation & carry forward, (\$450.0 million) + \$35.0 million oil & gas tax credit fund. Expenditure adjustments: \$1,000.0 million CBR savings deposit, \$175.3 million PEF savings.
Arizona	Adjustments to Revenues include agencies fund transfers, rainy day fund transfer and proceeds from prior year's School Facilities Board lease-purchase financing.
California	Represents adjustment to the Beginning Fund Balance. This consists primarily of reductions to Major Taxes and an increase to K-12 spending.
Colorado	Rainy day balance was taken down to 0.0 percent but SB 09-279 allowed cash funds to be transferred to the General Fund to cover any potential shortfall. This created an ending fund balance in FY 2008-2009. This cash fund transfer was "paid back" out of the GF on July 1, 2009. Senate Bill 09-279 authorized an end of year transfer from cash funds, to be paid back on July 1, 2009 from the General Fund. This FY 2008-2009 shortfall, which ultimately totaled \$186.3 million based on preliminary estimates of FY 2008-2009 after the books were closed, is realized in the FY 2009-2010 budget. Because this balance was based on SB 09-279 and not on a statutory requirement of a reserve balance, it is not categorized as a rainy day fund balance.
Connecticut	Fund transfers.
Georgia	Agency surplus returned.
Idaho	Transfers out included: \$5,645,200 to the Permanent Building Fund, \$20,000,000 to Water Resources aquifer study \$1,000,000 for Health and Welfare Community Health Center Grant; \$10,000,000 Opportunity Scholarship Fund; and \$1,800,000 for the Water Resource Board Revolving Development Fund. Transfer in include: \$920,100 from Geo Thermal royalties; \$12,000,000 from the Water Resources aquifer study; \$5,000,000 from the Capitol Commission; \$2,200,000 from the Attorney General's Office - Consumer Protection; \$12,400,000 from the Budget Stabilization Fund; \$11,700,000 from the Public Schools Stabilization Fund; and \$11,950,200 from the Permanent Building Fund. Other adjustments included cancelation of prior year encumbrances of \$1,172,800.
Illinois	Revenue adjustments are accounted for by statutory transfers in. Expenditure adjustments are accounted for by the sum of (legislatively required transfers plus pension obligation bond debt service plus debt service transfers for capital projects) subtracting the sum of (short term borrowing proceeds minus repayment short-term borrowing).
Indiana	Expenditure adjustments: Local Option Income Tax Distributions, Reversal of Payment Delays, PTRF Adjust for Abstracts.
Iowa	Revenue adjustments are for the \$45.3 million transfer from the Economic Emergency Fund to the General Fund per Executive Order 18. An additional \$56 million was appropriated from the Economic Emergency Fund to pay for disaster related expenses relating to the 2008 flood/storm disaster.
Kentucky	Revenue includes: \$126.4 million in Tobacco Settlement funds. Adjustments (Revenue): includes Fund transfers (\$344.5 million), and Reserve for Continuing Appropriations (\$280.2 million). Adjustments (Expenditures): includes funds reserved for Continued Appropriations.
Louisiana	Revenues include: Deficit Reduction Plan involves the transfer of statutory dedications approved by the Joint Legislative Committee on the Budget January 9, 2009, \$24.4 million; Fiscal Year 2007-2008 carry forward into Fiscal Year 2008-2009 \$88.9 million; Carry-forward of Interim Emergency Board prior years appropriations \$3.3 million; Capital Outlay re-appropriation of various prior years balances \$2.0 million.  Expenditures include: FY 2007-2008, surplus revenue recognized by the Revenue Estimating Conference on February 18, 2009: \$67,383,841 was placed in the Budget Stabilization Fund; \$15,000,000 was appropriated to Agriculture debt service by Act 122 of 2009 Regular Legislative Session (RLS); and \$782,290,000 was appropriated in FY 2010 Capital Outlay by Act 20 of the 2009 RLS; Reserve for FY 2010 Capital Outlay; and payment of carry forward expenditures \$47.7 million.
Maine	Revenue & expenditure adjustments reflect legislatively authorized transfers & Controllers year end adjustments.
Maryland	Revenue adjustments include transfers from State Special Fund accounts and extraordinary revenue. Expenditure adjustments include a series of mid-year cost containment taken by the MD Board of Public Works, planned and specific reversions, and deficiency appropriations.
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 (\$205.3 million); revenue sharing law changes (\$530.7 million); and deposits from state restricted revenues (\$278.0 million).
Minnesota	Ending balance includes cash flow account of \$350 million and appropriations carried forward of \$44.8 million.

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

Missouri	Revenue adjustments include transfers from other funds into the general revenue fund, including \$250 million from the enhanced FMAP authorized in the American Recovery and Reinvestment Act of 2009.
Montana	Adjustments to revenues reflects prior year revenues which were collected in FY 2009.
Nebraska	Revenue adjustments are transfers between the General Fund and other funds. This includes a \$115 million transfer from the General Fund to the Property Tax Credit Cash Fund. Also includes, per Nebraska law, a transfer of \$117.0 million to the Cash Reserve Fund (Rainy Day Fund) of the amount the prior year's net General Fund receipts exceeded the official certified forecast.
New Hampshire	\$79.7 million transfer from rainy day fund.
New Jersey	Budget vs. GAAP entries; net transfers from other funds.
New Mexico	All adjustments are transfers between reserve accounts, except for \$48.9 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, \$503 million reserved for timing-related changes and other risks, \$145 million in a community projects fund, \$73 million reserved for debt reduction and \$21 million in a reserve for litigation risks.
North Dakota	Expenditure adjustments are \$77.0 million of expenditure authority carried over to the 2009-2011 biennium, obligating an equal amount of the general fund balance. The balance shown is the unobligated balance after subtracting all expenditures and obligations. Also included in the adjustments are a \$125.0 million transfer to the budget stabilization fund and \$6.0 million of other transfers from the general fund.
Oklahoma	Revenue adjustment is the difference in cash flow in and cash flow out for the fiscal year.
Oregon	Oregon budgets on a biennial basis. The constitution requires the state to be balanced at the end of each biennium. Revenue adjustment is ending balance that is transferred to the Rainy Day Fund at the end of each biennium.
Pennsylvania	Revenue adjustment includes a \$2.5 million adjustment to the beginning balance and \$163.8 million in prior year lapses.
Puerto Rico	Revenues adjusted due to economic conditions.
Rhode Island	Opening balance includes a deficit of \$43.0 million and re-appropriations of \$1.7 million from the prior year. Adjustments to revenues represents (net) transfers to the Budget Stabilization (Rainy Day) Fund, including a transfer-in of \$66.1 million and an appropriation from the fund of \$22.0 million.
South Dakota	Adjustments in revenues: \$12.8 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	Adjustments (Revenues) include \$124.3 million transfer from debt service fund unexpended appropriations, \$126.5 million transfer from TennCare reserve, \$190.2 million transfer from capital outlay projects fund, \$41.2 million transfer from other agency reserves, \$193.5 million transfer from Rainy Day Fund. Adjustments (Expenditures) include \$70.5 million transfer to capital outlay projects fund, \$18.3 million transfer to reserves for dedicated revenue appropriations.
Texas	Revenue adjustments are related to transfers to the Rainy Day Fund. Expenditure adjustments are related to adjustments to dedicated account balances.
Utah	Revenue adjustments include the following: \$38.0 million transfer from mineral lease, \$92.5 million transfer from nonlapsing balances, \$228.2 million transfer from fund balances, \$8.5 million from lapsing balances, \$15.0 million transfer from rainy day funds, (\$1.2 million) other, \$202.2 million held in reserve from prior fiscal year, and (\$113.0 million) held in reserve for the following fiscal year.
Vermont	Revenue adjustments include \$37.7 million direct applications and transfers in, \$7.7 million other bills/other revenue, \$1.3 million for additional property transfer tax to General Fund, \$19.1 million from the General Fund Surplus Reserve. Expenditure adjustments include \$(1.0) million from the Human Services Caseload Reserve, \$(3.7) million from the Tobacco Settlement Fund, \$0.7 million to the Education Fund, \$3.1 million to Internal Service Funds, \$7.3 million to the Next Generation Fund, \$(3.9) million from other assorted funds, \$2.2 million to the Budget Stabilization Reserve, \$1.2 million reserved in the General Fund for bond issuance premium, \$14.8 million reserved in the Revenue Shortfall Reserve, and \$1.2 million other reserves.
Washington	Fund transfers between General Fund and other accounts, and balancing to the final audited ending balance.
West Virginia	Fiscal Year 2009 Beginning balance includes \$409.6 million in Reappropriations, Unappropriated Surplus Balance of \$35.3 million, and FY 2008 13th month expenditures of \$105.5 million. Expenditures include Regular, Surplus and Reappropriated and \$105.5 million of 31 day prior year expenditures. Revenue adjustments are from prior year redeposit and expirations from Rainy Day for Flood Relief. Expenditure adjustment represents the amount transferred to the Rainy Day Fund.
Wisconsin	Adjustments to Revenues include Tribal Gaming (\$93.9 million), Transfers-In, General Fund (\$151.7 million), Other Departmental Revenues (\$327.6 million). Adjustments to Expenditures include Designation for Continuing Balances (\$10.6 million) and unreserved designated balance (-\$27.4 million).
Wyoming	Wyoming budgets on a biennial basis, to arrive at annual figures assumptions and estimates were required.

**TABLE A-2**  
**Fiscal 2010 State General Fund, Estimated (Millions)**

<i>Region/State</i>	<i>Beginning Balance</i>	<i>Revenues</i>	<i>Adjustments</i>	<i>Resources</i>	<i>Expenditures</i>	<i>Adjustments</i>	<i>Ending Balance</i>	<i>Budget Stabilization Fund</i>
<b>NEW ENGLAND</b>								
Connecticut	\$0	\$17,030	\$0	\$17,030	\$17,386	\$0	-\$357	\$342
Maine**	26	2,693	196	2,915	2,885	30	0	0
Massachusetts**	1,017	27,157	0	28,174	27,386	0	788	658
New Hampshire	0	1,330	0	1,330	1,505	0	-175	9
Rhode Island**	-61	2,976	-70	2,845	2,845	0	0	111
Vermont**	0	1,034	45	1,078	1,081	-3	0	57
<b>MID-ATLANTIC</b>								
Delaware**	379	3,240	0	3,619	3,067	0	552	186
Maryland**	87	12,234	1,313	13,634	13,827	-386	192	615
New Jersey**	614	27,338	0	27,952	27,442	10	500	0
New York**	1,948	52,712	0	54,660	54,167	-880	1,373	1,206
Pennsylvania**	-2,030	27,050	60	25,079	25,177	-135	38	0
<b>GREAT LAKES</b>								
Illinois**	280	25,828	2,167	28,275	23,714	4,281	280	276
Indiana	964	12,191	0	13,155	12,836	0	319	369
Michigan**	177	6,891	1,075	8,143	8,108	0	34	2
Ohio**	735	25,572	0	26,307	26,114	0	193	0
Wisconsin**	90	12,132	819	13,041	13,424	-689	306	0
<b>PLAINS</b>								
Iowa**	0	5,401	0	5,401	5,814	-514	102	419
Kansas	50	5,402	0	5,452	5,451	0	0	0
Minnesota**	447	14,654	0	15,100	14,785	0	316	560
Missouri**	263	6,734	578	7,575	7,527	0	49	240
Nebraska**	424	3,322	-21	3,725	3,329	200	196	455
North Dakota**	362	1,269	295	1,926	1,592	0	334	325
South Dakota**	0	1,110	22	1,132	1,132	0	0	107
<b>SOUTHEAST</b>								
Alabama**	105	6,672	7	6,785	6,785	0	0	179
Arkansas	0	4,303	0	4,303	4,303	0	0	0
Florida	631	21,663	0	22,295	21,211	0	1,084	274
Georgia**	1,738	15,040	259	17,036	15,633	0	1,403	104
Kentucky**	40	8,332	229	8,600	8,570	7	23	0
Louisiana**	0	7,863	996	8,859	9,107	-248	0	854
Mississippi**	8	4,399	-1	4,407	4,749	-342	0	250
North Carolina	92	18,927	0	19,019	19,015	0	4	150
South Carolina*	121	5,326	0	5,446	5,401	0	45	64
Tennessee**	0	9,821	162	9,983	9,825	58	101	502
Virginia	161	14,666	0	14,827	14,800	0	27	294
West Virginia**	481	3,668	1	4,149	3,696	11	442	549
<b>SOUTHWEST</b>								
Arizona**	-481	6,341	2,004	7,865	7,815	0	50	0
New Mexico**	389	5,342	236	5,967	5,478	217	272	272
Oklahoma	26	5,000	68	5,094	5,778	-709	25	149
Texas**	2,427	36,668	-256	38,838	32,734	-118	6,223	7,736
<b>ROCKY MOUNTAIN</b>								
Colorado**	444	6,521	-66	6,899	6,766	0	132	132
Idaho**	0	2,406	37	2,443	2,507	-65	1	64
Montana**	392	1,652	0	2,044	1,759	-11	296	0
Utah**	22	4,220	282	4,523	4,523	0	0	419
Wyoming**	5	1,745	0	1,750	1,750	0	0	398
<b>FAR WEST</b>								
Alaska**	0	5,597	18	5,615	4,606	60	950	10,258
California	-5,855	88,084	0	82,229	86,092	0	-3,863	0
Hawaii	-37	4,916	0	4,879	4,822	0	57	58
Nevada	212	3,325	0	3,537	3,303	0	235	0
Oregon	0	6,619	0	6,619	6,458	0	161	15
Washington**	189	13,791	392	14,373	14,848	0	-476	96
<b>TERRITORIES</b>								
Puerto Rico**	0	7,670	2,500	10,170	10,170	0	0	0
<b>Total</b>	<b>\$6,881</b>	<b>\$608,204</b>	<b>-</b>	<b>\$625,929</b>	<b>\$612,924</b>	<b>-</b>	<b>\$12,231</b>	<b>\$28,755</b>

NOTES: NA Indicates data are not available. \*In these states, the ending balance includes the balance in the budget stabilization fund.

\*\*See Notes to Table A-2.

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 transfers from agencies.
Alaska	Revenue adjustment: \$17.8 million reappropriation & carry forward. Expenditure adjustments: net of (\$1,057.4) million PEF draw and \$1,117.0 million PEF forward funding equals \$59.6 million.
Arizona	Adjustments to Revenues include agencies fund transfers, lease-purchase financing proceeds, lottery revenue bonds proceeds.
Colorado	The Governor's final balancing plan (March 2010) provides for a final balance of \$153.8M, approximately 2.33 percent of FY 2009-2010 General Fund spending subject to appropriations limit. Only 2.0 percent is required; the remainder carries forward to offset need in FY 2010-11 Governor's request.
Delaware	Reflects estimates as per April 19, 2010 meeting of the Delaware Economic and Financial Advisory Council.
Georgia	Appropriation from the RSR (Revenue Shortfall Reserve) of \$258.6 million. In addition \$167.6 million from the Mid-Year Adjustment Reserve is subtracted from the beginning year balance.
Idaho	Transfers in included: \$30 million from the Budget Stabilization Fund; \$10 million from the Permanent Building Fund, \$1,680,000 from the Division of Human Resources cash on hand; \$1 million from Department of Agriculture; \$446,900 from Dept. of Labor - Rural Broadband; \$661,900 from the Attorney General - Consumer Protection; transfers \$1,172,100 stimulus dollars to the General Fund for Professional-Technical Education, \$7 million from the Eli Lilly and Company Settlement; \$781,600 from the Public Utilities Civil Penalties fund; \$49,255,500 from the Public Education Stabilization Fund and \$20 million from the Economic Recovery Reserve Fund. Transfer out include \$85.1 the Public Education Stabilization Fund. Other adjustments include cancelation of prior year encumbrances of \$1,793,400.
Illinois	Revenue adjustments are accounted for by statutory transfers in. Expenditure adjustments are accounted for by the sum of (legislatively required transfers plus pension obligation bond debt service plus debt service transfers for capital projects) subtracting the sum of (short term borrowing proceeds minus repayment short-term borrowing). FY 2010 appropriations do not reflect the FY 2010 statutory pension contribution for the General Funds. That amount will be financed and paid through issuance of approximately \$3,466 million in General Obligation Pension Funding Bonds during the fiscal year.
Iowa	Expenditure adjustments include 10 percent ATB per Executive Order 19 and additional supplemental and deappropriations recommended to the Legislature. Additional appropriations from the Cash Reserve Fund include \$54.7 million for Property Tax Credits, \$25.6 million to pay for disaster related expenses for the 2008 flood/storm disaster, and \$65 million transfer to the General Fund.
Kentucky	Revenue: includes \$112.3 million in Tobacco Settlement funds. Adjustments (Revenue): includes Fund transfers (\$163.1 million), and Reserve for Continuing Appropriations (\$66.2 million). Adjustments (Expenditures): includes funds reserved for Continued Appropriations.
Louisiana	Revenues include - Act 226 of the 2009 Regular Legislative Session (RLS) transfers \$3.9 million from the Incentive Fund; \$13.5 million from the Rapid Response Fund; and \$75.6 from the Insure Louisiana Incentive Program Fund; Fiscal Year 2008-2009 carry forward into Fiscal Year 2009-2010 \$34.3 million; Act 122 of the 2009 RLS authorized the utilization of \$86.2 million of the Budget Stabilization Fund as recognized by the Revenue Estimating Conference on August 17, 2009; Of the Fiscal Year 2007-2008 surplus, \$782.3 was appropriated in FY 2010 by Act 20 of the 2009 RLS.  Expenditures include: Due to a projected deficit, the Governor, by authority of Constitution of Louisiana and Revised Statutes issued Executive Order BJ 2009-21 reducing State General Fund expenditures by \$247.9 million.
Maine	Revenue & expenditure adjustments reflect legislatively authorized transfers.
Maryland	Revenue adjustments include various transfers from Special Fund accounts (some requiring legislation in the current fiscal year) and extraordinary revenue. Expenditure adjustments include a series of mid-year cost containment taken by the MD Board of Public Works, planned and specific reversions, and deficiency appropriations.
Massachusetts	Includes balances in all budgeted funds included in the state's definition of fiscal balance.
Michigan	FY 2010 revenue adjustments include the impact of federal and state law changes (\$7.8 million); revenue sharing law changes (\$495.2 million); deposits from state restricted revenues (\$425.9 million); and pending revenue options (\$145.8 million).
Minnesota	Ending balance includes cash flow account of \$560 million. Minnesota has two separate stabilization funds: the rainy day fund and the cash flow account. The rainy day fund no longer has any funds remaining. The cash flow account is \$350 million, and the governor proposed to add \$210 million to that bringing it to \$560 million.

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

Mississippi	Revenue Adjustment: Aid to Municipalities Fund, \$0.8 million. Expenditure Adjustments: Reappropriations, -\$7.3 million, transfer to the Budget Contingency Fund, -\$146.7 million, transfer to the University of Mississippi Medical Center, -\$3.0 million, and budget cuts, +\$499.1 million.
Missouri	Revenue adjustments include transfers from other funds into the general revenue fund, including \$320 million from the enhanced FMAP authorized in the American Recovery and Reinvestment Act of 2009.
Montana	Adjustments to Expenditures: Section 17-7-140, MCA, directs the governor to reduce general fund spending when the projected ending general fund balance for the biennium drops below a specified level - in this case 1 percent of estimated general fund expenditures for the biennium. This state statute acts as a "safety trigger" to maintain appropriate levels of fund balance, but at no time has the state operated with an estimated budget gap.
Nebraska	Revenue adjustments are transfers between the General Fund and other funds. This includes a \$112 million transfer from the General Fund to the Property Tax Credit Cash Fund as well as a \$105 million transfer to the General Fund from the Cash Reserve Fund (Rainy Day Fund). Expenditure adjustments are reappropriations (\$200.1 million) of the unexpended balance of appropriations from the prior fiscal year into the biennium. This was an extraordinary consideration to allow state agencies additional flexibility as they addressed constrained growth in new appropriations.
New Jersey	Transfers to other funds.
New Mexico	All adjustments are transfers between reserve accounts, except for (1) \$45.5 million transferred out from Tobacco Settlement Permanent Fund, a reserve account to the Tobacco Settlement Program Fund, a non-reserve account; (2) \$25 million transferred from the appropriation account to the Appropriation Contingency Fund; and (3) \$40 million transferred from the appropriation account to the separate account of the Appropriation Contingency Fund for the purpose of implementing and maintaining educational reforms.
New York	Total expenditures are adjusted to reflect the impact of carrying forward a portion of the 2009-2010 budget shortfall into 2010-2011. The ending balance includes \$1.2 billion in rainy day reserve funds, \$73 million in a community projects fund, \$73 million reserved for debt reduction and \$21 million in a reserve for litigation risks.
North Dakota	Revenue adjustments are a \$295.0 million transfer from the permanent oil tax trust fund to the general fund.
Oklahoma	The revenue adjustment is the difference in "cash flow in" and "cash flow out" for the fiscal year. The adjustment to expenditures reflects FY 2010 budget reductions to offset the budget shortfall caused by the economic downturn.
Pennsylvania	Revenues include \$755 million transferred from the Rainy Day fund. Revenue adjustment reflects \$60 million in prior year lapses. Expenditure adjustment reflects \$135 million in current year lapses.
Puerto Rico	The General Fund Budget includes an allocation of \$1 billion to facilitate the orderly implementation of certain expense reduction measures adopted by the Government of Puerto Rico pursuant to Act 7 of March 8, 2009. This allocation will cover the cost of transitioning public employees to non-governmental sectors by providing re-training vouchers, self employment opportunities, relocation and salary subsidies alternatives. On the other hand, the General Fund Budget also includes an allocation from the State Stabilization Fund of \$1.5 billion to cover payroll and operating expenses that are expected to be reduced through fiscal year 2010, but whose savings will not be realized in such fiscal year. The State Stabilization Fund is funded with proceeds from the bonds issued by the Sales Tax Financing Corporation.
Rhode Island	Opening balance includes a deficit of \$61.8 million, a reserve for Audit adjustments of \$0.6, and re-appropriations of \$1.0 million from the prior year. Adjustments to revenues reflect transfers to the Budget Stabilization Fund.
South Dakota	Adjustments in revenues: \$21.8 is from one-time receipts.
Tennessee	Adjustments (Revenues) include \$107.0 million transfer from debt service fund unexpended appropriations and \$54.7 million transfer from Rainy Day Fund. Adjustments (Expenditures) include \$40.1 million transfer to capital outlay projects fund and \$17.8 million transfer to reserves for dedicated revenue appropriations.
Texas	Revenue adjustments are related to transfers to the Rainy Day Fund. Expenditure adjustments are related to adjustments to dedicated account balances.
Utah	Revenue adjustments include the following: \$16.4 million transfer from fund balances, \$72.0 million transfer from growth in student population, \$2.0 million transfer from Tobacco Restricted Account, \$1.5 million transfer from Sovereign Lands Management, \$.5 million transfer from Wildlife Resources Account, \$1.3 million transfer from Uninsured Motorist Account, \$2.0 million transfer from Fire Academy Support Fund, \$2.0 million transfer from Securities Education and Enforcement, \$4.7 million from Economic Development Tax Incentive Fund, \$100.0 million transfer from Transportation Investment Fund, \$20.0 million Medicaid Settlement, \$.8 million other, \$113.0 million held in reserve from prior fiscal year, and (\$54.7 million) held in reserve for following fiscal year.
Vermont	Revenue adjustments include \$(0.2) million VEDA debt forgiveness, \$16.8 million direct applications and transfers in, \$8.0 million other bills/other revenue, \$5.3 million additional property transfer tax to General Fund, \$14.9 million from the Revenue Shortfall Reserve. Expenditure adjustments include \$(16.2) million from the Human Services Caseload Reserve, \$(1.7) million from the Transportation Fund, \$(1.2) million from the bond issuance premium reserve, \$3.3 million to the Next Generation Fund, \$1.3 million to other assorted funds, \$(2.7) million from the Budget Stabilization Reserve, \$14.6 million reserved in the Revenue Shortfall Reserve.

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

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Washington	Fund transfers between General Fund and other accounts.
West Virginia	Fiscal Year 2010 Beginning balance includes \$432.6 million in Reappropriations, Unappropriated Surplus Balance of \$22.2 million, and FY 2009 13th month expenditures of \$26.0 million. Revenue is adjusted for a mid-year spending reduction by \$120 million. Expenditures include Regular and surplus appropriations and \$26.0 million of 31 day prior year expenditures and a reduction in regular appropriations for the mid-year spending reduction of \$118.7 million. The ending balance is mostly the historically carried forward reappropriation amounts will remain and be reappropriated to the next fiscal year.
Wisconsin	Adjustments to Revenues include Tribal Gaming (\$19.5 million) and Other Departmental Revenues (\$799.4 million). Adjustments to Expenditures include Compensation Reserves (\$47.3 million), Sum Sufficient Re-estimates (-\$452.4 million), and Lapses (-\$283.7 million).
Wyoming	Wyoming budgets on a biennial basis, to arrive at annual figures assumptions and estimates were required.



TABLE A-3

## Fiscal 2011 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	\$17,567	\$0	\$17,567	\$17,566	\$0	\$0	\$0
Maine**	0	2,777	16	2,793	2,705	87	1	0
Massachusetts**	788	28,075	0	28,864	28,213	0	630	520
New Hampshire	-175	1,405	0	1,230	1,515	0	-285	9
Rhode Island**	0	2,927	-76	2,851	2,849	0	2	123
Vermont**	0	1,079	43	1,122	1,119	3	0	55
<b>MID-ATLANTIC</b>								
Delaware**	552	3,293	38	3,883	3,274	0	610	176
Maryland**	192	12,672	520	13,384	13,890	-714	208	634
New Jersey*	500	27,926	0	28,426	27,926	0	500	0
New York**	1,373	54,801	0	56,174	53,388	880	1,906	1,206
Pennsylvania	38	26,240	0	26,278	26,273	0	4	0
<b>GREAT LAKES</b>								
Illinois**	280	25,716	1,728	27,724	28,171	-726	280	276
Indiana**	319	12,925	369	13,612	13,572	0	41	0
Michigan**	34	7,025	816	7,876	7,870	0	6	2
Ohio	193	26,419	0	26,612	26,584	0	29	0
Wisconsin**	306	12,801	792	13,899	14,120	-265	44	0
<b>PLAINS</b>								
Iowa**	0	5,403	35	5,438	5,662	-341	117	265
Kansas	0	5,831	0	5,831	5,831	0	0	0
Minnesota**	316	15,515	0	15,831	15,267	0	564	560
Missouri**	49	6,911	1,059	8,019	7,804	0	215	245
Nebraska**	196	3,397	30	3,624	3,410	5	208	325
North Dakota	334	1,394	0	1,728	1,657	0	71	325
South Dakota	0	1,155	10	1,165	1,165	0	0	107
<b>SOUTHEAST</b>								
Alabama**	0	6,943	79	7,022	7,022	0	0	0
Arkansas	0	4,479	0	4,479	4,479	0	0	0
Florida	1,084	22,547	0	23,631	23,315	0	316	276
Georgia*	1,403	16,052	0	17,455	16,052	0	1,403	104
Kentucky**	23	8,815	81	8,919	8,874	6	40	0
Louisiana**	0	8,021	4	8,025	8,025	0	0	854
Mississippi**	0	4,563	-33	4,530	4,439	91	0	170
North Carolina*	83	19,066	0	19,150	19,150	0	0	252
South Carolina*	45	5,210	0	5,255	5,135	0	119	119
Tennessee**	101	10,169	227	10,496	10,177	183	136	445
Virginia	27	14,857	0	14,884	14,846	0	38	301
West Virginia**	442	3,741	0	4,183	3,725	0	458	560
<b>SOUTHWEST</b>								
Arizona**	50	6,801	1,705	8,556	8,474	0	81	0
New Mexico**	272	5,370	44	5,687	5,375	89	222	223
Oklahoma**	25	5,122	0	5,146	4,893	0	254	149
Texas**	6,223	39,552	-922	44,852	44,891	-124	86	8,156
<b>ROCKY MOUNTAIN</b>								
Colorado**	132	7,117	31	7,280	7,140	0	140	140
Idaho**	1	2,433	21	2,455	2,455	0	0	9
Montana**	296	1,676	0	1,972	1,841	-30	160	0
Utah**	0	4,411	396	4,807	4,803	0	4	253
Wyoming**	0	1,438	0	1,438	1,433	0	5	402
<b>FAR WEST</b>								
Alaska**	0	5,307	0	5,307	4,577	14	715	10,848
California*	-3,863	89,322	0	85,459	82,901	0	2,558	1,021
Hawaii	57	5,067	0	5,124	4,956	0	168	65
Nevada	235	3,347	0	3,582	3,405	0	177	0
Oregon	161	6,815	0	6,975	6,969	0	7	108
Washington**	-476	15,087	165	14,777	16,070	0	-1,293	229
<b>TERRITORIES</b>								
Puerto Rico**	0	8,195	1,000	9,195	9,195	0	0	0
<b>Total</b>	<b>\$11,614</b>	<b>\$626,582</b>	<b>-</b>	<b>\$645,374</b>	<b>\$635,253</b>	<b>-</b>	<b>\$10,944</b>	<b>\$29,510</b>

NOTES: NA Indicates data are not available. \*In these states, the ending balance includes the balance in the budget stabilization fund.

\*\*See Notes to Table A-3.

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 estimated unrealized capital gains.
Alaska	No revenue adjustments. Expenditure adjustments: net of (\$1,117.0) million PEF draw and \$1,131.0 million PEF forward funding equals \$14.0 million.
Arizona	Adjustments to Revenues include agencies fund transfers, lease-purchase financing proceeds, redirecting funds from First Thing First, other fund transfers, and temporary revenue increase.
Colorado	Ending fund balance is \$135.6 million in the Governor's final budget balancing plan (March 2009), which is equal to 2.0 percent of General Fund.
Connecticut	Fund Transfers.
Delaware	Reflects revenue estimates as per April 19, 2010 meeting of the Delaware Economic and Financial Advisory Council, FY 2011 Governor's Recommended budget estimates for revenue adjustments and expenditures.
Idaho	Transfers in include: \$51,250,000 from the Budget Stabilization Fund; \$48,863,700 from the Economic Recovery Reserve Fund and income from the sale of Parks and Recreation headquarters \$5 million. Other adjustment included adjusting the revenue target for zero growth rate, decreased revenue by \$83,820,000.
Illinois	Revenue adjustments are accounted for by statutory transfers in. Expenditure adjustments are accounted for by the sum of (legislatively required transfers plus pension obligation bond debt service plus debt service transfers for capital projects minus reduced transfer to local government distributive fund) subtracting the sum of voucher payments notes.
Indiana	Revenue adjustments: \$368.5 million reflects anticipated transfer of Rainy Day Fund to the general fund in FY 2011; Total expenditures: Increase in total expenditures from FY 2010 to FY 2011 reflects increased General Fund Medicaid expenses resulting from the cessation of ARRA Medicaid funds after December 31, 2010; Further expenditure reductions will be made in FY 2011.
Iowa	Revenue adjustments include \$52.5 million increase due to capping tax credits, \$8.8 million reduction due to coupling with federal tax law dealing with disaster casualty, and \$8.9 million reduction due to shifting of fees for gaming regulation. Expenditure adjustments are for \$341 million reduction due to the recommendations made in for government efficiency and reorganization.
Kentucky	Revenue: includes \$111.3 million in Tobacco Settlement funds. Adjustments (Revenue): includes Fund transfers (\$73.9 million), and Reserve for Continuing Appropriations (\$7 million). Adjustments (Expenditures): includes funds reserved for Continued Appropriations.
Louisiana	Revenues include: Transfer of \$4 million from the Incentive Fund.
Maine	Revenue & expenditure adjustments reflect legislatively authorized transfers.
Maryland	Revenue adjustments include various transfers from Special Fund accounts (some requiring legislation in the current fiscal year) and extraordinary revenue. Expenditure adjustments include reductions contingent upon legislation in the current fiscal year and planned and specific agency reversions.
Massachusetts	Includes balances in all budgeted funds included in the state's definition of fiscal balance.
Michigan	FY 2011 revenue adjustments include the impact of federal and state law changes (-\$56.8 million); revenue sharing law changes (\$427.3 million); deposits from state restricted revenues (\$399.6 million); and pending revenue options (\$46.3 million).
Minnesota	Ending balance includes cash flow account of \$560 million. Minnesota has two separate stabilization funds: the rainy day fund and the cash flow account. The rainy day fund no longer has any funds remaining. The cash flow account is \$350 million, and the governor proposed to add \$210 million to that bringing it to \$560 million.
Mississippi	Revenue Adjustment: Health Care Trust Fund repayment, -\$38.0 million, accelerated tax collections change, -\$14.8 million, and Insurance Premium Tax reinstatement to the General Fund, +\$20.0 million. Expenditure Adjustments: Statutory 2 percent holdback, \$90.6 million.
Missouri	Revenue adjustments include transfers from other funds into the general revenue fund, including \$576 million from the enhanced FMAP authorized in the American Recovery and Reinvestment Act of 2009 and \$300 million from the expected extension of enhanced FMAP.
Montana	Adjustments to Expenditures: Section 17-7-140, MCA, directs the governor to reduce general fund spending when the projected ending general fund balance for the biennium drops below a specified level - in this case 1 percent of estimated general fund expenditures for the biennium. This state statute acts as a "safety trigger" to maintain appropriate levels of fund balance, but at no time has the state operated with an estimated budget gap.

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

Nebraska	Revenue adjustments are transfers between the General Fund and other funds. This includes a \$112 million transfer from the General Fund to the Property Tax Credit Cash Fund as well as a \$151 million transfer to the General Fund from the Cash Reserve Fund (Rainy Day Fund). Expenditure adjustments include a small amount (\$5 million) reserved for supplemental/deficit appropriations.
New Hampshire	The NH Legislature considers utilization of the Rainy Day fund balance prior to the end of each Biennial Budget period, with the next end date being June 30, 2011.
New Mexico	All adjustments are transfers between reserve accounts, except for \$44.6 million transferred out from Tobacco Settlement Permanent Fund, a reserve account to the Tobacco Settlement Program Fund, a non-reserve account.
New York	Total expenditures are adjusted to reflect the impact of carrying forward a portion of the 2009-2010 budget shortfall into 2010-2011. The ending balance includes \$1.2 billion in rainy day reserve funds, \$485 million reserved for timing-related changes and other risks, \$121 million in a community projects fund, \$73 million reserved for debt reduction and \$21 million reserved for litigation risks.
Oklahoma	The legislature has not appropriated any monies for FY-2011 as of 3-24-2010. This report assumes that all available revenues will be spent.
Puerto Rico	Includes \$1.0 billion from the State Stabilization Fund to cover payroll expenses expected to be reduced through the fiscal year 2011.
Rhode Island	Opening balance includes a free surplus of \$0.1 million. Adjustments to revenues reflect transfers to the Budget Stabilization Fund.
Tennessee	Adjustments (Revenues) \$57.1 million transfer from Rainy Day Fund and \$170.0 million transfer from TennCare reserve. Adjustments (Expenditures) include \$165.4 million transfer to capital outlay projects fund and \$17.9 million transfer to reserves for dedicated revenue appropriations.
Texas	Revenue adjustments are related to transfers to the Rainy Day Fund. Expenditure adjustments are related to adjustments to dedicated account balances.
Utah	Revenue adjustments include the following: \$31.0 million transfer from growth in student population, (\$.4 million) eliminate transfer from Environmental Quality Restricted Account, \$20.0 million sales tax vendor discount repeal, \$125.0 million mandatory quarterly filings, \$165.5 million transfer from rainy day funds, and \$54.7 million held reserve from prior fiscal year.
Vermont	Revenue adjustments include \$24.7 million direct applications and transfers in, \$6.9 million other bills/other revenue, \$5.9 million additional property transfer tax to General Fund, \$5.0 million from the Revenue Shortfall Reserve. Expenditure adjustments include \$0.8 million to Internal Service Funds, \$4.8 million to the Next Generation Fund, \$0.5 million to other assorted funds, \$(2.8) million from the Budget Stabilization Reserve.
Washington	Fund transfers between General Fund and other accounts.
West Virginia	Fiscal Year 2011 Beginning balance includes and assumes an amount of historical reappropriations will exist to be available for expenditure in FY 2011.
Wisconsin	The figures for revenues and expenditures are updated projections completed on January 27, 2010 after 2009 Wisconsin Act 28 (the state budget bill) by the Legislative Fiscal Bureau. The revenue adjustments include the impact of Act 161 (-\$12.1 million: impact of Internal Revenue Code revisions), Departmental Revenue (\$780.9) and Tribal Gaming (\$22.7 million). Adjustments to expenditures include Compensation Reserves (\$96 million), Sum Sufficient Re-estimates (-\$37.6 million), and Lapses (-\$323.8 million).
Wyoming	Wyoming budgets on a biennial basis, to arrive at annual figures assumptions and estimates were required.

TABLE A-4

**General Fund Nominal Percentage Expenditure Change, Fiscal 2010 and Fiscal 2011\*\***

<i>Region/State</i>	<i>Fiscal 2010</i>	<i>Fiscal 2011</i>
<b>NEW ENGLAND</b>		
Connecticut	3.3%	1.0%
Maine	-4.4%	-6.2%
Massachusetts	0.0%	3.0%
New Hampshire	2.2%	6.7%
Rhode Island	-5.1%	0.1%
Vermont	-5.7%	3.5%
<b>MID-ATLANTIC</b>		
Delaware	-6.9%	6.8%
Maryland	-8.3%	0.5%
New Jersey	-9.5%	1.8%
New York	-0.8%	-1.4%
Pennsylvania	-7.0%	4.4%
<b>GREAT LAKES</b>		
Illinois	1.4%	3.0%
Indiana	-1.4%	5.7%
Michigan	-4.1%	-2.9%
Ohio	-5.5%	-1.8%
Wisconsin	5.3%	5.2%
<b>PLAINS</b>		
Iowa	-2.0%	-2.6%
Kansas	-10.1%	7.0%
Minnesota	-12.3%	3.3%
Missouri	-10.9%	3.7%
Nebraska	0.0%	2.4%
North Dakota	28.7%	4.1%
South Dakota	-1.8%	2.9%
<b>SOUTHEAST</b>		
Alabama	-12.3%	3.5%
Arkansas	-3.0%	4.1%
Florida	-10.4%	9.9%
Georgia	-15.8%	2.7%
Kentucky	-6.4%	-3.5%
Louisiana	-2.9%	-11.9%
Mississippi	-4.7%	-6.5%
North Carolina	-3.2%	0.7%
South Carolina	-6.0%	-4.9%
Tennessee	-9.1%	3.6%
Virginia	-7.2%	0.3%
West Virginia	-7.1%	0.8%
<b>SOUTHWEST</b>		
Arizona	-10.7%	8.4%
New Mexico	-9.4%	-1.9%
Oklahoma	-11.7%	-15.3%
Texas	-22.8%	37.1%
<b>ROCKY MOUNTAIN</b>		
Colorado	-8.5%	5.5%
Idaho	-7.8%	-2.1%
Montana	-5.3%	4.7%
Utah	-9.8%	6.2%
Wyoming	0.0%	-18.1%
<b>FAR WEST</b>		
Alaska	-19.7%	-0.6%
California	-5.3%	-3.7%
Hawaii	-10.3%	2.8%
Nevada	-12.6%	3.1%
Oregon	10.7%	7.9%
Washington	1.6%	8.2%
<b>TERRITORIES</b>		
Puerto Rico	-9.6%	-9.6%
<b>Average</b>	<b>-6.8%</b>	<b>3.6%</b>

\*See Notes to Table A-4. \*\*Fiscal 2010 reflects changes from fiscal 2009 expenditures (actual) to fiscal 2010 expenditures (estimates). Fiscal 2011 reflects changes from fiscal 2010 expenditures (estimates) to fiscal 2011 expenditures (recommended).

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

TABLE A-5a

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	x	x		x				
Maine	x					x	x	x		x		x	x	x					x	
Massachusetts	x		x	x		x	x		x	x	x	x	x	x		x				
New Hampshire						x			x			x							x	
Rhode Island*		x			x				x	x		x	x						x	
Vermont							x					x								
<b>MID-ATLANTIC</b>																				
Delaware*	x		x		x				x		x	x	x	x				x	x	
Maryland*						x	x		x	x	x	x	x	x		x			x	
New Jersey				x			x		x		x	x								
New York*											x	x	x	x			x		x	
Pennsylvania*			x			x					x	x	x	x		x		x	x	
<b>GREAT LAKES</b>																				
Illinois						x	x					x						x		
Indiana						x				x	x	x		x	x					
Michigan*																			x	
Ohio*																			x	
Wisconsin*	x	x	x		x	x	x				x	x	x	x						
<b>PLAINS</b>																				
Iowa						x	x	x			x									
Kansas			x	x							x	x	x							
Minnesota*	x		x								x	x	x						x	
Missouri						x					x	x	x	x	x					
Nebraska*						x					x	x	x			x				
North Dakota																				
South Dakota*	x			x	x							x								
<b>SOUTHEAST</b>																				
Alabama											x					x				
Arkansas											x									
Florida	x	x	x	x		x						x		x		x				
Georgia			x	x							x	x	x			x				
Kentucky*						x					x	x							x	
Louisiana						x		x				x	x			x				
Mississippi							x				x									
North Carolina											x	x			x	x			x	
South Carolina*						x	x				x	x	x	x		x			x	
Tennessee*																x			x	
Virginia	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	x	x	x			x			x	
Oklahoma	x			x							x	x				x				
Texas												x								
<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	
Wyoming																				
<b>FAR WEST</b>																				
Alaska*																			x	
California*	x	x	x	x	x	x	x		x			x	x						x	
Hawaii*						x	x		x	x									x	
Nevada*	x	x			x	x	x		x	x	x	x	x	x					x	
Oregon	x	x	x	x	x	x	x		x			x	x							
Washington*		x				x	x	x	x			x				x				
<b>TERRITORIES</b>																				
Puerto Rico*				x		x				x						x				x
<b>Total</b>	<b>15</b>	<b>10</b>	<b>14</b>	<b>11</b>	<b>9</b>	<b>26</b>	<b>22</b>	<b>6</b>	<b>12</b>	<b>9</b>	<b>28</b>	<b>36</b>	<b>22</b>	<b>14</b>	<b>3</b>	<b>19</b>	<b>2</b>	<b>3</b>	<b>22</b>	

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

SOURCE: National Association of State Budget Officers.

## NOTES TO TABLE A-5a

Alaska	Other actions include Public Education Fund draw.
Arizona	Other actions include lease-purchase financing, temporary revenue increase, lottery revenue bonds, First Things First fund redirect.
California	Other actions include Payroll Deferral, Overtime, and Holiday Reform; Fund shift from local government; Suspended Mandates and Maintenance.  The University California Board of Regents and the California University Board of Trustees approved fee increases in FY 2009-2010 in part due to budgetary reductions. The UC Regents have also approved fee increases for FY 2010-2011, while CSU Trustees have not yet approved any further fee increases. The Budget Act of 2009 increased fees on an ongoing basis for California Community Colleges (CCC) to offset budgetary reductions. The FY 2010-2011 Governors Budget does include further fee increases for the CCC in FY 2010-2011.
Colorado	By cash funding Insta check, fees were charged and GF was reduced, saving GF. Programs were reduced and the staff was eliminated. Reduced severance tax funds to local governments in FY 2009-2010. Additional actions include: revenue augmentation, increases in GF raised, cash fund transfers), adjustments in capital budget, refined projections on expenditures, reserve adjustments.
Delaware	Other actions include across the board and targeted reductions to existing agency appropriations. Use surpluses from special funds and deauthorizing capital projects.
Hawaii	Other actions include federal stimulus, transfers from specific non-general funds; delay processing of Tax Year 2010 refunds; restrict general funded CIP.
Kentucky	Other actions include use of Recovery Act funds.
Maine	Other actions include hiring freeze, tax collection enhancement, and transfers from other funds.
Maryland	Other actions include transfer of Balance and Interest from Special Funds to the General Fund. Transfer of fund balance from Public Higher Education Institutions.
Michigan	Subsequent to enactment of the fiscal 2010 budget, strategies to meet employee concessions savings were finalized for most state employees: banked leave time (salary reductions), select furlough days, specific bargaining unit savings, and reduced employer costs for new hire health plans effective April 1, 2010; and partial year savings were identified for proposed pension reforms and retirement incentives for state and public school employees.
Minnesota	Other includes transfers from other funds.
Nebraska	While no fiscal 2011 budget gap existed at the time of the Governor's proposed budget revisions offered during the 2010 legislative session, the Governor and Legislature have previously closed a budget gap for the FY2010 and FY2011 biennium during a November 2009 special session. The strategies used during the special session are included in the response.
Nevada	Other actions include redirection of funds previously allocated to other entities.
New Hampshire	Debt refunding and restructuring for General Fund obligations.
New Mexico	Other actions include shifting 1.5 percent of the employer retirement contribution to employees for 2 years. Net effect is not a reduction in benefits. Reduced reserves from 6.4 percent to 5.0 percent target. Transfer of unobligated balances in state agency accounts to the general fund; and deauthorized unobligated prior year capital outlay projects.
New York	Other actions include a severance program was instituted during FY 2010 for certain represented and non-represented employees, which included a separation payment of \$20,000 per employee, to further reduce current-year costs associated with the workforce. Acceptance of this voluntary severance option, which was subject to DOB-approved agency plans, had no impact on an employees' eligibility for retirement benefits upon separation from service, and was available only during a specific time period within FY 2010. Other actions include accelerated use of available ARRA funds; additional sweeps to available fund balances.
Ohio	Other actions include delay of 4.25 percent income tax rate reduction.
Pennsylvania	Other actions include \$2.7 billion in Federal ARRA funds as well as maintain management salary freeze through FY 2010 and enactment of various one-time revenues and non-broad-based tax increases/revenue measures.
Puerto Rico	Other actions include property, alcohol, cigarettes, & income taxes.
Rhode Island	Other actions include eight pay reduction days achieved through labor negotiations. Eliminate the COLA for state employees who were not eligible to retire on/before September 30, 2009. Reduced local aid by \$111.2 million (including \$44.4 million in Education Aid). Proposed land sales of \$21.3 million, change retiree health to be funded on an actuarial basis.
South Carolina	Other actions include agencies given flexibility to use Other funds to off-set reductions and appropriated federal dollars from Budget Stabilization Fund and Federal Medicaid Assistance Program (FMAP).

**NOTES TO TABLE A-5a (continued)**

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South Dakota	Adjustments in revenues: \$9.9 million is from one-time receipts.
Tennessee	Other actions include transfer from Debt Service Fund.
Utah	Other actions include other revenue sources.
Washington	Other actions include no salary increases.
Wisconsin	Other actions include Cuts to the FY 2010 and FY 2011 budget passed under Act 28 (the budget bill) included reductions to agency requests, employee furloughs and rollbacks of previously approved pay increases, cuts of direct school aid and shared revenue, across the board, Department of Corrections and University of Wisconsin system cuts, agency cuts and unallocated cuts and savings from Medicaid assessments and efficiencies. The total of these cuts for the biennium was \$3,058 million.

**TABLE A-5b**

**Strategies Used to Reduce or Eliminate Budget Gaps, Fiscal 2011**

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			
Maine*	x					x	x			x		x	x							x
Massachusetts	x			x		x			x	x	x	x				x	x			
New Hampshire						x			x			x	x							x
Rhode Island*	x	x		x	x				x	x		x	x							x
Vermont*									x			x		x						x
<b>MID-ATLANTIC</b>																				
Delaware											x	x					x		x	
Maryland*						x	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
Pennsylvania*											x	x	x							x
<b>GREAT LAKES</b>																				
Illinois							x			x		x	x							x
Indiana										x		x								
Michigan*	x					x				x		x				x				x
Ohio*																				x
Wisconsin*	x	x	x		x	x	x				x	x	x							
<b>PLAINS</b>																				
Iowa																				
Kansas			x	x							x	x	x							
Minnesota*											x	x	x							x
Missouri						x				x	x	x	x		x					
Nebraska*						x					x	x	x							
North Dakota											x	x	x							
South Dakota												x								
<b>SOUTHEAST</b>																				
Alabama																				
Arkansas																				
Florida*												x								x
Georgia	x		x	x	x		x				x	x								x
Kentucky*						x					x	x								x
Louisiana						x		x				x	x		x					
Mississippi																				
North Carolina		x	x			x					x	x								
South Carolina*							x					x	x							x
Tennessee*	x					x						x	x							x
Virginia	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
New Mexico*	x									x	x	x								x
Oklahoma	x			x							x	x			x	x	x			
Texas																				
<b>ROCKY MOUNTAIN</b>																				
Colorado*	x					x			x		x	x	x							x
Idaho	x		x			x	x													x
Montana																				
Utah																				
Wyoming																				
<b>FAR WEST</b>																				
Alaska																				
California*	x	x	x	x	x	x	x		x	x		x	x		x					x
Hawaii*							x		x	x										x
Nevada																				
Oregon	x	x	x	x	x	x	x		x			x	x							x
Washington*		x				x	x	x	x			x								x
<b>TERRITORIES</b>																				
Puerto Rico*																				
<b>Total</b>	<b>17</b>	<b>8</b>	<b>10</b>	<b>10</b>	<b>7</b>	<b>19</b>	<b>13</b>	<b>2</b>	<b>12</b>	<b>11</b>	<b>19</b>	<b>35</b>	<b>20</b>	<b>18</b>	<b>5</b>	<b>15</b>	<b>5</b>	<b>14</b>	<b>18</b>	

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

SOURCE: National Association of State Budget Officers.



**NOTES TO TABLE A-5b**

Arizona	Other actions include lease-purchase financing, temporary revenue increase, lottery revenue bonds, First Things First fund redirect.
California	Other actions include overtime and holiday reform; fund shift; suspended mandates.
Colorado	By cash funding Insta check, fees were charged and GF was reduced, saving GF. Programs were reduced and the staff was eliminated. Operating Expenses reduced 5 percent. Reduced statutory GF reserve (not a real rainy day fund) from 4.0 percent of GF appropriations to 2.0 percent of GF appropriations. Additional actions include: revenue augmentation, increases in GF raised, cash fund transfers), adjustments in capital budget, refined projections on expenditures, reserve adjustments.
Florida	Other actions include reserves.
Hawaii	Other actions include carry-over balance from prior fiscal year; federal stimulus; transfers from specific non-general funds; enhanced FMAP extension; adjustment to Med Quest program.
Kentucky	Other actions include use of Recovery Act funds.
Maine	Other actions include hiring freeze, tax collection enhancement, and transfers from other funds.
Maryland	Other actions include Maryland Transfer of Balance and Interest from Special Funds to the General Fund. Transfer of fund balance from Public Higher Education Institutions.
Michigan	Other actions include a pay freeze for non-exclusively represented employees; proposed pension reforms and retirement incentives for state and public school employees to constrain costs and generate future savings; reduction of sales and use tax rates from 6.0 percent to 5.5 percent and the addition of most consumer services to the tax base, resulting in additional revenue to offset the phased elimination of the Michigan Business tax surcharge and avoid significant cuts to public schools; additional lottery and tax enforcement actions; and extension of increased Federal Medical Assistance Percentage (FMAP) rate through June 2011.
Minnesota	Other actions include transfers from other funds.
Nebraska	While no fiscal 2011 budget gap existed at the time of the Governor's proposed budget revisions offered during the 2010 legislative session, the Governor and Legislature have previously closed a budget gap for the FY2010 and FY2011 biennium during a November 2009 special session. The strategies used during the special session are included in the response.
New Hampshire	Debt refunding and restructuring for General Fund obligations to include the University System of New Hampshire.
New Mexico	Other actions include increased cigarette tax, gross receipts and compensating taxes. Shifted 1.5 percent of the employer retirement contribution to employees for 2 years. Net effect is not a reduction in benefits. Reduced reserves target to 4.2 percent.
New York	Other actions include proposal to allow the sale of wine in grocery stores; audit and overpayment recoveries; additional sweeps to available fund balances.
Ohio	Other actions include delay of 4.25 percent income tax rate reduction.
Pennsylvania	Other actions include \$2.8 billion in Federal ARRA funds including \$848 million from a two-quarter extension of enhanced Medical Assistance match per proposed Federal legislation.
Puerto Rico	Gaming expansion include video lottery. Other actions include property, alcohol, cigarettes, and income taxes .
Rhode Island	Other actions include reinstitute hospital licensing fees and increase accident report fees. Four pay reduction days and a six month delay of the 3 percent cost of living increase achieved through labor negotiations. Eliminate the COLA for state employees who were not eligible to retire on/before September 30, 2009. Reduced local aid by \$163.2 million (including \$27.6 million in Education Aid) in FY 2011. Eliminates funding for the Rhode Island Commission on Women and proposes the transfer of the Sheriffs program from the Department of Administration and the dispatch functions of the Department of Environmental Management to the Department of Public Safety.
South Carolina	Other actions include agencies given flexibility to use Other funds to off-set reductions and appropriated federal dollars from Budget Stabilization Fund and Federal Medicaid Assistance Program (FMAP).
Tennessee	Other actions include transfer from Medicaid Reserve.
Vermont	Other actions include Judicial reforms and the American Recovery and Reinvestment Act (ARRA).
Washington	Other actions include no salary increases.
Wisconsin	Cuts to the FY 2010 and FY 2011 budget passed under Act 28 (the budget bill) included reductions to agency requests, employee furloughs and rollbacks of previously approved pay increases, cuts of direct school aid and shared revenue, across the board, Department of Corrections and University of Wisconsin system cuts, agency cuts and unallocated cuts and savings from Medicaid assessments and efficiencies. The total of these cuts for the biennium was \$3,058 million.

**Table A-6****Number of States With Revenues Higher, Lower and On Target with Projections\***

	<i>Original Fiscal 2010</i>	<i>Most Recent Fiscal 2010</i>
Lower	46	19
On Target	2	20
Higher	2	9

**NOTE:** \*Original Fiscal 2010 reflects whether revenues from all sources thus far have come in higher, lower, or on target with original projections. Most Recent Fiscal 2010 reflects whether revenues from all sources thus far have been coming in higher, lower, or on target with a state's most recent projection

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

TABLE A-7

## Fiscal 2010 Tax Collections Compared With Projections Used in Adopting Fiscal 2010 Budgets (Millions)\*\*

Region/State	Sales Tax		Personal Income Tax		Corporate Income Tax		Revenue Collection***
	Original Estimate	Current Estimate	Original Estimate	Current Estimate	Original Estimate	Current Estimate	
<b>NEW ENGLAND</b>							
Connecticut	\$3,167	\$3,076	\$6,631	\$6,423	\$722	\$707	L
Maine	953	939	1,278	1,299	118	148	L
Massachusetts	4,664	4,501	10,380	10,241	1,455	1,501	L
New Hampshire	NA	NA	NA	NA	258	228	L
Rhode Island	815	751	963	919	113	94	L
Vermont	211	206	502	492	48	63	L
<b>MID-ATLANTIC</b>							
Delaware	NA	NA	936	859	47	77	T
Maryland	3,605	3,474	6,602	6,069	556	532	L
New Jersey	8,579	8,067	10,393	10,393	2,440	2,270	L
New York	10,390	10,005	37,239	34,380	5,495	5,688	L
Pennsylvania	8,391	8,091	10,277	10,005	1,878	1,855	L
<b>GREAT LAKES</b>							
Illinois	6,394	6,200	9,206	8,460	1,133	1,310	L
Indiana	6,132	5,932	4,289	3,776	800	547	L
Michigan	6,067	5,895	5,354	5,273	2,234	2,228	L
Ohio	6,995	6,995	7,061	7,479	100	100	T
Wisconsin*	4,089	4,015	6,231	6,155	717	700	L
<b>PLAINS</b>							
Iowa	2,398	2,205	3,309	3,211	376	341	L
Kansas	1,931	1,883	2,755	2,560	268	245	L
Minnesota	4,157	4,155	7,042	6,720	448	631	L
Missouri	1,861	1,730	5,122	4,361	410	288	L
Nebraska*	1,320	1,310	1,585	1,561	165	159	L
North Dakota	598	586	321	323	120	111	L
South Dakota	659	646	NA	NA	NA	NA	L
<b>SOUTHEAST</b>							
Alabama	1,959	1,832	2,883	2,565	347	467	L
Arkansas	2,139	1,955	2,189	2,095	324	347	L
Florida	15,902	15,967	NA	NA	1,508	1,730	H
Georgia	5,213	4,965	8,338	6,916	543	578	L
Kentucky	3,067	2,793	3,630	3,149	506	233	L
Louisiana	2,614	2,363	2,557	2,593	517	442	L
Mississippi	1,809	1,765	1,385	1,353	392	393	L
North Carolina	5,629	5,305	9,514	9,171	1,051	1,352	L
South Carolina	2,192	2,152	2,469	2,583	129	168	L
Tennessee	6,414	6,207	188	190	1,340	1,415	L
Virginia	3,157	3,022	10,034	8,947	724	705	H
West Virginia	1,194	1,129	1,617	1,555	235	242	L
<b>SOUTHWEST</b>							
Arizona	3,800	3,481	2,577	2,307	597	426	L
New Mexico	2,428	2,155	1,237	990	273	160	L
Oklahoma	1,754	1,478	2,044	1,647	307	154	L
Texas	21,700	21,100	NA	NA	NA	NA	L
<b>ROCKY MOUNTAIN</b>							
Colorado	2,020	1,830	4,341	4,159	319	357	L
Idaho	1,026	950	1,212	1,125	162	104	L
Montana	17	16	841	751	116	93	L
Utah	1,473	1,428	2,261	2,233	266	209	L
Wyoming	485	433	NA	NA	NA	NA	L
<b>FAR WEST</b>							
Alaska	NA	NA	NA	NA	\$650	\$557	L
California	27,609	26,036	48,868	46,640	8,799	9,407	L
Hawaii	2,279	2,351	1,352	1,265	60	50	L
Nevada	831	758	NA	NA	NA	NA	L
Oregon	NA	NA	5,496	5,255	324	341	L
Washington	7,551	7,031	NA	NA	NA	NA	L
<b>TERRITORIES</b>							
Puerto Rico	606	545	2,614	2,614	1,541	1,556	T
<b>Total</b>	<b>\$207,635</b>	<b>\$199,162</b>	<b>\$252,506</b>	<b>\$238,446</b>	<b>\$39,388</b>	<b>\$39,572</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, original estimates reflect the figures used when the fiscal 2010 budget was adopted, and current estimates reflect preliminary actual tax collections. \*\*\*Refers to whether preliminary actual fiscal 2010 collections of Sales, Personal Income and Corporate Taxes were higher than, lower than, or on target with original estimates. Key: L=Revenues lower than estimates. H=Revenues higher than estimates. T=Revenues on target. \*\*\*\*Totals include only those states with data for both original and current estimates for fiscal 2010

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

**NOTES TO TABLE A-7**

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Nebraska	The revenue forecasts for FY 2009 and FY 2010 have been revised since the amounts shown were included in the Governor's budget recommendations (upon which this survey response is based). Official revenue estimates have decreased by \$40.3 million for FY 2010 and increased by \$8.6 million for FY 2011.
Wisconsin	Current tax collection estimates for FY 2010 and FY 2011 from January 27, 2010 Fiscal Bureau memo, Table 3. FY 2011 estimates are reduced by the effect of Act 161 which is expected to reduce income tax revenues by \$12.0 million (February 16, 2010 Fiscal Bureau Memo).

TABLE A-8

## Comparison of Tax Collections in Fiscal 2009, Fiscal 2010, and Recommended Fiscal 2011\*\*

Region/State	Sales Tax			Personal Income Tax			Corporate Income Tax		
	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2009	Fiscal 2010	Fiscal 2011
<b>NEW ENGLAND</b>									
Connecticut	\$3,319	\$3,076	\$3,166	\$6,386	\$6,423	\$6,443	\$616	\$707	\$695
Maine	975	939	963	1,243	1,299	1,326	143	148	159
Massachusetts	3,869	4,501	4,817	10,584	10,241	10,630	1,549	1,501	1,372
New Hampshire	NA	NA	NA	NA	NA	NA	252	228	258
Rhode Island	808	751	744	941	919	933	104	94	100
Vermont	214	206	214	530	492	527	66	63	66
<b>MID-ATLANTIC</b>									
Delaware*	NA	NA	NA	911	859	946	127	77	89
Maryland	3,620	3,474	3,651	6,477	6,069	6,308	551	532	559
New Jersey	8,264	8,067	8,433	10,476	10,393	9,945	2,810	2,270	2,427
New York	10,269	10,005	10,380	36,840	34,380	37,443	5,556	5,688	5,710
Pennsylvania	8,136	8,091	8,624	10,199	10,005	10,379	1,980	1,855	1,794
<b>GREAT LAKES</b>									
Illinois	6,773	6,200	6,290	9,223	8,460	8,686	1,710	1,310	1,570
Indiana	6,153	5,932	6,169	4,314	3,776	4,120	839	547	733
Michigan	6,089	5,895	5,948	5,856	5,273	5,350	2,260	2,228	2,237
Ohio	7,113	6,995	7,272	7,628	7,479	7,559	521	100	132
Wisconsin*	4,083	4,015	4,235	6,222	6,155	6,493	629	700	800
<b>PLAINS</b>									
Iowa	2,327	2,205	2,228	3,331	3,211	3,226	417	341	341
Kansas	1,925	1,883	1,960	2,682	2,560	2,610	240	245	245
Minnesota	4,344	4,155	4,381	6,988	6,720	7,332	708	631	768
Missouri	1,813	1,730	1,746	4,876	4,361	4,522	358	288	310
Nebraska*	1,326	1,310	1,365	1,600	1,561	1,630	199	159	177
North Dakota	622	586	598	375	323	334	99	111	119
South Dakota	659	646	671	NA	NA	NA	NA	NA	NA
<b>SOUTHEAST</b>									
Alabama	1,823	1,832	1,869	2,586	2,565	2,592	447	467	531
Arkansas	2,081	1,955	2,087	2,239	2,095	2,203	323	347	344
Florida	16,531	15,967	16,789	NA	NA	NA	1,833	1,730	1,881
Georgia	5,307	4,965	5,225	7,815	6,916	7,244	695	578	590
Kentucky	2,858	2,793	2,919	3,315	3,149	3,300	268	233	235
Louisiana	2,763	2,363	2,486	2,966	2,593	2,711	825	442	399
Mississippi	1,922	1,765	1,830	1,475	1,353	1,405	422	393	393
North Carolina	4,678	5,305	5,695	9,470	9,171	9,588	836	1,352	1,102
South Carolina	2,248	2,152	2,152	2,327	2,583	2,075	207	168	134
Tennessee	6,321	6,207	6,300	220	190	200	1,362	1,415	1,487
Virginia	2,903	3,022	2,890	9,481	8,947	9,543	648	705	737
West Virginia	1,159	1,129	1,191	1,653	1,555	1,600	285	242	214
<b>SOUTHWEST</b>									
Arizona	3,756	3,481	3,617	2,568	2,307	2,415	592	426	447
New Mexico	2,307	2,155	2,234	959	990	1,057	163	160	200
Oklahoma	1,647	1,478	1,543	1,960	1,647	1,664	266	154	157
Texas	20,900	21,100	22,500	NA	NA	NA	NA	NA	NA
<b>ROCKY MOUNTAIN</b>									
Colorado	1,931	1,830	2,043	4,333	4,159	4,494	293	357	393
Idaho	1,022	950	989	1,168	1,125	1,171	141	104	133
Montana	15	16	17	815	751	759	166	93	79
Utah	1,548	1,428	1,466	2,339	2,233	2,326	269	209	256
Wyoming	492	433	430	NA	NA	NA	NA	NA	NA
<b>FAR WEST</b>									
Alaska	NA	NA	NA	NA	NA	NA	613	557	669
California	23,753	26,036	25,851	43,376	46,640	46,862	9,536	9,407	10,052
Hawaii	2,418	2,351	2,496	1,339	1,265	1,349	54	50	37
Nevada	860	758	733	NA	NA	NA	NA	NA	NA
Oregon	0	NA	NA	5,117	5,255	5,865	244	341	496
Washington	7,330	7,031	7,768	NA	NA	NA	NA	NA	NA
<b>TERRITORIES</b>									
Puerto Rico	895	545	593	\$2,614	2,614	2,812	1,364	1,556	1,667
<b>Total***</b>	<b>\$201,272</b>	<b>\$199,162</b>	<b>\$206,976</b>	<b>\$245,201</b>	<b>\$238,446</b>	<b>\$247,161</b>	<b>\$42,218</b>	<b>\$39,752</b>	<b>\$41,627</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-8. \*\* Unless otherwise noted, fiscal 2009 figures reflect actual tax collections, 2010 figures reflect tax collections estimates, and fiscal 2011 figures reflect the estimates used in Governor's recommended budgets.

\*\*\*Totals include only those states with data for all years

SOURCE: National Association of State Budget Officers

## NOTES TO TABLE A-8

Delaware Fiscal 2011 Personal Income Tax forecasts include full year annualization of increase passed in fiscal 2010

Nebraska The revenue forecasts for Fiscal 2009 and Fiscal 2010 have been revised since the amounts shown were included in the Governor's budget recommendations (upon which this survey response is based). Official revenue estimates have decreased by \$40.3 million for fiscal 2010 and increased by \$8.6 million for fiscal 2011.

Wisconsin Current tax collection estimates for fiscal 2010 and fiscal 2011 from January 27, 2010 Fiscal Bureau memo, Table 3. Fiscal 2011 estimates are reduced by the effect of Act 161 which is expected to reduce income tax revenues by \$12.0 million (February 16, 2010 Fiscal Bureau Memo).

TABLE A-8a

## Percentage Changes Comparison of Tax Collections in Fiscal 2009, Fiscal 2010, and Enacted Fiscal 2011\*\*

Region/State	Sales Tax			Personal Income Tax			Corporate Income Tax		
	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2009	Fiscal 2010	Fiscal 2011
<b>NEW ENGLAND</b>									
Connecticut	-7.4%	-7.3%	2.9%	-15.0%	0.6%	0.3%	-16.1%	14.7%	-1.7%
Maine	-5.8%	-3.6%	2.5%	-13.9%	4.6%	2.1%	-22.4%	3.2%	7.5%
Massachusetts	-5.3%	16.3%	7.0%	-15.2%	-3.2%	3.8%	2.4%	-3.1%	-8.6%
New Hampshire	NA	NA	NA	NA	NA	NA	-20.6%	-9.4%	13.0%
Rhode Island	-4.3%	-7.1%	-1.0%	-12.4%	-2.3%	1.5%	-30.6%	-9.9%	6.3%
Vermont	-5.1%	-3.6%	3.7%	-14.8%	-7.2%	7.1%	-11.3%	-4.7%	4.1%
<b>MID-ATLANTIC</b>									
Delaware	NA	NA	NA	-9.6%	-5.7%	10.1%	-29.1%	-39.1%	15.3%
Maryland	-1.5%	-4.0%	5.1%	-6.7%	-6.3%	3.9%	-0.2%	-3.4%	5.2%
New Jersey	-7.3%	-2.4%	4.5%	-16.9%	-0.8%	-4.3%	-10.3%	-19.2%	6.9%
New York	-3.0%	-2.6%	3.7%	0.8%	-6.7%	8.9%	-7.7%	2.4%	0.4%
Pennsylvania	-4.2%	-0.6%	6.6%	-6.5%	-1.9%	3.7%	-18.1%	-6.3%	-3.3%
<b>GREAT LAKES</b>									
Illinois	-6.1%	-8.5%	1.5%	-10.6%	-8.3%	2.7%	-8.1%	-23.4%	19.8%
Indiana	8.2%	-3.6%	4.0%	-10.8%	-12.5%	9.1%	-7.8%	-34.8%	33.9%
Michigan	-10.1%	-3.2%	0.9%	-19.0%	-9.9%	1.4%	-8.4%	-1.4%	0.4%
Ohio	-6.6%	-1.7%	4.0%	-16.3%	-2.0%	1.1%	-30.8%	-80.8%	32.0%
Wisconsin	-4.3%	-1.7%	5.5%	-7.3%	-1.1%	5.5%	-24.9%	11.3%	14.3%
<b>PLAINS</b>									
Iowa	16.4%	-5.3%	1.0%	-0.9%	-3.6%	0.5%	-13.9%	-18.1%	0.0%
Kansas	-1.7%	-2.2%	4.1%	-7.4%	-4.5%	2.0%	-44.4%	2.0%	0.0%
Minnesota	-5.0%	-4.3%	5.4%	-9.9%	-3.8%	9.1%	-30.6%	-10.9%	21.7%
Missouri	-6.1%	-4.6%	0.9%	-6.4%	-10.6%	3.7%	-22.0%	-19.5%	7.5%
Nebraska	0.3%	-1.2%	4.2%	-7.3%	-2.5%	4.4%	-14.8%	-19.9%	11.3%
North Dakota	12.1%	-5.8%	2.0%	22.1%	-13.9%	3.4%	-29.8%	12.1%	7.2%
South Dakota	2.2%	-1.9%	3.9%	NA	NA	NA	NA	NA	NA
<b>SOUTHEAST</b>									
Alabama	-11.8%	0.5%	2.0%	-12.9%	-0.8%	1.0%	-10.7%	4.3%	13.9%
Arkansas	-1.4%	-6.1%	6.7%	-4.5%	-6.4%	5.1%	1.6%	7.4%	-0.7%
Florida	-10.3%	-3.4%	5.2%	NA	NA	NA	-17.3%	-5.6%	8.7%
Georgia	-8.5%	-6.4%	5.2%	-11.5%	-11.5%	4.7%	-26.3%	-16.8%	2.0%
Kentucky	-0.7%	-2.3%	4.0%	-4.8%	-5.0%	4.8%	-38.4%	-13.2%	1.2%
Louisiana	-3.6%	-14.5%	5.2%	-6.4%	-12.6%	4.6%	-12.2%	-46.4%	-9.7%
Mississippi	-1.3%	-8.1%	3.7%	-4.4%	-8.3%	3.9%	-15.7%	-6.8%	0.0%
North Carolina	-6.1%	13.4%	7.4%	13.1%	-3.2%	4.5%	-24.8%	61.8%	-18.5%
South Carolina	-8.7%	-4.2%	0.0%	-18.8%	11.0%	-19.7%	-22.9%	-19.0%	-19.9%
Tennessee	-7.7%	-1.8%	1.5%	-24.5%	-13.8%	5.0%	-15.9%	3.9%	5.1%
Virginia	-5.6%	4.1%	-4.4%	-6.3%	-5.6%	6.7%	-19.8%	8.8%	4.6%
West Virginia	0.3%	-2.5%	5.4%	2.4%	-5.9%	2.9%	-28.9%	-14.8%	-11.8%
<b>SOUTHWEST</b>									
Arizona	-13.7%	-7.3%	3.9%	-24.6%	-10.2%	4.7%	-24.5%	-28.1%	4.9%
New Mexico	-0.7%	-6.6%	3.7%	-21.0%	3.2%	6.8%	-54.2%	-1.5%	25.0%
Oklahoma	2.2%	-10.3%	4.4%	-12.5%	-15.9%	1.0%	-4.8%	-42.2%	2.3%
Texas	-3.3%	1.0%	6.6%	NA	NA	NA	NA	NA	NA
<b>ROCKY MOUNTAIN</b>									
Colorado	-9.2%	-5.3%	11.7%	-12.9%	-4.0%	8.1%	-42.4%	22.2%	9.9%
Idaho	-10.5%	-7.1%	4.1%	-18.3%	-3.7%	4.1%	-25.5%	-26.6%	28.0%
Montana	-6.9%	6.6%	6.0%	-5.9%	-7.9%	1.1%	3.8%	-44.1%	-14.8%
Utah	-11.0%	-7.7%	2.7%	-10.5%	-4.5%	4.2%	-35.4%	-22.3%	22.5%
Wyoming	-2.6%	-12.0%	-0.7%	NA	NA	NA	NA	NA	NA
<b>FAR WEST</b>									
Alaska	NA	NA	NA	NA	NA	NA	-22.2%	-9.2%	20.2%
California	-10.7%	9.6%	-0.7%	-20.0%	7.5%	0.5%	-19.5%	-1.4%	6.9%
Hawaii	-7.7%	-2.8%	6.2%	-13.3%	-5.5%	6.7%	-37.1%	-6.4%	-26.7%
Nevada	-12.8%	-11.8%	-3.3%	NA	NA	NA	NA	NA	NA
Oregon	NA	NA	NA	2.9%	2.7%	11.6%	-44.7%	39.7%	45.7%
Washington	-10.8%	-4.1%	10.5%	NA	NA	NA	NA	NA	NA
<b>TERRITORIES</b>									
Puerto Rico	NA	-39.1%	8.8%	NA	0.0%	7.6%	NA	14.1%	7.1%
<b>Total***</b>	<b>-6.2%</b>	<b>-1.0%</b>	<b>3.9%</b>	<b>-11.2%</b>	<b>-2.8%</b>	<b>3.7%</b>	<b>-16.9%</b>	<b>-5.8%</b>	<b>4.7%</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-8a. \*\* Unless otherwise noted, fiscal 2009 figures reflect actual tax collections, 2010 figures reflect tax collections estimates, and fiscal 2011 figures reflect the estimates used in Governor's recommended budgets. \*\*\*Totals include only those states with data for all years

SOURCE: National Association of State Budget Officers

**TABLE A-9**  
**Proposed Revenue Changes by Type of Revenue, Fiscal 2011**

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2011 Revenue Changes (\$ in Millions)</i>
<b>SALES TAXES</b>			
California	Elimination sales tax on gas and diesel: General Fund portion is -\$1,573 million and Special Funds portion -\$1,271 million.	07-10	-\$2,844.0
Arizona	Subject to voters approval, the TPT tax will increase by 1 percent temporarily for 3 years.	07-10	918.0
Florida	Ten day sales tax holiday for clothes and school supplies in August 2010.	07-10	-42.5
Georgia	Lifting sales tax exemption for non profit hospitals.	07-10	130.0
Hawaii	Increases the rate on insurance commissions from 0.15 percent to 4 percent.	07-10	20.6
Kansas	Increase state sales tax rate from 5.3 percent to 6.3 percent, includes \$308.2 million for the State General Fund & \$43.1 million for the State Highway Fund.	07-10	351.3
Maine	Limits allowable benefit under the Business Equipment Tax Reimbursement program.		-0.5
	Adopts the Finnegan approach for calculating sales apportionment factor for C Corporations.		-0.2
	Modifies income limitations to the Maine Residents Property Tax program.		-0.1
Michigan	Sales and use tax rates would be reduced from 6.0 percent to 5.5 percent and most consumer services added to sales tax base. The additional revenue would be used to offset the phased elimination of the Michigan Business Tax surcharge (\$170.8 million) and to avoid significant cuts to public schools (\$554.3 million).	12-10	725.1
New Mexico	Increase state gross receipts and compensating tax rate by 0.125 percent and eliminate compensating tax loophole.	07-10	71.8
New York	Narrow the affiliate nexus provisions.	06-09	-5.0
North Dakota	Sales and use tax exemption for expanding or construction telecommunications infrastructure.		-2.4
	Exemption for motor vehicle manufacturers incentives and discounts.		-2.2
Tennessee	Remove exemption from equipment used to provide video programming services.	07-10	21.3
	Apply to cable boxes and digital video recorders (DVRs) and related equipment.	07-10	2.0
	Increase interstate telecommunications tax by 2 percent.	07-10	6.5
Washington	Apply to property purchased by service providers.	07-10	10.0
	Suspend sales tax exemption for livestock nutrient management.	07-10	1.3
	Tax on Bottled Water Sales at 1 cent per ounce.	07-10	134.7
Wisconsin	Impose Sales Tax on Candy and Gum.	07-10	28.0
	Requires similar treatment of sales and individual income tax for business entities of parent corporations (disregards).		21.0
<b>Total Revenue Changes--Sales Tax</b>			<b>-\$455.2</b>

**TABLE A-9 (continued)**  
**Proposed Revenue Changes by Type of Revenue, Fiscal 2011**

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2011 Revenue Changes (\$ in Millions)</i>
<b>PERSONAL INCOME TAXES</b>			
Iowa	Coupling with federal tax law dealing with disaster casualty.		-\$8.8
Michigan	Repeal current tuition tax credit.	01-10	8.8
	Create a refundable tax credit up to \$4,000 for Michigan high school students who graduate from a Michigan college or university and work in Michigan for one year.	01-10	-6.8
	Create an angel investor credit.	01-10	-5.0
Minnesota	Angel Investment Credit: A new tax credit to stimulate the formation of early-stage capital in new and emerging businesses.	01-10	-10.0
New Jersey	Expiration of one year tax rate increase for incomes between \$400,000 and \$500,000.	01-10	-83.0
	Expiration of one year tax rate increase to 10.25 percent on income greater than \$500,000.	01-10	-620.0
	Expiration of one year suspension of property tax deduction for non-seniors with incomes greater than \$250,000 and one year limited property tax deduction up to \$5,000 for non-seniors with incomes \$150,000 - \$250,000.	01-10	-100.0
	Change in EITC from 25 percent to 20 percent of federal benefits.	01-10	45.1
New York	Require certain S corporation business-related gains to be treated as New York source income.	1/1/10 and all open tax years	30.0
North Dakota	Income tax rate reduction.		-45.0
	Credit for renaissance zone investments.		-1.3
	Tax reduction for qualified dividends.		-2.3
Rhode Island	Eliminating Motion Picture Production Company Tax Credit.	12-09	1.8
	Small Business Jobs Growth Tax Credit.	7/2010 to 12/2011	-7.3
Wisconsin	Creates new tax bracket with a 7.75 percent marginal tax rate for very high income earners (\$225 thousand single, \$300 thousand married filing jointly; \$150 thousand married filing separately); Decrease capital gains exclusion from 60 percent to 30 percent, except retain current 60 percent exclusion for gains on sales of farm assets.		251.4
West Virginia	No changes recommended this year. Prior year Law change to repeal AMT in 2010 reduces FY2011 collections by at least \$1.0 million.	01-10	-1.0
<b>Total Revenue Changes--Personal Income Taxes</b>			<b>-\$753.3</b>



TABLE A-9 (continued)

## Proposed Revenue Changes by Type of Revenue, Fiscal 2011

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2011 Revenue Changes (\$ in Millions)</i>
<b>CORPORATE INCOME TAXES</b>			
Florida	Reduction in corporate income tax rate by 1 percent for first \$1 million of taxable income.	07-10	-\$57.4
Iowa	Capping of tax credits.		52.5
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		1.8
	Adopts the Finnegan approach for calculating sales apportionment factor for C Corporations.		3.0
Michigan	Michigan Business Tax surcharge would be reduced by 50 percent on 1/1/11 and eliminated on 1/1/12. Gross receipts tax rate would be reduced from 0.8 percent to 0.7 percent on 1/1/12 and to 0.6 percent on 1/1/13.		-170.8
Minnesota	Reduces the current rate of 9.8 percent to 7.8 percent over a four year period.	01-11	-10.0
New Jersey	Expiration of 4 percent surcharge.	01-10	-80.0
	Reduction in available credits in High-Tech and Film Production programs.		45.0
North Carolina	Small Business Start-up Tax Relief and Qualified Business Venture Credit.	01-11	-15.8
North Dakota	Corporate income tax rate reduction.		-5.0
Ohio	Final phase out of Corporate Franchise Tax on most employers.	07-09	-420.0
Pennsylvania	Implement combined reporting coupled with a reduction in the Corporate Net Income Tax rate from 9.99 percent to 8.99 percent, a 100 percent sales factor and uncapped group net operating losses. Increased revenue of \$66.6 million will be placed into a Stimulus Transition Reserve Fund for use in FY 2012 to offset the reduction in Federal ARRA funds.	01-11	0.0
Rhode Island	Small Business Jobs Growth Tax Credit.	7/2010 to 12/2011	-2.8
	Reduce Corporate Minimum Tax from \$500 to \$250.	01-11	-11.5
Tennessee	Change definition of "net earnings" as it applies to REITs.	07-10	10.0
Wisconsin	Create a super research and development tax credit.		-5.0
<b>Total Revenue Changes--Corporate Income Taxes</b>			<b>-\$666.0</b>

TABLE A-9 (continued)

## Proposed Revenue Changes by Type of Revenue, Fiscal 2011

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2011 Revenue Changes (\$ in Millions)</i>
<b>CIGARETTE AND TOBACCO TAXES</b>			
Kansas	Increase cigarette tax from \$.79 to \$1.34/pack.	07-10	\$52.0
Maine	Change to methodology - excise tax on smokeless tobacco products.		1.9
New Hampshire	Rate increase of 20 cents per package of cigarettes.	07-10	10.0
New Mexico	Increase Cigarette Tax by \$0.75 per pack.	07-10	35.8
New York	Increase the cigarette tax by \$1 per pack, from \$2.75 to \$3.75 a pack.	06-10	210.0
Washington	Cigarette Tax from \$2.025 to \$3.025/pack and OTP at cigarette rate.	07-10	88.8
Wisconsin	Increases cigarette tax rate by \$0.75 per pack. Convert the snuff tax to manufacturer's price and increase tax on other tobacco products from 50 percent to 71 percent of manufacturer's price.		169.8
<b>Total Revenue Changes--Cigarette and Tobacco Taxes</b>			<b>\$568.3</b>

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2011 Revenue Changes (\$ in Millions)</i>
<b>MOTOR FUELS TAXES</b>			
California	Increase fuel excise tax on gas & diesel by 10.8 cents/gallon.	07-10	\$1,868.0
West Virginia	Change adopted in late CY 2009 limits the increase or decrease in cents per gallon attributable to the 5 percent wholesale sales tax rate to no more than a 10 percent change in any future year. The statutory floor price rose from 97 cents per gallon to \$2.34 per gallon. Revenue deviation from prior law depends upon the future average price of fuel.		
<b>Total Revenue Changes--Motor Fuel Taxes</b>			<b>\$1,868.0</b>

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2011 Revenue Changes (\$ in Millions)</i>
<b>ALCOHOLIC BEVERAGES</b>			
<b>Total Revenue Changes--Alcoholic Beverages</b>			<b>\$0.0</b>

TABLE A-9 (continued)

## Proposed Revenue Changes by Type of Revenue, Fiscal 2011

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2011 Revenue Changes (\$ in Millions)</i>
<b>OTHER TAXES</b>			
Illinois	Decoupling Illinois from the section of the federal code phasing out the State Death Tax Credit.	01-10	\$220.0
Kansas	Increase tobacco products tax from 10.0 percent to 40.0 percent.	07-10	17.5
Maine	Changes tax rate on telecommunications personal property.		1.5
	Limits allowable benefit under the Business Equipment Tax Reimbursement program to 90 percent of eligible property taxes paid for certain application periods.		6.0
	Limits allowable benefit under the Maine Resident Property Tax program for all non-elderly households to 80 percent of amount to which those households would otherwise be eligible for certain application periods.		8.9
	Excludes certain telecommunications towers from the Business Equipment Tax Exemption program.		0.5
	Modifies income limitations to the Maine Residents Property Tax program restricting eligibility.		5.7
Michigan	Proposed physician quality assurance assessment which would tax payments for physician services at 3 percent.	10-10	132.9
Minnesota	Tax compliance.	07-10	26.9
New Jersey	Soldier's Homes--Increase in per diem.		0.5
New York	Impose an excise tax on syrups, bottled soft drinks and powders and base products.	09-10	1000.0
	Impose a three percent tax on certain natural gas production.	09-10	1.0
North Dakota	Credit against coal conversion taxes for qualifying facilities.		-3.7
	Reduction in gaming excise taxes.		-1.9
Pennsylvania	Implement a severance tax on natural gas. Increased revenue of \$160.7 million will be placed into a Stimulus Transition Reserve Fund for use in FY 2012 to offset the reduction in Federal ARRA funds.	7/10	0.0
	Implement a tax on other tobacco products (smokeless tobacco and cigars). Increased revenue of \$41.6 million will be placed into a Stimulus Transition Reserve Fund for use in FY 2012 to offset the reduction in Federal ARRA funds.	7/10	0.0
Rhode Island			0.1
Vermont	Capital Gains (reduction).	01-11	-9.7
Washington	Economic nexus.	07-10	73.1
	Addressing loopholes and abusive tax avoidance transactions.	07-10	11.6
	HomeStreet Bank Court Case (first mortgage interest B&O deduction).	07-10	8.6
	Repeal B&O tax exemption for direct sellers (DOT Foods related).	07-10	3.7

TABLE A-9 (continued)

## Proposed Revenue Changes by Type of Revenue, Fiscal 2011

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2011 Revenue Changes (\$ in Millions)</i>
<b>OTHER TAXES</b>			
Washington (continued)	Agrilink court case (B&O preferential rate for processing meat).	07-10	\$4.1
	Clarify taxation of corporate boards of directors' fees.	07-10	2.1
	Repeal the B&O Tax Credit for syrup tax paid.	07-10	7.7
	MTCA/Hazardous Substance Tax - Rate Increase to 2.0 percent.	07-10	148.0
	Service B&O tax rate increase from 1.5 percent to 2.0 percent with a \$1 million threshold (effective Jan. 1, 2011).	07-10	146.4
	Carbonated beverages - 5 cents per 12 ounces at wholesale.	07-10	93.6
Wisconsin	Increase the allowable deduction under the Homestead Tax Credit.		-1.0
<b>Total Revenue Changes--Other Taxes</b>			<b>\$1,904.0</b>

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2011 Revenue Changes (\$ in Millions)</i>
<b>FEES</b>			
Arizona	Sales tax license, abandon vehicle fee.	07-10	\$17.3
Georgia	Various user fees including \$25 million for prestige license plates and \$50 million for civil court cases.	07-10	96.0
Iowa	Fees for gaming regulation for DCI agents moved to a new fund.		-8.9
Maine	Increases to license fees for licenses issued by the Department of Marine Resources.		0.5
	Fee increases in Bureau of Parks and Lands.		0.5
	Increase license fees for hunting, fishing & trapping.		2.1
Maryland	Nursing Facility Quality Assessment (net change).	07-10	17.0
Michigan	Increases proposed for dairy inspection fees, migrant labor housing inspection fees, state fire service fees, fingerprint service fees, and name-based criminal history lookup fees.	10-10	8.6
Mississippi	Motor vehicle fees.	07-10	4.1
New Jersey	Business Filing Fees--25 percent Increase.		5.0

TABLE A-9 (continued)

## Proposed Revenue Changes by Type of Revenue, Fiscal 2011

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2011 Revenue Changes (\$ in Millions)</i>
<b>FEES (continued)</b>			
New York	Expand HCRA Surcharge to Physician Services	10-10	\$24.6
	Increase Hospital Assessment	04-10	130.2
	Increase Home Care Assessment	04-10	17.6
	Increase Nursing Home Assessment	04-10	67.8
	Establish Early Intervention Parental Fees	03-11	1.0
	Increase Certain Civil Court Filing Fees	07-10	41.0
Puerto Rico	Video lottery fees	09-10	220.0
Tennessee	Driver license fee increase \$2 / year and extend from 5 years to 8 years	07-10	21.9
Vermont	Assortment	07-10	2.5
Virginia	Court fees	07-10	10.0
Washington	General Fund-Adult Family Homes Licensing Fee	07-10	3.5
	Other Funds--Hydraulic Permit Fee	07-10	1.5
	Other Funds--Hospital Assessment Fee	07-10	177.0
<b>Total Revenue Changes--Fees</b>			<b>\$640.7</b>

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

TABLE A-10

## Proposed Revenue Measures, Fiscal 2011

<i>State</i>	<i>Description</i>	<i>Effective Date</i>	<i>Fiscal 2011 Recommended Changes (\$ in Millions)</i>
California*	Sales - Compliance efforts	07-10	\$ 23.0
	Personal Income - Compliance efforts	07-10	43.0
	Corporate Income - Compliance efforts	07-10	36.0
Colorado	Fund Transfer - Includes transfers of cash funds into the General Fund (offset by \$140 million transfer of GF into the State Education Fund), elimination of tax credits and exemptions, and other initiatives to raise more GF. Also includes offset to beginning fund balance due to FY 2009-2010 balancing measures which reduced available GF in FY 2010-2011.		101.6
Connecticut	Sales - Green Energy Exemption	07-10	-0.9
	Other - Fund Transfers	07-10	15.0
	Other - Implement Keno	07-10	20.0
	Fees - Redirect Boating Fund Revenue to General Fund	07-10	5.6
Hawaii	Cigarette - TAX-21, Amends the due date from the last day of the month to the 20th day of the month.	07-10	1.6
	Alcoholic Beverages - TAX-21, Amends the due date from the last day of the month to the 20th day of the month.	07-10	0.9
	Other Taxes - TAX-21, Amends the due date from the last day of the month to the 20th day of the month. Other taxes also includes insurance premiums taxes that TAX-21 amends from quarterly payments to monthly payments.	07-10	18.8
Maine	Sales - Revenue collection enhancements.		3.1
	Personal Income - Revenue collection enhancements. Change to federal non operating losses carryforward/carryback. Change to calculation of sales apportionment factor for C corporations.		36.4
	Corporate Income - Change to federal non operating losses carryforward/carryback. Change to calculation of sales apportionment factor for C corporations. Change to multistate business apportionment formula.		5.7
	Alcoholic Beverages - Licensing of additional agency liquor stores.		0.9
	Other - Includes adjustments to Maine Estate Tax law for deaths occurring after calendar year 2009, one time transfer of state-municipal revenue sharing to the GF, transfer from Local Government Fund to GF, and other items.		79.9
Maryland	Corporate Income - Job Creation Tax Credit (some could be claimed under Personal Income Tax).	07-10	-20.0
	Fees - Repeal Maryland Mined Coal Tax Credit (Franchise Tax).	01-10	4.5
Massachusetts	Limiting certain tax expenditures (i.e. film and life science tax credits) or eliminating sales tax exemptions (i.e. candy and soda).		146.6
	Administrative Provisions to Facilitate Tax Collections.		30.5
	Expansion of the \$.05 bottle deposit to include water, flavored waters, coffee based drinks, juices and sports drinks. \$5 million of this would be dedicated to the Executive Office of Energy and Environmental Affairs for recycling and solid waste management.		33.0

TABLE A-10 (continued)

## Proposed Revenue Measures, Fiscal 2011

<i>State</i>	<i>Description</i>	<i>Effective Date</i>	<i>Fiscal 2011 Recommended Changes (\$ in Millions)</i>
Minnesota	Cigarette - Reduces dedicated amount of cigarette tax from medical education and research to the general fund.	3-10	\$ 1.5
Missouri	Personal Income - Issue administrative garnishments directly to employers instead of through the courts; Place liens against workers' comp benefits; File claims for delinquent taxes in a probate estate; Extend the length of delinquent assessments from three years to four years.	08-10	26.3
New Jersey	Sales - Repeal of Bergen County's Blue Laws		65.0
	Motor Fuel - Diesel Fuel--distributor level administration		18.0
	Other - Unclaimed Personal Property--change regarding money orders, travelers checks, gift/store value cards and change in dormancy period.		79.6
New Mexico	Sales - Temporary Tax Amnesty	03-10	1.7
	Personal Income - Reduce income tax deduction by amount of state and local income allowed in federal return.	07-10	66.0
	Fees - Temporary Tax Amnesty	03-10	1.0
New York	Sales - Authorize the use of statistical sampling techniques for certain sales tax audits	04-10	12.0
	Personal Income - Enhance audit and enforcement efforts through additional staffing	Upon Enactment	147.0
	Corporate Income - Expand the Low Income Housing Tax Credit Program	04-10	-4.0
	Alcoholic Beverages - Permit the sale of wine in grocery stores upon payment of franchise fee	90 days from Enactment	250.0
	Fees - Deploy Speed Enforcement Cameras	Upon Enactment	32.9
	Fees - Collect Surplus Funds from Workers Compensation Insurance Carriers	04-10	23.6
Oklahoma	Sales - Equalize the sales tax vendor discount; capture sales tax on electronically delivered items; equalizing sales tax vendor remittance dates.	Tax Year 2010	16.5
	Personal Income - Decoupling from the federal debt forgiveness provision; Revisions to the electric car tax credit provisions.	Tax Year 2010	20.6
	Corporate Income - 1 year moratorium on select tax credits; repeal of tax credits for investment in certain large investment companies investing in rural business ventures and qualified small business capital credit; change due date for franchise tax remittance.	Tax Year 2010	101.3
	Cigarette - Equalize the tobacco tax rate among similar tobacco products.	Tax Year 2010	9.2
	Motor Fuel - Update motor fuel tax code to eliminate obsolete remittance practice.	Tax Year 2010	6.1
	Alcoholic - Equalizing monthly remittance dates for wholesalers of beer, liquor and wine.	Tax Year 2010	1.2
	Fees - Increases for payments for services, licenses, permits, fees collected by specific agencies; delay apportionment change for late vehicle registration fee enacted last session.	FY-2011	74.0

TABLE A-10 (continued)

## Proposed Revenue Measures, Fiscal 2011

<i>State</i>	<i>Description</i>	<i>Effective Date</i>	<i>Fiscal 2011 Recommended Changes (\$ in Millions)</i>
Pennsylvania	Sales - Eliminate the 1 percent vendor discount for timely remittance of sales tax collections. Increased revenue of \$73.6 million will be placed into a Stimulus Transition Reserve Fund for use in FY 2012 to offset the reduction in Federal ARRA funds.	7/10	\$ 0.0
	Other - Transfer of the proceeds from the Marcellus Shale Lease Payments.	7/10	180.0
Puerto Rico	Property taxes	7/10	89.0
Rhode Island	Misc - Statewide Student Transportation and Slater and Zambarano Hospitals switch to Restricted Receipts.	07-10	-19.0
	Fees - Extension of Hospital Licensing Fee to 2011 at 2010 level	07-10	128.8
	Fees - Motor Vehicle Fee Increases and Accident Report Fee increase.	07-10	1.1
South Dakota	Sales - Modifications to tax refunds for large construction projects were passed by the Legislature that will reduce the amount of tax refunded. This will increase the net amount of sales and use tax to the state general fund.	07-10	10.8
	Other - Modifications to tax refunds for large construction projects were passed by the Legislature that will reduce the amount of tax refunded. This will increase the net amount of contractor's excise tax to the state general fund.	07-10	7.2
Virginia	Sales - Eliminate dealer discount	07-10	49.1
Wisconsin	Sales - Delay sales tax exemption for alternative energy; Expand definition of nexus for sales and use tax purposes.		2.8
	Personal Income - Adopt the IRC change in the federal Worker, Retiree and Employer Recovery Act that waives the minimum distribution amount from federal tax-deferred retirement accounts for calendar year 2009; adopt IRC updates related to removal of income limits for conversions of IRAs.		-18.1
	Corporate Income - Eliminate IRC references that provide a deduction for domestic production activities income; Modify throwback sales apportionment formula; Modify the combined group tax credit sharing regarding research credit.		60.0
	Other Taxes - Postpone the phase-in of the deductions for certain health insurance premiums and certain medical care insurance premiums; Delay the initial applicability of the deduction for certain child and dependent care expenses, electronic medical records credit, community rehabilitation program tax credit, biofuel production tax credit, repeal film tax credit.		90.0
	Fees - Impose a \$1,000 limit on the amount a retailer may deduct under the retailer's discount for filing a sale and use tax return with DOR.		5.5
<b>Total</b>			<b>\$2,032.8</b>

## NOTES TO TABLE A-10

California Increased compliance efforts do not change the underlying liability but merely aid the agencies in collecting what is owed. Hence, these Budget Change Proposals have been identified as "Revenue Measures" vs. "Tax and Fee Increase/Decrease."



TABLE A-11

## Total Balances and Balances as a Percentage of Expenditures, Fiscal 2009 to Fiscal 2011\*

Region/State	Total Balance (\$ in Millions)**			Balances as a Percent of Expenditures		
	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2009	Fiscal 2010	Fiscal 2011
<b>NEW ENGLAND</b>						
Connecticut	\$434	-\$15	\$0	2.6%	-0.1%	0.0%
Maine	\$26	\$0	\$1	0.9%	0.0%	0.0%
Massachusetts	\$1,017	\$788	\$630	3.7%	2.9%	2.2%
New Hampshire	\$9	-\$166	-\$276	0.6%	-11.0%	-18.2%
Rhode Island	\$18	\$111	\$125	0.6%	3.9%	4.4%
Vermont	\$60	\$57	\$55	5.2%	5.3%	4.9%
<b>MID-ATLANTIC</b>						
Delaware	\$379	\$552	\$610	11.5%	18.0%	18.6%
Maryland	\$779	\$807	\$841	5.2%	5.8%	6.1%
New Jersey	\$614	\$500	\$500	2.0%	1.8%	1.8%
New York**	\$1,948	\$1,373	\$1,906	3.6%	2.5%	3.6%
Pennsylvania	-\$1,275	\$38	\$4	-4.7%	0.1%	0.0%
<b>GREAT LAKES</b>						
Illinois	\$556	\$556	\$556	2.1%	2.3%	2.0%
Indiana	\$1,329	\$687	\$41	10.2%	5.4%	0.3%
Michigan	\$179	\$37	\$8	2.1%	0.5%	0.1%
Ohio	\$735	\$193	\$29	2.7%	0.7%	0.1%
Wisconsin	\$90	\$306	\$44	0.7%	2.3%	0.3%
<b>PLAINS</b>						
Iowa	\$519	\$521	\$383	8.7%	9.0%	6.8%
Kansas	\$50	\$0	\$0	0.8%	0.0%	0.0%
Minnesota**	\$447	\$316	\$564	2.7%	2.1%	3.7%
Missouri	\$523	\$289	\$460	6.2%	3.8%	5.9%
Nebraska	\$1,000	\$651	\$533	30.0%	19.6%	15.6%
North Dakota	\$687	\$659	\$396	55.5%	41.4%	23.9%
South Dakota	\$107	\$107	\$107	9.3%	9.5%	9.2%
<b>SOUTHEAST</b>						
Alabama	\$294	\$179	\$0	3.8%	2.6%	0.0%
Arkansas	\$0	\$0	\$0	0.0%	0.0%	0.0%
Florida	\$905	\$1,358	\$592	3.8%	6.4%	2.5%
Georgia**	\$1,738	\$1,403	\$1,403	9.4%	9.0%	8.7%
Kentucky	\$47	\$23	\$40	0.5%	0.3%	0.4%
Louisiana	\$930	\$854	\$854	9.9%	9.4%	10.6%
Mississippi	\$323	\$250	\$170	6.5%	5.3%	3.8%
North Carolina	\$242	\$154	\$252	1.2%	0.8%	1.3%
South Carolina**	\$121	\$45	\$119	2.1%	0.8%	2.3%
Tennessee	\$557	\$602	\$580	5.2%	6.1%	5.7%
Virginia	\$736	\$320	\$339	4.6%	2.2%	2.3%
West Virginia	\$953	\$992	\$1,018	24.0%	26.8%	27.3%
<b>SOUTHWEST</b>						
Arizona	-\$479	\$50	\$81	-5.5%	0.6%	1.0%
New Mexico	\$389	\$272	\$222	6.4%	5.0%	4.1%
Oklahoma	\$623	\$174	\$403	9.5%	3.0%	8.2%
Texas	\$9,153	\$13,958	\$8,241	21.6%	42.6%	18.4%
<b>ROCKY MOUNTAIN</b>						
Colorado**	\$592	\$132	\$140	8.0%	2.0%	2.0%
Idaho	\$128	\$65	\$9	4.7%	2.6%	0.4%
Montana	\$392	\$296	\$160	21.1%	16.8%	8.7%
Utah	\$440	\$419	\$257	8.8%	9.3%	5.3%
Wyoming	\$403	\$398	\$407	23.0%	22.7%	28.4%
<b>FAR WEST</b>						
Alaska	\$7,447	\$11,208	\$11,563	129.9%	243.4%	252.6%
California**	-\$5,855	-\$3,863	\$2,558	-6.4%	-4.5%	3.1%
Hawaii	\$24	\$115	\$233	0.4%	2.4%	4.7%
Nevada	\$212	\$235	\$177	5.6%	7.1%	5.2%
Oregon	\$113	\$176	\$115	1.9%	2.7%	1.6%
Washington	\$211	-\$380	-\$1,064	1.4%	-2.6%	-6.6%
<b>TERRITORIES</b>						
Puerto Rico	\$0	\$0	\$0	0.0%	0.0%	0.0%
<b>Total**</b>	<b>\$31,055</b>	<b>\$37,989</b>	<b>\$36,561</b>	<b>4.7%</b>	<b>6.2%</b>	<b>5.8%</b>

NOTES: NA indicates data not available. \*Fiscal 2009 are actual figures, fiscal 2010 are estimates, and fiscal 2011 are recommended figures.

\*\*Total balances include both the ending balance and balances in budget stabilization funds.

SOURCE: National Association of State Budget Officers

TABLE A-11a

**Total Rainy Day Fund Balances and Rainy Day Fund Balances as a Percentage of Expenditures, Fiscal 2009 to Fiscal 2011\*\***

Region/State	Rainy Day Funds (\$ in Millions)**			Rainy Day Funds as a Percent of Expenditures		
	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2009	Fiscal 2010	Fiscal 2011
<b>NEW ENGLAND</b>						
Connecticut	\$1,382	\$342	\$0	8.2%	2.0%	0.0%
Maine	\$0	\$0	\$0	0.0%	0.0%	0.0%
Massachusetts	\$841	\$658	\$520	3.1%	2.4%	1.8%
New Hampshire	\$9	\$9	\$9	0.6%	0.6%	0.6%
Rhode Island	\$80	\$111	\$123	2.7%	3.9%	4.3%
Vermont	\$60	\$57	\$55	5.2%	5.3%	4.9%
<b>MID-ATLANTIC</b>						
Delaware	\$186	\$186	\$176	5.7%	6.1%	5.4%
Maryland	\$692	\$615	\$634	4.6%	4.4%	4.6%
New Jersey	\$0	\$0	\$0	0.0%	0.0%	0.0%
New York**	\$1,206	\$1,206	\$1,206	2.2%	2.2%	2.3%
Pennsylvania	\$755	\$0	\$0	2.8%	0.0%	0.0%
<b>GREAT LAKES</b>						
Illinois	\$276	\$276	\$276	1.0%	1.2%	1.0%
Indiana	\$365	\$369	\$0	2.8%	2.9%	0.0%
Michigan	\$2	\$2	\$2	0.0%	0.0%	0.0%
Ohio	\$0	\$0	\$0	0.0%	0.0%	0.0%
Wisconsin	\$0	\$0	\$0	0.0%	0.0%	0.0%
<b>PLAINS</b>						
Iowa	\$519	\$419	\$265	8.7%	7.2%	4.7%
Kansas*	NA	NA	NA	NA	NA	NA
Minnesota**	\$395	\$560	\$560	2.3%	3.8%	3.7%
Missouri	\$260	\$240	\$245	3.1%	3.2%	3.1%
Nebraska	\$576	\$455	\$325	17.3%	13.7%	9.5%
North Dakota	\$325	\$325	\$325	26.3%	20.4%	19.6%
South Dakota	\$107	\$107	\$107	9.3%	9.5%	9.2%
<b>SOUTHEAST</b>						
Alabama	\$188	\$179	\$0	2.4%	2.6%	0.0%
Arkansas	\$0	\$0	\$0	0.0%	0.0%	0.0%
Florida	\$274	\$274	\$276	1.2%	1.3%	1.2%
Georgia**	\$217	\$104	\$104	1.2%	0.7%	0.6%
Kentucky	\$7	0	0	0.1%	0.0%	0.0%
Louisiana	\$854	\$854	\$854	9.1%	9.4%	10.6%
Mississippi	\$315	\$250	\$170	6.3%	5.3%	3.8%
North Carolina	\$150	\$150	\$252	0.8%	0.8%	1.3%
South Carolina**	\$0	\$64	\$119	0.0%	1.2%	2.3%
Tennessee	\$557	\$502	\$445	5.2%	5.1%	4.4%
Virginia	\$575	\$294	\$301	3.6%	2.0%	2.0%
West Virginia	\$473	\$549	\$560	11.9%	14.9%	15.0%
<b>SOUTHWEST</b>						
Arizona	\$2	\$0	\$0	0.0%	0.0%	0.0%
New Mexico	\$389	\$272	\$223	6.4%	5.0%	4.1%
Oklahoma	\$597	\$149	\$149	9.1%	2.6%	3.0%
Texas	\$6,726	\$7,736	\$29,510	15.9%	23.6%	18.2%
<b>ROCKY MOUNTAIN</b>						
Colorado**	\$148	\$132	\$140	2.0%	2.0%	2.0%
Idaho	\$128	\$64	\$9	4.7%	2.6%	0.4%
Montana	\$0	\$0	\$0	0.0%	0.0%	0.0%
Utah	\$419	\$419	\$253	8.3%	9.3%	5.3%
Wyoming	\$398	\$398	\$402	22.7%	22.7%	28.1%
<b>FAR WEST</b>						
Alaska	\$8,898	\$10,258	\$10,848	155.2%	222.7%	237.0%
California**	\$0	\$0	\$1,021	0.0%	0.0%	1.2%
Hawaii	\$60	\$58	\$65	1.1%	1.2%	1.3%
Nevada	\$0	\$0	\$0	0.0%	0.0%	0.0%
Oregon	\$113	\$15	\$108	1.9%	0.2%	1.5%
Washington	\$21	\$96	\$229	0.1%	0.6%	1.4%
<b>TERRITORIES</b>						
Puerto Rico	\$0	\$0	\$0	0.0%	0.0%	0.0%
<b>Total**</b>	<b>\$29,546</b>	<b>\$28,755</b>	<b>\$29,510</b>	<b>4.5%</b>	<b>4.7%</b>	<b>4.6%</b>

**NOTES:** NA indicates data not available.\*Fiscal 2009 are actual figures, fiscal 2010 are estimates, and fiscal 2011 are recommended figures.

\*\*Rainy Day Fund Balances include budget stabilization funds but do not include ending balances

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

**NOTES TO TABLE A-11a**

Kansas Does not have a "Rainy Day" fund. However, the balanced budget provision of the constitution requires revenues to finance the approved budget.

