

STATE EXPENDITURE REPORT



2021 STATE EXPENDITURE REPORT • FISCAL YEARS 2019-2021

Fiscal 2019 to 2020		Fiscal 2020 to 2021	
State Funds	Federal Funds	State Funds	Federal Funds
-0.3 %	0.7 %	3.3 %	13.1 %
4.5	6.1	1.6	34.3
3.0	3.6	5.0	15.6
12.2	4.2	-0.7	25.0
6.9	4.5	2.7	68.5
2.9	11.0	7.1	36.4
-13.4	-4.2	0.0	37.8
-1.4	2.3	0.2	24.6
1.0	1.1	7.5	35.7
3.5	-3.7	11.8	-4.1
7.6	14.6	2.2	35.4
3.1	3.1	12.5	28.0
-4.0	-1.6	0.8	18.0
3.0	5.9	6.6	67.7
7.3	10.7	1.2	47.7
4.0	-0.9	6.9	92.7
		6.4	
		-2.7	4.2
		3.6	29.5
		-0.3	9.5
		5.8	-13.7
		-1.1	23.5
		0.4	

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The National Association of State Budget Officers

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Preface

Since its inception in 1987, the *State Expenditure Report* has developed into a definitive baseline for the analysis of state spending. This edition of the report includes data from actual fiscal 2019, actual fiscal 2020, and estimated fiscal 2021. Expenditures reflected in this report represent more than 99 percent of total state spending.

Expenditure data are detailed by program area so that trends in state spending can be evaluated. The funding sources for state expenditures also are identified. Readers are cautioned that a more complete understanding of service levels within a given state would require comparisons of spending by both state and local governments, which is not the purpose of this report. In addition, the data are self-reported by the states. Additional information on the report's methodology is provided in the Appendix.

Acknowledgments

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Executive Summary

Overview

This edition of the *State Expenditure Report* includes data from estimated fiscal 2021, actual fiscal 2020, and actual fiscal 2019. The report includes 50-state data broken down by fund source and program area, as well as information on state general fund revenue collections.

Total state spending reached \$2.65 trillion in fiscal 2021, rising from \$2.28 trillion in fiscal 2020. In fiscal 2021 it is estimated that total state spending grew 16.2 percent; the median rate was lower at 12.5 percent. Spending from states' own funds (general funds and other state funds combined, excluding bonds) rose 5.7 percent in fiscal 2021, while federal funds sharply increased 35.7 percent. The large increases in total state spending, led by strong gains from federal funds to states, is directly related to COVID-19 pandemic response and recovery efforts. In Spring 2020, the United States Congress passed a series of bills responding to the coronavirus outbreak with the largest bill being the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*. The CARES Act provided significant funding to states which they began to spend in fiscal 2020 and continued to spend in fiscal 2021. Additionally, in March 2021, the *American Rescue Plan Act of 2021 (ARPA)* was signed into law, allocating \$195.3 billion for states and the District of Columbia, and \$4.5 billion for territories, through the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF), in addition to multiple other funding allocations. While states have until the end of calendar year 2024 to allocate funds for CSLFRF, some states began allocating the funds towards the end of fiscal 2021. Over the past two fiscal years, states reported spending \$427.9 billion in overall federal COVID-19 aid (\$106.3 billion in fiscal 2020 and an estimated \$321.6 billion in fiscal 2021). In fiscal 2021, both total state expenditures and federal funds to states are estimated to have grown at their highest rates in the 35-year history of the *State Expenditure Report*.

All eight program areas experienced an increase in total state spending in fiscal 2021, with the "all other" category seeing by far the largest gain, followed by public assistance, elementary and secondary education, and Medicaid. Many of the top expenditure areas for CARES Act funds fall under the "all other" category in this report including unemployment insurance, public health programs, housing assistance, emergency

management, economic relief, aid to local governments, and broadband and other technology upgrades. Additionally, states' initial plans for using Fiscal Recovery Funds under ARPA include many areas that fall under the "all other" category, such as: COVID-19 vaccination, testing, and other response costs; prevention in congregate settings; mental health services; other public health services; household assistance, unemployment benefits; contributions to unemployment insurance trust funds; job training assistance; small business economic assistance; aid to tourism, travel or hospitality; aid to other impacted industries; and broadband.

Total state spending grew by 8.7 percent in fiscal 2020, while the median rate was slightly lower at 7.0 percent. Spending from state funds rose 3.3 percent while federal funds once again sharply increased by 20.5 percent due to pandemic response efforts. As was the case in fiscal 2021, the "all other" category saw the strongest growth in fiscal 2020, while Medicaid experienced the second strongest growth. The increase in Medicaid spending is partly related to the passage of the *Families First Coronavirus Response Act*, enacted in March 2020, which provided a 6.2 percentage point increase in Federal Medical Assistance Percentage (FMAP) spending during the public health emergency; following the enactment of the law, the FMAP increase was in place for the remainder of fiscal 2020 and carried forward through fiscal 2021.

Unlike fiscal 2020, when state revenues declined for the first time since fiscal 2010, state revenues rose sharply in fiscal 2021, increasing by an estimated 12.8 percent. Several factors help explain recent improvements in states' revenue outlooks, including: federal stimulus measures infused additional money into the economy, which helped to lessen state revenue losses; high-income earners have been relatively insulated from the COVID-19 pandemic's economic effects, which has limited impacts on personal income tax collections; the types of consumption most curtailed by the pandemic comprise a relatively small portion of states' sales tax bases; and the greater ability to tax online sales following the U.S. Supreme Court decision in *Wayfair v. South Dakota*. Fiscal 2021 revenue collections were also impacted by the shifting of the 2020 tax deadline from April 15 to July 15. According to NASBO's Spring 2021 *Fiscal Survey of States*, nineteen states reported they recognized these delayed revenues due to the deadline shift in fiscal 2021 instead of fiscal 2020, depressing fiscal

2020 revenues and leading to greater growth in fiscal 2021. The lower fiscal 2020 revenue totals also helped lead to higher year-over-year percentage growth for fiscal 2021. As a result of the preceding factors, most states saw strong year-over-year growth in overall tax collections for fiscal 2021, with 29 states reporting double digit increases. When looking at 50-state totals, all revenue sources experienced growth in fiscal 2021 including sales tax (6.9 percent), personal income tax (14.7 percent), corporate income tax (34.1 percent), gaming and lottery revenue (7.8 percent), and all other general fund revenue (10.4 percent).

In fiscal 2020, general fund tax collections declined 0.5 percent even though for the first three quarters of the fiscal year most states were seeing strong revenue growth and tax collections coming in above projections. Most states had sharp revenue declines in the fourth quarter of fiscal 2020 (April–June) resulting from the impact of the COVID–19 pandemic. As previously noted, fiscal 2020 revenues — particularly personal income and corporate income tax collections — were also negatively impacted by the shifting of the federal tax deadline from April 15 to July 15, which caused some revenues to be shifted to fiscal 2021 in a number of states. Personal income tax collections only grew 0.1 percent in fiscal 2020 even though withholding collections were buoyed by temporary stimulus measures provided by the federal government, including enhanced unemployment insurance benefits and the Paycheck Protection Program loans. Sales tax collections only grew 0.7 percent despite the strong start to the fiscal year and the impact of temporary federal stimulus measures on spending levels. Corporate income taxes declined 6.0 percent even as stimulus measures such as the Paycheck Protection Program sought to keep companies operating. Gaming and lottery revenues experienced a 11.3 percent decline partly due to the closure of casinos and other gambling establishments during the pandemic. Finally, the “all other” category of general fund revenue declined 1.1 percent, with oil producing states seeing sharp drops in severance taxes.

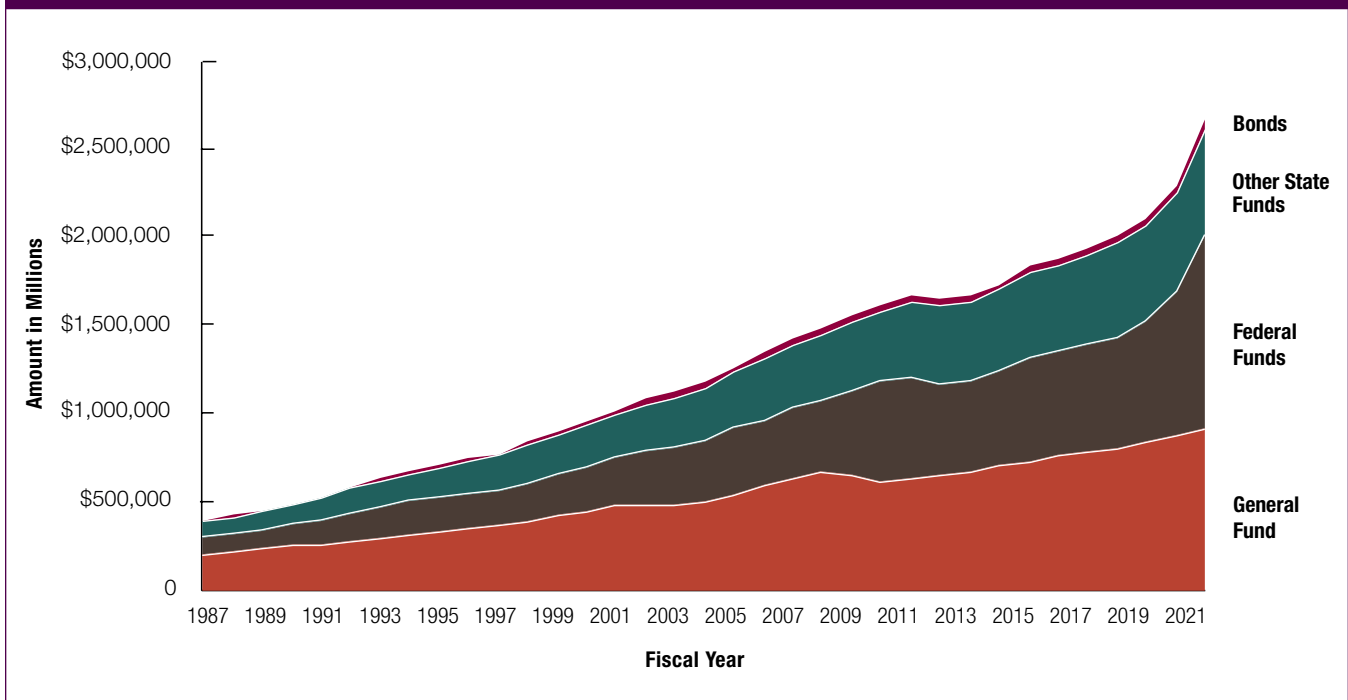
Looking forward, state revenue collections are expected to continue to grow in fiscal 2022, although at a lower rate than fiscal 2021 when states saw exceptionally strong year-over-year growth due to a unique set of circumstances, including the shifting of the federal tax deadline. States will also continue to carefully plan how best to spend federal aid to help the individuals and businesses most impacted by the pandemic, while also working to foster a strong economic recovery. Although state fiscal conditions are expected to remain stable in fiscal 2022, future state budgets will need to contend with the one-time nature of much of the additional federal aid and a shifting economic landscape brought on by the pandemic, as well as both new and ongoing spending pressures.

State Spending Trends

Total state spending has grown on a nominal basis each year since fiscal 2012, when total spending declined for the first time in the 35-year history of the *State Expenditure Report*, due to a wind-down in federal stimulus spending at that time. Overall, total state expenditures (including general funds, other state funds, bonds and federal funds) declined 1.1 percent in fiscal 2012, and increased 1.0 percent in fiscal 2013, 3.8 percent in fiscal 2014, 6.4 percent in fiscal 2015, 1.4 percent in fiscal 2016, 3.6 percent in fiscal 2017, 3.2 percent in fiscal 2018, 5.1 percent in fiscal 2019, 8.7 percent in fiscal 2020, and are estimated to have grown 16.2 percent in fiscal 2021. The 16.2 percent growth rate in total state spending is the highest in the history of the *State Expenditure Report*, while the 35-year average growth rate is 5.7 percent.

In contrast to many recent years, in fiscal 2021 the “all other”, public assistance, and elementary and secondary education categories experienced stronger growth than Medicaid. Spending increases in these areas were heavily driven by additional federal COVID–19 aid. In both fiscal 2021 and fiscal 2020, all program areas saw at least a moderate increase in total state spending.

FIGURE 1:
TOTAL STATE SPENDING BY FUND SOURCE, FISCAL 1987 TO 2021



All geographic regions experienced increased spending from state funds, federal funds, and total funds in both fiscal 2021 and fiscal 2020. In both years, the Far West and Rocky Mountain regions experienced the highest growth in total spending, likely partly due to population growth and increased spending demands.

General Fund Spending Trends

General fund spending grew 4.1 percent in fiscal 2021, less than the 43-year historical average for general fund spending reported in NASBO's *Fiscal Survey of States* of 5.3 percent. In fiscal 2020, general fund spending grew at a slightly slower rate of 3.4 percent. In both years, the median rate was lower at 2.0 percent in fiscal 2021 and 2.9 percent in fiscal 2020. In fiscal 2021, transportation and public assistance had the highest percentage growth at 32.3 percent and 21.7 percent respectively, while corrections spending declined 6.3 percent (federal funds for corrections, on the other hand, rose sharply). In fiscal 2020, the "all other" category had the highest growth rate at 8.5 percent, while transportation had the lowest rate, declining 9.9 percent. For transportation, general funds make up a very small percentage of overall transportation spending.

Federal Funds Spending Trends

Total state spending growth has been heavily impacted by changes in the level of federal funds to states over the past twelve years including the passage and subsequent winding down of the *American Recovery and Reinvestment Act (ARRA)*, the enactment of the *Affordable Care Act (ACA)*, and most recently significant federal COVID-19 aid provided in several legislative packages. In estimated fiscal 2021, federal funds to states increased 35.7 percent, the highest rate in the history of the *State Expenditure Report*, and drove the overall increase in total state spending of 16.2 percent. In estimated fiscal 2021, federal funds to states represented 40.5 percent of total state spending, an increase from 34.7 percent in fiscal 2020 and 31.3 percent in fiscal 2019. Fiscal 2021 marked the first time federal funds have represented the largest single funding source for total state expenditures, surpassing general funds. However, state funds (general funds and other state funds combined) still represent a greater share of total state expenditures than federal funds.

The sizable increase in federal funds spending in fiscal 2021 is largely due to additional federal aid states received in response to the COVID-19 pandemic. In Spring 2020, the United States Congress passed a series of bills responding to the corona-

virus outbreak with the largest bill being the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*. The CARES Act provided significant funding to states which they began to spend in fiscal 2020 and continued to spend in fiscal 2021. Congress also passed the *Families First Coronavirus Response Act* to address the rise in Medicaid spending and provide state fiscal relief; the bill included a 6.2 percentage point increase in Federal Medical Assistance Percentage (FMAP) spending during the public health emergency. Additionally, in March 2021, the *American Rescue Plan Act of 2021 (ARPA)* was signed into law, allocating \$195.3 billion for states and the District of Columbia, and \$4.5 billion for territories, through the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF), in addition to multiple other funding allocations. While states have until the end of calendar year 2024 to allocate funds for CSLFRF, some states began allocating the funds towards the end of fiscal 2021. Over the past two fiscal years, states reported spending \$427.9 billion in overall federal COVID-19 aid in total (\$106.3 billion in fiscal 2020 and an estimated \$321.6 billion in fiscal 2021).

States' Own Funds Spending Trends

Spending from state funds (including general funds and other state funds, but not federal funds or bonds) increased an estimated 5.7 percent in fiscal 2021, 3.3 percent in fiscal 2020, and 4.3 percent in fiscal 2019. In fiscal 2021, public assistance and the “all other” categories experienced the largest gains at 22.5 percent and 10.4 percent respectively due to COVID-19 response efforts, while corrections spending was the only area to have a decline, decreasing 5.5 percent. In fiscal 2020, all program areas saw moderate growth in state fund spending ranging from Medicaid at 0.5 percent to the “all other” category at 4.9 percent. In fiscal 2021, it is estimated that general funds comprised 34.8 percent of all state spending, other state funds 23.0 percent, and bonds 1.7 percent, while federal funds comprised 40.5 percent.

Additional Report Highlights

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

- Since the beginning of the Great Recession and continuing through the enactment of the *Affordable Care Act*, **Medicaid** had risen as a percentage of total state spending, growing from 20.5 percent in fiscal 2008 to 29.3 percent in fiscal 2018. However, in the last three years Medicaid slightly declined as a share of total state spending,

falling to 28.9 percent in fiscal 2019, 28.3 percent in fiscal 2020, and 27.2 percent in estimated fiscal 2021. While total Medicaid spending rose 11.5 percent in fiscal 2021, its growth rate was outpaced by increases in elementary and secondary education, public assistance, and the “all other” categories, all areas that have seen large increases in spending partly related to the COVID-19 pandemic.

Elementary and secondary education remained the second largest area of total state spending in fiscal 2021, representing 18.2 percent.

- When looking only at general fund spending, **elementary and secondary education** remains the largest category in fiscal 2021, representing 35.8 percent of general fund expenditures, with Medicaid second at 17.8 percent. Those two categories, combined with higher education at 9.4 percent, account for nearly two-thirds of general fund spending.
- **Elementary and secondary education** total expenditures increased 12.3 percent in estimated fiscal 2021 and 5.2 percent in fiscal 2020. State funds for K-12 increased 3.9 percent in fiscal 2021 and 4.4 percent in fiscal 2020, while federal funds grew 63.6 percent in fiscal 2021 and 8.2 percent in fiscal 2020. State expenditures on K-12 education have been considerably impacted by the changing needs brought by the pandemic as well as the influx of additional federal aid in response to COVID-19. With respect to state funding, 44 states reported spending increases in fiscal 2020, and 35 states reported increasing spending from state funds in fiscal 2021. Early in the pandemic, some states enacted cuts to K-12 funding when they were forecasting considerable revenue declines. Overall, state spending reductions to K-12 education have been minimal during the pandemic, and those that did occur in some cases have since been restored as state fiscal conditions have improved. Also, in some instances, especially in fiscal 2021, spending decreases on K-12 education are connected to declining enrollment related to the pandemic, as much of state funding for schools is calculated on a per pupil basis. Meanwhile, state K-12 education expenditures have been affected by a significant increase in federal funding driven by federal aid to cover pandemic-related expenditure needs for K-12 education. States reported spending federal COVID-19 aid totaling at least \$44 billion on K-12 education so far (\$8.2 billion in fiscal 2020 and \$36.3 billion in fiscal 2021).

- Total expenditures for **higher education** increased 3.4 percent in estimated fiscal 2021 and 3.9 percent in fiscal 2020. State funds for higher education are estimated to have increased 2.3 percent in fiscal 2021 and 2.6 percent in fiscal 2020, while federal funds rose 12.6 percent in fiscal 2021 and 13.3 percent in fiscal 2020. Regarding state funds, due to the early impacts of COVID-19 on revenue forecasts, some states had started to pull back on some recent investments in higher education. Nine states reported general fund spending decreases in fiscal 2020, though not all reductions may be related to the effects of the pandemic. In fiscal 2021, 20 states reported estimated general fund expenditure reductions for higher education compared to fiscal 2020, though most of these decreases were small and possibly in part due to reduced enrollment. Meanwhile, 20 states in fiscal 2020 and 21 states in fiscal 2021 reported reductions in other state fund expenditures for higher education. These reductions likely reflect in large part lower revenues from tuition and fees and auxiliary services due to the impacts of the pandemic; most but not all states include spending from tuition and fees in their other state funds expenditure data. The large increases in state higher education expenditures from federal funds over the past two years are driven by COVID-19 relief funding. States reported higher education expenditures from federal COVID-19 aid totaling \$11.1 billion so far (\$2.7 billion in fiscal 2020 and \$8.4 billion in fiscal 2021).
 - Total **public assistance** increased 25.7 percent in estimated fiscal 2021, after increasing 5.5 percent in fiscal 2020. State funds for public assistance are estimated to have increased 22.5 percent in fiscal 2021 and 0.7 percent in fiscal 2020, while federal funds rose 27.9 percent in fiscal 2021 and 9.0 percent in fiscal 2020. Increases in public assistance spending in both fiscal 2020 and fiscal 2021 were heavily driven by additional federal COVID-19 aid, with states reporting \$4.8 billion in federal COVID-19 aid for public assistance in fiscal 2020, and an estimated \$11.0 billion in fiscal 2021. Also, the timing of public assistance expenditures may vary from year-to-year and may not reflect underlying program activity in a given year; large swings in some states often due in part to timing and reporting issues can substantially affect average spending growth rates. Public assistance represented 1.2 percent of total state expenditures in fiscal 2021. Public assistance data in this report is narrowly defined as spending on the Temporary Assistance for Needy Families (TANF) program and other cash assistance programs.
- Programs in the “other cash assistance” category, which includes optional state programs for Supplemental Security Income (SSI) and General Assistance, are not funded in all states, and when funded, are relatively small programs. Other human and social services program spending is captured in the “all other” category.
- Total **Medicaid** spending increased 11.5 percent in fiscal 2021, with state funds increasing 3.3 percent, and federal funds increasing 15.9 percent. In fiscal 2020, total Medicaid spending increased 6.5 percent with state funds increasing 0.5 percent and federal funds increasing 10.0 percent. Medicaid spending in fiscal 2020 and fiscal 2021 reflects the impact of the COVID-19 pandemic and ensuing economic fallout with the resulting rise in unemployment affecting Medicaid enrollment and spending. To address the rise in Medicaid spending and provide state fiscal relief, the *Families First Coronavirus Response Act*, enacted in March 2020, provides a 6.2 percentage point increase in Federal Medical Assistance Percentage (FMAP) spending during the public health emergency. The increase is conditioned on states meeting certain maintenance of effort requirements including continuous coverage for current enrollees. The increase in the FMAP is retroactive to January 2020 and is reflected in half of fiscal 2020 and in all of fiscal 2021 for most states. States reported \$13.4 billion in fiscal 2020 and \$26.5 billion in fiscal 2021 for COVID-19 federal relief aid from the increased Medicaid FMAP.
 - Total **corrections** expenditures increased 0.7 percent in estimated fiscal 2021 and 4.3 percent in fiscal 2020. State funds for corrections are estimated to have declined 5.5 percent in fiscal 2021 and increased 0.8 percent in fiscal 2020, while federal funds rose 183.3 percent in fiscal 2021 and 348.8 percent in fiscal 2020. The large percentage increases in federal funds are related to the small amount of federal funds for corrections prior to COVID-19; for example, in fiscal 2019 federal funds only comprised \$531 million out of \$63.2 billion in total spending on corrections. The increase in federal funding is the result of several COVID-19 relief bills, including the CARES Act which permitted states to use federal funds to cover public safety payroll costs, including for correctional officers. States also received federal pandemic funds for specific purposes, such as \$563.1 million from the U.S. Department of Justice for the Coronavirus Emergency Supplemental Program, allocated through the CARES Act. This funding was intended to assist eligible states, local gov-

ernments and tribes in preventing, preparing for, and responding to the coronavirus. Allowable projects and purchases include overtime, equipment, hiring, supplies, training and addressing the medical needs of inmates in prisons, jails, and detention centers. State funds (general funds and other state funds combined but excluding bonds) accounted for 88.9 percent of total state corrections spending in fiscal 2021, with federal funds accounting for 10.2 percent and bonds 0.9 percent. Corrections represented 2.5 percent of total state expenditures in fiscal 2021 and 5.7 percent of general funds.

- Total **transportation** spending, representing 7.1 percent of total state expenditures, increased 9.1 percent in estimated fiscal 2021 and 2.9 percent in fiscal 2020. In fiscal 2021, it is estimated that state funds spending rose 6.2 percent and federal funds 13.3 percent, while spending from bonds increased 17.7 percent. Other state funds, which are typically earmarked revenue sources such as fuel taxes, comprised 57.5 percent of total transportation spending in estimated fiscal 2021, with federal funds at 28.3 percent, bonds at 8.5 percent, and general funds only accounting for 5.7 percent. States estimate in fiscal 2020 they expended \$1.1 billion in federal COVID-19 aid for transportation, while in fiscal 2021, federal COVID-19 aid for transportation purposes is estimated at \$4.8 billion. In recent years states have been responding to the diminishing buying power of fuel tax revenues resulting from more fuel-efficient vehicles. States are concerned that in the long term, the current structure of state and federal fuel tax revenue will not be able to meet transportation needs as most gas taxes are set at fixed rates and do not rise with inflation (22 states have indexed or variable-rate gas taxes), new vehicle fuel economy continues to increase, and the growth in vehicle miles traveled has leveled off. Since 2013, approximately two-thirds of states have taken actions to raise their fuel tax revenues. Many of the actions were the result of multi-year transportation plans and were combined with other revenue-raising actions. One of the more notable recent actions has been the institution of registration fees on electric and hybrid vehicles to ensure that all vehicles pay a share of transportation system costs. Additionally, states continue to explore road usage charges, or mileage-based user fees, with a growing number conducting pilot programs.
- States were also asked to detail **transportation fund revenue** sources. Forty-seven states reported having a separate transportation fund. Motor fuel taxes repre-

sented the largest revenue source for transportation funds (38.7 percent), followed by license and registration fees (22.2 percent), vehicle sales and use taxes (10.7 percent), tolls (1.2 percent), and all other (27.1 percent). Transportation fund revenue sources totaled \$107.4 billion in fiscal 2019, \$105.4 billion in fiscal 2020, and \$110.1 billion in estimated fiscal 2021.

- The **“all other”** category of state spending increased 29.3 percent in estimated fiscal 2021, with state funds (excluding bonds) rising 10.4 percent and federal funds increasing 72.8 percent. In fiscal 2020, total spending in the “all other” category rose 17.1 percent, with state funds increasing 4.9 percent and federal funds rising 61.3 percent. In both fiscal 2020 and fiscal 2021, total state spending for the “all other” category had the highest growth rate among all spending categories. The sizable increase in “all other” spending is largely due to additional federal aid states received in response to the COVID-19 pandemic. States estimate in fiscal 2020 they expended \$73.2 billion in federal COVID-19 aid for “all other”, while in fiscal 2021, federal COVID-19 aid for “all other” purposes is estimated at \$226.4 billion. In Spring 2020, the United States Congress passed a series of bills responding to the coronavirus outbreak with the largest bill being the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*. The CARES Act provided significant funding to states which they began to spend in fiscal 2020 and continued to spend in fiscal 2021. Many of the top expenditure categories for CARES Act funds fall under the “all other” category in this report including unemployment insurance, public health programs, housing assistance, emergency management, economic relief, aid to local governments, and broadband and other technology upgrades. Additionally, in March 2021, the *American Rescue Plan Act of 2021 (ARPA)* was signed into law, allocating \$195.3 billion for states and the District of Columbia, and \$4.5 billion for territories, through the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF), in addition to multiple other funding allocations. While states have until the end of calendar year 2024 to allocate funds for CSLFRF, some states began allocating the funds towards the end of fiscal 2021. States’ initial plans for using Fiscal Recovery Funds under ARPA include many areas that fall under the “all other” category, such as: COVID-19 vaccination, testing, and other response costs; prevention in congregate settings; mental health services; other public health services; household assistance, unemployment benefits; contributions to unem-

ployment insurance trust funds; job training assistance; small business economic assistance; aid to tourism, travel or hospitality; aid to other impacted industries; and broadband. Along with substantial increases in federal funds over the past two years, state funds in the “all other” category have also seen growth resulting from prior budget surpluses and continued revenue growth.

- States were also asked to separately detail their **debt service** spending. States’ spending on debt service totaled \$50.7 billion in fiscal 2019, \$47.8 billion in fiscal 2020, and \$55.9 billion in estimated fiscal 2021. In estimated fiscal 2021, general funds represented 76.0 percent of total state spending on debt service, while other state funds comprised the remaining 24.0 percent. In fiscal year 2021, debt service represented 3.6 percent of spending from state funds (general funds and other state funds combined, excluding bonds), and 4.6 percent of spending from the general fund only. Some states reflect no general fund spending for debt service because they earmark certain tax revenue streams to support bond repayments and direct those resources to state funds other than the general fund.
- **Capital** expenditures are made for new construction, infrastructure, major repairs and improvements, land purchases, and the acquisition of major equipment and existing structures. Capital spending increased by an estimated 9.1 percent in fiscal 2021, 4.7 percent in fiscal 2020, and 6.1 percent in fiscal 2019. The fiscal 2021 growth rate of 9.1 percent is the highest annual figure in the last 15 years. Capital spending will likely maintain high growth rates for the next several years as states allocate funding from ARPA. Under ARPA, states and localities are permitted to use federal funding for investments in infrastructure, including water, sewer, and broadband services. States primarily use dedicated sources like the transportation fund, higher education tuition and fees, set-aside funding for capital projects, federal funds, and fund surpluses to finance capital spending. State cash sources represent 45.3 percent of capital spending in fiscal 2021, federal funds are 26.4 percent, and bonds are 28.3 percent. The vast majority of federal funds spent for capital purposes is for transportation (91.6 percent in fiscal 2021).
- General fund **revenue**, the largest source of state expenditures and the most discretionary, totaled an estimated \$988.2 billion in fiscal 2021. Unlike fiscal 2020, when

state revenues declined for the first time since fiscal 2010, state revenues rose sharply in fiscal 2021, increasing by an estimated 12.8 percent. Several factors help explain recent improvements in states’ revenue outlooks, including: federal stimulus measures infused additional money into the economy, which helped to lessen state revenue losses; high-income earners have been relatively insulated from the COVID–19 pandemic’s economic effects, which has limited impacts on personal income tax collections; the types of consumption most curtailed by the pandemic comprise a relatively small portion of states’ sales tax bases; and the ability to tax online sales following the U.S. Supreme Court decision in *Wayfair v. South Dakota*. Fiscal 2021 revenue collections were also impacted by the shifting of the 2020 tax deadline from April 15 to July 15. According to NASBO’s Spring 2021 *Fiscal Survey of States*, nineteen states reported they recognized these delayed revenues due to the deadline shift in fiscal 2021 instead of fiscal 2020, depressing fiscal 2020 revenues and leading to higher collections in fiscal 2021. The lower fiscal 2020 revenue totals also helped lead to higher year-over-year percentage growth for fiscal 2021. As a result of the preceding factors, most states saw strong year-over-year growth in overall tax collections for fiscal 2021, with 29 states reporting double digit increases. When looking at 50–state totals, all revenue sources tracked in this report experienced growth in fiscal 2021 including sales tax (6.9 percent), personal income tax (14.7 percent), corporate income tax (34.1 percent), gaming and lottery revenue (7.8 percent), and all other general fund revenue (10.4 percent).

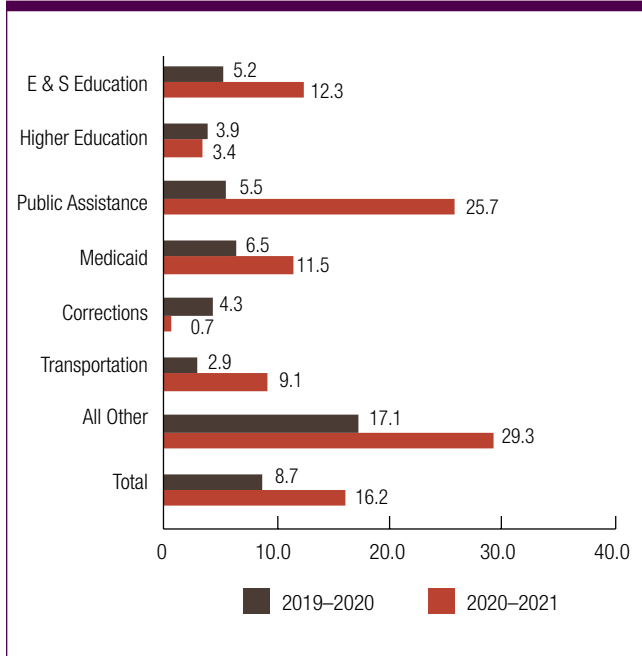
In fiscal 2020, general fund tax collections declined 0.5 percent even though for three quarters of the fiscal year most states were seeing strong revenue growth and tax collections coming in above projections. Most states had sharp revenue declines in the fourth quarter of fiscal 2020 (April–June) resulting from the impact of the COVID–19 pandemic. As previously noted, fiscal 2020 revenues — particularly personal income and corporate income tax collections — were also negatively impacted by the shifting of the federal tax deadline from April 15 to July 15, which caused some revenues to be shifted to fiscal 2021 in a number of states. Personal income tax collections only grew 0.1 percent in fiscal 2020 even though withholding collections were buoyed by temporary stimulus measures provided by the federal government, including enhanced unemployment insurance benefits. Additionally, the Paycheck Protection Program loans helped keep many individuals employed and paying income taxes. Sales tax collections only

TABLE 2
ANNUAL PERCENTAGE CHANGE IN TOTAL STATE EXPENDITURES

Region/State	Fiscal 2019 to 2020				Fiscal 2020 to 2021			
	General Funds	State Funds	Federal Funds	All Funds	General Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND								
Connecticut	-0.3 %	0.7 %	6.0 %	-1.1 %	4.5 %	3.3 %	13.1 %	4.9 %
Maine	4.5	6.1	49.6	19.6	-1.8	1.6	34.3	14.8
Massachusetts	3.0	3.6	12.6	5.5	9.0	5.0	15.6	8.6
New Hampshire	12.2	4.2	24.0	11.2	-4.9	-0.7	25.0	9.3
Rhode Island	0.3	4.5	43.5	17.3	1.2	3.7	68.5	32.5
Vermont	-6.7	0.6	17.9	5.8	5.5	2.3	46.7	18.1
MID-ATLANTIC								
Delaware	2.7	3.4	12.6	5.0	0.1	1.4	46.2	11.8
Maryland	6.1	3.6	19.5	7.7	1.6	4.4	39.6	16.2
New Jersey	-0.3	0.8	13.7	4.0	9.1	8.8	20.7	12.5
New York	6.4	2.1	0.5	1.2	-4.4	1.6	18.1	7.9
Pennsylvania	0.1	0.3	20.5	7.1	6.7	4.6	13.5	8.1
GREAT LAKES								
Illinois	-0.8	5.8	12.7	8.3	4.6	4.6	35.3	12.5
Indiana	2.9	11.0	10.0	10.6	8.7	7.1	36.4	18.7
Michigan	-13.4	-4.2	19.1	4.5	22.6	0.0	37.8	16.4
Ohio	-1.4	2.3	9.0	5.0	1.7	0.2	24.6	8.9
Wisconsin	1.0	1.1	9.9	3.2	5.5	7.5	35.7	14.5
PLAINS								
Iowa	3.5	-3.7	49.7	11.1	-0.1	11.8	-4.1	5.9
Kansas	7.6	14.6	13.8	14.7	0.9	2.2	35.4	9.5
Minnesota	3.1	3.1	8.9	5.3	0.8	12.5	28.0	16.3
Missouri	-4.0	-1.6	14.5	3.4	6.6	4.3	18.0	9.0
Nebraska	3.0	5.9	8.5	6.5	0.6	1.2	67.7	16.8
North Dakota	7.3	10.7	9.7	10.4	-2.1	6.9	47.7	19.1
South Dakota	4.0	-0.9	26.4	8.1	9.3	6.4	92.7	38.3
SOUTHEAST								
Alabama	12.6	7.1	15.2	9.5	-7.6	-2.7	4.2	0.1
Arkansas	-1.3	1.8	21.6	7.8	-0.3	3.6	29.5	12.4
Florida	2.8	-0.3	12.9	4.1	2.5	5.8	9.5	7.3
Georgia	0.8	2.1	20.3	6.7	-0.4	-1.1	-13.7	-5.1
Kentucky	0.6	0.6	38.3	14.5	-2.1	-1.9	23.5	9.5
Louisiana	-1.6	-1.2	14.4	5.7	4.4	14.3	28.5	21.3
Mississippi	3.5	3.3	8.3	4.0	-2.5	5.0	28.9	16.7
North Carolina	2.7	-2.9	17.9	5.9	-0.5	2.8	-12.0	-2.9
South Carolina	4.4	2.0	6.5	3.4	-1.0	-2.6	33.8	9.3
Tennessee	3.4	2.3	14.1	6.6	9.9	6.8	61.7	28.6
Virginia	0.6	12.7	31.6	16.6	3.1	11.1	35.3	16.4
West Virginia	-0.5	-0.3	3.4	3.1	-4.1	-2.2	17.4	3.0
SOUTHWEST								
Arizona	4.6	5.4	7.4	5.4	2.2	22.7	-5.5	10.6
New Mexico	13.6	9.1	22.6	14.5	6.1	-0.5	32.0	13.3
Oklahoma	5.0	1.9	7.5	4.1	-14.2	5.7	23.1	12.0
Texas	13.4	8.9	19.5	11.9	-2.7	-0.5	15.0	5.0
ROCKY MOUNTAIN								
Colorado	5.0	14.3	30.1	18.7	-8.6	-12.7	37.4	3.4
Idaho	4.3	4.3	12.4	7.6	-2.5	9.9	61.6	31.9
Montana	1.1	18.3	12.2	15.7	2.6	4.7	77.7	34.1
Utah	-2.9	-1.9	22.3	9.4	16.8	18.4	90.5	30.5
Wyoming	0.0	0.0	0.0	0.0	-2.5	-0.2	-0.5	-0.2
FAR WEST								
Alaska	-2.9	-3.8	25.9	6.3	15.4	19.0	34.0	25.1
California	4.2	1.9	53.3	18.9	13.5	13.1	86.1	43.6
Hawaii	1.5	16.6	12.1	16.1	9.0	27.5	85.2	34.6
Nevada	0.3	-4.5	-6.6	-6.2	1.6	3.7	16.0	8.1
Oregon	20.9	11.0	24.6	14.5	-11.4	9.0	57.4	22.1
Washington	4.5	6.4	9.9	7.5	10.1	4.8	40.3	13.8
TOTAL*	3.1 %	3.3 %	20.5 %	8.7 %	4.1 %	5.7 %	35.7 %	16.2 %
MEDIAN	2.9	2.3	13.9	7	2	4.5	32.9	12.5

Note: State funds are defined as general funds and other state funds (bonds are excluded). *See General Notes for explanation.

**FIGURE 2:
ALL FUNDS PERCENT CHANGES FROM PREVIOUS FISCAL
YEAR FOR MAJOR SPENDING CATEGORIES, FISCAL 2020
AND 2021**



grew 0.7 percent despite the strong start to the fiscal year and the impact of temporary federal stimulus measures on spending levels. Corporate income taxes declined 6.0 percent even as stimulus measures such as the Paycheck Protection Program sought to keep companies operating. Gaming and lottery revenues experienced a 11.3 percent decline partly due to the closure of casinos and other gambling establishments during the pandemic. Finally, the “all other” category of general fund revenue declined 1.1 percent, with oil producing states seeing sharp drops in severance taxes.

Personal income taxes accounted for 46.0 percent, sales and use taxes for 28.9 percent, and corporate income taxes for 7.7 percent of total general fund revenues in fiscal 2021. All other general fund revenue represented 16.5 percent of general fund revenues, while gaming and lottery revenue were just 0.9 percent.

Explanation of Report Data: Components of State Expenditures

This report includes three years of state expenditure data: actual fiscal 2019, actual fiscal 2020, and estimated fiscal 2021. The report examines the seven main functional categories of state spending: elementary and secondary education,

higher education, public assistance, Medicaid, corrections, transportation, and “all other.” “All other” is a broad category that includes state functions not tracked individually in this report, such as the Children’s Health Insurance Program (CHIP), care for the mentally ill and developmentally disabled, public health programs, child welfare and family services, constitutional officers, the legislative and judicial branches, some employer contributions to pensions and health benefits, economic development, state police, environmental protection, parks and recreation, other natural resources programs, unemployment insurance, housing, general aid to local governments, and debt service. Capital spending is included with operating expenditures within each functional category, unless noted otherwise. Capital expenditures also have been collected separately in the following categories: elementary and secondary education, higher education, corrections, transportation, environmental, housing, and “all other”. It should also be noted that 20 states use a biennial budget cycle, and in many cases, funds are not expended evenly in the two-year cycle. This may affect total expenditures changes in some states from year to year.

State governments have specific functional responsibilities that vary among states depending on the role of local governments in providing services. For example, the provision of elementary and secondary education is constitutionally a state function, but significant local revenues, mainly through property taxes, contribute to school budgets in most states. Some states are exceptions, such as Hawaii where the state government fully funds elementary and secondary education. A more complete understanding of programs and service levels within a given state would require comparisons of spending by both state and local government, which is not the purpose of this report. In addition, because the data are self-reported by the states, some may be incomplete. These omissions can affect aggregate and regional tables.

States operate within stricter revenue/expenditure limitations than the federal government. State balanced budget requirements are diverse, and governors are given significant powers to ensure a balanced budget. An overwhelming majority of states require their governor to submit, and their legislature to pass, a balanced budget. States are required to make spending choices based on available resources and must either reduce spending, raise taxes, or use reserves when revenues come in below estimates. For the most part, states do not and cannot incur operating deficits, and manage their finances in ways to maintain or improve bond ratings.

Explanation of Report Data: Definitions

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

Federal Funds: Funds received directly from the federal government.

Other State Funds: Expenditures from revenue sources that are restricted by law for governmental functions or activities. For example, a gasoline tax dedicated to a transportation fund would appear in the "Other State Funds" column. For higher education, other state funds can include tuition and fees. For Medicaid, other state funds include provider taxes, fees, donations, assessments, and local funds. Some states also have an education fund for elementary and secondary education separate from the general fund.

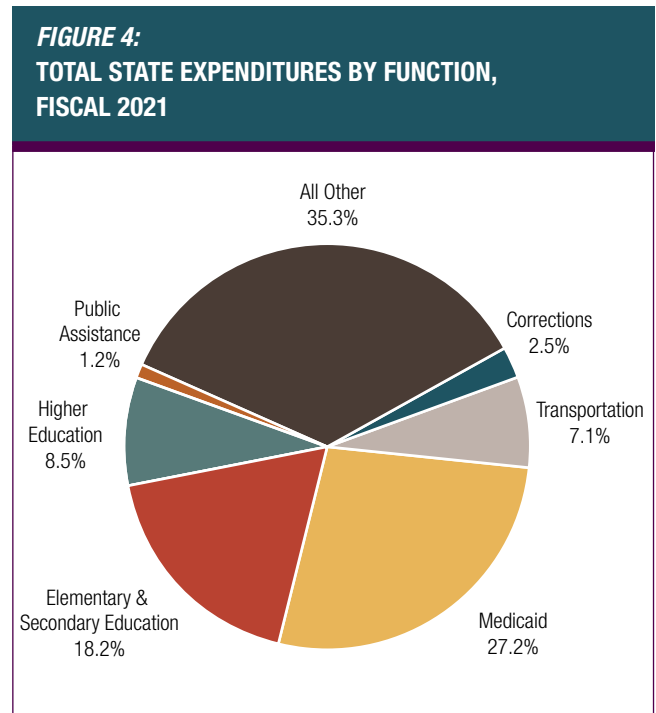
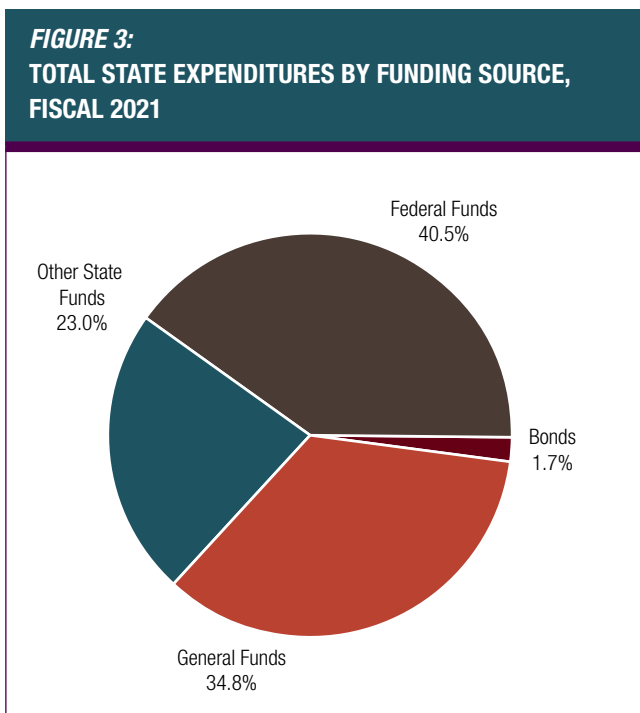
Bonds: Expenditures from the sale of bonds, generally for capital projects.

State Funds: General funds plus other state fund spending, excluding state spending from bonds.

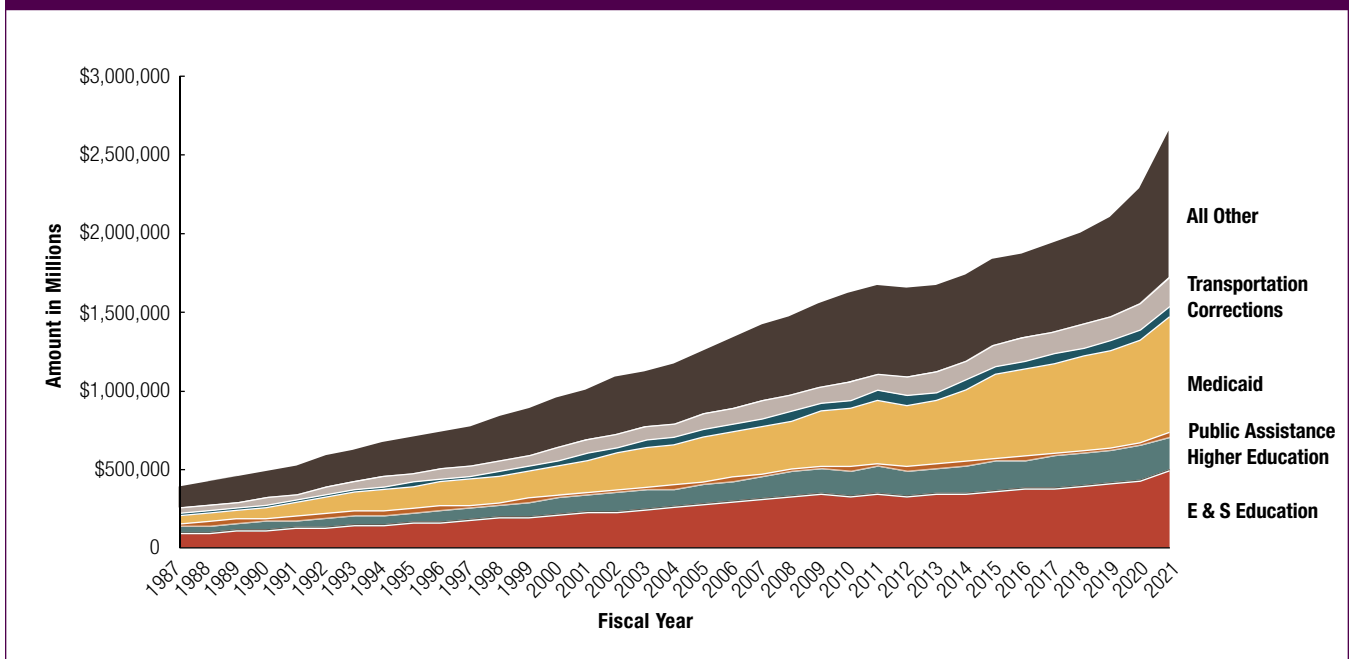
Spending by fund source is detailed in Figure 3. In fiscal 2021, federal funds represented 40.5 percent of total state spending, with general funds at 34.8 percent, other state funds at 23.0 percent, and bonds at 1.7 percent. This marks the first time in

the history of the *State Expenditure Report* that federal funds have surpassed general funds as a share of total state spending. Federal funds have gone from representing 31.3 percent in fiscal 2019, to 34.7 percent in fiscal 2020, to an estimated 40.5 percent in fiscal 2021. Meanwhile, general funds have gone from representing 40.8 percent in fiscal 2019, to 38.8 percent in fiscal 2020, to an estimated 34.8 percent in fiscal 2021. However, state funds (general funds and other state funds combined) still make up a greater share of total state spending than federal funds, 57.8 percent compared to 40.5 percent.

Figure 4 reflects total state expenditures by functional area. For fiscal 2021, total state spending shares are as follows: 27.2 percent for Medicaid; 18.2 percent for elementary and secondary education; 8.5 percent for higher education; 7.1 percent for transportation; 2.5 percent for corrections; 1.2 percent for public assistance; and 35.3 percent for all other.



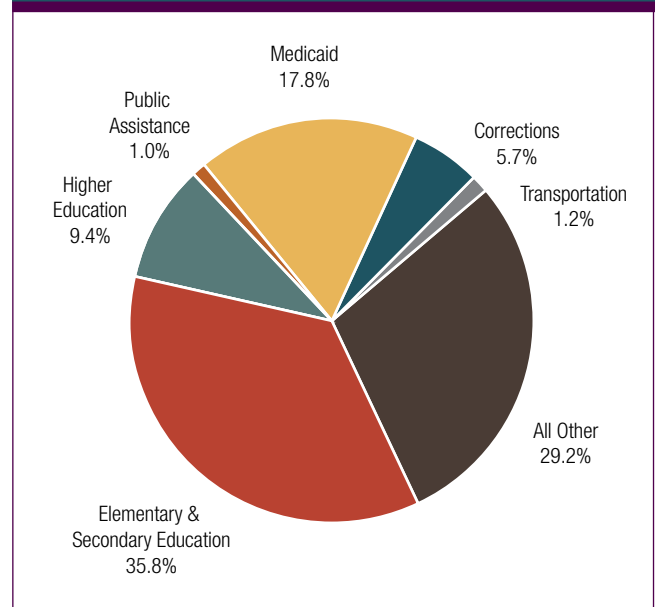
**FIGURE 5:
COMPOSITION OF TOTAL STATE EXPENDITURES BY FUNCTION, FISCAL 1987 TO 2021**



The shares of state spending for the seven functional areas tracked in the *State Expenditure Report* have shifted since 1987, when the report was first published. For example, in total state spending, Medicaid surpassed higher education as the second largest state program in 1990, and in 2003 it became the largest, displacing elementary and secondary education. From 2003 to 2008, Medicaid and elementary and secondary education alternated as the largest state program. Since fiscal 2009, Medicaid has consistently been the largest spending category (not including the “all other” category). Over the past two years, the “all other” category has climbed as a percentage of total spending largely due to additional spending related to the COVID–19 pandemic, rising from 29.4 percent in fiscal 2019, to 31.7 percent in fiscal 2020, to an estimated 35.3 percent in fiscal 2021. The increase in the “all other” category has caused most other functional areas to decline as a share of total state spending. Figure 5 documents the changes in state expenditures by category since 1987. Table 3 reflects shares of state spending in functional areas, by fund source, from 1995 to 2021. Also, Table 5, at the end of the Executive Summary, highlights the share of each state’s budget represented by various programs in fiscal 2021 and shows the wide variation among states in their spending patterns.

General Fund Expenditures

**FIGURE 6:
GENERAL FUND EXPENDITURES, FISCAL 2021**



Expenditures for elementary and secondary education continue to constitute the largest share of state general fund spending. As Figure 6 shows, in fiscal 2021, 35.8 percent of general fund spending went to elementary and secondary edu-

education. Medicaid accounted for 17.8 percent and higher education accounted for 9.4 percent of general fund spending.

Figure 7 reflects the percentage change for general fund spending in each of the functional categories. In fiscal 2020, transportation was the only program area to experience a significant decline. However, general funds for transportation only comprise 5.7 percent of total transportation spending, while other state funds comprise 57.5 percent. In fiscal 2021, corrections is the only area to have a decline in estimated general fund spending.

Other State Funds Expenditures

Trailing only the “all other” category, transportation and higher education account for the next largest portions of other state funds spending for fiscal 2021, at 17.8 percent and 16.8 percent respectively. Other state funds are expenditures from revenue sources which are restricted by law for particular governmental functions or activities. For transportation, these funds largely represent receipts from gasoline taxes earmarked for

highways and other infrastructure projects, while for higher education, these funds include tuition and fees in most states (see Table 3).

Federal Funds Expenditures

As reflected in Figure 8, Medicaid accounts for the largest portion of state spending from federal funds in fiscal 2021 at 45.4 percent. Medicaid is estimated to represent less than half of all federal funds to states for the first times since 2013. While federal funds for Medicaid continue to grow, they have not grown at the same rate as the “all other” category. The “all other” category has grown from 20.6 percent of federal funds in fiscal 2019, to 27.6 percent in fiscal 2020, to an estimated 35.2 percent in fiscal 2021, resulting from increased federal aid to states related to the COVID-19 pandemic. Elementary and secondary education at 9.2 percent and transportation at 5.0 percent were the next largest categories of federal funds in fiscal 2021.

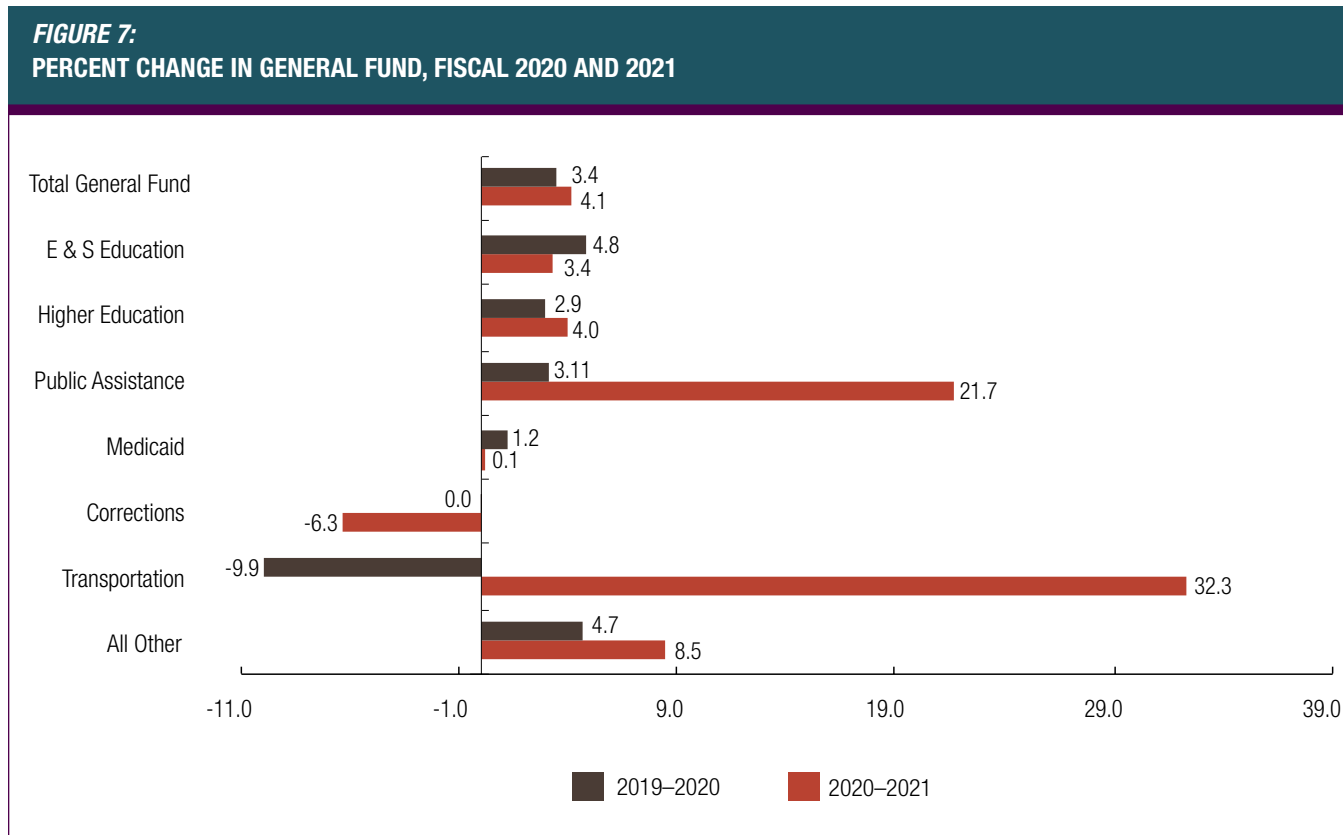


TABLE 3

COMPARISON OF SHARES OF STATE SPENDING WITH FUND SOURCES, FISCAL 1995 TO 2021 AS A PERCENT OF TOTAL

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

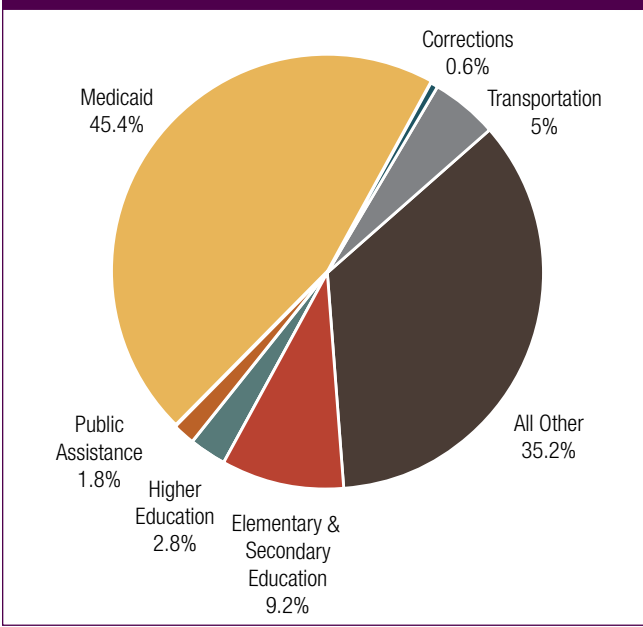
Table 3 continues on next page.

TABLE 3 (CONTINUED)

COMPARISON OF SHARES OF STATE SPENDING WITH FUND SOURCES, FISCAL 1995 TO 2021 AS A PERCENT OF TOTAL

Fund Type & Year	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
FY 2009:								
General Funds	35.2	11.5	1.9	16.3	7.2	0.7	26.8	100.0
Other State Funds	10.1	15.2	0.1	6.8	0.6	16.4	50.8	100.0
Federal Funds	12.2	4.2	2.9	44.6	0.3	7.8	28.0	100.0
Bond Funds	15.0	20.9	0.0	0.0	3.0	30.0	31.0	100.0
Total Funds	21.5	10.5	1.7	21.9	3.4	7.5	33.4	100.0
FY 2010:								
General Funds	35.5	11.5	1.9	14.8	7.4	0.7	28.1	100.0
Other State Funds	9.8	16.7	0.1	7.6	0.7	16.1	49.0	100.0
Federal Funds	12.2	3.6	2.7	42.2	0.4	7.1	31.7	100.0
Bond Funds	8.3	20.3	0.0	0.0	3.0	34.6	33.8	100.0
Total Funds	20.4	10.2	1.7	22.2	3.2	7.5	34.7	100.0
FY 2011:								
General Funds	35.3	11.3	1.9	16.5	7.3	0.5	27.3	100.0
Other State Funds	8.7	18.0	0.1	9.8	0.6	15.8	47.1	100.0
Federal Funds	12.7	4.0	2.7	44.2	0.3	7.2	29.0	100.0
Bond Funds	12.3	16.8	0.0	0.0	1.6	33.9	35.4	100.0
Total Funds	20.3	10.7	1.6	23.8	3.1	7.4	33.1	100.0
FY 2012:								
General Funds	34.7	9.9	1.5	19.2	6.9	0.7	27.1	100.0
Other State Funds	7.8	18.1	0.1	8.8	1.2	15.5	48.5	100.0
Federal Funds	10.7	4.0	2.7	43.9	0.2	8.2	30.1	100.0
Bond Funds	8.3	16.0	0.0	0.0	1.9	35.0	38.8	100.0
Total Funds	19.5	10.4	1.5	23.6	3.2	7.7	34.0	100.0
FY 2013:								
General Funds	34.8	9.6	1.6	19.3	6.9	0.6	27.3	100.0
Other State Funds	9.0	18.1	0.3	10.2	1.0	15.8	45.7	100.0
Federal Funds	10.5	4.4	2.7	45.8	0.1	8.5	28.1	100.0
Bond Funds	6.5	14.8	0.0	0.0	1.6	38.3	38.7	100.0
Total Funds	20.0	10.4	1.5	24.3	3.2	7.8	32.7	100.0
FY 2014:								
General Funds	34.8	9.7	1.4	20.0	6.9	0.8	26.5	100.0
Other State Funds	8.5	17.8	0.4	10.5	1.0	16.6	45.3	100.0
Federal Funds	9.9	4.1	2.8	51.9	0.1	8.3	22.9	100.0
Bond Funds	7.0	14.1	0.0	0.0	1.6	36.5	40.6	100.0
Total Funds	19.8	10.3	1.5	26.5	3.2	8.0	30.7	100.0
FY 2015:								
General Funds	35.5	9.9	1.2	19.5	6.8	0.8	26.3	100.0
Other State Funds	8.8	18.5	0.5	10.7	0.9	17.6	43.0	100.0
Federal Funds	9.0	3.6	2.7	55.8	0.1	7.4	21.3	100.0
Bond Funds	7.1	14.7	0.0	0.0	1.5	34.8	41.9	100.0
Total Funds	19.6	10.4	1.5	27.9	3.1	8.0	29.6	100.0
FY 2016:								
General Funds	35.5	9.8	1.1	19.6	6.7	0.7	26.6	100.0
Other State Funds	8.9	19.0	0.5	11.0	1.0	17.9	41.7	100.0
Federal Funds	8.9	3.5	2.6	57.4	0.1	7.8	19.7	100.0
Bond Funds	8.1	15.0	0.0	0.0	1.6	32.5	42.7	100.0
Total Funds	19.8	10.3	1.4	28.8	3.1	8.0	28.7	100.0
FY 2017:								
General Funds	35.7	9.8	1.1	19.7	6.7	0.7	26.3	100.0
Other State Funds	8.6	18.6	0.5	11.5	1.0	17.6	42.2	100.0
Federal Funds	8.7	3.4	2.4	57.8	0.1	7.4	20.3	100.0
Bond Funds	6.7	12.5	0.0	0.0	2.1	34.1	44.5	100.0
Total Funds	19.6	10.2	1.3	28.9	3.1	7.8	29.0	100.0
FY 2018:								
General Funds	35.9	9.7	1.0	20.3	6.7	0.6	25.8	100.0
Other State Funds	8.4	19.1	0.5	11.7	0.9	18.3	40.9	100.0
Federal Funds	8.6	3.5	2.3	57.9	0.1	7.0	20.6	100.0
Bond Funds	8.8	13.4	0.0	0.0	2.3	31.4	44.2	100.0
Total Funds	19.7	10.4	1.3	29.3	3.0	7.8	28.5	100.0
FY 2019:								
General Funds	35.6	9.4	0.9	18.9	6.6	1.0	27.6	100.0
Other State Funds	8.3	18.2	0.5	11.5	1.0	18.5	42.0	100.0
Federal Funds	8.5	3.6	2.1	58.3	0.1	6.8	20.6	100.0
Bond Funds	6.8	14.8	0.0	0.0	1.7	34.7	41.9	100.0
Total Funds	19.6	10.2	1.3	28.9	3.1	7.8	29.0	100.0
FY 2020:								
General Funds	36.1	9.4	0.9	18.5	6.4	0.9	28.0	100.0
Other State Funds	8.1	18.1	0.4	11.0	1.1	18.5	42.8	100.0
Federal Funds	7.6	3.4	1.9	53.2	0.3	6.0	27.6	100.0
Bond Funds	9.4	14.9	0.0	0.0	2.5	33.0	40.2	100.0
Total Funds	18.8	9.5	1.1	28.3	2.9	7.6	31.7	100.0
FY 2021:								
General Funds	35.8	9.4	1.0	17.8	5.7	1.2	29.2	100.0
Other State Funds	8.1	16.8	0.5	11.4	1.0	17.8	44.4	100.0
Federal Funds	9.2	2.8	1.8	45.4	0.6	5.0	35.2	100.0
Bond Funds	8.9	13.1	0.0	0.0	1.3	35.2	41.4	100.0
Total Funds	18.2	8.5	1.2	27.2	2.5	7.1	35.3	100.0
FY 1995-21 Combined Total:								
General Funds	35.2	11.2	2.0	17.0	6.8	0.8	26.8	100.0
Other State Funds	8.9	15.8	0.4	8.4	0.9	19.0	46.6	100.0
Federal Funds	10.3	4.0	3.4	46.9	0.3	8.2	27.0	100.0
Bond Funds	12.5	17.8	0.0	0.0	3.4	30.5	35.8	100.0
Total Funds	20.8	10.4	2.0	23.3	3.3	8.1	32.1	100.0

**FIGURE 8:
FEDERAL FUND EXPENDITURES, FISCAL 2021**



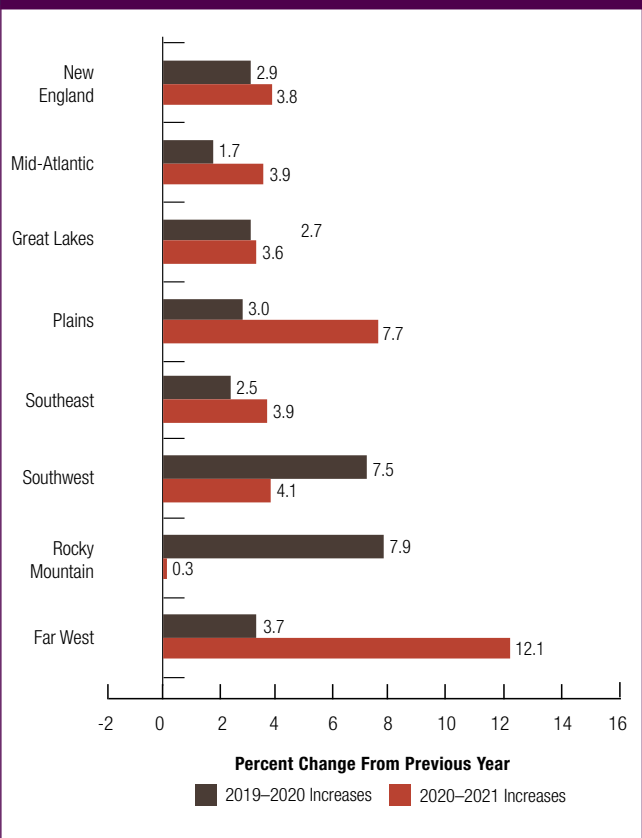
Regional Spending Trends

Table 4 shows growth rates for each region of the United States, separated by state funds (general fund plus other state funds, not including bond funds) and federal funds. The growth rate for all states increased 8.7 percent in fiscal 2020, with all regions experiencing an increase in spending. In fiscal 2021, total estimated state spending increased 16.2 percent, with all regions once again experiencing an increase. In both years the Far West region experienced the strongest growth rate in total state spending followed by the Rocky Mountain region, while in fiscal 2020 the Mid-Atlantic region saw the slowest growth, and in estimated fiscal 2021 the Southwest region had the smallest increase.

Figure 9 shows the percentage change in state spending from state funds for fiscal 2020 and estimated fiscal 2021. In fiscal 2021, the Far West region experienced the strongest growth rate in spending from state funds, while in fiscal 2020 the Rocky Mountain region had the highest growth.

Total state expenditure data can be found on Tables 1–5, along with related footnotes at the end of this chapter.

**FIGURE 9:
REGIONAL PERCENT CHANGE IN STATE FUNDS,
FISCAL 2020 AND 2021**



**TABLE 4
REGIONAL PERCENTAGE CHANGE IN TOTAL EXPENDITURES, FISCAL 2020 AND 2021**

Region	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	2.9 %	18.9 %	5.9 %	3.8 %	26.2 %	10.7 %
Mid-Atlantic	1.7	9.5	4.0	3.9	20.3	9.8
Great Lakes	2.7	12.4	6.1	3.6	33.2	13.5
Plains	3.0	18.8	7.6	7.7	25.7	13.0
Southeast	2.5	17.7	7.6	3.9	16.3	8.4
Southwest	7.5	15.8	10.0	4.1	13.7	7.6
Rocky Mountain	7.9	21.1	13.2	0.3	56.3	16.9
Far West	3.7	42.8	15.8	12.1	77.5	36.5
ALL STATES	3.3 %	20.5 %	8.7 %	5.7 %	35.7 %	16.2 %

TABLE 5
STATE SPENDING BY FUNCTION AS A PERCENT OF TOTAL STATE EXPENDITURES, FISCAL 2021

Region/State	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
NEW ENGLAND								
Connecticut	13.2 %	9.5 %	1.0 %	24.7 %	2.0 %	9.7 %	39.9 %	100.0 %
Maine	16.5	2.9	1.8	28.9	1.7	6.5	41.7	100.0
Massachusetts	13.8	2.2	1.1	28.3	2.4	7.3	44.8	100.0
New Hampshire	18.1	2.0	1.1	32.0	1.8	7.0	38.1	100.0
Rhode Island	12.5	8.9	0.7	19.6	1.7	6.7	50.0	100.0
Vermont	29.8	2.4	2.6	22.6	2.2	7.7	32.7	100.0
MID-ATLANTIC								
Delaware	22.0	3.6	0.1	19.4	2.9	8.3	43.5	100.0
Maryland	20.6	13.3	4.9	22.8	3.0	9.4	26.0	100.0
New Jersey	22.1	8.9	0.3	24.5	1.8	10.6	31.8	100.0
New York	17.2	6.1	1.9	34.6	1.9	5.5	32.7	100.0
Pennsylvania	18.1	2.0	1.2	36.0	3.0	13.8	26.0	100.0
GREAT LAKES								
Illinois	13.2	2.9	0.2	29.6	2.0	6.3	45.8	100.0
Indiana	23.9	4.5	0.3	34.9	1.9	6.7	27.8	100.0
Michigan	30.2	3.4	0.3	31.0	3.2	8.5	23.3	100.0
Ohio	15.9	4.0	0.9	39.3	2.8	3.9	33.2	100.0
Wisconsin	15.2	11.7	0.1	21.3	2.3	5.4	44.0	100.0
PLAINS								
Iowa	16.6	23.6	0.5	25.0	1.6	8.6	24.0	100.0
Kansas	26.7	15.0	0.1	19.4	2.3	8.9	27.7	100.0
Minnesota	23.3	3.7	0.9	27.7	1.4	10.4	32.8	100.0
Missouri	21.3	4.2	0.5	37.5	2.1	7.3	27.1	100.0
Nebraska	12.3	20.5	0.3	19.1	3.0	6.7	38.1	100.0
North Dakota	16.2	20.9	0.0	15.2	1.5	8.5	37.6	100.0
South Dakota	16.1	13.2	0.3	13.8	1.7	12.6	42.2	100.0
SOUTHEAST								
Alabama	20.4	19.3	0.1	25.5	2.7	4.4	27.6	100.0
Arkansas	12.7	12.1	2.6	26.5	1.7	6.4	38.1	100.0
Florida	17.1	8.9	0.1	32.2	3.6	11.2	26.8	100.0
Georgia	23.4	18.5	0.6	21.2	3.0	6.5	26.9	100.0
Kentucky	14.5	15.9	0.5	33.5	1.7	5.9	28.0	100.0
Louisiana	16.2	8.2	0.4	38.5	2.5	6.6	27.6	100.0
Mississippi	15.7	18.1	4.6	23.9	1.5	5.6	30.5	100.0
North Carolina	23.7	17.7	0.3	28.7	3.4	9.2	17.0	100.0
South Carolina	19.6	17.5	0.3	24.7	2.3	6.8	28.8	100.0
Tennessee	16.0	10.5	0.2	28.2	2.5	3.6	39.0	100.0
Virginia	12.5	11.2	0.7	21.4	1.8	10.8	41.6	100.0
West Virginia	13.6	12.6	0.6	25.3	2.2	9.4	36.2	100.0
SOUTHWEST								
Arizona	16.5	14.7	0.0	37.1	3.1	6.6	21.8	100.0
New Mexico	15.7	12.1	11.8	28.8	1.4	7.9	22.4	100.0
Oklahoma	15.9	20.1	0.5	20.7	2.2	6.0	34.7	100.0
Texas	24.6	14.5	0.0	30.4	2.6	10.4	17.5	100.0
ROCKY MOUNTAIN								
Colorado	15.9	11.0	0.9	32.6	2.4	5.4	31.7	100.0
Idaho	17.1	3.7	0.1	15.9	2.1	7.1	54.0	100.0
Montana	10.1	6.2	0.2	20.5	2.2	9.2	51.7	100.0
Utah	21.7	10.5	0.2	20.0	4.3	9.7	33.5	100.0
Wyoming	19.5	8.7	0.0	13.1	2.8	2.8	53.0	100.0
FAR WEST								
Alaska	13.5	5.9	0.9	16.4	3.0	9.6	50.7	100.0
California	17.5	4.6	2.3	22.4	3.0	4.5	45.6	100.0
Hawaii	9.6	5.4	0.3	11.5	1.2	7.4	64.7	100.0
Nevada	14.0	6.6	0.3	28.7	2.1	5.0	43.3	100.0
Oregon	11.2	3.6	0.2	18.8	2.0	4.7	59.6	100.0
Washington	26.0	11.2	0.4	24.4	2.2	4.4	31.5	100.0
ALL STATES	18.2 %	8.5 %	1.2 %	27.2 %	2.5 %	7.1 %	35.3 %	100.0 %

Note: Percentages may not add to 100.

General Notes

In reviewing the tables, please note the following:

- Small dollar amounts, when rounded, cause an aberration in the percentage increase. In these instances, the actual dollar amounts should be consulted to determine the exact percentage increase.
- “State funds” refers to general funds plus other state fund spending. State spending from bonds is excluded.
- “Total funds” refers to funding from all sources—general fund, federal funds, other state funds, and bonds.

The report methodology is detailed in the Appendix.

All States: Medicaid reflects provider taxes, fees, assessments, donations, and local funds in Other State Funds.

Alabama: Amounts shown in fiscal years 2019 and 2020 are based on actual expenditures during these years, regardless of the year appropriated. Fiscal 2021 amounts shown are equal to actual expenditures through 9 months (June 30, 2021) and then annualized for the year.

Maine: Fiscal expenditures reflect the significant additional federal COVID relief funds that were available and used in nearly all expense categories.

Massachusetts: General Fund totals differ from the *Fiscal Survey of States* due to certain transfers to non-budgeted funds. The Fiscal Survey reflects such transfers as spent from the General Fund, whereas the *State Expenditure Report* captures spending from the non-budgeted funds directly.

Michigan: Fiscal 2021 estimated expenditures are equal to FY 2021 appropriations enacted as of July 7, 2021.

Ohio: Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited

into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of GRF federal funds have been removed from the GRF number presented in this report to be consistent with budget presentations in other NASBO surveys.

Also, inherent in Ohio’s budgetary accounting environment are significant overstatements of total state spending due to two phenomena. First, fiduciary fund expenditures represent the distribution of funds collected by the state on behalf of other entities. These are not operating, program, or subsidy expenditures of the state. Examples of this would be the collection and distribution of county and local permissive sales taxes or motor vehicle registration taxes. Fiduciary fund group expenditures totaled \$8,636.9 million in fiscal 2021. Second, “double counting” of revenue and expenditures related to intrastate transactions overstates overall state expenditure activity. Intra-state transactions totaled \$720.7 million in fiscal 2021. These accounting practices will tend to make Ohio’s “All-Other” expenditures look higher, on a dollar and percentage basis, and conversely make Ohio’s other categories look lower, on a percentage basis, relative to other states that don’t follow similar practices.

Tennessee: Tennessee collects personal income tax on income from dividends on stocks and interest on certain bonds. Legislation was passed in 2017 to annually reduce this tax to zero by fiscal year 2022. Tax revenue estimates do not include federal funds and other departmental revenues. However, federal funds and other departmental revenues are included in the budget as funding sources for the general fund, along with state tax revenues.

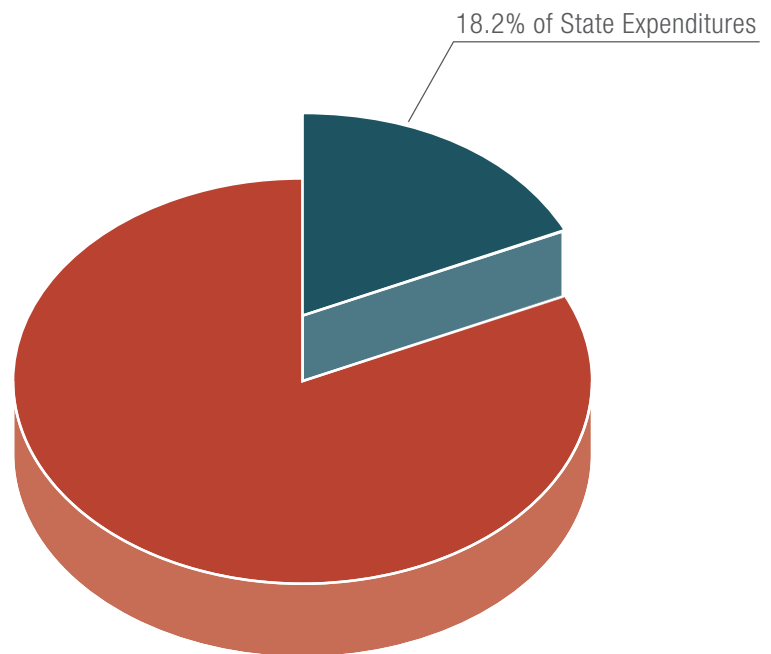
Wyoming: Part of Wyoming’s yearly variation in expenditure totals is due to the fact that the state budgets on a two-year cycle.

1

CHAPTER



ELEMENTARY & SECONDARY EDUCATION



Elementary and Secondary Education Expenditures

Overall state spending on elementary and secondary education (K–12 education) totaled an estimated \$482.9 billion in fiscal 2021, marking a substantial increase of 12.3 percent over fiscal 2020. This large uptick is primarily due to a 63.6 percent increase in federal funds spending in fiscal 2021, driven up by over \$36 billion in estimated federal COVID–19 aid expenditures on K–12 education. State funds (general funds and other state funds combined, excluding bonds) increased by 3.9 percent. In fiscal 2020, the growth rate for total spending on elementary and secondary education was 5.2 percent; state funding grew by 4.4 percent, and spending from federal funds increased 8.2 percent.

State expenditures on K–12 education have been considerably impacted by the changing needs brought by the pandemic as well as the influx of additional federal aid in response to COVID–19. With respect to state funding, 44 states reported spending increases in fiscal 2020, and 35 states reported increasing spending from state funds in fiscal 2021. Early in the pandemic, some states enacted cuts to K–12 funding when they were forecasting considerable revenue declines. Overall, state spending reductions to K–12 education have been minimal during the pandemic, and those that did occur in some cases have since been restored as state fiscal conditions have improved. Also, in some instances, especially in fiscal 2021, spending decreases on K–12 education are connected to declining enrollment related to the pandemic, as much of state funding for schools is calculated on a per pupil basis.

Meanwhile, state K–12 education expenditures have been affected by a significant increase in federal funding driven by federal aid to cover pandemic-related expenditure needs for K–12 education. This aid has primarily come from the Elementary and Secondary School Emergency Relief (ESSER) Fund programs, as authorized in the *Coronavirus Aid Relief, and Economic Security (CARES) Act*, the *Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)*, and the *American Rescue Plan Act (ARPA)*. Altogether, states have received nearly \$190 billion from the three ESSER programs. Since the majority of that funding comes from ARPA (\$122 billion), which was only authorized in March 2021, states have yet to spend much of their ESSER funds. Still, states reported spending federal COVID–19 aid totaling at least \$44 billion on K–12 education so far (\$8.2 billion in fiscal 2020 and \$36.3 billion in fiscal 2021). In addition to ESSER funds, states also received smaller pots of money to be used broadly for educa-

tion purposes, such as the Governor’s Emergency Education Relief (GEER) fund. Additionally, some states chose or plan to spend a portion of Coronavirus Relief Funds or ARPA Fiscal Recovery Funds on K–12 eligible uses.

K–12 Education as a Share of the Overall Budget

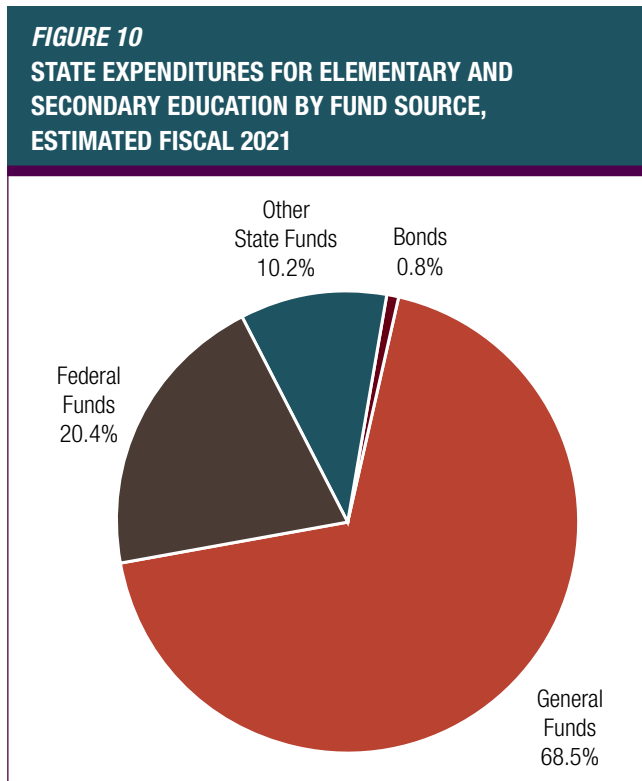
Elementary and secondary education continues to be the largest category of state general fund spending, comprising 35.8 percent of state general fund spending in fiscal 2021, 36.1 percent in fiscal 2020, and 35.6 percent in fiscal 2019. In fact, K–12 education as a share of general fund spending has been steady over the years, remaining between 34 and 36 percent every year since fiscal 1996. K–12 education once represented the largest category of total state spending from all funds, but has consistently been the second largest category since fiscal 2009, when it was surpassed by Medicaid. In fiscal 2021, K–12 education comprised 18.2 percent of total state spending, reduced from its 19.5 percent share two years prior in fiscal 2019. This reduction comes despite continued increases in K–12 expenditures and is explained primarily by the large uptick in the “All Other” category over that time period—which encompasses the majority of state spending on COVID–19 response, relief and recovery efforts.

Composition of Fund Sources for State K–12 Expenditures

General funds comprised 68.5 percent of total state elementary and secondary education spending, federal funds comprised 20.4 percent, other state funds comprised 10.2 percent, and bonds comprised 0.8 percent (see Figure 10) in fiscal 2021. These figures illustrate the large influx of federal funds during the pandemic, as two years prior in fiscal 2019, general funds comprised 75 percent of total state K–12 spending while federal funds comprised 14 percent. While state general fund expenditures for K–12 education have grown over that time, that pace of growth has been far outpaced by the increase in federal funds.

The vast majority of states support K–12 education primarily through their general funds. However, a few states segregate large, dedicated revenue sources into a separate education fund and therefore report most of their K–12 education spending in other state funds; examples include Michigan, New Hampshire, Vermont and Wyoming. Other states with separate education funds, such as Alabama and Utah, combine their education fund reporting in this survey with their general

fund spending. Additionally, several states that fund the majority of their K–12 education spending from the general fund still spend a sizable amount from other state funds, which are typically dedicated revenues. For example, in Oklahoma, state K–12 education spending is funded in part by dedicated revenues from state school land earnings, gross production taxes, motor vehicle fees, and rural electrification association taxes.



Intergovernmental Sources of Funding

According to the U.S. Census Bureau’s latest report on public education finances, state governments contributed the largest share of elementary and secondary education revenue in fiscal 2020, with state funds comprising 47.0 percent of total revenue nationally. Local government revenue (mostly from property taxes) made up a similar share of total elementary and secondary school revenues at 46.0 percent, and the remaining 7.0 percent came from the federal government. The state-local funding split varies considerably by state, depending on differences in state constitutional requirements, school finance systems, local revenue structures, and other factors.

State funding systems for education differ greatly. Over the years, some states have moved toward increasing their funding responsibility for elementary and secondary education by substituting state funds for local funds, often to reduce local

governments’ reliance on property taxes or to promote greater equity in education funding across the state. State funds are distributed to local school districts both on a per-pupil basis and as categorical grants to support specific programs or needs. Prior to the COVID–19 pandemic, the federal share has served mainly as a source of supplemental funding for economically disadvantaged school districts and to help cover the cost of educating children with special needs, though the federal government has also provided competitive grants to states to encourage innovation and reforms at the state level. During the pandemic, however, the scale and scope of federal funds for K–12 education have increased significantly, albeit temporarily. These additional funds are intended primarily to respond to pandemic-related K–12 expenditure needs, including a wide variety of public health safety measures, technology needs, and efforts to address learning loss and other impacts of school closures.

Regional Expenditures

Table 6 shows percentage changes in expenditures for elementary and secondary education for fiscal 2020 and fiscal 2021 by region. In fiscal 2021, all except the Southwest region recorded K–12 spending increases from all funds. The slight decline in the Southwest in fiscal 2021 followed a very large increase in fiscal 2020 and can be explained by the timing of expenditures within each fiscal year. In particular, Texas, a biennial state, tends to record higher spending in the first year of its biennium (fiscal 2020). The Far West recorded the largest increase in spending from all funds in fiscal 2021, but it should be noted this occurred after that same region recorded the smallest increase in K–12 spending in fiscal 2020. This once again has to do with the timing of expenditures and the effects of a low baseline in the case of some states that cut spending early in the pandemic and restored those cuts later as fiscal conditions improved. All regions except the Southwest recorded a double-digit increase in K–12 expenditures from federal funds in fiscal 2021.

Capital Spending

This report also collected information on state capital expenditures for elementary and secondary education, which totaled an estimated \$3.8 billion in fiscal 2021, compared to \$3.7 billion in fiscal 2020, for those states that separately reported on this category of capital spending (see Table 49). States vary in the role they play in funding capital expenditures for elementary and secondary education, and in some states, local

TABLE 6
REGIONAL PERCENTAGE CHANGE IN STATE ELEMENTARY AND SECONDARY EDUCATION
EXPENDITURES, FISCAL 2020 AND 2021

Region	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	5.1 %	4.3 %	5.4 %	3.1 %	50.7 %	11.4 %
Mid-Atlantic	4.4	14.5	5.4	0.2	33.3	4.5
Great Lakes	2.1	1.6	2.3	4.4	97.8	17.2
Plains	3.0	9.2	3.8	3.5	42.2	8.4
Southeast	3.5	11.5	4.9	1.8	21.1	5.0
Southwest	16.4	10.6	15.3	-2.3	2.3	-1.5
Rocky Mountain	5.1	45.3	9.1	-0.8	23.6	2.5
Far West	0.9	-3.8	1.5	13.7	213.8	35.0
ALL STATES	4.4 %	8.2 %	5.2 %	3.9 %	63.6 %	12.3 %

school districts are solely responsible for funding school construction. In many states, state funding provided for schools includes amounts eligible for local capital spending or debt service participation subsidies for local school bonds.

Elementary and Secondary Education— Expenditure Exclusions

When comparing resources spent on elementary and secondary education, it is important to understand the types of programs states exclude from these figures, either because the funding totals for such programs are not included in the data reported for the K–12 education chapter, or because the state

does not provide that service or program. For this report, 14 states wholly or partially excluded employer contributions to teacher pensions and 16 states wholly or partially excluded contributions to health benefits. Additionally, most states wholly or partially excluded the following items: day care programs (40 states), school health care/immunization (40), Head Start (31), and libraries (29). Fifteen states wholly or partially excluded early education/preschool spending, and 22 states wholly or partially excluded capital expenditures for K–12 education.

Summary expenditure data can be found in Tables 7 through 9, accompanied by explanatory notes. Table 10 lists programs excluded from the expenditure data.

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

Region/State	Fiscal 2019	Fiscal 2020	Fiscal 2021
NEW ENGLAND			
Connecticut	11.8 %	12.3 %	13.2 %
Maine	17.7	15.8	16.5
Massachusetts	13.7	13.7	13.8
New Hampshire	20.2	19.8	18.1
Rhode Island	14.9	13.0	12.5
Vermont	32.8	32.7	29.8
MID-ATLANTIC			
Delaware	24.1	24.0	22.0
Maryland	18.4	18.6	20.6
New Jersey	23.7	23.9	22.1
New York	19.2	19.5	17.2
Pennsylvania	17.2	17.7	18.1
GREAT LAKES			
Illinois	14.9	14.4	13.2
Indiana	28.2	25.6	23.9
Michigan	24.6	23.9	30.2
Ohio	16.7	16.2	15.9
Wisconsin	16.4	16.5	15.2
PLAINS			
Iowa	16.5	15.4	16.6
Kansas	30.0	28.6	26.7
Minnesota	25.5	25.1	23.3
Missouri	22.6	21.6	21.3
Nebraska	13.7	13.5	12.3
North Dakota	18.8	17.7	16.2
South Dakota	16.3	15.5	16.1
SOUTHEAST			
Alabama	20.9	20.3	20.4
Arkansas	13.8	13.0	12.7
Florida	18.3	17.9	17.1
Georgia	23.4	23.6	23.4
Kentucky	17.8	15.3	14.5
Louisiana	18.1	18.3	16.2
Mississippi	16.9	16.5	15.7
North Carolina	20.2	21.5	23.7
South Carolina	19.3	19.6	19.6
Tennessee	18.9	17.7	16.0
Virginia	14.7	13.1	12.5
West Virginia	13.3	13.5	13.6
SOUTHWEST			
Arizona	16.8	16.7	16.5
New Mexico	17.4	17.3	15.7
Oklahoma	16.9	17.1	15.9
Texas	25.5	27.1	24.6
ROCKY MOUNTAIN			
Colorado	19.6	18.7	15.9
Idaho	19.8	19.3	17.1
Montana	14.6	12.9	10.1
Utah	24.6	24.5	21.7
Wyoming	18.7	18.7	19.5
FAR WEST			
Alaska	14.8	14.1	13.5
California	20.4	17.0	17.5
Hawaii	14.0	11.9	9.6
Nevada	13.5	16.1	14.0
Oregon	12.8	11.9	11.2
Washington	28.1	27.9	26.0
ALL STATES	19.5 %	18.8 %	18.2 %

TABLE 9

ANNUAL PERCENTAGE CHANGE IN ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES

Region/State	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	0.2 %	9.8 %	3.4 %	0.9 %	46.1 %	12.1 %
Maine	7.0	7.6	7.1	3.7	123.9	20.0
Massachusetts	7.2	-0.9	5.9	3.9	43.6	9.4
New Hampshire	11.1	-1.1	9.0	-1.8	13.2	-0.1
Rhode Island	-0.2	12.1	2.7	8.2	47.8	27.2
Vermont	4.7	22.7	5.6	2.8	71.1	7.4
MID-ATLANTIC						
Delaware	4.1	18.3	4.5	-0.2	39.3	2.9
Maryland	7.5	28.2	8.8	3.7	156.4	28.6
New Jersey	3.1	35.3	5.0	5.9	-19.0	4.0
New York	4.0	-7.9	2.6	-3.4	-14.3	-4.8
Pennsylvania	4.9	35.7	10.2	-0.1	50.8	10.6
GREAT LAKES						
Illinois	6.1	0.0	5.1	-0.4	18.1	2.9
Indiana	0.2	1.1	0.3	9.3	23.5	10.8
Michigan	0.9	7.0	1.6	6.9	327.2	47.2
Ohio	0.3	0.1	1.7	1.8	37.1	6.9
Wisconsin	3.9	-1.1	3.4	3.6	24.5	5.5
PLAINS						
Iowa	2.6	12.6	3.9	3.6	84.0	14.3
Kansas	7.8	24.0	9.3	4.6	-16.3	2.3
Minnesota	3.4	6.3	3.6	4.3	45.7	7.6
Missouri	-2.3	5.8	-1.0	2.8	28.3	7.2
Nebraska	5.7	3.4	5.2	-1.4	37.7	6.7
North Dakota	3.6	6.3	4.0	1.3	57.7	8.9
South Dakota	1.6	4.7	2.3	4.4	170.9	44.1
SOUTHEAST						
Alabama	2.5	22.9	6.3	2.5	-8.8	0.5
Arkansas	2.0	0.6	1.8	1.1	60.4	10.0
Florida	1.1	7.9	1.9	3.3	0.9	3.0
Georgia	4.6	20.3	7.6	-2.7	-13.9	-5.6
Kentucky	-2.5	2.8	-1.7	-2.6	35.0	3.4
Louisiana	3.6	17.4	6.7	2.4	21.3	7.1
Mississippi	3.5	-5.7	1.5	-0.3	55.1	11.0
North Carolina	9.2	37.1	12.8	2.9	31.2	7.3
South Carolina	6.2	-1.4	4.8	1.0	45.6	9.0
Tennessee	1.4	-7.0	-0.1	4.4	75.7	16.1
Virginia	4.0	-1.1	3.3	6.5	44.7	11.3
West Virginia	3.9	9.4	4.8	1.0	20.0	4.0
SOUTHWEST						
Arizona	4.5	5.7	4.7	6.3	23.5	9.4
New Mexico	16.6	6.8	13.9	-1.2	29.8	2.7
Oklahoma	5.9	2.9	5.3	-4.5	41.4	4.0
Texas	20.3	13.0	18.9	-3.8	-8.5	-4.6
ROCKY MOUNTAIN						
Colorado	5.0	83.0	13.2	-7.9	-31.1	-11.8
Idaho	5.6	0.8	5.1	0.5	152.7	17.0
Montana	2.9	-1.6	2.1	4.3	7.1	4.8
Utah	6.6	35.1	9.2	6.2	91.6	15.5
Wyoming	0.0	—	0.0	4.2	—	4.2
FAR WEST						
Alaska	-1.4	15.9	1.0	-4.9	152.1	19.7
California	-1.4	-6.0	-0.5	17.4	282.6	47.3
Hawaii	-2.0	7.2	-0.9	0.6	63.2	8.4
Nevada	16.8	-15.6	12.0	-6.5	0.7	-5.7
Oregon	8.4	-6.4	6.6	12.2	29.3	14.1
Washington	6.1	9.9	7.0	7.2	-4.4	5.8
ALL STATES	4.4 %	8.2 %	5.2 %	3.9 %	63.6 %	12.3 %
MEDIAN	3.9	6.3	4.7	2.7	37.7	7.4

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

TABLE 10

ITEMS EXCLUDED FROM ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Head Start	Libraries	Day Care Programs	School Health Care/ Immunization	Early Education/ Pre-K	Capital Expenditures
NEW ENGLAND								
Connecticut	X	X		X		P		X
Maine			X	X	X	X		P
Massachusetts	X	X		X				P
New Hampshire			X	X	X		N/A	
Rhode Island			X	X	X	P		
Vermont			X	X	X	X		
MID-ATLANTIC								
Delaware					X	P		
Maryland				X		P		
New Jersey		p	x		x	P		
New York	P	P	X		X	X		
Pennsylvania				X	X	X		P
GREAT LAKES								
Illinois	P	P	X	X	P	X		
Indiana	P	P	X	P	P	P	X	N/A
Michigan			X			P		N/A
Ohio*				X	P	X		
Wisconsin	N/A	N/A			P	N/A		N/A
PLAINS								
Iowa	X	X	X	P	X	P	P	N/A
Kansas		N/A	X	X	X	N/A		
Minnesota	P	P				X		P
Missouri	X	X	X	X		X		
Nebraska					N/A			N/A
North Dakota			X	X	X	X	X	X
South Dakota					X	X		
SOUTHEAST								
Alabama					X	P		
Arkansas			P		P	P	P	
Florida			X	X	X	X	X	
Georgia			X	X				
Kentucky			X	X	X			
Louisiana								
Mississippi					N/A			
North Carolina								
South Carolina			P	P	X	X		
Tennessee					P	P	P	P
Virginia					X			N/A
West Virginia			X	X	X	X		X
SOUTHWEST								
Arizona	P	P	X		X	X	P	
New Mexico					P	P	P	
Oklahoma			X	X	X	X		X
Texas			X	X	X	X	X	X
ROCKY MOUNTAIN								
Colorado*	P	P	X	P	X	P	P	P
Idaho			X	X	N/A	X	N/A	N/A
Montana	P	P	X	P	X	X		N/A
Utah			X		N/A	X		
Wyoming								
FAR WEST								
Alaska				X	X	X		
California			X		X	X	X	X
Hawaii	P	P	X		X	P		
Nevada			X	X	X	X	X	X
Oregon			X	P	X	X	X	X
Washington	P	P	X	N/A	N/A	N/A		
ALL STATES	14	16	31	29	40	40	15	22
District of Columbia				X	P	P		

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

Elementary and Secondary Education Notes

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

Alabama: Federal Funds received directly by local school systems are not reported at state budget level. Totals include capital expenditures.

California: The fiscal 2021 increase in Federal Funds is primarily due to one-time funds in response to the COVID-19 pandemic.

Colorado: School personnel are paid at the school district level — state costs for employer contributions to employee pensions and health benefits only reflect Colorado Dept. of Education personnel. The library category funds libraries and library-related programs across the state. Regarding capital expenditures, some funding for school facilities certificates of participation are included.

Indiana: For fiscal 2021, substantial growth in education spending is due primarily to a large \$600M one-time appropriation for Teachers' Retirement Fund pensions.

Maryland: The change in Federal Funds for FY 2019 represents a fix due to rounding error. The \$230 million increase in Elementary and Secondary Education General Funds from FY 2020 to FY 2021 is largely driven by education local aid formulas and a greater reliance on general funds. The \$2.3 billion increase in Elementary and Secondary Education Federal Funds from FY 2020 to FY 2021 is largely driven by additional funds provided by the federal government for relief dedicated for the school- and community-based recovery from the COVID-19 pandemic.

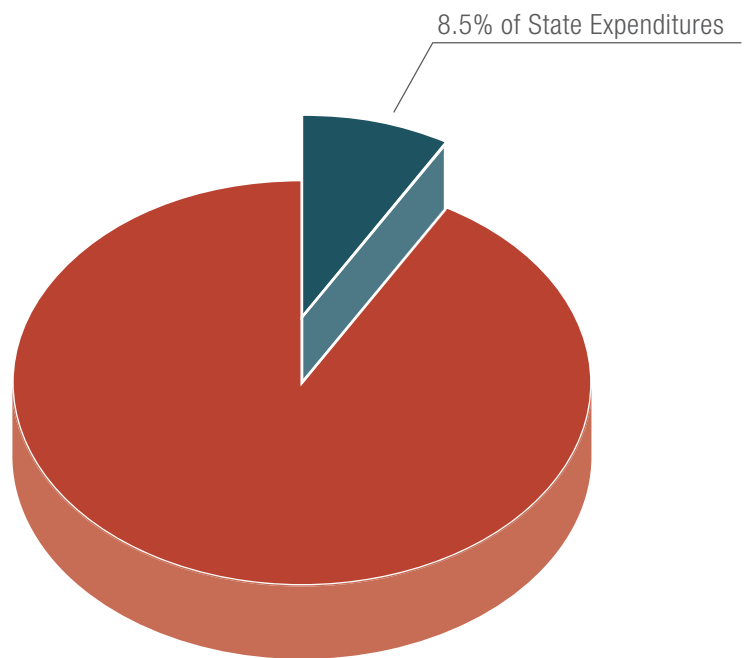
Ohio: Employer contributions to current employees' pensions are not directly appropriated, or fully funded, by the state; however, some of the unrestricted support provided to localities for elementary and secondary education is used to help cover these costs. There are no direct appropriations for employer contributions to health benefits, though it can be assumed that some of the unrestricted support provided for elementary and secondary education is used for these costs.

2

CHAPTER



HIGHER EDUCATION EXPENDITURES



Higher Education Expenditures

State higher education spending reflects financial support of public university systems, community colleges, career and technical education institutions, and student financial aid. In fiscal 2021, states spent an estimated \$225.3 billion on higher education, an increase of 3.4 percent over fiscal 2020. Spending from state funds (excluding bonds) grew 2.3 percent (including 4.0 percent growth in the general fund portion), while spending from federal funds grew by 12.6 percent. In fiscal 2020, states spent \$217.9 billion on higher education, an increase of 3.9 percent over fiscal 2019. Spending from state funds in fiscal 2020 increased 2.6 percent (including a 2.9 percent increase in general fund spending) and federal funds grew 13.3 percent.

Regarding state funds, due to the early impacts of COVID-19 on revenue forecasts, some states had started to pull back on some recent investments in higher education. Nine states reported general fund spending decreases in fiscal 2020, though not all reductions may be related to the effects of the pandemic. In fiscal 2021, 20 states reported estimated general fund expenditure reductions for higher education compared to fiscal 2020, though most of these decreases were small and possibly in part due to reduced enrollment. Meanwhile, 19 states in fiscal 2020 and 21 states in fiscal 2021 reported reductions in other state fund expenditures for higher education. These reductions likely reflect in large part lower revenues from tuition and fees and auxiliary services due to the impacts of the pandemic; most but not all states include spending from tuition and fees in their other state funds expenditure data.

The large increases in state higher education expenditures from federal funds over the past two years are driven by COVID-19 relief funding. States reported higher education expenditures from federal COVID-19 aid totaling \$11.1 billion so far (\$2.7 billion in fiscal 2020 and \$8.4 billion in fiscal 2021). These figures represent roughly 10 percent of higher education expenditures from federal funds in fiscal 2020 and 28 percent in fiscal 2021. Some of this aid may reflect funds from the Higher Education Emergency Relief Fund (HEERF) programs authorized by the CARES Act (HEERF I), CRRSAA (HEERF II), and ARPA (HEERF III), though since this program funding was sent directly to higher education institutions, it may not always show up in state expenditure data. Other sources of federal COVID-19 aid for higher education expenditures may include the Governor's Emergency Education Relief (GEER) fund, Coronavirus Relief Fund (CRF) and the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF).

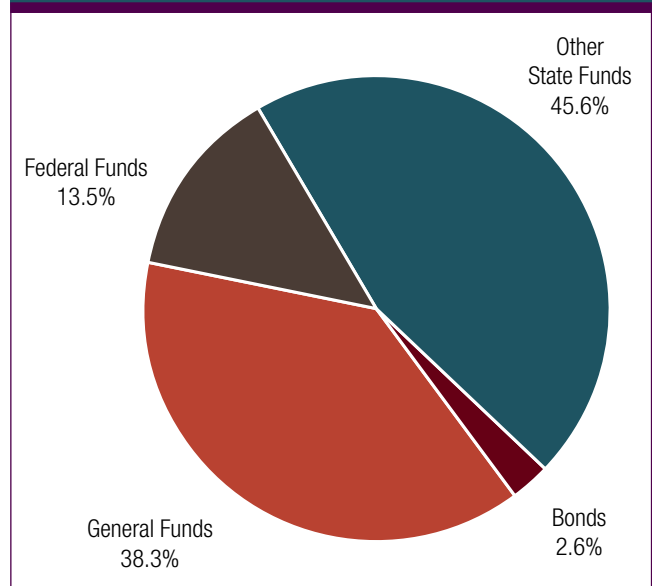
Higher Education as a Share of the Overall Budget

Higher education is the third largest spending category of state budgets, representing 8.5 percent of total state spending in fiscal 2021. This marks a considerable reduction from its share pre-pandemic in fiscal 2019, which was 10.0 percent. As is the case for K-12 education, this reduction is driven more by rapidly rising expenditures in other areas of the budget (namely the "All Other" category which includes human services and most pandemic-related expenditures) than by spending changes for higher education. As noted, overall state spending for higher education still increased in fiscal 2020 and fiscal 2021 despite the pandemic and its impacts on colleges and universities. As a share of overall general fund spending, state higher education expenditures have remained constant over fiscal 2019, fiscal 2020 and fiscal 2021 at 9.4 percent.

Composition of Fund Sources for State Higher Education Expenditures

General funds accounted for 38.3 percent of total state spending on higher education, other state funds (which include tuition and fees for most states) 45.6 percent, federal funds 13.5 percent, and bonds 2.6 percent in fiscal 2021 (see Figure 11 and Table 12). By comparison, in fiscal 2019, general funds comprised 38.4 percent, other state funds 47.4 percent, federal funds 11.3 per-

FIGURE 11
STATE EXPENDITURES FOR HIGHER EDUCATION BY FUND SOURCE, ESTIMATED FISCAL 2021



cent, and bonds 2.8 percent. This data illustrates how states' reliance on other state funds (which include tuition and fees in most cases) to support spending has reduced slightly, replaced with additional federal funds intended to support higher education institutions facing fiscal impacts from the pandemic.

Regional Expenditures

Table 11 shows regional percentage changes in expenditures for higher education for fiscal 2020 and fiscal 2021. In fiscal

2020, all regions recorded net increases in state funds, federal funds, and all funds spending levels for higher education. In fiscal 2021, all but the New England and Rocky Mountain regions recorded increases in all funds spending. Some regions reported extremely large percentage changes in federal funds spending on higher education; this reflects how some regions generally report low spending from federal funds (at least those that show up in this report), which means the influx of federal COVID-19 aid caused a much higher percentage change in those regions.

TABLE 11
REGIONAL PERCENTAGE CHANGE IN STATE HIGHER EDUCATION EXPENDITURES,
FISCAL 2020 AND 2021

Region	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	1.9 %	182.8 %	6.1 %	1.4 %	87.8 %	-0.5 %
Mid-Atlantic	0.2	10.3	0.7	5.0	31.1	6.2
Great Lakes	0.3	22.2	3.1	-0.2	12.1	0.6
Plains	0.1	14.6	1.7	4.6	13.8	5.3
Southeast	1.8	5.3	1.9	2.6	12.5	3.4
Southwest	5.9	16.2	8.0	0.1	23.6	5.8
Rocky Mountain	1.7	928.6	7.3	-9.0	-68.7	-11.8
Far West	6.8	7.6	7.1	4.6	-0.9	4.1
ALL STATES	2.6 %	13.3 %	3.9 %	2.3 %	12.6 %	3.4 %

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

Region/State	Actual Fiscal 2019					Actual Fiscal 2020					Estimated Fiscal 2021				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$654	\$15	\$2,635	\$28	\$3,332	\$667	\$25	\$2,655	\$277	\$3,624	\$748	\$55	\$2,573	\$18	\$3,394
Maine	310	0	9	2	321	324	0	7	8	339	325	9	6	14	354
Massachusetts	1,273	6	15	118	1,412	1,322	7	17	150	1,496	1,344	7	7	162	1,520
New Hampshire	132	0	0	6	138	155	0	0	12	167	146	0	0	2	148
Rhode Island	234	8	949	82	1,273	231	24	952	19	1,226	238	36	1,003	74	1,351
Vermont	88	0	6	4	98	93	26	4	1	124	122	47	3	3	175
MID-ATLANTIC															
Delaware	249	50	112	9	420	262	50	115	15	442	261	75	124	23	483
Maryland	1,995	1,026	3,688	348	7,057	2,106	1,079	3,540	326	7,051	2,115	1,270	3,700	401	7,486
New Jersey	2,558	8	3,159	0	5,725	2,395	75	3,719	0	6,189	2,709	262	3,689	0	6,660
New York	2,981	357	7,006	645	10,989	2,365	355	7,226	694	10,640	3,317	476	7,037	544	11,374
Pennsylvania	1,717	0	101	189	2,007	1,800	30	77	163	2,070	1,800	0	35	189	2,024
GREAT LAKES															
Illinois	1,763	159	116	35	2,073	1,943	346	161	0	2,450	1,973	351	171	0	2,495
Indiana	1,970	2	16	0	1,988	2,067	1	12	0	2,080	2,006	13	11	0	2,030
Michigan	1,203	105	908	187	2,403	1,374	326	564	253	2,517	1,368	144	797	145	2,454
Ohio*	2,588	20	28	260	2,896	2,606	20	23	257	2,906	2,684	326	23	197	3,230
Wisconsin	1,789	1,665	3,748	0	7,202	1,752	1,692	3,674	0	7,118	1,839	1,839	3,282	0	6,960
PLAINS															
Iowa	828	457	5,031	0	6,316	866	506	5,112	0	6,484	858	494	5,148	0	6,500
Kansas	794	368	1,740	79	2,981	843	477	1,674	80	3,074	828	490	1,778	83	3,179
Minnesota	1,642	3	44	131	1,820	1,693	4	48	170	1,915	1,708	6	50	81	1,845
Missouri	858	0	250	8	1,116	807	50	217	3	1,077	820	146	286	1	1,253
Nebraska	746	554	1,653	0	2,953	667	572	1,684	0	2,923	803	588	1,696	0	3,087
North Dakota	377	115	773	22	1,287	392	108	768	5	1,273	417	215	1,047	81	1,760
South Dakota	242	73	506	4	825	271	83	461	24	839	369	109	403	8	889
SOUTHEAST															
Alabama*	1,655	1,129	3,137	8	5,929	1,770	1,286	3,215	6	6,277	1,824	1,197	3,075	21	6,117
Arkansas	806	7	3,056	0	3,869	776	7	3,019	0	3,802	760	7	3,025	0	3,792
Florida	4,583	100	3,423	96	8,202	4,594	100	3,410	29	8,133	4,599	118	3,530	5	8,252
Georgia	2,427	246	5,614	490	8,777	2,518	227	5,778	295	8,818	2,837	199	7,272	350	10,658
Kentucky	1,132	624	4,343	0	6,099	1,139	668	4,440	0	6,247	1,127	870	4,708	0	6,705
Louisiana	1,030	62	1,698	53	2,843	1,064	49	1,801	34	2,948	994	74	1,891	135	3,094
Mississippi	787	173	2,898	77	3,935	818	243	2,887	145	4,093	800	235	3,121	60	4,216
North Carolina	4,283	2,772	2,437	268	9,760	4,306	2,846	2,471	375	9,998	4,337	3,159	2,757	337	10,590
South Carolina	710	145	4,396	130	5,381	767	143	4,396	94	5,400	792	176	4,155	43	5,166
Tennessee	2,109	72	2,767	0	4,948	2,268	73	2,775	0	5,116	2,125	109	2,589	55	4,878
Virginia	1,993	914	4,276	796	7,979	2,080	946	4,405	801	8,232	2,258	1,309	4,099	733	8,399
West Virginia	472	254	2,018	2	2,746	472	254	2,018	2	2,746	438	243	1,727	2	2,410
SOUTHWEST															
Arizona	760	994	4,464	83	6,301	849	1,026	4,924	83	6,882	784	1,125	4,658	83	6,650
New Mexico	517	363	1,937	59	2,876	550	365	2,047	50	3,012	898	614	1,503	60	3,075
Oklahoma	658	931	3,877	11	5,477	661	936	3,897	11	5,505	615	944	3,905	123	5,587
Texas	6,643	4,356	5,877	0	16,876	7,098	5,391	6,155	0	18,644	7,564	6,857	6,280	0	20,701
ROCKY MOUNTAIN															
Colorado	1,082	23	2,896	644	4,645	1,209	476	2,875	686	5,246	613	26	2,745	673	4,057
Idaho	432	5	308	0	745	439	6	297	0	742	434	112	22	0	568
Montana	227	11	422	0	660	239	11	423	0	673	245	11	430	0	686
Utah	1,321	9	854	0	2,184	1,183	10	1,011	0	2,204	1,461	8	1,017	0	2,486
Wyoming	340	1	95	0	436	340	1	95	0	436	320	1	90	0	411
FAR WEST															
Alaska	343	125	325	0	793	314	140	296	0	750	290	239	354	0	883
California	15,621	5,406	41	418	21,486	16,431	5,811	87	501	22,830	17,372	5,566	180	685	23,803
Hawaii	506	9	557	124	1,196	521	10	539	138	1,208	520	9	661	122	1,312
Nevada	622	3	403	6	1,034	685	3	360	0	1,048	694	3	371	0	1,068
Oregon	927	41	197	197	1,362	1,168	42	217	181	1,608	989	44	977	147	2,157
Washington	1,652	4	4,708	214	6,578	1,738	4	5,311	248	7,301	1,865	97	4,679	299	6,940
TOTAL	\$80,629	\$23,770	\$99,517	\$5,833	\$209,749	\$82,998	\$26,930	\$101,859	\$6,136	\$217,923	\$86,353	\$30,310	\$102,690	\$5,959	\$225,312
District of Columbia	89	19	65	15	188	89	20	48	61	218					

Financing Issues

Higher education represents the third largest component of total state spending and is also the third largest component of general fund spending. However, higher education expenditures have been shrinking as a share of general fund spending in recent decades, as spending in other program areas, particularly Medicaid, have been on the rise. For example, in fiscal 1995, higher education comprised 12.9 percent of general fund spending, while in fiscal 2021, higher education spending made up an estimated 9.4 percent of general fund expenditures. Over that same period, Medicaid went from representing 14.4 percent of general fund spending to 17.8 percent. Also over this period, general funds went from making up 58.2 percent of total state spending on higher education in fiscal 1995 to 38.3 percent in fiscal 2021. This has caused the “Other State Funds” source (which includes tuition and fees for the majority of states) to surpass the general fund as the largest funding source for state spending on higher education, making up 45.6 percent of total state higher education expenditures in fiscal 2021. These trends reflect how an increasing share of the cost burden of higher education has been placed on students through higher tuition and fees over the past several decades.

That said, these trends in recent years have shown signs of slowing or perhaps even reversing somewhat as states pay increased attention to improving college affordability. According to the *College Board's Trends in College Pricing and Student Aid 2021* report, state and local funding per student increased for the eighth consecutive year in 2019–2020 (in inflation-adjusted dollars). After adjusting for inflation, total state and local funding in 2019–2020 was 2.0 percent higher than levels in 2007–2008, just before the Great Recession hit, though funding per student was lower over that same time period due to enrollment increases over the last decade. Meanwhile, the latest State Higher Education Finance report from the State Higher Education Executive Officers Association (SHEEO) found that public higher education appropriations per full-time equivalent (FTE) student increased in fiscal 2020 by 2.9 percent above inflation. Meanwhile, SHEEO reported net tuition revenue per FTE declined for the second consecutive year by 1.0 percent in fiscal 2020, while state financial aid per FTE increased 7.0 percent to reach an all-time high of \$830 per FTE.

The COVID–19 recession had unique financial impacts on the public higher education sector that diverge from the experiences of past recessions. During prior economic downturns, postsecondary enrollment and tuition revenue have tended to increase while state funding has been cut. In contrast, higher education institutions have generally experienced declining enrollment—and corresponding decreases in tuition and fee revenue—during the pandemic. While some states cut higher education funding in response to the pandemic’s impacts, recent improvement in state fiscal conditions coupled with an influx of federal aid may help alleviate some pressure on higher education budgets, at least temporarily, though the sector still faces some uncertainty going forward.

Capital Spending

State expenditures for higher education-related construction, renovation and other capital projects totaled an estimated \$13.0 billion in fiscal 2021, compared to \$13.4 billion in fiscal 2020 and \$14.0 billion in fiscal 2019 (see Table 50). State-specific spending on capital projects has historically fluctuated from year-to-year due to the multi-year spending timeline of the projects.

Higher Education — Expenditure Exclusions

When comparing resources spent on higher education, it is important to understand the types of programs states exclude from these figures, either because the funding totals for such programs are not included in the data reported for the higher education chapter, or because the state does not provide funding for that service or program. In calculating higher education expenditures for this report, 16 states wholly or partially excluded tuition and fees, and 22 states wholly or partially excluded student loan programs. Additionally, other items that are wholly or partially excluded include: university research grants (31 states); vocational education (20); assistance to private colleges or universities (27); and employer contributions to pensions (15) and health benefits (15). Table 15 lists programs excluded from the expenditure data by state. Summary expenditure data can be found in Tables 12 through 14, accompanied by explanatory notes.

TABLE 13
HIGHER EDUCATION EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2019	Fiscal 2020	Fiscal 2021
NEW ENGLAND			
Connecticut	9.7 %	10.6 %	9.5 %
Maine	3.6	3.2	2.9
Massachusetts	2.4	2.4	2.2
New Hampshire	2.2	2.4	2.0
Rhode Island	13.1	10.7	8.9
Vermont	1.7	2.0	2.4
MID-ATLANTIC			
Delaware	3.7	3.7	3.6
Maryland	15.6	14.5	13.3
New Jersey	8.9	9.3	8.9
New York	6.4	6.2	6.1
Pennsylvania	2.2	2.2	2.0
GREAT LAKES			
Illinois	2.9	3.1	2.9
Indiana	5.8	5.5	4.5
Michigan	4.0	4.0	3.4
Ohio	4.1	3.9	4.0
Wisconsin	14.3	13.7	11.7
PLAINS			
Iowa	26.9	24.9	23.6
Kansas	17.6	15.8	15.0
Minnesota	4.5	4.5	3.7
Missouri	4.2	3.9	4.2
Nebraska	24.4	22.7	20.5
North Dakota	20.1	18.0	20.9
South Dakota	18.4	17.3	13.2
SOUTHEAST			
Alabama	20.5	19.8	19.3
Arkansas	15.0	13.7	12.1
Florida	9.9	9.5	8.9
Georgia	15.4	14.5	18.5
Kentucky	18.2	16.3	15.9
Louisiana	9.7	9.5	8.2
Mississippi	20.5	20.5	18.1
North Carolina	16.8	16.2	17.7
South Carolina	20.6	20.0	17.5
Tennessee	14.6	14.2	10.5
Virginia	14.4	12.8	11.2
West Virginia	15.3	14.8	12.6
SOUTHWEST			
Arizona	16.3	16.9	14.7
New Mexico	14.7	13.5	12.1
Oklahoma	23.0	22.2	20.1
Texas	13.8	13.7	14.5
ROCKY MOUNTAIN			
Colorado	15.5	14.7	11.0
Idaho	6.8	6.3	3.7
Montana	9.2	8.1	6.2
Utah	13.2	12.1	10.5
Wyoming	9.3	9.3	8.7
FAR WEST			
Alaska	7.1	6.3	5.9
California	7.2	6.4	4.6
Hawaii	7.7	6.7	5.4
Nevada	6.4	7.0	6.6
Oregon	3.2	3.3	3.6
Washington	13.0	13.4	11.2
ALL STATES	10.0 %	9.5 %	8.5 %

TABLE 14
ANNUAL PERCENTAGE CHANGE IN HIGHER EDUCATION EXPENDITURES

Region/State	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	1.0 %	66.7 %	8.8 %	0.0 %	120.0 %	-6.3 %
Maine	3.8	—	5.6	0.0	—	4.4
Massachusetts	4.0	16.7	5.9	0.9	0.0	1.6
New Hampshire	17.4	—	21.0	-5.8	—	-11.4
Rhode Island	0.0	200.0	-3.7	4.9	50.0	10.2
Vermont	3.2	—	26.5	28.9	80.8	41.1
MID-ATLANTIC						
Delaware	4.4	0.0	5.2	2.1	50.0	9.3
Maryland	-0.7	5.2	-0.1	3.0	17.7	6.2
New Jersey	6.9	837.5	8.1	4.6	249.3	7.6
New York	-4.0	-0.6	-3.2	8.0	34.1	6.9
Pennsylvania	3.2	—	3.1	-2.2	-100.0	-2.2
GREAT LAKES						
Illinois	12.0	117.6	18.2	1.9	1.4	1.8
Indiana	4.7	-50.0	4.6	-3.0	1,200.0	-2.4
Michigan	-8.2	210.5	4.7	11.7	-55.8	-2.5
Ohio	0.5	0.0	0.3	3.0	1,530.0	11.1
Wisconsin	-2.0	1.6	-1.2	-5.6	8.7	-2.2
PLAINS						
Iowa	2.0	10.7	2.7	0.5	-2.4	0.2
Kansas	-0.7	29.6	3.1	3.5	2.7	3.4
Minnesota	3.3	33.3	5.2	1.0	50.0	-3.7
Missouri	-7.6	—	-3.5	8.0	192.0	16.3
Nebraska	-2.0	3.2	-1.0	6.3	2.8	5.6
North Dakota	0.9	-6.1	-1.1	26.2	99.1	38.3
South Dakota	-2.1	13.7	1.7	5.5	31.3	6.0
SOUTHEAST						
Alabama	4.0	13.9	5.9	-1.7	-6.9	-2.5
Arkansas	-1.7	0.0	-1.7	-0.3	0.0	-0.3
Florida	0.0	0.0	-0.8	1.6	18.0	1.5
Georgia	3.2	-7.7	0.5	21.9	-12.3	20.9
Kentucky	1.9	7.1	2.4	4.6	30.2	7.3
Louisiana	5.0	-21.0	3.7	0.7	51.0	5.0
Mississippi	0.5	40.5	4.0	5.8	-3.3	3.0
North Carolina	0.8	2.7	2.4	4.7	11.0	5.9
South Carolina	1.1	-1.4	0.4	-4.2	23.1	-4.3
Tennessee	3.4	1.4	3.4	-6.5	49.3	-4.7
Virginia	3.4	3.5	3.2	-2.0	38.4	2.0
West Virginia	0.0	0.0	0.0	-13.1	-4.3	-12.2
SOUTHWEST						
Arizona	10.5	3.2	9.2	-5.7	9.6	-3.4
New Mexico	5.8	0.6	4.7	-7.5	68.2	2.1
Oklahoma	0.5	0.5	0.5	-0.8	0.9	1.5
Texas	5.9	23.8	10.5	4.5	27.2	11.0
ROCKY MOUNTAIN						
Colorado	2.7	1,969.6	12.9	-17.8	-94.5	-22.7
Idaho	-0.5	20.0	-0.4	-38.0	1,766.7	-23.5
Montana	2.0	0.0	2.0	2.0	0.0	1.9
Utah	0.9	11.1	0.9	12.9	-20.0	12.8
Wyoming	0.0	0.0	0.0	-5.7	0.0	-5.7
FAR WEST						
Alaska	-8.7	12.0	-5.4	5.6	70.7	17.7
California	5.5	7.5	6.3	6.3	-4.2	4.3
Hawaii	-0.3	11.1	1.0	11.4	-10.0	8.6
Nevada	2.0	0.0	1.4	1.9	0.0	1.9
Oregon	23.2	2.4	18.1	41.9	4.8	34.1
Washington	10.8	0.0	11.0	-7.2	2,325.0	-4.9
ALL STATES	2.6 %	13.3 %	3.9 %	2.3 %	12.6 %	3.4 %
MEDIAN	1.9	3.2	2.9	1.9	14.3	2.1

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

TABLE 15
ITEMS EXCLUDED FROM HIGHER EDUCATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Tuition and Fees	Student Loan Programs	University Research Grants	Vocational Education	Assistance To Private Colleges & Universities
NEW ENGLAND							
Connecticut	P	P		P	X	X	P
Maine	P	P	P				N/A
Massachusetts	P	P	P	X		P	
New Hampshire	N/A	N/A	N/A	N/A	P		X
Rhode Island				P		P	P
Vermont	N/A	N/A	N/A	N/A	N/A	X	
MID-ATLANTIC							
Delaware			X		X	X	X
Maryland							
New Jersey					X	X	
New York	P	P			P	P	P
Pennsylvania	P	P		P	X	X	
GREAT LAKES							
Illinois	P	P	X	P	P		P
Indiana	P	P	X		X	P	N/A
Michigan	P	P	N/A	N/A	P		
Ohio*			N/A	N/A	N/A	P	N/A
Wisconsin					N/A		N/A
PLAINS							
Iowa							
Kansas							
Minnesota	P	P	X	X	X	X	X
Missouri	X	X	X		X	X	X
Nebraska			N/A	N/A	N/A		X
North Dakota						X	
South Dakota							X
SOUTHEAST							
Alabama							
Arkansas					P		
Florida			P		X		
Georgia				X	P		
Kentucky							
Louisiana					P		
Mississippi							N/A
North Carolina							
South Carolina							
Tennessee				N/A	X		
Virginia				X			
West Virginia				X	P	P	
SOUTHWEST							
Arizona			X		X		X
New Mexico							N/A
Oklahoma				P	P	P	P
Texas							
ROCKY MOUNTAIN							
Colorado	P	P					N/A
Idaho				X	X	X	N/A
Montana				X	X		
Utah					N/A		N/A
Wyoming							
FAR WEST							
Alaska							X
California			X		P	P	P
Hawaii	P	P		X	X	X	X
Nevada				X	X	X	X
Oregon	P	P	P	P	P	P	P
Washington				N/A	X		N/A
ALL STATES	15	15	16	22	31	20	27
District of Columbia							

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

Higher Education Notes

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

Alabama: Capital expenditures are not captured/available at state budget level. Reported Bond Funds for Higher Ed represent bond proceeds paid directly to vendors by the State's Debt Management division.

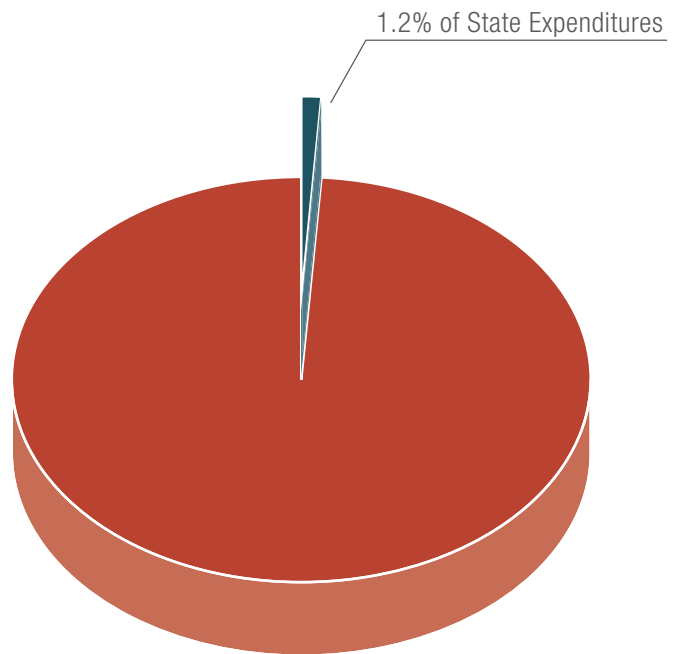
Ohio: Employer contributions to current employees' pensions and employer contributions to employee health benefits are not direct expenditures of the state; however, some of the unrestricted support provided to higher education institutions can be assumed to have been used to help cover these costs. The majority of career-technical education/vocational education is funded through appropriations made to the Ohio Department of Education for career-technical/vocational education for students starting as early as the 7th grade. Ohio provides assistance to private colleges and universities through financial aid to students with the greatest need through the Ohio College Opportunity Grant (OCOG). Students attending private colleges and universities are eligible to receive OCOG.

3

CHAPTER



PUBLIC ASSISTANCE EXPENDITURES



Public Assistance Expenditures

This chapter contains data primarily on the Temporary Assistance for Needy Families (TANF) program and other cash assistance programs. Spending for these categories totaled \$31.5 billion in fiscal 2021 and represented 1.2 percent of total state expenditures. Public assistance spending from all funds increased by \$6.5 billion or 25.7 percent from fiscal 2020 to fiscal 2021, with spending from state funds increasing by \$2.3 billion, or 22.5 percent and spending from federal funds increasing by \$4.2 billion, or 27.9 percent. On a median basis, total public assistance spending grew 9.7 percent with federal funds growing 5.2 percent and state funds increasing by 0.7 percent from fiscal 2020 to fiscal 2021. The primary sources of public assistance funding for fiscal 2021 are federal funds, providing 60.7 percent, followed by general funds at 29.7 percent and other states funds at 9.6 percent (see Figure 12).

Spending on public assistance from all funds increased 5.5 percent from fiscal 2019 to fiscal 2020 to total \$25.1 billion. State funds increased 0.7 percent and federal funds increased 9.0 percent. Looking at the figures on a median basis, total spending in fiscal 2020 increased 2.1 percent with state funds level and federal funds increasing by 3.1 percent. The timing of expenditures may vary from year to year and may not reflect underlying program activity in a given year. Large swings in some states, often due in part to timing and reporting issues, can substantially affect average spending growth rates. Increases in public assistance spending in both fiscal 2020 and fiscal 2021 were heavily driven by additional federal COVID-19 aid, with states reporting \$4.8 billion in federal COVID-19 aid for public assistance in fiscal 2020, and an estimated \$11.0 billion in fiscal 2021.

Programs in the “other cash assistance” category, which includes optional state programs for Supplemental Security Income (SSI) and General Assistance (GA), are not funded in all states, and when funded, are relatively small programs.

TANF

The Temporary Assistance for Needy Families (TANF) Program is a block grant to states, territories, and eligible tribes to provide assistance to low-income families and support a range of services to improve employment and other child and family outcomes. States have broad flexibility in how they spend their

TANF and maintenance-of-effort (MOE) funds and they report their expenditures quarterly to the federal Administration for Children and Families (ACF). States are also required to contribute from their own funds, in total, at least \$10.3 billion annually under the MOE requirement.

TANF was reauthorized through September 2010 under the Deficit Reduction Act of 2005. Since then, Congress has continued funding the program through short-term extensions, often through continuing resolutions, and the program is currently funded through a continuing resolution.

The program includes specific definitions of work, work verification requirements, and penalties if states do not meet the requirements. Because of these changes, most states must significantly increase work participation rates. Nationwide, in fiscal 2020 the overall work participation rate was 39.6 percent, while the two-parent rate was 46.9 percent.

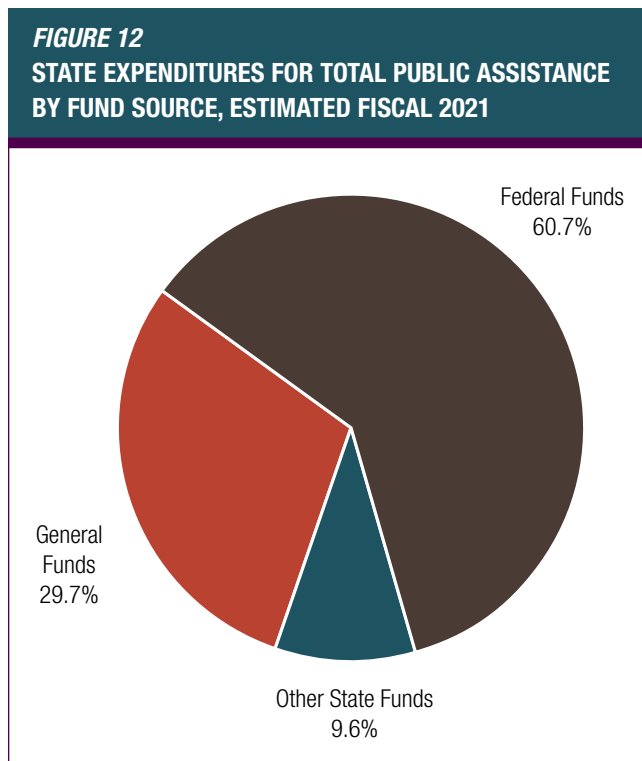
This report primarily has information on the cash assistance benefit levels within the programs and in most cases does not reflect total TANF spending. Based on the most recent data from the federal Administration for Children and Families, in federal fiscal year 2020, states spent a total of \$31.6 billion in TANF and maintenance-of-effort (MOE) funds and transfers. Cash assistance payments under TANF comprise approximately 22.3 percent of total TANF spending, with 9.7 percent used for work, education and training activities, 12.0 percent used for childcare, 8.5 percent used for pre-K and Head Start, and 5.7 percent used for child welfare services. Families that have received federally funded assistance under TANF for five cumulative years are not eligible for federally funded assistance, though states have considerable flexibility in determining how time limits apply to individual families.

Since welfare reform was initially passed in 1996, states have focused on providing supportive services for families to achieve self-sufficiency. Additionally, since 1996, caseloads have declined significantly. The average monthly number of recipients fell from 12.8 million prior to the enactment of TANF to 2.0 million in 2020.

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

Fund Shares

Figure 12 below provides fund shares for fiscal 2021.



Regional Expenditures

Table 16 shows regional percentage changes in expenditures for total cash assistance for fiscal 2019–2020 and 2020–2021 by region. In estimated fiscal 2021, all regions but the Great Lakes had an increase in total cash assistance, while in fiscal 2020, the Mid-Atlantic, Rocky Mountain, and Far West regions experienced declines.

Expenditures for Temporary Assistance for Needy Families (TANF) Program

State and federal funds for TANF expenditures totaled \$16 billion in fiscal 2021, an increase of 8.5 percent from 2020 to 2021 (see Table 23). State funds increased 29.5 percent and federal funds declined 0.1 percent. Cash assistance payments under TANF comprise 22.3 percent of total TANF spending. For fiscal 2020, total spending for TANF cash assistance expenditures increased 1.6 percent to \$14.8 billion, with state funds decreasing 1.0 percent and federal spending increasing 2.7 percent. The timing of expenditures may vary from year to year and may not reflect underlying program activity in a given year. Large swings in some states, often due in part to timing and reporting issues, can substantially affect average spending growth rates and therefore looking at spending over several years may better reflect underlying program activity.

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

The *American Rescue Plan Act of 2021 (ARPA)* included \$1 billion in Pandemic Emergency Assistance Funds to allow states, territories, and tribes to provide additional non-recurrent short-term benefits to families with children through September 2022. States reported \$323 million in federal COVID-19 aid for TANF in fiscal 2020 and \$812 million in fiscal 2021.

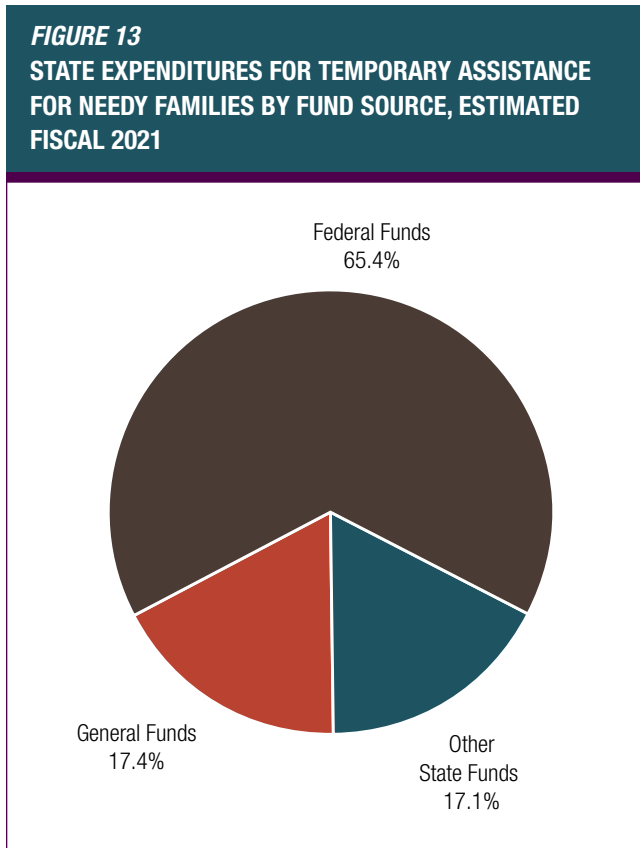
Expenditure data for TANF cash assistance can be found on Tables 21–23.

TABLE 16
REGIONAL PERCENTAGE CHANGE IN STATE TOTAL CASH ASSISTANCE EXPENDITURES,
FISCAL 2020 AND 2021

Region	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	4.8 %	-6.5 %	2.6 %	2.4 %	93.4 %	18.5 %
Mid-Atlantic	0.9	-2.1	-1.4	20.3	29.9	27.5
Great Lakes	6.1	6.8	6.5	21.6	-19.4	-5.8
Plains	1.0	-0.6	0.2	29.1	13.8	21.1
Southeast	3.5	19.9	15.9	-3.8	31.3	23.7
Southwest	10.0	438.5	287.7	1.5	156.0	140.5
Rocky Mountain	2.2	-0.9	-0.2	3.2	-0.3	0.5
Far West	-1.2	-1.3	-1.2	30.9	2.5	17.7
ALL STATES	0.7 %	9.0 %	5.5 %	22.5 %	27.9 %	25.7 %

Fund Shares

Figure 13 provides fund shares for fiscal 2021.



Regional Expenditures

Table 17 shows percentage changes in expenditures for TANF cash assistance for fiscal 2019–2020 and 2020–2021 by region.

Expenditures for Other Cash Assistance

The second component of cash assistance for public welfare is other cash assistance, including state participation in the Supplemental Security Income (SSI) program, which pays benefits to disabled adults and children, General Assistance (GA), and emergency assistance. Each state determines the structure of its own program, resulting in significant variations in programs and funding. Some have statewide uniform eligibility rules while others simply require some form of county participation. Thirty-three states spend some amount on other cash assistance.

Other cash assistance programs accounted for 0.6 percent of total state spending in fiscal 2021. States spent \$15.5 billion for other cash assistance, with 44.1 percent of that amount funded from state funds in fiscal 2021.

States reported \$4.5 billion in COVID–19 federal relief aid for other cash assistance in fiscal 2020 and \$10.2 billion in fiscal 2021. This may include emergency cash assistance, low-income energy assistance, and other one-time payments due to the impact of the pandemic.

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

TABLE 17
REGIONAL PERCENTAGE CHANGE IN STATE TANF EXPENDITURES, FISCAL 2020 AND 2021

Region	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	8.4 %	-13.0 %	3.5 %	-2.5 %	-5.6 %	-3.1 %
Mid-Atlantic	-11.1	-12.6	-12.5	39.6	-6.3	-3.9
Great Lakes	8.5	7.1	7.5	27.4	-20.0	-7.5
Plains	7.0	-3.4	-0.4	43.8	8.0	19.2
Southeast	1.6	20.9	17.8	-5.6	23.9	19.7
Southwest	15.0	14.6	14.7	2.2	-3.9	-2.0
Rocky Mountain	6.3	-3.0	-1.9	-2.9	-4.4	-4.2
Far West	-5.1	9.8	3.2	43.2	-2.5	16.1
ALL STATES	-1.0 %	2.7 %	1.6 %	29.5 %	-0.1 %	8.5 %

TABLE 18
TOTAL PUBLIC ASSISTANCE EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2019				Actual Fiscal 2020				Estimated Fiscal 2021			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut	\$385	\$0	\$0	\$385	\$381	\$0	\$0	\$381	\$371	\$0	\$0	\$371
Maine	32	68	93	193	43	57	100	200	46	76	98	220
Massachusetts	513	2	0	515	548	1	0	549	529	222	0	751
New Hampshire	56	47	0	103	61	38	0	99	55	28	0	83
Rhode Island	30	92	0	122	29	89	0	118	28	72	0	100
Vermont	22	66	4	92	21	72	7	100	29	99	62	190
MID-ATLANTIC												
Delaware	19	1	2	22	18	2	1	21	15	2	2	19
Maryland*	42	992	9	1,043	44	1,336	14	1,394	128	2,607	33	2,768
New Jersey	137	41	0	178	144	47	0	191	144	100	0	244
New York	1,038	3,088	0	4,126	1,065	2,622	0	3,687	1,268	2,240	0	3,508
Pennsylvania	263	520	2	785	237	536	2	775	243	952	2	1,197
GREAT LAKES												
Illinois	105	0	0	105	134	0	0	134	185	0	0	185
Indiana*	21	173	0	194	20	153	0	173	20	115	0	135
Michigan	98	70	14	182	117	71	12	200	143	77	13	233
Ohio	149	670	0	819	134	751	0	885	144	595	0	739
Wisconsin	63	3	9	75	61	3	9	73	78	1	9	88
PLAINS												
Iowa	45	39	8	92	48	35	5	88	47	72	18	137
Kansas	0	12	0	12	0	13	0	13	0	12	0	12
Minnesota	170	186	0	356	185	172	0	357	252	178	0	430
Missouri	35	70	31	136	30	84	25	139	31	92	35	158
Nebraska	12	28	0	40	9	31	0	40	11	28	0	39
North Dakota	0	4	0	4	0	2	2	4	0	3	1	4
South Dakota	9	10	0	19	9	10	0	19	9	10	0	19
SOUTHEAST												
Alabama	0	23	0	23	0	31	0	31	0	29	0	29
Arkansas	147	293	38	478	158	321	43	522	143	609	46	798
Florida	127	17	0	144	120	23	0	143	103	30	0	133
Georgia	0	317	0	317	0	317	0	317	0	327	0	327
Kentucky	55	190	0	245	52	190	0	242	50	163	0	213
Louisiana	0	115	0	115	0	142	0	142	0	169	0	169
Mississippi	25	729	4	758	24	800	5	829	23	1,046	1	1,070
North Carolina	58	44	58	160	58	44	58	160	58	38	58	154
South Carolina	35	42	1	78	26	56	1	83	30	57	4	91
Tennessee	13	39	0	52	3	75	0	78	4	101	0	105
Virginia	43	85	0	128	78	267	0	345	81	427	0	508
West Virginia	28	68	0	96	28	86	0	114	28	92	0	120
SOUTHWEST												
Arizona	0	20	0	20	0	21	0	21	0	21	0	21
New Mexico	1	130	0	131	1	1,089	0	1,090	1	2,979	0	2,980
Oklahoma	78	64	0	142	87	75	0	162	84	41	0	125
Texas	41	7	0	48	44	5	0	49	49	5	0	54
ROCKY MOUNTAIN												
Colorado	14	255	31	300	14	261	31	306	19	279	31	329
Idaho	16	1	0	17	15	2	0	17	16	0	0	16
Montana	12	20	0	32	13	16	0	29	11	12	0	23
Utah	19	56	0	75	21	50	0	71	20	37	0	57
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	63	16	0	79	59	53	0	112	64	64	0	128
California	3,285	4,775	2,269	10,329	3,370	4,710	2,095	10,175	4,619	4,762	2,608	11,989
Hawaii	45	10	0	55	50	11	0	61	54	21	0	75
Nevada	20	20	0	40	25	16	0	41	25	20	0	45
Oregon	45	93	2	140	57	62	2	121	50	74	2	126
Washington	51	130	0	181	55	126	0	181	55	162	0	217
TOTAL	\$7,465	\$13,741	\$2,575	\$23,781	\$7,696	\$14,974	\$2,412	\$25,082	\$9,363	\$19,146	\$3,023	\$31,532
District of Columbia	76	100	1	177	72	31	1	104				

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

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

Region/State	Fiscal 2019	Fiscal 2020	Fiscal 2021
NEW ENGLAND			
Connecticut	1.1 %	1.1 %	1.0 %
Maine	2.2	1.9	1.8
Massachusetts	0.9	0.9	1.1
New Hampshire	1.7	1.4	1.1
Rhode Island	1.3	1.0	0.7
Vermont	1.6	1.6	2.6
MID-ATLANTIC			
Delaware	0.2	0.2	0.1
Maryland	2.3	2.9	4.9
New Jersey	0.3	0.3	0.3
New York	2.4	2.1	1.9
Pennsylvania	0.9	0.8	1.2
GREAT LAKES			
Illinois	0.1	0.2	0.2
Indiana	0.6	0.5	0.3
Michigan	0.3	0.3	0.3
Ohio	1.2	1.2	0.9
Wisconsin	0.1	0.1	0.1
PLAINS			
Iowa	0.4	0.3	0.5
Kansas	0.1	0.1	0.1
Minnesota	0.9	0.8	0.9
Missouri	0.5	0.5	0.5
Nebraska	0.3	0.3	0.3
North Dakota	0.1	0.1	0.0
South Dakota	0.4	0.4	0.3
SOUTHEAST			
Alabama	0.1	0.1	0.1
Arkansas	1.9	1.9	2.6
Florida	0.2	0.2	0.1
Georgia	0.6	0.5	0.6
Kentucky	0.7	0.6	0.5
Louisiana	0.4	0.5	0.4
Mississippi	4.0	4.2	4.6
North Carolina	0.3	0.3	0.3
South Carolina	0.3	0.3	0.3
Tennessee	0.2	0.2	0.2
Virginia	0.2	0.5	0.7
West Virginia	0.5	0.6	0.6
SOUTHWEST			
Arizona	0.1	0.1	0.0
New Mexico	0.7	4.9	11.8
Oklahoma	0.6	0.7	0.5
Texas	0.0	0.0	0.0
ROCKY MOUNTAIN			
Colorado	1.0	0.9	0.9
Idaho	0.2	0.1	0.1
Montana	0.4	0.3	0.2
Utah	0.5	0.4	0.2
Wyoming	0.0	0.0	0.0
FAR WEST			
Alaska	0.7	0.9	0.9
California	3.4	2.8	2.3
Hawaii	0.4	0.3	0.3
Nevada	0.2	0.3	0.3
Oregon	0.3	0.2	0.2
Washington	0.4	0.3	0.4
ALL STATES	1.1 %	1.1 %	1.2 %

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

TABLE 20

ANNUAL PERCENTAGE CHANGE IN TOTAL PUBLIC ASSISTANCE EXPENDITURES

Region/State	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	-1.0 %	— %	-1.0 %	-2.6 %	— %	-2.6 %
Maine	14.4	-16.2	3.6	0.7	33.3	10.0
Massachusetts	6.8	-50.0	6.6	-3.5	22,100.0	36.8
New Hampshire	8.9	-19.1	-3.9	-9.8	-26.3	-16.2
Rhode Island	-3.3	-3.3	-3.3	-3.4	-19.1	-15.3
Vermont	7.7	9.1	8.7	225.0	37.5	90.0
MID-ATLANTIC						
Delaware	-9.5	100.0	-4.5	-10.5	0.0	-9.5
Maryland	13.7	34.7	33.7	177.6	95.1	98.6
New Jersey	5.1	14.6	7.3	0.0	112.8	27.7
New York	2.6	-15.1	-10.6	19.1	-14.6	-4.9
Pennsylvania	-9.8	3.1	-1.3	2.5	77.6	54.5
GREAT LAKES						
Illinois	27.6	—	27.6	38.1	—	38.1
Indiana	-4.8	-11.6	-10.8	0.0	-24.8	-22.0
Michigan	15.2	1.4	9.9	20.9	8.5	16.5
Ohio	-10.1	12.1	8.1	7.5	-20.8	-16.5
Wisconsin	-2.8	0.0	-2.7	24.3	-66.7	20.5
PLAINS						
Iowa	0.0	-10.3	-4.3	22.6	105.7	55.7
Kansas	—	8.3	8.3	—	-7.7	-7.7
Minnesota	8.8	-7.5	0.3	36.2	3.5	20.4
Missouri	-16.7	20.0	2.2	20.0	9.5	13.7
Nebraska	-25.0	10.7	0.0	22.2	-9.7	-2.5
North Dakota	—	-50.0	0.0	-50.0	50.0	0.0
South Dakota	0.0	0.0	0.0	0.0	0.0	0.0
SOUTHEAST						
Alabama	—	34.8	34.8	—	-6.5	-6.5
Arkansas	8.6	9.6	9.2	-6.0	89.7	52.9
Florida	-5.5	35.3	-0.7	-14.2	30.4	-7.0
Georgia	—	0.0	0.0	—	3.2	3.2
Kentucky	-5.5	0.0	-1.2	-3.8	-14.2	-12.0
Louisiana	—	23.5	23.5	—	19.0	19.0
Mississippi	0.0	9.7	9.4	-17.2	30.8	29.1
North Carolina	0.0	0.0	0.0	0.0	-13.6	-3.8
South Carolina	-25.0	33.3	6.4	25.9	1.8	9.6
Tennessee	-76.9	92.3	50.0	33.3	34.7	34.6
Virginia	81.4	214.1	169.5	3.8	59.9	47.2
West Virginia	0.0	26.5	18.8	0.0	7.0	5.3
SOUTHWEST						
Arizona	—	5.0	5.0	—	0.0	0.0
New Mexico	0.0	737.7	732.1	0.0	173.6	173.4
Oklahoma	11.5	17.2	14.1	-3.4	-45.3	-22.8
Texas	7.3	-28.6	2.1	11.4	0.0	10.2
ROCKY MOUNTAIN						
Colorado	0.0	2.4	2.0	11.1	6.9	7.5
Idaho	-6.3	100.0	0.0	6.7	-100.0	-5.9
Montana	8.3	-20.0	-9.4	-15.4	-25.0	-20.7
Utah	10.5	-10.7	-5.3	-4.8	-26.0	-19.7
Wyoming	—	—	—	—	—	—
FAR WEST						
Alaska	-6.3	231.3	41.8	8.5	20.8	14.3
California	-1.6	-1.4	-1.5	32.2	1.1	17.8
Hawaii	11.1	10.0	10.9	8.0	90.9	23.0
Nevada	25.0	-20.0	2.5	0.0	25.0	9.8
Oregon	25.5	-33.3	-13.6	-11.9	19.4	4.1
Washington	7.8	-3.1	0.0	0.0	—	19.9
ALL STATES	0.7 %	9.0 %	5.5 %	22.5 %	27.9 %	25.7 %
MEDIAN	0.0	3.1	2.1	0.7	5.2	9.7

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

TABLE 21

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

Region/State	Actual Fiscal 2019				Actual Fiscal 2020				Estimated Fiscal 2021			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut	\$266	\$0	\$0	\$266	\$266	\$0	\$0	\$266	\$266	\$0	\$0	\$266
Maine	15	50	92	157	22	37	99	158	21	56	97	174
Massachusetts	211	0	0	211	248	0	0	248	224	0	0	224
New Hampshire	41	47	0	88	45	38	0	83	41	28	0	69
Rhode Island	0	65	0	65	0	63	0	63	0	46	0	46
Vermont	6	22	2	30	3	22	3	28	17	21	3	41
MID-ATLANTIC												
Delaware	13	0	1	14	12	0	0	12	10	0	1	11
Maryland*	4	101	4	109	3	113	6	122	83	119	5	207
New Jersey	25	16	0	41	30	26	0	56	14	52	0	66
New York	0	3,088	0	3,088	0	2,622	0	2,622	0	2,240	0	2,240
Pennsylvania	141	273	2	416	116	280	2	398	121	437	2	560
GREAT LAKES												
Illinois	105	0	0	105	134	0	0	134	185	0	0	185
Indiana*	21	173	0	194	20	153	0	173	20	115	0	135
Michigan	5	56	11	72	19	58	10	87	37	60	11	108
Ohio	149	663	0	812	134	744	0	878	144	589	0	733
Wisconsin	25	0	0	25	26	0	0	26	40	0	0	40
PLAINS												
Iowa	37	39	8	84	40	35	5	80	40	72	16	128
Kansas	0	12	0	12	0	13	0	13	0	12	0	12
Minnesota	79	186	0	265	91	172	0	263	145	178	0	323
Missouri	6	70	0	76	5	75	0	80	7	62	0	69
Nebraska	4	27	0	31	1	29	0	30	2	26	0	28
North Dakota	0	4	0	4	0	2	2	4	0	3	1	4
South Dakota	9	10	0	19	9	10	0	19	9	10	0	19
SOUTHEAST												
Alabama	0	23	0	23	0	31	0	31	0	29	0	29
Arkansas	21	63	0	84	22	66	1	89	19	82	1	102
Florida	116	12	0	128	109	16	0	125	92	23	0	115
Georgia	0	317	0	317	0	317	0	317	0	327	0	327
Kentucky	55	190	0	245	52	190	0	242	50	163	0	213
Louisiana	0	115	0	115	0	142	0	142	0	169	0	169
Mississippi	25	729	4	758	24	800	5	829	23	1,046	1	1,070
North Carolina	0	43	0	43	0	43	0	43	0	37	0	37
South Carolina	14	10	1	25	2	22	1	25	7	16	1	24
Tennessee	13	39	0	52	3	75	0	78	4	101	0	105
Virginia	43	14	0	57	78	175	0	253	81	347	0	428
West Virginia	26	68	0	94	26	86	0	112	26	92	0	118
SOUTHWEST												
Arizona	0	20	0	20	0	21	0	21	0	21	0	21
New Mexico	0	130	0	130	0	140	0	140	0	134	0	134
Oklahoma	39	21	0	60	48	38	0	86	45	36	0	81
Texas	41	7	0	48	44	5	0	49	49	5	0	54
ROCKY MOUNTAIN												
Colorado	0	155	0	155	0	157	0	157	0	166	0	166
Idaho	6	1	0	7	5	2	0	7	6	0	0	6
Montana	12	20	0	32	13	16	0	29	11	12	0	23
Utah	14	56	0	70	16	50	0	66	16	37	0	53
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	6	16	0	22	1	53	0	54	1	62	0	63
California	251	3,025	2,269	5,545	271	3,343	2,095	5,709	836	3,180	2,608	6,624
Hawaii	18	10	0	28	23	11	0	34	23	21	0	44
Nevada	20	20	0	40	25	16	0	41	25	20	0	45
Oregon	40	88	2	130	52	62	2	116	50	74	2	126
Washington	9	130	0	139	13	126	0	139	8	162	0	170
TOTAL	\$1,931	\$10,224	\$2,396	\$14,551	\$2,051	\$10,495	\$2,231	\$14,777	\$2,798	\$10,488	\$2,749	\$16,035
District of Columbia	71	100	0	171	64	31	0	95				

TABLE 22
TANF EXPENDITURES AS A PERCENT OF TOTAL EXPENDITURES

Region/State	Fiscal 2019	Fiscal 2020	Fiscal 2021
NEW ENGLAND			
Connecticut	0.8 %	0.8 %	0.7 %
Maine	1.8	1.5	1.4
Massachusetts	0.4	0.4	0.3
New Hampshire	1.4	1.2	0.9
Rhode Island	0.7	0.6	0.3
Vermont	0.5	0.5	0.6
MID-ATLANTIC			
Delaware	0.1	0.1	0.1
Maryland	0.2	0.3	0.4
New Jersey	0.1	0.1	0.1
New York	1.8	1.5	1.2
Pennsylvania	0.5	0.4	0.5
GREAT LAKES			
Illinois	0.1	0.2	0.2
Indiana	0.6	0.5	0.3
Michigan	0.1	0.1	0.1
Ohio	1.1	1.2	0.9
Wisconsin	0.0	0.1	0.1
PLAINS			
Iowa	0.4	0.3	0.5
Kansas	0.1	0.1	0.1
Minnesota	0.6	0.6	0.6
Missouri	0.3	0.3	0.2
Nebraska	0.3	0.2	0.2
North Dakota	0.1	0.1	0.0
South Dakota	0.4	0.4	0.3
SOUTHEAST			
Alabama	0.1	0.1	0.1
Arkansas	0.3	0.3	0.3
Florida	0.2	0.1	0.1
Georgia	0.6	0.5	0.6
Kentucky	0.7	0.6	0.5
Louisiana	0.4	0.5	0.4
Mississippi	4.0	4.2	4.6
North Carolina	0.1	0.1	0.1
South Carolina	0.1	0.1	0.1
Tennessee	0.2	0.2	0.2
Virginia	0.1	0.4	0.6
West Virginia	0.5	0.6	0.6
SOUTHWEST			
Arizona	0.1	0.1	0.0
New Mexico	0.7	0.6	0.5
Oklahoma	0.3	0.3	0.3
Texas	0.0	0.0	0.0
ROCKY MOUNTAIN			
Colorado	0.5	0.4	0.5
Idaho	0.1	0.1	0.0
Montana	0.4	0.3	0.2
Utah	0.4	0.4	0.2
Wyoming	0.0	0.0	0.0
FAR WEST			
Alaska	0.2	0.5	0.4
California	1.8	1.6	1.3
Hawaii	0.2	0.2	0.2
Nevada	0.2	0.3	0.3
Oregon	0.3	0.2	0.2
Washington	0.3	0.3	0.3
ALL STATES	0.7 %	0.6 %	0.6 %

TABLE 23
ANNUAL PERCENTAGE CHANGE IN TANF EXPENDITURES

Region/State	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	0.0 %	— %	0.0 %	0.0 %	— %	0.0 %
Maine	13.1	-26.0	0.6	-2.5	51.4	10.1
Massachusetts	17.5	—	17.5	-9.7	—	-9.7
New Hampshire	9.8	-19.1	-5.7	-8.9	-26.3	-16.9
Rhode Island	—	-3.1	-3.1	—	-27.0	-27.0
Vermont	-25.0	0.0	-6.7	233.3	-4.5	46.4
MID-ATLANTIC						
Delaware	-14.3	—	-14.3	-8.3	—	-8.3
Maryland	12.5	11.9	11.9	877.8	5.3	69.7
New Jersey	20.0	62.5	36.6	-53.3	100.0	17.9
New York	—	-15.1	-15.1	—	-14.6	-14.6
Pennsylvania	-17.5	2.6	-4.3	4.2	56.1	40.7
GREAT LAKES						
Illinois	27.6	—	27.6	38.1	—	38.1
Indiana	-4.8	-11.6	-10.8	0.0	-24.8	-22.0
Michigan	81.3	3.6	20.8	65.5	3.4	24.1
Ohio	-10.1	12.2	8.1	7.5	-20.8	-16.5
Wisconsin	4.0	—	4.0	53.8	—	53.8
PLAINS						
Iowa	0.0	-10.3	-4.8	24.4	105.7	60.0
Kansas	—	8.3	8.3	—	-7.7	-7.7
Minnesota	15.2	-7.5	-0.8	59.3	3.5	22.8
Missouri	-16.7	7.1	5.3	40.0	-17.3	-13.8
Nebraska	-75.0	7.4	-3.2	100.0	-10.3	-6.7
North Dakota	—	-50.0	0.0	-50.0	50.0	0.0
South Dakota	0.0	0.0	0.0	0.0	0.0	0.0
SOUTHEAST						
Alabama	—	34.8	34.8	—	-6.5	-6.5
Arkansas	9.5	4.8	6.0	-13.0	24.2	14.6
Florida	-6.0	33.3	-2.3	-15.6	43.8	-8.0
Georgia	—	0.0	0.0	—	3.2	3.2
Kentucky	-5.5	0.0	-1.2	-3.8	-14.2	-12.0
Louisiana	—	23.5	23.5	—	19.0	19.0
Mississippi	0.0	9.7	9.4	-17.2	30.8	29.1
North Carolina	—	0.0	0.0	—	-14.0	-14.0
South Carolina	-80.0	120.0	0.0	166.7	-27.3	-4.0
Tennessee	-76.9	92.3	50.0	33.3	34.7	34.6
Virginia	81.4	1,150.0	343.9	3.8	98.3	69.2
West Virginia	0.0	26.5	19.1	0.0	7.0	5.4
SOUTHWEST						
Arizona	—	5.0	5.0	—	0.0	0.0
New Mexico	—	7.7	7.7	—	-4.3	-4.3
Oklahoma	23.1	81.0	43.3	-6.3	-5.3	-5.8
Texas	7.3	-28.6	2.1	11.4	0.0	10.2
ROCKY MOUNTAIN						
Colorado	—	1.3	1.3	—	5.7	5.7
Idaho	-16.7	100.0	0.0	20.0	-100.0	-14.3
Montana	8.3	-20.0	-9.4	-15.4	-25.0	-20.7
Utah	14.3	-10.7	-5.7	0.0	-26.0	-19.7
Wyoming	—	—	—	—	—	—
FAR WEST						
Alaska	-83.3	231.3	145.5	0.0	17.0	16.7
California	-6.1	10.5	3.0	45.6	-4.9	16.0
Hawaii	27.8	10.0	21.4	0.0	90.9	29.4
Nevada	25.0	-20.0	2.5	0.0	25.0	9.8
Oregon	28.6	-29.5	-10.8	-3.7	19.4	8.6
Washington	44.4	-3.1	0.0	-38.5	28.6	22.3
ALL STATES	-1.0 %	2.7 %	1.6 %	29.5 %	-0.1 %	8.5 %

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

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

Region/State	Actual Fiscal 2019				Actual Fiscal 2020				Estimated Fiscal 2021			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut	\$119	\$0	\$0	\$119	\$115	\$0	\$0	\$115	\$105	\$0	\$0	\$105
Maine	17	18	1	36	21	20	1	42	25	20	1	46
Massachusetts	302	2	0	304	300	1	0	301	305	222	0	527
New Hampshire	15	0	0	15	15	0	0	15	14	0	0	14
Rhode Island	30	26	0	56	29	26	0	55	28	26	0	54
Vermont	16	44	2	62	18	50	4	72	12	78	59	149
MID-ATLANTIC												
Delaware	6	1	1	8	6	1	1	8	5	2	1	8
Maryland	38	891	5	934	41	1,223	8	1,272	45	2,488	28	2,561
New Jersey	112	25	0	137	114	21	0	135	130	48	0	178
New York	1,038	0	0	1,038	1,065	0	0	1,065	1,268	0	0	1,268
Pennsylvania	122	247	0	369	121	256	0	377	122	515	0	637
GREAT LAKES												
Illinois	0	0	0	0	0	0	0	0	0	0	0	0
Indiana	0	0	0	0	0	0	0	0	0	0	0	0
Michigan	93	14	3	110	98	13	2	113	106	17	2	125
Ohio	0	7	0	7	0	7	0	7	0	6	0	6
Wisconsin	38	3	9	50	35	3	9	47	38	1	9	48
PLAINS												
Iowa	8	0	0	8	8	0	0	8	7	0	2	9
Kansas	0	0	0	0	0	0	0	0	0	0	0	0
Minnesota	91	0	0	91	93	0	0	93	107	0	0	107
Missouri	29	0	31	60	25	9	25	59	24	30	35	89
Nebraska	8	1	0	9	8	2	0	10	9	2	0	11
North Dakota	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHEAST												
Alabama	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	126	229	37	392	136	255	42	433	124	527	45	696
Florida	11	5	0	16	11	7	0	18	11	7	0	18
Georgia	0	0	0	0	0	0	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0	0	0	0	0	0	0
North Carolina	58	1	58	117	58	1	58	117	58	1	58	117
South Carolina	21	32	0	53	24	34	0	58	23	41	3	67
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	0	71	0	71	0	92	0	92	0	80	0	80
West Virginia	2	0	0	2	2	0	0	2	2	0	0	2
SOUTHWEST												
Arizona	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	1	0	0	1	1	949	0	950	1	2,845	0	2,846
Oklahoma	39	43	0	82	39	37	0	76	39	5	0	44
Texas	0	0	0	0	0	0	0	0	0	0	0	0
ROCKY MOUNTAIN												
Colorado	14	100	31	145	14	104	31	149	19	113	31	163
Idaho	10	0	0	10	10	0	0	10	10	0	0	10
Montana	0	0	0	0	0	0	0	0	0	0	0	0
Utah	5	0	0	5	5	0	0	5	4	0	0	4
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	57	0	0	57	58	0	0	58	63	2	0	65
California	3,034	1,750	0	4,784	3,099	1,366	0	4,465	3,783	1,582	0	5,365
Hawaii	27	0	0	27	27	0	0	27	31	0	0	31
Nevada	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	5	5	0	10	5	0	0	5	0	0	0	0
Washington	42	0	0	42	42	0	0	42	47	0	0	47
TOTAL	\$5,534	\$3,515	\$178	\$9,227	\$5,643	\$4,477	\$181	\$10,301	\$6,565	\$8,658	\$274	\$15,497
District of Columbia	5	0	1	6	8	0	1	9				

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

Region/State	Fiscal 2019	Fiscal 2020	Fiscal 2021
NEW ENGLAND			
Connecticut	0.3 %	0.3 %	0.3 %
Maine	0.4	0.4	0.4
Massachusetts	0.5	0.5	0.8
New Hampshire	0.2	0.2	0.2
Rhode Island	0.6	0.5	0.4
Vermont	1.1	1.2	2.0
MID-ATLANTIC			
Delaware	0.1	0.1	0.1
Maryland	2.1	2.6	4.5
New Jersey	0.2	0.2	0.2
New York	0.6	0.6	0.7
Pennsylvania	0.4	0.4	0.6
GREAT LAKES			
Illinois	0.0	0.0	0.0
Indiana	0.0	0.0	0.0
Michigan	0.2	0.2	0.2
Ohio	0.0	0.0	0.0
Wisconsin	0.1	0.1	0.1
PLAINS			
Iowa	0.0	0.0	0.0
Kansas	0.0	0.0	0.0
Minnesota	0.2	0.2	0.2
Missouri	0.2	0.2	0.3
Nebraska	0.1	0.1	0.1
North Dakota	0.0	0.0	0.0
South Dakota	0.0	0.0	0.0
SOUTHEAST			
Alabama	0.0	0.0	0.0
Arkansas	1.5	1.6	2.2
Florida	0.0	0.0	0.0
Georgia	0.0	0.0	0.0
Kentucky	0.0	0.0	0.0
Louisiana	0.0	0.0	0.0
Mississippi	0.0	0.0	0.0
North Carolina	0.2	0.2	0.2
South Carolina	0.2	0.2	0.2
Tennessee	0.0	0.0	0.0
Virginia	0.1	0.1	0.1
West Virginia	0.0	0.0	0.0
SOUTHWEST			
Arizona	0.0	0.0	0.0
New Mexico	0.0	4.3	11.2
Oklahoma	0.3	0.3	0.2
Texas	0.0	0.0	0.0
ROCKY MOUNTAIN			
Colorado	0.5	0.4	0.4
Idaho	0.1	0.1	0.1
Montana	0.0	0.0	0.0
Utah	0.0	0.0	0.0
Wyoming	0.0	0.0	0.0
FAR WEST			
Alaska	0.5	0.5	0.4
California	1.6	1.3	1.0
Hawaii	0.2	0.1	0.1
Nevada	0.0	0.0	0.0
Oregon	0.0	0.0	0.0
Washington	0.1	0.1	0.1
ALL STATES	0.4 %	0.5 %	0.6 %

TABLE 26
ANNUAL PERCENTAGE CHANGE IN OTHER CASH ASSISTANCE EXPENDITURES

Region/State	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	-3.4 %	— %	-3.4 %	-8.7 %	— %	-8.7 %
Maine	22.2	11.1	16.7	18.2	0.0	9.5
Massachusetts	-0.7	-50.0	-1.0	1.7	22,100.0	75.1
New Hampshire	0.0	—	0.0	-6.7	—	-6.7
Rhode Island	-3.3	0.0	-1.8	-3.4	0.0	-1.8
Vermont	22.2	13.6	16.1	222.7	56.0	106.9
MID-ATLANTIC						
Delaware	0.0	0.0	0.0	-14.3	100.0	0.0
Maryland	14.0	37.3	36.2	49.0	103.4	101.3
New Jersey	1.8	-16.0	-1.5	14.0	128.6	31.9
New York	2.6	—	2.6	19.1	—	19.1
Pennsylvania	-0.8	3.6	2.2	0.8	101.2	69.0
GREAT LAKES						
Illinois	—	—	—	—	—	—
Indiana	—	—	—	—	—	—
Michigan	4.2	-7.1	2.7	8.0	30.8	10.6
Ohio	—	0.0	0.0	—	-14.3	-14.3
Wisconsin	-6.4	0.0	-6.0	6.8	-66.7	2.1
PLAINS						
Iowa	0.0	—	0.0	12.5	—	12.5
Kansas	—	—	—	—	—	—
Minnesota	2.2	—	2.2	15.1	—	15.1
Missouri	-16.7	—	-1.7	18.0	233.3	50.8
Nebraska	0.0	100.0	11.1	12.5	0.0	10.0
North Dakota	—	—	—	—	—	—
South Dakota	—	—	—	—	—	—
SOUTHEAST						
Alabama	—	—	—	—	—	—
Arkansas	9.2	11.4	10.5	-5.1	106.7	60.7
Florida	0.0	40.0	12.5	0.0	0.0	0.0
Georgia	—	—	—	—	—	—
Kentucky	—	—	—	—	—	—
Louisiana	—	—	—	—	—	—
Mississippi	—	—	—	—	—	—
North Carolina	0.0	0.0	0.0	0.0	0.0	0.0
South Carolina	14.3	6.3	9.4	8.3	20.6	15.5
Tennessee	—	—	—	—	—	—
Virginia	—	29.6	29.6	—	-13.0	-13.0
West Virginia	0.0	—	0.0	0.0	—	0.0
SOUTHWEST						
Arizona	—	—	—	—	—	—
New Mexico	0.0	—	94,900.0	0.0	199.8	199.6
Oklahoma	0.0	-14.0	-7.3	0.0	-86.5	-42.1
Texas	—	—	—	—	—	—
ROCKY MOUNTAIN						
Colorado	0.0	4.0	2.8	11.1	8.7	9.4
Idaho	0.0	—	0.0	0.0	—	0.0
Montana	—	—	—	—	—	—
Utah	0.0	—	0.0	-20.0	—	-20.0
Wyoming	—	—	—	—	—	—
FAR WEST						
Alaska	1.8	—	1.8	8.6	—	12.1
California	2.1	-21.9	-6.7	22.1	15.8	20.2
Hawaii	0.0	—	0.0	14.8	—	14.8
Nevada	—	—	—	—	—	—
Oregon	0.0	-100.0	-50.0	-100.0	—	-100.0
Washington	0.0	—	0.0	11.9	—	11.9
ALL STATES	2.0 %	27.4 %	11.6 %	17.4 %	93.4 %	50.4 %

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

Public Assistance Notes

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

Indiana: Expenditure amounts for TANF now exclude the approximately \$61M transfer to Child Care Development Fund (CCDF) program. CCDF federal expenditures are included in “All Other” category.

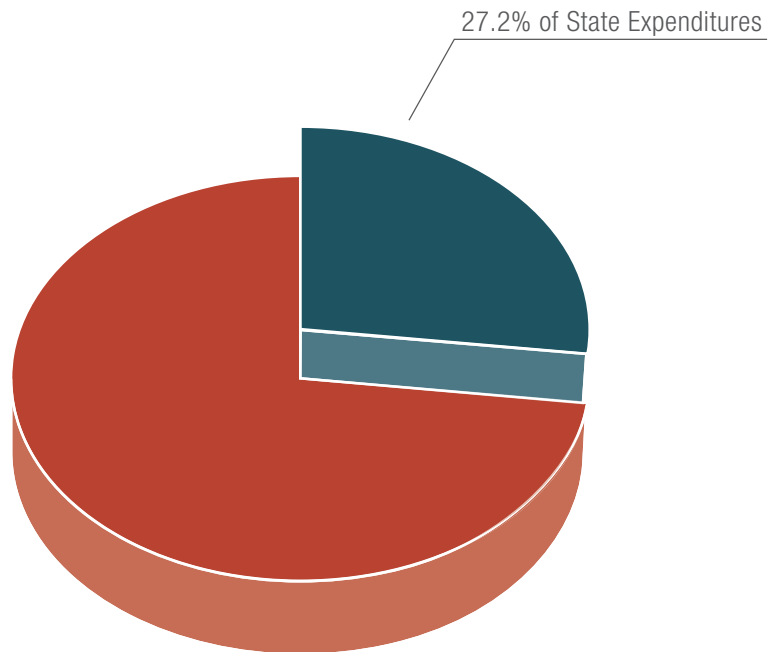
Maryland: The \$80 million increase in TANF General Funds and Federal Funds from FY 2020 to FY 2021 is due increased public assistance cases resulting from the impacts of COVID-19. The increase in Federal Funds is largely driven by increased Supplemental Nutrition Assistance Programs and related Pandemic EBT benefits.

4

CHAPTER



MEDICAID EXPENDITURES



Medicaid Expenditures

Medicaid, a means-tested entitlement program financed by the states and the federal government, provides comprehensive and long-term medical care for more than 79 million low-income individuals. Total Medicaid benefits spending for fiscal 2021, which excludes administrative costs, was \$721.8 billion, with general fund spending of \$163.9 billion, other state fund spending of \$69.4 billion, and federal fund spending of \$488.5 billion.

Total Medicaid spending increased 11.5 percent in fiscal 2021, with state funds increasing 3.3 percent, and federal funds increasing 15.9 percent. On a median basis, total Medicaid spending increased 10.5 percent with state funds increasing 1.1 percent and federal funds increasing 14.2 percent in fiscal 2021.

Medicaid spending in fiscal 2020 and fiscal 2021 reflects the impact of the COVID-19 pandemic and ensuing economic fallout with the resulting rise in unemployment affecting Medicaid enrollment and spending. To address the rise in Medicaid spending and provide state fiscal relief, the *Families First Coronavirus Response Act*, enacted in March 2020, provides a 6.2 percentage point increase in Federal Medical Assistance Percentage (FMAP) spending during the public health emergency. The increase is conditioned on states meeting certain maintenance of effort requirements including continuous coverage for current enrollees.

The increase in the FMAP is retroactive to January 2020 and is reflected in half of fiscal 2020 and in all of fiscal 2021 for most states. States reported \$13.4 billion in fiscal 2020 and \$26.5 billion in fiscal 2021 for COVID-19 federal relief aid from the increased Medicaid FMAP.

Medicaid spending of \$647.5 billion for fiscal 2020 reflects an increase of 6.5 percent over fiscal 2019 with state fund spending increasing 0.5 percent and federal fund spending growing 10.0 percent. On a median basis, total spending in fiscal 2020 increased 5.2 percent with a 1.4 percent decline for state funds, and an 8.1 percent increase for federal funds.

The timing of Medicaid expenditures may vary from year to year and may not reflect underlying program activity in a given year. Large swings in some states, often due in part to timing and reporting issues, can substantially influence average Medicaid spending growth rates.

Medicaid spending accounted for 27.2 percent of total state spending in fiscal 2021, the single largest component of *total*

state expenditures, and 17.8 percent of general fund expenditures, the second largest category of general fund expenditures behind K-12 education. Federal funds comprised 67.7 percent of total Medicaid spending, general funds 22.7 percent, and other state funds 9.6 percent in fiscal 2021.

State funds include both state general funds and other state funds. In addition to the general fund, states use a combination of revenue sources including insurance premium taxes, cigarette taxes, pharmaceutical rebates, intergovernmental transfers, provider assessments, and local funds to provide the state match. In just a few states, other state funds make up a larger portion than the general fund.

NASBO's Spring 2021 *Fiscal Survey of States* collected additional detail from states about Medicaid spending trends and issues. In that survey, about one-third of the states reported having Medicaid expenditures from non-federal funding sources included in reporting to the Centers for Medicare and Medicaid Services (CMS) that are not included in state budgets, and therefore excluded from the figures in this report. These funds include certified public expenditures and other local funds used for services provided in schools or in county hospitals and are counted in the state share to draw down federal Medicaid funds. For fiscal 2021, the estimated amount of the non-federal share that did not flow through state budgets totaled roughly \$18.9 billion.

Also included in Medicaid spending are Medicare Part D "clawback" payments, statutorily known as the phased down state contribution. Beginning in January 2006, prescription drug costs for individuals eligible for both Medicare and Medicaid were no longer part of the Medicaid program. Instead, these costs are included in Medicare Part D. States finance these benefits by providing a payment to the federal Medicare trust fund—commonly known as "clawback" payments. As shown in Appendix Table A-3, these "clawback" payments totaled \$12.0 billion in fiscal 2019, \$12.3 billion in fiscal 2020, and are estimated at \$11.2 billion for fiscal 2021.

Medicaid Expansion Under the *Affordable Care Act*. After receiving a 100 percent match for those newly eligible under the *Affordable Care Act (ACA)* in calendar years 2014 through 2016, beginning January 1, 2017, states that expanded Medicaid under the ACA started paying 5 percent of the costs for newly eligible individuals, with that amount increasing to 6 percent on January 1, 2018, 7 percent on January 1, 2019, and 10 percent on January 1, 2020 and thereafter. As of November, 38 states and the District of Columbia have adopted the Medicaid expansion. In Idaho, Nebraska, and Utah, voters

approved expansion in 2018 ballot initiatives with expansion implemented during fiscal 2020 and fiscal 2021. Missouri and Oklahoma voters approved expansion in 2020 ballot initiatives with coverage beginning July 2021.

According to NASBO's Spring 2021 *Fiscal Survey of States*, in fiscal 2020 states reported total spending for Medicaid expansion at \$105.9 billion, including \$10.9 billion in state funds and \$95 billion in federal funds. In fiscal 2021, states estimated spending \$131.1 billion in all funds, \$15.8 billion in state funds, and \$115.3 billion in federal funds for Medicaid expansion. For most states, the state share for Medicaid expansion on a fiscal year basis is 6.5 percent in fiscal 2019, 8.5 percent in fiscal 2020, and 10 percent in fiscal 2021 and thereafter.

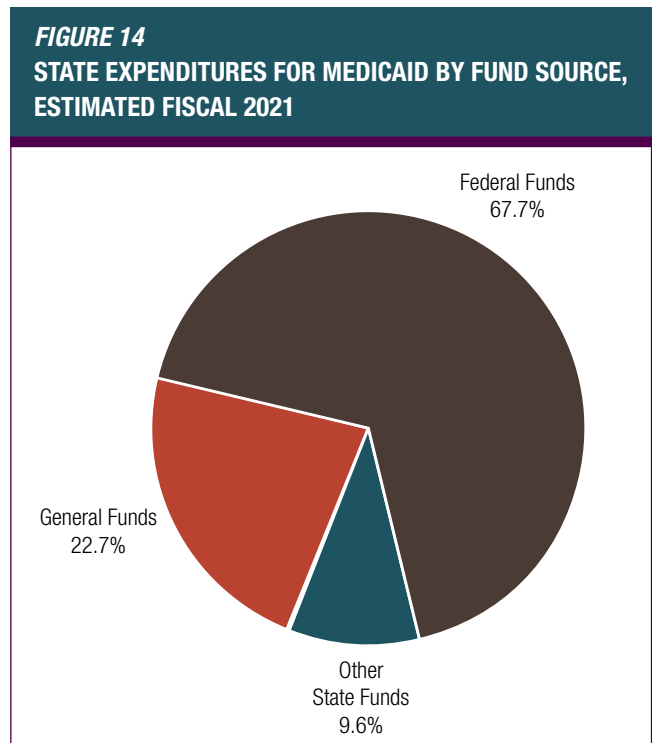
Medicaid Enrollment. The Centers for Medicare & Medicaid Services (CMS) released a snapshot to capture the impact of the COVID-19 public health emergency by tracking total Medicaid and CHIP program enrollment trends for adults and children since the pandemic began. Based on the latest data, in May 2021, 82.8 million individuals were enrolled in Medicaid and CHIP with enrollment increasing by 12.1 million or 17.1 percent since February 2020. Medicaid enrollment increased by 11.9 million or 18.5 percent and CHIP enrollment grew by 212,304 or 3.2 percent. The Medicaid enrollment increases are likely driven by the economic impacts of COVID-19 and the continuous enrollment requirement in the *Families First Coronavirus Response Act*, according to CMS. Additionally, based on the Kaiser Family Foundation's annual Medicaid budget survey, states expected Medicaid enrollment growth to increase by 10.3 percent in fiscal 2021 and then slow to 4.5 percent in fiscal 2022, as the public health emergency winds down.

Medicaid Budget Pressures and Program Changes. In NASBO's Spring 2021 *Fiscal Survey of States*, states were asked to identify issues and trends affecting their Medicaid spending. The impact of COVID-19 on Medicaid is at the forefront of state concerns, especially the end of the increased FMAP tied to the declaration of a public health emergency. States further noted concerns about increased enrollment driven by both the rise in the number of those unemployed and the continuous eligibility requirements that are linked to the increase in the FMAP. States also mentioned pharmacy costs, particularly for specialty drugs, overall enrollment, and utilization trends for long-term care.

Based on the Kaiser Family Foundation's annual Medicaid budget survey, twenty-two states reported new or enhanced benefits in fiscal 2021, and 29 states are adding or enhancing benefits in fiscal 2022. Many states are focused on expanding behavioral health services, care for pregnant and postpartum women, dental benefits, and housing-related supports.

Fund Shares

Figure 14 provides fund shares for fiscal 2021.



Regional Expenditures

Table 27 shows percentage changes in expenditures for Medicaid for fiscal 2020 and 2021 by region. All regions had increases in fiscal 2020 with the largest increases in the Great Lakes and Southeast and the smallest growth rates in New England and the Southwest. For fiscal 2021, all regions had spending growth with the largest increases in the Far West and the Southwest and the smallest growth rates in New England and the Mid-Atlantic.

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

TABLE 27
REGIONAL PERCENTAGE CHANGE IN STATE MEDICAID EXPENDITURES, FISCAL 2020 AND 2021

Region	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	0.8 %	4.1 %	2.4 %	-1.0 %	12.6 %	6.0 %
Mid-Atlantic	3.8	7.1	5.8	-5.1	11.0	5.1
Great Lakes	9.1	11.7	10.8	1.4	18.4	12.6
Plains	0.5	8.0	4.7	1.2	13.1	8.1
Southeast	-1.8	13.2	8.1	7.1	11.7	10.3
Southwest	-13.2	12.8	4.3	11.3	19.3	17.1
Rocky Mountain	1.7	9.5	6.5	5.0	21.1	15.2
Far West	-0.5	8.7	5.3	9.1	22.2	17.6
ALL STATES	0.5 %	10.0 %	6.5 %	3.3 %	15.9 %	11.5 %

TABLE 28
MEDICAID EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2019				Actual Fiscal 2020				Estimated Fiscal 2021			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut	\$4,369	\$3,807	\$0	\$8,176	\$4,474	\$3,928	\$0	\$8,402	\$4,555	\$4,270	\$0	\$8,825
Maine	807	1,863	306	2,976	821	2,114	323	3,258	720	2,458	321	3,499
Massachusetts	7,990	8,531	1,324	17,845	8,097	8,926	1,437	18,460	8,238	9,910	1,213	19,361
New Hampshire	655	1,256	281	2,192	614	1,237	271	2,122	673	1,516	229	2,418
Rhode Island	1,135	1,638	9	2,782	1,008	1,590	10	2,608	999	1,959	10	2,968
Vermont*	595	971	110	1,676	553	1,008	105	1,666	502	1,060	84	1,646
MID-ATLANTIC												
Delaware	711	1,423	47	2,181	678	1,595	61	2,334	710	1,826	46	2,582
Maryland	3,618	7,033	1,003	11,654	3,442	7,339	1,022	11,803	3,620	8,322	953	12,895
New Jersey	4,603	9,816	1,246	15,665	4,401	10,608	1,360	16,369	4,150	12,863	1,387	18,400
New York*	15,597	39,094	5,683	60,374	18,479	40,085	5,684	64,248	14,925	44,245	5,475	64,645
Pennsylvania	9,114	18,666	4,500	32,280	8,835	21,796	3,910	34,541	9,888	23,133	4,294	37,315
GREAT LAKES												
Illinois	4,143	11,445	3,066	18,654	4,483	13,214	5,768	23,465	4,046	16,430	5,411	25,887
Indiana*	2,536	8,523	1,229	12,288	2,374	10,120	1,564	14,058	2,305	11,786	1,497	15,588
Michigan*	2,826	12,975	2,748	18,549	2,541	14,075	2,727	19,343	3,019	16,552	2,910	22,481
Ohio*	5,209	18,479	3,284	26,972	4,888	19,937	3,569	28,394	5,356	23,441	3,159	31,956
Wisconsin	3,139	5,653	1,759	10,551	2,982	6,387	1,756	11,125	3,409	7,226	2,001	12,636
PLAINS												
Iowa	1,453	3,460	869	5,782	1,534	3,916	911	6,361	1,460	4,604	829	6,893
Kansas	1,177	1,999	353	3,529	1,081	2,346	358	3,785	1,037	2,720	365	4,122
Minnesota	4,933	7,055	551	12,539	4,965	7,428	587	12,980	4,773	8,461	603	13,837
Missouri*	2,107	5,411	2,608	10,126	1,901	5,759	2,843	10,503	2,453	5,837	2,872	11,162
Nebraska	1,034	1,149	35	2,218	1,013	1,239	39	2,291	1,021	1,832	26	2,879
North Dakota	472	726	6	1,204	471	730	9	1,210	393	800	81	1,274
South Dakota	364	549	4	917	334	566	4	904	319	607	3	929
SOUTHEAST												
Alabama*	796	4,984	1,197	6,977	719	5,394	1,011	7,124	820	5,993	1,267	8,080
Arkansas	1,264	5,642	516	7,422	1,192	5,843	437	7,472	1,192	6,442	631	8,265
Florida	6,239	15,075	4,635	25,949	5,766	16,288	4,595	26,649	7,135	17,395	5,135	29,665
Georgia	3,062	7,972	656	11,690	2,914	8,762	646	12,322	2,967	8,742	498	12,207
Kentucky	1,825	7,849	507	10,181	1,973	9,150	478	11,601	1,980	11,451	663	14,094
Louisiana	1,970	8,412	1,263	11,645	1,891	9,305	1,378	12,574	1,826	11,317	1,360	14,503
Mississippi	680	3,873	561	5,114	711	4,309	510	5,530	553	4,432	581	5,566
North Carolina	3,658	8,830	1,576	14,064	3,653	10,465	1,873	15,991	3,691	11,699	1,804	17,194
South Carolina	1,182	4,751	837	6,770	1,241	5,128	743	7,112	1,171	5,486	626	7,283
Tennessee*	3,630	7,052	777	11,459	3,600	7,974	838	12,412	4,107	8,230	749	13,086
Virginia	5,254	5,840	207	11,301	4,791	8,471	590	13,852	4,885	10,387	793	16,065
West Virginia	602	3,157	277	4,036	459	3,340	365	4,164	310	3,890	619	4,819
SOUTHWEST												
Arizona	1,649	9,416	1,721	12,786	1,570	9,306	1,787	12,663	1,839	12,599	2,308	16,746
New Mexico	923	4,434	319	5,676	966	5,398	392	6,756	904	6,040	343	7,287
Oklahoma	974	3,320	1,498	5,792	982	3,464	1,087	5,533	891	3,917	930	5,738
Texas	12,084	23,361	334	35,779	9,908	27,533	234	37,675	11,387	31,968	241	43,596
ROCKY MOUNTAIN												
Colorado	2,986	5,944	1,391	10,321	3,001	6,356	1,401	10,758	2,815	7,563	1,652	12,030
Idaho	580	1,495	210	2,285	568	1,617	230	2,415	499	1,707	251	2,457
Montana	309	1,395	101	1,805	281	1,523	151	1,955	305	1,821	156	2,282
Utah	517	1,933	547	2,997	451	2,315	689	3,455	485	3,285	965	4,735
Wyoming	271	313	36	620	257	323	37	617	257	323	37	617
FAR WEST												
Alaska	672	1,610	4	2,286	639	1,660	6	2,305	639	1,798	16	2,453
California*	25,443	55,661	10,379	91,483	29,476	61,116	5,871	96,463	27,902	75,906	11,259	115,067
Hawaii	739	1,522	66	2,327	701	1,414	70	2,185	796	1,924	77	2,797
Nevada	709	3,057	270	4,036	753	3,070	227	4,050	832	3,578	271	4,681
Oregon	968	6,902	1,499	9,369	1,043	7,563	1,639	10,245	851	8,539	1,788	11,178
Washington	4,140	7,984	572	12,696	4,189	8,558	626	13,373	4,266	10,156	655	15,077
ALL STATES	\$161,713	\$383,306	\$62,977	\$607,996	\$163,664	\$421,588	\$62,229	\$647,481	\$163,876	\$488,446	\$69,444	\$721,766
District of Columbia	793	2,234	83	3,110	738	2,505	81	3,324				

TABLE 29
MEDICAID EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2019	Fiscal 2020	Fiscal 2021
NEW ENGLAND			
Connecticut	23.8 %	24.7 %	24.7 %
Maine	33.8	30.9	28.9
Massachusetts	29.8	29.3	28.3
New Hampshire	35.2	30.7	32.0
Rhode Island	28.6	22.8	19.6
Vermont	28.7	27.0	22.6
MID-ATLANTIC			
Delaware	19.3	19.6	19.4
Maryland	25.8	24.3	22.8
New Jersey	24.4	24.5	24.5
New York	35.3	37.1	34.6
Pennsylvania	36.0	36.0	36.0
GREAT LAKES			
Illinois	26.0	30.2	29.6
Indiana	36.1	37.3	34.9
Michigan	31.1	31.0	31.0
Ohio	38.0	38.1	39.3
Wisconsin	21.0	21.5	21.3
PLAINS			
Iowa	24.7	24.4	25.0
Kansas	20.8	19.5	19.4
Minnesota	30.7	30.2	27.7
Missouri	38.4	38.5	37.5
Nebraska	18.3	17.8	19.1
North Dakota	18.8	17.1	15.2
South Dakota	20.4	18.6	13.8
SOUTHEAST			
Alabama	24.2	22.5	25.5
Arkansas	28.8	26.9	26.5
Florida	31.4	31.0	32.2
Georgia	20.5	20.3	21.2
Kentucky	30.3	30.2	33.5
Louisiana	39.6	40.5	38.5
Mississippi	26.7	27.8	23.9
North Carolina	24.2	25.9	28.7
South Carolina	26.0	26.4	24.7
Tennessee	33.9	34.4	28.2
Virginia	20.4	21.5	21.4
West Virginia	22.5	22.5	25.3
SOUTHWEST			
Arizona	33.0	31.0	37.1
New Mexico	29.1	30.2	28.8
Oklahoma	24.3	22.3	20.7
Texas	29.3	27.6	30.4
ROCKY MOUNTAIN			
Colorado	34.4	30.2	32.6
Idaho	21.0	20.6	15.9
Montana	25.2	23.5	20.5
Utah	18.1	19.0	20.0
Wyoming	13.2	13.1	13.1
FAR WEST			
Alaska	20.4	19.3	16.4
California	30.4	27.0	22.4
Hawaii	14.9	12.0	11.5
Nevada	25.1	26.9	28.7
Oregon	22.0	21.0	18.8
Washington	25.1	24.6	24.4
ALL STATES	28.9 %	28.3 %	27.2 %

TABLE 30
ANNUAL PERCENTAGE CHANGE IN MEDICAID EXPENDITURES

Region/State	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	2.4 %	3.2 %	2.8 %	1.8 %	8.7 %	5.0 %
Maine	2.8	13.5	9.5	-9.0	16.3	7.4
Massachusetts	2.4	4.6	3.4	-0.9	11.0	4.9
New Hampshire	-5.4	-1.5	-3.2	1.9	22.6	13.9
Rhode Island	-11.0	-2.9	-6.3	-0.9	23.2	13.8
Vermont	-6.7	3.8	-0.6	-10.9	5.2	-1.2
MID-ATLANTIC						
Delaware	-2.5	12.1	7.0	2.3	14.5	10.6
Maryland	-3.4	4.4	1.3	2.4	13.4	9.3
New Jersey	-1.5	8.1	4.5	-3.9	21.3	12.4
New York	13.5	2.5	6.4	-15.6	10.4	0.6
Pennsylvania	-6.4	16.8	7.0	11.3	6.1	8.0
GREAT LAKES						
Illinois	42.2	15.5	25.8	-7.7	24.3	10.3
Indiana	4.6	18.7	14.4	-3.5	16.5	10.9
Michigan	-5.5	8.5	4.3	12.5	17.6	16.2
Ohio	-0.4	7.9	5.3	0.7	17.6	12.5
Wisconsin	-3.3	13.0	5.4	14.2	13.1	13.6
PLAINS						
Iowa	5.3	13.2	10.0	-6.4	17.6	8.4
Kansas	-5.9	17.4	7.3	-2.6	15.9	8.9
Minnesota	1.2	5.3	3.5	-3.2	13.9	6.6
Missouri	0.6	6.4	3.7	12.2	1.4	6.3
Nebraska	-1.6	7.8	3.3	-0.5	47.9	25.7
North Dakota	0.4	0.6	0.5	-1.3	9.6	5.3
South Dakota	-8.2	3.1	-1.4	-4.7	7.2	2.8
SOUTHEAST						
Alabama	-13.2	8.2	2.1	20.6	11.1	13.4
Arkansas	-8.5	3.6	0.7	11.9	10.3	10.6
Florida	-4.7	8.0	2.7	18.4	6.8	11.3
Georgia	-4.2	9.9	5.4	-2.7	-0.2	-0.9
Kentucky	5.1	16.6	13.9	7.8	25.1	21.5
Louisiana	1.1	10.6	8.0	-2.5	21.6	15.3
Mississippi	-1.6	11.3	8.1	-7.1	2.9	0.7
North Carolina	5.6	18.5	13.7	-0.6	11.8	7.5
South Carolina	-1.7	7.9	5.1	-9.4	7.0	2.4
Tennessee	0.7	13.1	8.3	9.4	3.2	5.4
Virginia	-1.5	45.1	22.6	5.5	22.6	16.0
West Virginia	-6.3	5.8	3.2	12.7	16.5	15.7
SOUTHWEST						
Arizona	-0.4	-1.2	-1.0	23.5	35.4	32.2
New Mexico	9.3	21.7	19.0	-8.2	11.9	7.9
Oklahoma	-16.3	4.3	-4.5	-12.0	13.1	3.7
Texas	-18.3	17.9	5.3	14.7	16.1	15.7
ROCKY MOUNTAIN						
Colorado	0.6	6.9	4.2	1.5	19.0	11.8
Idaho	1.0	8.2	5.7	-6.0	5.6	1.7
Montana	5.4	9.2	8.3	6.7	19.6	16.7
Utah	7.1	19.8	15.3	27.2	41.9	37.0
Wyoming	-4.2	3.2	-0.5	0.0	0.0	0.0
FAR WEST						
Alaska	-4.6	3.1	0.8	1.6	8.3	6.4
California	-1.3	9.8	5.4	10.8	24.2	19.3
Hawaii	-4.2	-7.1	-6.1	13.2	36.1	28.0
Nevada	0.1	0.4	0.3	12.6	16.5	15.6
Oregon	8.7	9.6	9.3	-1.6	12.9	9.1
Washington	2.2	7.2	5.3	2.2	18.7	12.7
ALL STATES	0.5 %	10.0 %	6.5 %	3.3 %	15.9 %	11.5 %
MEDIAN	-1.4	8.1	5.2	1.1	14.2	10.5

Medicaid Notes

States were asked to report Medicaid expenditures as follows: General funds: all general funds appropriated to the Medicaid agency and any other agency which are used for direct Medicaid matching purposes under Title XIX. Other state funds: other funds and revenue sources used as Medicaid match, such as local funds and provider taxes, fees, donations, assessments (as defined by the Centers for Medicare and Medicaid Services). Federal Funds: all federal matching funds provided pursuant to Title XIX.

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

Alabama: Other State Funds includes Medicaid provider taxes in the amounts of: \$396M for FY19; \$421M for FY20; and \$423M for Estimated FY21.

California: Medicaid expenditures include the Departments of Health Care Services, Social Services, Developmental Services, and Aging. The “All Other” category includes Medicaid expenditures for other departments.

Indiana: Actuals and estimates for Medicaid are based on official Medicaid forecast presentation figures presented by independent actuary.

Michigan: Other State Funds used to match federal Medicaid funds include local funds of \$66 million and provider revenues of \$2,253 million for FY 2019; local funds of \$56 million and provider revenues of \$2,263 million for FY2020; and estimated local funds of \$80 million and provider revenues of \$2,455 million for FY 2021.

Missouri: Some community mental health and developmentally disabled programs are included in Medicaid.

New York: In response to the COVID-19 pandemic, the federal government increased its share of Medicaid funding (FMAP) by 6.2 percent for each calendar quarter occurring during the public health emergency, as such, Medicaid spending shifted from the General Fund to Federal Funds.

Ohio: Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of GRF federal funds have been removed from the GRF number presented in this report to be consistent with budget presentations in other NASBO surveys.

Tennessee: Certified Public Expenditures — Local fund from hospitals: fiscal 2019 totals \$96 million, fiscal 2020 totals \$150 million, and fiscal 2021 totals \$150 million. Nursing Home Assessment: fiscal 2019 totals \$126 million, fiscal 2020 totals \$133 million, and fiscal 2021 totals \$135 million. Hospital Assessment: fiscal 2019 totals \$327 million, fiscal 2020 totals \$707 million, and fiscal 2021 totals \$603 million. Ambulance Assessment: fiscal 2019 totals \$7 million, fiscal 2020 totals \$12 million, and fiscal 2021 totals \$11 million. Intergovernmental Transfers: fiscal 2019 totals \$100 million, fiscal 2020 totals \$100 million, and fiscal 2021 totals \$100 million.

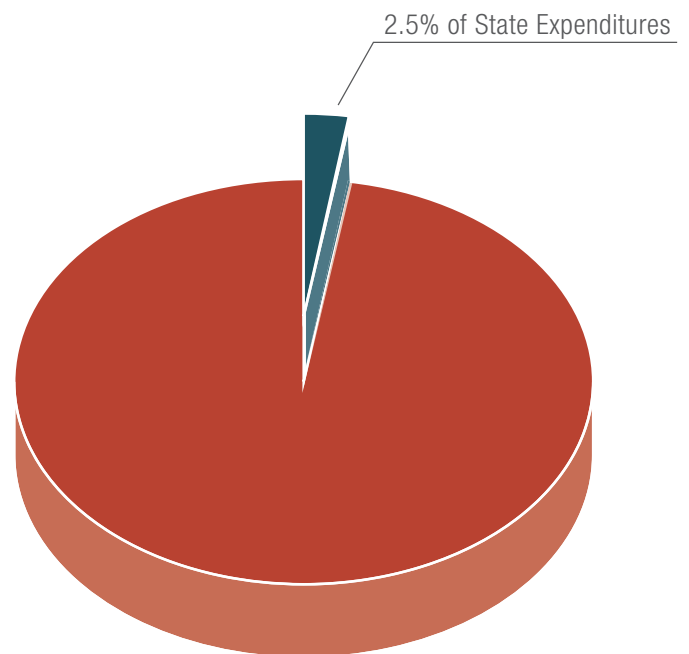
Vermont: The breakdown of local funds, etc. included in Other State Funds is as follows for fiscal 2019 (in millions): local match provided by schools \$28; tobacco litigation settlement funds \$20; other \$62. The breakdown is as follows for fiscal 2020: local match provided by schools \$24; tobacco litigation settlement funds \$21; other \$60. The breakdown is as follows for estimated fiscal 2021: local match provided by schools \$21; tobacco litigation settlement funds \$21; other \$42.

5

CHAPTER



CORRECTIONS EXPENDITURES



Corrections Expenditures

State spending on corrections reflects the costs to build and operate prison systems and may include spending on juvenile justice programs and alternatives to incarceration such as probation and parole. Total state spending on corrections in fiscal 2021 increased 0.7 percent over fiscal 2020, to \$66.4 billion, with a median growth rate of 2.1 percent. State general funds comprised 79.7 percent of corrections spending in fiscal 2021, a smaller percentage than in past years due to the increase in federal funds likely derived from the COVID-19 pandemic and associated federal relief. General fund spending for corrections decreased 6.3 percent in estimated 2021 as federal funds increased 183.3 percent. In fiscal 2020, total state spending for corrections totaled \$65.9 billion, a 4.3 percent increase, with a median growth rate of 2.5 percent. General fund spending decreased 0.02 percent in fiscal 2020 as federal funds increased 348.8 percent. The large percentage increases in federal funds are related to the small amount of federal funds for corrections prior to COVID-19; for example, in fiscal 2019 federal funds only comprised \$531 million out of \$63.2 billion in total spending on corrections.

The increase in federal funding is likely the result of two COVID-19 relief bills that included direct allocations to state, local, territorial, and tribal governments to respond to the public health emergency and address challenges posed by the pandemic. The first, the *Coronavirus Aid, Relief, and Economic Security Act (CARES Act)*, enacted in March 2020, established the Coronavirus Relief Fund (CRF) and appropriated \$150 billion. The U.S. Department of the Treasury provided in its implementation guidance an administrative accommodation that presumed work performed by public health and public safety employees during the period of March 1, 2020, through December 31, 2021, was an eligible use of CRF funds. Included in the definition of public safety workers is correctional and detention officers, meaning states could use CRF to cover a portion of correctional officer payroll costs. States may have also utilized CRF funds to purchase equipment or mitigate effects of the pandemic in correctional settings. Further, the *American Rescue Plan Act (ARPA)*, enacted in March 2021, authorized the \$350 billion Coronavirus State and Local Fiscal Recovery Fund, which allocated \$195.3 billion to states and the District of Columbia and \$4.5 billion to the territories. An eligible use of these funds includes responding to the public health emergency, which could include response, mitigation and prevention activities and support for congregate care facilities.

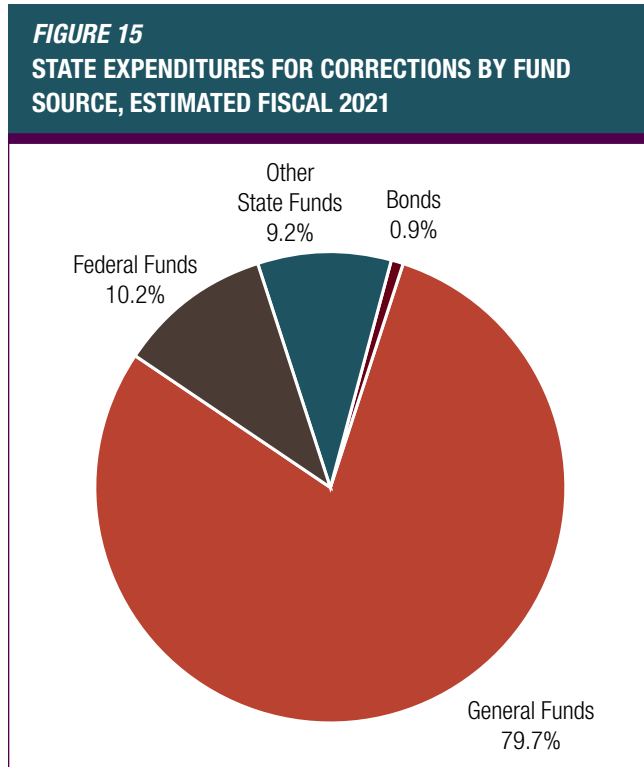
In addition to the two relief funds, states also received federal pandemic funds for specific purposes, such as \$563.1 million from the U.S. Department of Justice for the Coronavirus Emergency Supplemental Program, allocated through the CARES Act. This funding was intended to assist eligible states, local governments and tribes in preventing, preparing for, and responding to the coronavirus. Allowable projects and purchases include overtime, equipment, hiring, supplies, training and addressing the medical needs of inmates in prisons, jails and detention centers.

States reported spending \$2.8 billion in federal COVID-19 aid for corrections in fiscal 2020 and an estimated \$8.2 billion in fiscal 2021. With these large increases in federal funding in fiscal 2020 and fiscal 2021, the percentage of corrections expenditures comprised of federal funds also increased. In fiscal 2019, federal funds comprised 0.8 percent, with the number increasing to 3.6 percent in fiscal 2020 and 10.2 percent in fiscal 2021. State funds (general funds and other state funds combined but excluding bonds) accounted for 88.9 percent of total state corrections spending in fiscal 2021 and bonds accounted for 0.9 percent.

State spending for corrections can also be affected by changes in correctional populations. States held 27,788 fewer prisoners at year-end 2019 than in 2018, a decline of 2.2 percent, and more than 143,700 less than in 2009, a decrease of 10.5 percent (Bureau of Justice Statistics). Thirty-three states had a decrease in their sentenced prison population in 2019, while 13 states had increases. Even as the number of prisoners continued a gradual decrease, states will not capture significant savings until the population is reduced enough to close a prison unit or facility, which decreases the number of staff needed. The primary cost drivers in corrections are personnel costs, care and support for inmates including health care, contract costs for community-based programs, and maintenance of a large physical plant.

In fiscal 2021, corrections spending represented 2.5 percent of total state spending and 5.7 percent of general fund spending. Over the last three years, corrections spending as a percent of total general fund expenditures saw gradual but continual decreases, dropping from 6.6 percent in fiscal 2019 to 6.4 percent in 2020 and to 5.7 percent in 2021. The declines in corrections spending as a percentage of total general fund expenditures is partly related to large increases in the “all other” category as a percentage of general fund spending; the “all other” category includes many expenditures related to COVID-19 response.

Data on capital expenditures for corrections are displayed in Chapter Eight (Table 51).



Regional Expenditures

Table 31 shows changes in corrections expenditures by region between fiscal 2019 and fiscal 2020 and between fiscal 2020 and estimated fiscal 2021. In fiscal 2020, all regions except for New England and the Plains experienced an increase in total corrections spending, while in fiscal 2021 it is estimated that the Southwest and Far West experienced a decline. Looking at just state funds, several regions in both fiscal 2020 and fiscal 2021 experienced declines as federal funds increased in all regions except the Great Lakes in fiscal 2021.

Corrections—Expenditures Exclusions

Some states exclude certain items when reporting corrections expenditures. Twenty states wholly or partially exclude juvenile delinquency counseling from their corrections figures and 15 states wholly or partially exclude spending on juvenile institutions. Some states wholly or partially excluded spending, or do not provide state spending, on drug abuse rehabilitation centers (17), institutions for the criminally insane (35), and aid to local governments for jails (18). For details, see Table 36.

TABLE 31
REGIONAL PERCENTAGE CHANGE IN STATE CORRECTIONS EXPENDITURES, FISCAL 2020 AND 2021

Region	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-4.6 %	200.0 %	-4.1 %	1.2 %	172.9 %	6.7 %
Mid-Atlantic	2.3	198.6	4.8	-28.9	1524.7	6.4
Great Lakes	-5.0	861.2	0.0	6.0	-22.9	4.1
Plains	-1.9	20.8	-1.8	-2.4	575.9	3.3
Southeast	0.7	21.1	1.3	-2.9	327.0	2.5
Southwest	-11.2	2,942.1	7.5	-7.8	4.5	-5.5
Rocky Mountain	7.7	45.8	24.8	13.9	114.3	0.0
Far West	7.1	48.0	7.1	-4.1	13.2	-3.9
ALL STATES	0.8 %	348.8 %	4.3 %	-5.5 %	183.3 %	0.7 %

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

Region/State	Actual Fiscal 2019					Actual Fiscal 2020					Estimated Fiscal 2021				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$632	\$4	\$24	\$61	\$721	\$649	\$4	\$23	\$4	\$680	\$666	\$4	\$21	\$8	\$699
Maine*	188	1	2	0	191	189	3	2	0	194	126	74	2	0	202
Massachusetts	1,490	25	5	48	1,568	1,375	31	4	50	1,460	1,572	16	1	42	1,631
New Hampshire	125	0	6	2	133	129	0	7	2	138	129	0	9	1	139
Rhode Island	236	1	10	0	247	185	53	20	0	258	111	133	11	0	255
Vermont	150	1	7	0	158	154	5	6	0	165	124	35	4	1	164
MID-ATLANTIC															
Delaware	352	1	5	4	362	369	1	4	1	375	368	2	5	6	381
Maryland	1,497	33	74	13	1,617	1,518	34	76	47	1,675	1,498	31	84	53	1,666
New Jersey	1,254	9	40	0	1,303	1,096	149	39	0	1,284	1,187	155	36	0	1,378
New York*	2,605	4	120	251	2,980	2,880	4	97	317	3,298	1,277	2,046	96	214	3,633
Pennsylvania	2,673	25	136	29	2,863	2,725	27	151	32	2,935	1,696	1,259	123	41	3,119
GREAT LAKES															
Illinois	1,627	0	71	34	1,732	1,536	0	92	36	1,664	1,550	0	198	32	1,780
Indiana	778	3	55	0	836	760	5	59	0	824	769	14	66	0	849
Michigan*	2,146	34	48	2	2,230	1,717	455	72	3	2,247	2,030	232	83	10	2,355
Ohio*	2,007	10	70	110	2,197	2,053	8	64	82	2,207	2,017	117	54	66	2,254
Wisconsin	1,132	2	116	0	1,250	1,198	3	99	0	1,300	1,247	0	95	0	1,342
PLAINS															
Iowa	381	1	58	0	440	387	1	67	0	455	387	1	61	0	449
Kansas	367	5	19	5	396	402	9	23	5	439	421	32	31	0	484
Minnesota	603	3	13	0	619	596	2	21	0	619	646	5	28	0	679
Missouri	660	2	62	2	726	610	4	63	0	677	580	2	55	0	637
Nebraska	327	1	56	0	384	351	2	72	0	425	318	39	98	0	455
North Dakota	208	9	10	0	227	115	8	3	0	126	63	63	3	0	129
South Dakota	109	3	3	0	115	108	3	3	0	114	59	54	4	0	117
SOUTHEAST															
Alabama	565	30	85	0	680	610	36	80	0	726	692	69	87	0	848
Arkansas	462	0	63	0	525	455	0	77	0	532	466	0	51	0	517
Florida	2,882	77	130	0	3,089	2,965	83	101	0	3,149	3,132	74	132	0	3,338
Georgia	1,712	13	65	10	1,800	1,592	14	67	62	1,735	1,641	9	14	56	1,720
Kentucky	703	10	35	0	748	701	13	37	0	751	598	78	20	0	696
Louisiana	781	2	58	3	844	668	2	219	4	893	540	3	390	5	938
Mississippi	307	0	37	0	344	317	0	34	0	351	311	20	27	0	358
North Carolina	1,703	3	179	3	1,888	1,792	13	165	1	1,971	1,271	638	143	0	2,052
South Carolina	605	5	83	0	693	619	5	75	0	699	602	8	68	0	678
Tennessee	962	1	68	0	1,031	996	1	49	0	1,046	1,100	2	52	0	1,154
Virginia	1,370	49	70	27	1,516	1,400	63	70	20	1,553	1,176	81	57	17	1,331
West Virginia	252	0	111	0	363	279	0	14	0	293	293	0	125	0	418
SOUTHWEST															
Arizona	1,110	10	135	0	1,255	899	310	423	0	1,632	1,236	12	151	0	1,399
New Mexico	300	1	50	3	354	319	1	41	5	366	325	1	29	7	362
Oklahoma	520	1	85	0	606	544	2	87	0	633	524	1	79	0	604
Texas	3,619	26	154	0	3,799	2,846	843	144	0	3,833	2,435	1,194	112	0	3,741
ROCKY MOUNTAIN															
Colorado	835	4	41	0	880	902	7	48	0	957	842	10	48	0	900
Idaho	283	3	33	0	319	306	4	35	0	345	267	19	38	0	324
Montana	200	15	16	0	231	205	20	16	0	241	197	41	6	0	244
Utah	525	2	0	0	527	564	4	17	350	935	951	5	64	0	1,020
Wyoming	134	0	8	0	142	134	0	8	0	142	123	0	10	0	133
FAR WEST															
Alaska	349	8	8	0	365	337	28	14	0	379	400	30	23	0	453
California	11,961	71	2,874	0	14,906	12,961	88	2,792	0	15,841	11,984	108	3,097	0	15,189
Hawaii	278	1	14	0	293	271	1	15	0	287	263	3	25	0	291
Nevada	303	2	36	22	363	319	5	38	0	362	322	1	15	0	338
Oregon	1,038	17	24	22	1,101	1,113	17	235	20	1,385	1,128	15	39	19	1,201
Washington	1,142	3	54	35	1,234	1,223	12	55	12	1,302	1,232	14	58	27	1,331
TOTAL	\$56,448	\$531	\$5,526	\$686	\$63,191	\$56,439	\$2,383	\$6,023	\$1,053	\$65,898	\$52,892	\$6,750	\$6,128	\$605	\$66,375
District of Columbia	229	0	23	5	257	209	24	25	2	259					

TABLE 33
CORRECTIONS EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2019	Fiscal 2020	Fiscal 2021
NEW ENGLAND			
Connecticut	2.1 %	2.0 %	2.0 %
Maine	2.2	1.8	1.7
Massachusetts	2.6	2.3	2.4
New Hampshire	2.1	2.0	1.8
Rhode Island	2.5	2.3	1.7
Vermont	2.7	2.7	2.2
MID-ATLANTIC			
Delaware	3.2	3.2	2.9
Maryland	3.6	3.4	3.0
New Jersey	2.0	1.9	1.8
New York	1.7	1.9	1.9
Pennsylvania	3.2	3.1	3.0
GREAT LAKES			
Illinois	2.4	2.1	2.0
Indiana	2.5	2.2	1.9
Michigan	3.7	3.6	3.2
Ohio	3.1	3.0	2.8
Wisconsin	2.5	2.5	2.3
PLAINS			
Iowa	1.9	1.7	1.6
Kansas	2.3	2.3	2.3
Minnesota	1.5	1.4	1.4
Missouri	2.7	2.5	2.1
Nebraska	3.2	3.3	3.0
North Dakota	3.6	1.8	1.5
South Dakota	2.6	2.4	1.7
SOUTHEAST			
Alabama	2.4	2.3	2.7
Arkansas	2.0	1.9	1.7
Florida	3.7	3.7	3.6
Georgia	3.2	2.9	3.0
Kentucky	2.2	2.0	1.7
Louisiana	2.9	2.9	2.5
Mississippi	1.8	1.8	1.5
North Carolina	3.2	3.2	3.4
South Carolina	2.7	2.6	2.3
Tennessee	3.0	2.9	2.5
Virginia	2.7	2.4	1.8
West Virginia	2.0	1.6	2.2
SOUTHWEST			
Arizona	3.2	4.0	3.1
New Mexico	1.8	1.6	1.4
Oklahoma	2.5	2.6	2.2
Texas	3.1	2.8	2.6
ROCKY MOUNTAIN			
Colorado	2.9	2.7	2.4
Idaho	2.9	2.9	2.1
Montana	3.2	2.9	2.2
Utah	3.2	5.2	4.3
Wyoming	3.0	3.0	2.8
FAR WEST			
Alaska	3.3	3.2	3.0
California	5.0	4.4	3.0
Hawaii	1.9	1.6	1.2
Nevada	2.3	2.4	2.1
Oregon	2.6	2.8	2.0
Washington	2.4	2.4	2.2
ALL STATES	3.0 %	2.9 %	2.5 %

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

Region/State	Fiscal 2019	Fiscal 2020	Fiscal 2021
NEW ENGLAND			
Connecticut	3.3 %	3.4 %	3.3 %
Maine	5.1	4.9	3.4
Massachusetts	5.2	4.7	4.9
New Hampshire	8.3	7.6	8.0
Rhode Island	6.0	4.7	2.8
Vermont	9.1	10.0	7.6
MID-ATLANTIC			
Delaware	8.0	8.2	8.1
Maryland	8.4	8.0	7.8
New Jersey	3.4	3.0	2.9
New York	3.6	3.7	1.7
Pennsylvania	7.4	7.5	4.4
GREAT LAKES			
Illinois	4.5	4.3	4.1
Indiana	4.8	4.6	4.2
Michigan	20.7	19.2	18.5
Ohio	8.8	9.1	8.8
Wisconsin	6.6	6.9	6.8
PLAINS			
Iowa	5.0	4.9	4.9
Kansas	5.3	5.3	5.5
Minnesota	2.6	2.5	2.7
Missouri	6.9	6.7	5.9
Nebraska	7.5	7.8	7.0
North Dakota	9.6	4.9	2.8
South Dakota	6.7	6.3	3.2
SOUTHEAST			
Alabama	6.3	6.0	7.4
Arkansas	8.3	8.3	8.5
Florida	8.7	8.7	9.0
Georgia	6.1	5.6	5.8
Kentucky	6.1	6.0	5.3
Louisiana	8.0	6.9	5.4
Mississippi	5.5	5.5	5.6
North Carolina	7.1	7.3	5.2
South Carolina	7.3	7.1	7.0
Tennessee	6.5	6.5	6.6
Virginia	6.3	6.4	5.2
West Virginia	6.5	7.2	7.9
SOUTHWEST			
Arizona	10.3	8.0	10.8
New Mexico	5.0	4.7	4.5
Oklahoma	8.4	8.4	9.4
Texas	6.5	4.5	4.0
ROCKY MOUNTAIN			
Colorado	7.2	7.4	7.6
Idaho	6.6	6.8	6.1
Montana	8.7	8.8	8.2
Utah	7.0	7.7	11.2
Wyoming	8.9	8.9	8.4
FAR WEST			
Alaska	5.9	5.9	6.1
California	8.5	8.9	7.2
Hawaii	3.5	3.4	3.0
Nevada	6.8	7.1	7.1
Oregon	10.8	9.6	11.0
Washington	5.0	5.1	4.7
ALL STATES	6.6 %	6.4 %	5.7 %

TABLE 35
ANNUAL PERCENTAGE CHANGE IN CORRECTIONS EXPENDITURES

Region/State	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	2.4 %	0.0 %	-5.7 %	2.2 %	0.0 %	2.8 %
Maine	0.5	200.0	1.6	-33.0	2,366.7	4.1
Massachusetts	-7.8	24.0	-6.9	14.1	-48.4	11.7
New Hampshire	3.8	—	3.8	1.5	—	0.7
Rhode Island	-16.7	5,200.0	4.5	-40.5	150.9	-1.2
Vermont	1.9	400.0	4.4	-20.0	600.0	-0.6
MID-ATLANTIC						
Delaware	4.5	0.0	3.6	0.0	100.0	1.6
Maryland	1.5	3.0	3.6	-0.8	-8.8	-0.5
New Jersey	-12.3	1,555.6	-1.5	7.8	4.0	7.3
New York	9.2	0.0	10.7	-53.9	51,050.0	10.2
Pennsylvania	2.4	8.0	2.5	-36.8	4,563.0	6.3
GREAT LAKES						
Illinois	-4.1	—	-3.9	7.4	—	7.0
Indiana	-1.7	66.7	-1.4	2.0	180.0	3.0
Michigan	-18.5	1,238.2	0.8	18.1	-49.0	4.8
Ohio	1.9	-20.0	0.5	-2.2	1,362.5	2.1
Wisconsin	3.9	50.0	4.0	3.5	-100.0	3.2
PLAINS						
Iowa	3.4	0.0	3.4	-1.3	0.0	-1.3
Kansas	10.1	80.0	10.9	6.4	255.6	10.3
Minnesota	0.2	-33.3	0.0	9.2	150.0	9.7
Missouri	-6.8	100.0	-6.7	-5.6	-50.0	-5.9
Nebraska	10.4	100.0	10.7	-1.7	1,850.0	7.1
North Dakota	-45.9	-11.1	-44.5	-44.1	687.5	2.4
South Dakota	-0.9	0.0	-0.9	-43.2	1,700.0	2.6
SOUTHEAST						
Alabama	6.2	20.0	6.8	12.9	91.7	16.8
Arkansas	1.3	—	1.3	-2.8	—	-2.8
Florida	1.8	7.8	1.9	6.5	-10.8	6.0
Georgia	-6.6	7.7	-3.6	-0.2	-35.7	-0.9
Kentucky	0.0	30.0	0.4	-16.3	500.0	-7.3
Louisiana	5.7	0.0	5.8	4.8	50.0	5.0
Mississippi	2.0	—	2.0	-3.7	—	2.0
North Carolina	4.0	333.3	4.4	-27.7	4,807.7	4.1
South Carolina	0.9	0.0	0.9	-3.5	60.0	-3.0
Tennessee	1.5	0.0	1.5	10.2	100.0	10.3
Virginia	2.1	28.6	2.4	-16.1	28.6	-14.3
West Virginia	-19.3	—	-19.3	42.7	—	42.7
SOUTHWEST						
Arizona	6.2	3,000.0	30.0	4.9	-96.1	-14.3
New Mexico	2.9	0.0	3.4	-1.7	0.0	-1.1
Oklahoma	4.3	100.0	4.5	-4.4	-50.0	-4.6
Texas	-20.8	3,142.3	0.9	-14.8	41.6	-2.4
ROCKY MOUNTAIN						
Colorado	8.4	75.0	8.8	-6.3	42.9	-6.0
Idaho	7.9	33.3	8.2	-10.6	375.0	-6.1
Montana	2.3	33.3	4.3	-8.1	105.0	1.2
Utah	10.7	100.0	77.4	74.7	25.0	9.1
Wyoming	0.0	—	0.0	-6.3	—	-6.3
FAR WEST						
Alaska	-1.7	250.0	3.8	20.5	7.1	19.5
California	6.2	23.9	6.3	-4.3	22.7	-4.1
Hawaii	-2.1	0.0	-2.0	0.7	200.0	1.4
Nevada	5.3	150.0	-0.3	-5.6	-80.0	-6.6
Oregon	26.9	0.0	25.8	-13.4	-11.8	-13.3
Washington	6.9	300.0	5.5	0.9	16.7	2.2
ALL STATES	0.8 %	348.8 %	4.3 %	-5.5 %	183.3 %	0.7 %
MEDIAN	2.0	29.3	2.5	-1.7	46.4	2.1

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

TABLE 36
ITEMS EXCLUDED FROM CORRECTIONS EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Juvenile Delinquency Counseling	Juvenile Institutions	Aid to Local Govts. for Jails	Drug Abuse Rehab. Centers	Institutions for the Criminally Insane
NEW ENGLAND							
Connecticut	X	X	P	P	X	P	X
Maine							X
Massachusetts	X	X				P	
New Hampshire			X	X	X		
Rhode Island			X	X	N/A		X
Vermont			X	X	X		X
MID-ATLANTIC							
Delaware					X		
Maryland							
New Jersey							X
New York	P	P					X
Pennsylvania							
GREAT LAKES							
Illinois	P	P					X
Indiana						P	X
Michigan*			P				X
Ohio*						P	X
Wisconsin							X
PLAINS							
Iowa				X			
Kansas							
Minnesota			P		X	P	X
Missouri	X	X	X	X		P	X
Nebraska					N/A		
North Dakota							X
South Dakota					X		X
SOUTHEAST							
Alabama					X		X
Arkansas			X	X			X
Florida					X	P	X
Georgia						P	X
Kentucky							X
Louisiana							N/A
Mississippi			X				X
North Carolina							
South Carolina					X	X	X
Tennessee			X	X			P
Virginia							
West Virginia		X	X	X	X	X	X
SOUTHWEST							
Arizona			P				
New Mexico			X	X	X		
Oklahoma			X	X		X	X
Texas	P	P	X	X	X		X
ROCKY MOUNTAIN							
Colorado							
Idaho						P	X
Montana						P	X
Utah			X			X	N/A
Wyoming							
FAR WEST							
Alaska			P			X	X
California							X
Hawaii	P	P	X	X	N/A		X
Nevada			X	X	X	X	X
Oregon	P	P	P	P	P	P	P
Washington					N/A		
ALL STATES	8	9	20	15	18	17	35
District of Columbia					N/A	P	N/A

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

Corrections Notes

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

Maine: In FY21, COVID Coronavirus Relief Funds were used to cover payroll costs for certain Corrections employees in accordance with US Treasury guidelines for public safety employees.

Michigan: Totals include adult inmate and juvenile program expenditures. FY 2019 totals have been revised to correct these amounts.

New York: Pursuant to guidelines established by the U.S. Department of Treasury, the State charged eligible costs to the

Federal CRF in FY 2021 which reduced General Fund spending and increased Federal Funds spending. This included payroll costs and fringe benefits for correctional officers.

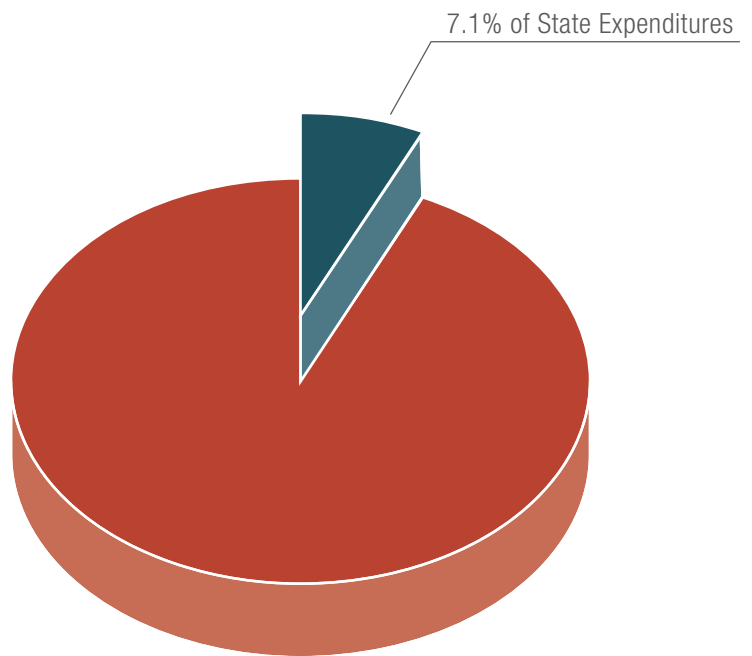
Ohio: While employer contributions to current employees' pensions and employer contributions to employee health benefits are included in the expenditure totals, agencies do not receive specific appropriations for these purposes. As of fiscal year 2016, drug recovery services within Department of Rehabilitation and Correction (DRC) institutions are provided by the Department of Mental Health and Addiction Services. However, DRC continues to fund drug abuse rehabilitation programs in community settings through per-bed or per-diem payments to Halfway Houses and Community Based Correctional Facilities.

6

CHAPTER



TRANSPORTATION EXPENDITURES



Transportation Expenditures

Transportation expenditures totaled \$189.1 billion in estimated fiscal 2021, 7.1 percent of total state spending and an increase of 9.1 percent over the previous year. State funds (general funds and other state funds combined, excluding bonds) for transportation increased 6.2 percent in fiscal 2021, while federal funds rose 13.3 percent. Median growth rates for fiscal 2021 were all funds (5.1 percent), state funds (2.8 percent), and federal funds (5.3 percent). In fiscal 2020, total state expenditures for transportation grew 2.9 percent. State funds increased 2.0 percent, while federal funds rose 6.2 percent. The median growth rates in fiscal 2020 were all funds (3.7 percent), state funds (2.1 percent), and federal funds (6.3 percent).

State governments contributed 71.7 percent of transportation expenditures in fiscal 2021, while federal dollars accounted for 28.3 percent. In fiscal 2021, 57.5 percent of transportation expenditures are funded from earmarked revenues placed in special transportation funds, captured in the “Other State Funds” category in this report. The largest earmarked revenue source is states’ motor fuel excise taxes. States also contribute to transportation spending through both bonds (accounting for 8.5 percent of total transportation expenditures) and general funds (5.7 percent). Federal funds have grown as a share of total transportation spending over the past two years as states have received limited federal COVID–19 aid that has been eligible to use for transportation purposes, including \$10 billion in emergency funding for state transportation departments from a December 2020 relief measure. Federal funds have increased from 26.4 percent of total spending on transportation in fiscal 2019, to 27.3 percent in fiscal 2020, to an estimated 28.3 percent in fiscal 2021. States estimate in fiscal 2020 they expended \$1.1 billion in federal COVID–19 aid for transportation, while in fiscal 2021, federal COVID–19 aid for transportation purposes is estimated at \$4.8 billion.

Transportation Funds

States were also asked to detail transportation fund revenue sources, if their state has a transportation fund. Forty-seven states reported having a separate transportation fund. All 47 states deposit some or all motor fuel tax receipts into their transportation fund, 42 include vehicle license and registration fees and 26 include vehicle sales and use taxes. Motor fuel taxes represented the largest revenue source for transportation funds (38.7 percent), followed by license and registration fees (22.2 percent), vehicle sales and use taxes (10.7 percent), tolls (1.2 percent), and all other (27.1 percent). Table A–5 in the Appendix shows transportation fund revenue sources totaled \$107.4 billion in fiscal 2019, \$105.4 billion in fiscal 2020, and \$110.1 billion in estimated fiscal 2021.

State Transportation Financing Issues

In recent years states have been responding to the diminishing buying power of fuel tax revenues resulting from more fuel-efficient vehicles. States are concerned that in the long term, the current structure of state and federal fuel tax revenue will not be able to meet transportation needs as most gas taxes are set at fixed rates and do not rise with inflation (22 states have indexed or variable-rate gas taxes), new vehicle fuel economy continues to increase, and the growth in vehicle miles traveled has leveled off. Since 2013, approximately two-thirds of states have taken actions to raise their fuel tax revenues. Many of the actions were the result of multi-year transportation plans and were combined with other revenue-raising actions. One of the more notable recent actions has been the institution of registration fees on electric and hybrid vehicles to ensure that all vehicles pay a share of transportation system costs. Additionally, states continue to explore road usage charges, or mileage-based user fees, with a growing number conducting pilot programs. Thirty-two states also have constitutional restrictions that dedicate transportation funds for transportation purposes.

FAST Act and IJJA

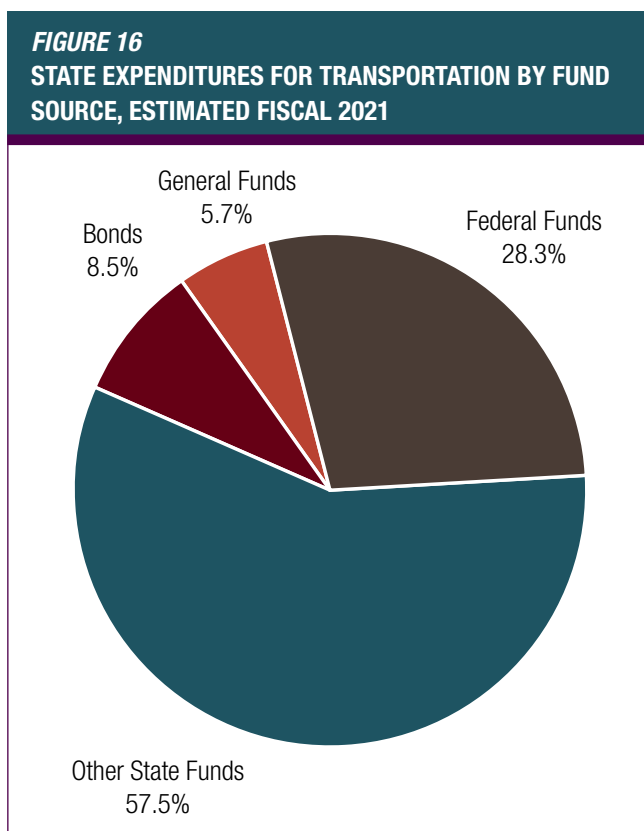
On December 4, 2015, President Obama signed into law the *Fixing America’s Surface Transportation (FAST) Act*. The FAST Act marked the first federal transportation reauthorization since 2012. The legislation (P.L. 114–94) reauthorized surface transportation spending for five years (fiscal year 2016 through fiscal year 2020) at a cost of approximately \$305 billion. The bill includes funding for highway and transit programs, including Amtrak, and is funded by the federal gas tax, which remains at 18.4 cents per gallon, and \$70 billion in offsets from other parts of the federal government.

Key provisions in the bill include: establishing a National Surface Transportation and Innovative Finance Bureau to help states with project delivery; streamlining the environmental review and permitting process; increasing dedicated bus funding by 89 percent over the reauthorization period; establishing a pilot program for communities to expand transit through the use of public-private partnerships; increasing the percentage of the National Priority Safety Program states can spend on traditional safety programs; creating a new formula grant program, the National Highway Freight Program, and a new competitive grant program, the Nationally Significant Freight and Highway Projects Program; converting the Surface Transportation Program to a block grant program; increasing the amount of Surface Transportation Program funding that is distributed to local governments from 50 percent to 55 percent; and requiring certain railroads to provide information on the identity, quantity, and location of crude oil movements to emergency responders.

On October 1, 2020, President Trump signed a continuing resolution to extend funding for the federal government through December 11, 2020. Included in the legislation was a yearlong extension of the FAST Act, which was set to expire on September 30, 2020. After previously approving a one-month extension of the FAST Act through October 31, 2021, the United States Congress approved another short-term extension of the FAST Act through December 3, 2021. The short-term extensions have maintained federal transportation funding while Congress continues to consider a long-term surface transportation reauthorization. On August 10, 2021, the Senate passed the \$1.2 trillion *Infrastructure Investment and Jobs Act (IIJA)* by a vote of 69–30. The bill includes \$550 billion in new spending over five years (fiscal year 2022 through fiscal year 2026) for roads/bridges/major projects, passenger and freight rail, public transit, broadband, airports, ports, water infrastructure, and resiliency. The legislation also includes the creation of a new electric vehicle charging infrastructure formula program. As of November 1, 2021, the House of Representatives has yet to act on the Infrastructure Investment and Jobs Act.

Fund Shares

Figure 16 below provides fund shares for estimated fiscal 2021.



Regional Expenditures

Table 37 shows percentage changes in transportation expenditures by region between fiscal 2019 and fiscal 2020 and between fiscal 2020 and estimated fiscal 2021. In fiscal 2020, all regions except for the Mid-Atlantic experienced growth in total spending on transportation, while in estimated fiscal 2021, all regions saw growth.

TABLE 37
REGIONAL PERCENTAGE CHANGE IN STATE TRANSPORTATION EXPENDITURES, FISCAL 2020 AND 2021

Region	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	4.4 %	13.1 %	2.7 %	1.9 %	14.8 %	7.9 %
Mid-Atlantic	-6.5	3.6	-4.8	13.3	15.7	16.6
Great Lakes	-2.5	8.3	1.9	2.3	23.5	13.3
Plains	3.9	19.4	7.8	8.9	33.1	13.9
Southeast	-0.6	3.3	2.5	-0.8	-1.0	0.3
Southwest	16.1	22.5	13.5	3.8	12.0	5.8
Rocky Mountain	18.8	9.8	26.0	11.3	14.4	0.0
Far West	6.8	-8.8	0.7	11.0	24.6	13.3
ALL STATES	2.0 %	6.2 %	2.9 %	6.2 %	13.3 %	9.1 %

Transportation—Expenditure Exclusions

Forty-one states wholly or partially exclude state police and highway patrols from the transportation expenditures contained within the report. Additionally, 37 states wholly or partially exclude port authority operations, 22 states omit motor vehicle licensing, 16 states exclude truck enforcement regulation programs, and 12 states exclude gasoline tax and fee collections. For details, see Table 41.

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

Region/State	Actual Fiscal 2019					Actual Fiscal 2020					Estimated Fiscal 2021				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$703	\$1,638	\$1,224	\$3,565	\$0	\$800	\$1,702	\$891	\$3,393	\$0	\$990	\$1,754	\$715	\$3,459
Maine*	0	203	374	124	701	8	262	433	103	806	2	284	366	131	783
Massachusetts	147	639	2,164	1,248	4,198	159	698	2,231	1,345	4,433	127	795	2,413	1,689	5,024
New Hampshire	1	243	277	10	531	2	259	269	15	545	3	255	260	9	527
Rhode Island	0	287	261	183	731	0	318	291	175	784	0	404	280	323	1,007
Vermont	0	269	264	1	534	0	314	257	1	572	0	315	247	2	564
MID-ATLANTIC															
Delaware	4	292	686	12	994	6	299	754	0	1,059	5	355	724	21	1,105
Maryland	0	943	4,033	0	4,976	0	1,475	3,920	0	5,395	0	1,785	3,538	0	5,323
New Jersey	1,768	2,046	1,588	2,142	7,544	1,962	1,819	1,433	1,906	7,120	2,043	1,749	1,532	2,600	7,924
New York	607	1,706	5,136	2,403	9,852	458	1,646	4,851	2,239	9,194	429	1,633	5,180	3,047	10,289
Pennsylvania	2,920	1,935	6,686	196	11,737	2,262	1,929	6,257	203	10,651	4,730	2,773	6,634	175	14,312
GREAT LAKES															
Illinois	6	82	4,320	298	4,706	0	131	3,583	532	4,246	0	566	3,912	1,027	5,505
Indiana	48	1,031	1,324	0	2,403	44	979	1,758	0	2,781	40	1,162	1,787	0	2,989
Michigan*	357	1,262	2,898	3	4,520	12	1,702	3,153	44	4,911	0	2,327	3,364	497	6,188
Ohio*	14	1,456	1,944	0	3,414	49	1,525	1,938	0	3,512	36	1,474	1,697	0	3,207
Wisconsin	126	1,051	2,033	0	3,210	153	952	2,049	0	3,154	141	1,003	2,054	0	3,198
PLAINS															
Iowa	0	589	1,475	0	2,064	0	672	1,507	0	2,179	0	794	1,587	0	2,381
Kansas	0	438	495	209	1,142	0	449	758	208	1,415	0	489	1,188	208	1,885
Minnesota	205	272	3,518	219	4,214	175	321	3,426	323	4,245	184	1,065	3,626	321	5,196
Missouri	18	78	1,935	0	2,031	69	76	2,006	0	2,151	62	83	2,028	0	2,173
Nebraska	0	345	501	0	846	0	467	558	0	1,025	0	484	527	0	1,011
North Dakota	7	331	328	0	666	13	330	331	0	674	3	341	370	0	714
South Dakota	1	282	322	0	605	5	474	300	0	779	30	455	359	0	844
SOUTHEAST															
Alabama	0	1,041	702	281	2,024	0	958	749	143	1,850	0	749	551	96	1,396
Arkansas	1	506	913	0	1,420	1	489	1,078	0	1,568	0	781	1,202	0	1,983
Florida	174	2,389	6,446	349	9,358	76	2,201	6,959	343	9,579	0	2,568	7,219	539	10,326
Georgia	1,862	1,330	371	212	3,775	1,874	1,535	645	152	4,206	1,931	1,607	98	100	3,736
Kentucky	10	898	1,602	0	2,510	7	983	1,590	0	2,580	6	998	1,471	0	2,475
Louisiana	12	1,492	795	154	2,453	16	1,387	762	218	2,383	90	1,429	700	270	2,489
Mississippi	0	653	516	130	1,299	0	623	436	130	1,189	0	624	536	145	1,305
North Carolina	0	1,506	5,266	82	6,854	0	1,717	4,193	531	6,441	0	1,282	3,305	896	5,483
South Carolina	15	735	1,454	0	2,204	0	839	1,448	0	2,287	0	757	1,235	0	1,992
Tennessee*	0	889	611	0	1,500	0	1,120	558	0	1,678	0	1,041	642	0	1,683
Virginia	41	1,209	5,621	118	6,989	0	1,194	5,713	125	7,032	0	1,062	7,006	67	8,135
West Virginia	7	500	752	0	1,259	3	534	911	433	1,881	5	547	800	440	1,792
SOUTHWEST															
Arizona	14	588	1,848	669	3,119	29	637	2,113	405	3,184	2	702	1,927	350	2,981
New Mexico	48	782	734	39	1,603	138	829	743	30	1,740	210	933	816	35	1,994
Oklahoma	0	635	692	85	1,412	0	705	768	94	1,567	0	735	931	6	1,672
Texas*	2	4,026	7,356	419	11,803	3	5,217	8,626	27	13,873	17	5,905	8,985	0	14,907
ROCKY MOUNTAIN															
Colorado	1	612	1,209	0	1,822	1	621	1,483	0	2,105	2	630	1,347	0	1,979
Idaho	0	320	430	0	750	0	372	382	0	754	0	452	641	0	1,093
Montana	39	471	363	0	873	40	520	393	0	953	42	547	436	0	1,025
Utah	4	386	1,067	150	1,607	6	453	1,412	717	2,588	15	624	1,667	0	2,306
Wyoming	0	26	106	0	132	0	26	106	0	132	0	26	104	0	130
FAR WEST															
Alaska	262	975	271	0	1,508	277	951	237	0	1,465	255	918	258	0	1,431
California	227	4,574	12,765	976	18,542	210	4,450	14,130	435	19,225	238	6,045	16,211	578	23,072
Hawaii	0	285	1,561	346	2,192	0	208	1,213	421	1,842	0	369	1,146	285	1,800
Nevada	4	648	733	112	1,497	0	343	427	0	770	3	286	463	63	815
Oregon	11	42	1,769	8	1,830	15	35	2,458	5	2,513	34	59	2,673	21	2,787
Washington	2	536	1,221	1,304	3,063	3	452	1,138	1,422	3,015	2	344	1,031	1,368	2,745
TOTAL	\$8,965	\$44,537	\$101,374	\$13,706	\$168,582	\$8,076	\$47,296	\$104,436	\$13,616	\$173,424	\$10,687	\$53,601	\$108,828	\$16,024	\$189,140
District of Columbia	229	220	445	287	1,181	446	237	425	346	1,453					

TABLE 39
TRANSPORTATION EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2019	Fiscal 2020	Fiscal 2021
NEW ENGLAND			
Connecticut	10.4 %	10.0 %	9.7 %
Maine	8.0	7.6	6.5
Massachusetts	7.0	7.0	7.3
New Hampshire	8.5	7.9	7.0
Rhode Island	7.5	6.9	6.7
Vermont	9.2	9.3	7.7
MID-ATLANTIC			
Delaware	8.8	8.9	8.3
Maryland	11.0	11.1	9.4
New Jersey	11.8	10.7	10.6
New York	5.8	5.3	5.5
Pennsylvania	13.1	11.1	13.8
GREAT LAKES			
Illinois	6.6	5.5	6.3
Indiana	7.1	7.4	6.7
Michigan	7.6	7.9	8.5
Ohio	4.8	4.7	3.9
Wisconsin	6.4	6.1	5.4
PLAINS			
Iowa	8.8	8.4	8.6
Kansas	6.7	7.3	8.9
Minnesota	10.3	9.9	10.4
Missouri	7.7	7.9	7.3
Nebraska	7.0	7.9	6.7
North Dakota	10.4	9.5	8.5
South Dakota	13.5	16.1	12.6
SOUTHEAST			
Alabama	7.0	5.8	4.4
Arkansas	5.5	5.6	6.4
Florida	11.3	11.1	11.2
Georgia	6.6	6.9	6.5
Kentucky	7.5	6.7	5.9
Louisiana	8.3	7.7	6.6
Mississippi	6.8	6.0	5.6
North Carolina	11.8	10.4	9.2
South Carolina	8.5	8.5	6.8
Tennessee	4.4	4.7	3.6
Virginia	12.6	10.9	10.8
West Virginia	7.0	10.2	9.4
SOUTHWEST			
Arizona	8.1	7.8	6.6
New Mexico	8.2	7.8	7.9
Oklahoma	5.9	6.3	6.0
Texas	9.7	10.2	10.4
ROCKY MOUNTAIN			
Colorado	6.1	5.9	5.4
Idaho	6.9	6.4	7.1
Montana	12.2	11.5	9.2
Utah	9.7	14.3	9.7
Wyoming	2.8	2.8	2.8
FAR WEST			
Alaska	13.4	12.3	9.6
California	6.2	5.4	4.5
Hawaii	14.0	10.2	7.4
Nevada	9.3	5.1	5.0
Oregon	4.3	5.1	4.7
Washington	6.1	5.6	4.4
ALL STATES	8.0 %	7.6 %	7.1 %

TABLE 40
ANNUAL PERCENTAGE CHANGE IN TRANSPORTATION EXPENDITURES

Region/State	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	3.9 %	13.8 %	-4.8 %	3.1 %	23.8 %	1.9 %
Maine	17.9	29.1	15.0	-16.6	8.4	-2.9
Massachusetts	3.4	9.2	5.6	6.3	13.9	13.3
New Hampshire	-2.5	6.6	2.6	-3.0	-1.5	-3.3
Rhode Island	11.5	10.8	7.3	-3.8	27.0	28.4
Vermont	-2.7	16.7	7.1	-3.9	0.3	-1.4
MID-ATLANTIC						
Delaware	10.1	2.4	6.5	-4.1	18.7	4.3
Maryland	-2.8	56.4	8.4	-9.7	21.0	-1.3
New Jersey	1.2	-11.1	-5.6	5.3	-3.8	11.3
New York	-7.6	-3.5	-6.7	5.7	-0.8	11.9
Pennsylvania	-11.3	-0.3	-9.3	33.4	43.8	34.4
GREAT LAKES						
Illinois	-17.2	59.8	-9.8	9.2	332.1	29.7
Indiana	31.3	-5.0	15.7	1.4	18.7	7.5
Michigan	-2.8	34.9	8.7	6.3	36.7	26.0
Ohio	1.5	4.7	2.9	-12.8	-3.3	-8.7
Wisconsin	2.0	-9.4	-1.7	-0.3	5.4	1.4
PLAINS						
Iowa	2.2	14.1	5.6	5.3	18.2	9.3
Kansas	53.1	2.5	23.9	56.7	8.9	33.2
Minnesota	-3.3	18.0	0.7	5.8	231.8	22.4
Missouri	6.2	-2.6	5.9	0.7	9.2	1.0
Nebraska	11.4	35.4	21.2	-5.6	3.6	-1.4
North Dakota	2.7	-0.3	1.2	8.4	3.3	5.9
South Dakota	-5.6	68.1	28.8	27.5	-4.0	8.3
SOUTHEAST						
Alabama	6.7	-8.0	-8.6	-26.4	-21.8	-24.5
Arkansas	18.1	-3.4	10.4	11.4	59.7	26.5
Florida	6.3	-7.9	2.4	2.6	16.7	7.8
Georgia*	12.8	15.4	11.4	-19.5	4.7	-11.2
Kentucky	-0.9	9.5	2.8	-7.5	1.5	-4.1
Louisiana	-3.6	-7.0	-2.9	1.5	3.0	4.4
Mississippi	-15.5	-4.6	-8.5	22.9	0.2	9.8
North Carolina	-20.4	14.0	-6.0	-21.2	-25.3	-14.9
South Carolina	-1.4	14.1	3.8	-14.7	-9.8	-12.9
Tennessee	-8.7	26.0	11.9	15.1	-7.1	0.3
Virginia	0.9	-1.2	0.6	22.6	-11.1	15.7
West Virginia	20.4	6.8	49.4	-11.9	2.4	-4.7
SOUTHWEST						
Arizona	15.0	8.3	2.1	-9.9	10.2	-6.4
New Mexico	12.7	6.0	8.5	16.5	12.5	14.6
Oklahoma	11.0	11.0	11.0	21.2	4.3	6.7
Texas	17.3	29.6	17.5	4.3	13.2	7.5
ROCKY MOUNTAIN						
Colorado	22.6	1.5	15.5	-9.1	1.4	-6.0
Idaho	-11.2	16.3	0.5	67.8	21.5	45.0
Montana	7.7	10.4	9.2	10.4	5.2	7.6
Utah	32.4	17.4	61.0	18.6	37.7	-10.9
Wyoming	0.0	0.0	0.0	-1.9	0.0	-1.5
FAR WEST						
Alaska	-3.6	-2.5	-2.9	-0.2	-3.5	-2.3
California	10.4	-2.7	3.7	14.7	35.8	20.0
Hawaii	-22.3	-27.0	-16.0	-5.5	77.4	-2.3
Nevada	-42.1	-47.1	-48.6	9.1	-16.6	5.8
Oregon	38.9	-16.7	37.3	9.5	68.6	10.9
Washington	-6.7	-15.7	-1.6	-9.5	-23.9	-9.0
ALL STATES	2.0 %	6.2 %	2.9 %	6.2 %	13.3 %	9.1 %
MEDIAN	2.1	6.3	3.7	2.8	5.3	5.1

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

TABLE 41

ITEMS EXCLUDED FROM TRANSPORTATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Port Authority Operations	Gasoline Tax & Fee Collections	Truck Enforcement Reg. Programs	Train/Railroad Subsidy Programs	Road Assist. Subsidy Prog. for Local Govts.	Motor Vehicle Licensing	State Police/ Highway Patrol
NEW ENGLAND									
Connecticut			X	X	X			X	X
Maine					X			X	X
Massachusetts	P	P	X	X					
New Hampshire								X	X
Rhode Island			X				X		X
Vermont			N/A						X
MID-ATLANTIC									
Delaware			X						
Maryland									X
New Jersey			X						X
New York	P	P	N/A	X					X
Pennsylvania			N/A	N/A					X
GREAT LAKES									
Illinois		P	X					X	P
Indiana			X		X			X	X
Michigan			N/A					X	X
Ohio*			X		X		P	X	X
Wisconsin			N/A						
PLAINS									
Iowa			X						X
Kansas			X		X			X	X
Minnesota			X						
Missouri				X			X	X	X
Nebraska			N/A	P		N/A	N/A		
North Dakota			X		X				X
South Dakota			X		X			X	X
SOUTHEAST									
Alabama			X		P	N/A		X	X
Arkansas			X			X		X	X
Florida			X	X	X			X	X
Georgia			X		X			X	X
Kentucky									X
Louisiana			X	X	P	X		X	X
Mississippi			X	X				X	X
North Carolina									
South Carolina			X			X			X
Tennessee					X			X	X
Virginia									
West Virginia			P		N	N/A	N/A		N/A
SOUTHWEST									
Arizona									X
New Mexico			X		X	X	X	X	X
Oklahoma	X		X	P	X			X	X
Texas*	X	X	X		P	P	P	P	X
ROCKY MOUNTAIN									
Colorado				N/A			X		
Idaho						N/A	X		X
Montana			X						X
Utah						N/A	P	P	X
Wyoming									
FAR WEST									
Alaska			X	X		X	P		X
California			X						X
Hawaii			N/A			N/A	N/A	N/A	N/A
Nevada			N/A		N/A	N/A	N/A		N/A
Oregon			X						X
Washington			N/A						X
ALL STATES	4	4	37	12	16	13	13	22	41
District of Columbia			N/A					X	X

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

Transportation Notes

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

Maine: Highway Fund revenues declined at the end of FY20 and into FY21 as a result of COVID. Highway Fund revenue (fuels tax, etc.) is Maine's primary source of non-federal transportation revenue. Consequently, Transportation expenditures were reduced and/or other revenue sources including General Fund, Bond Funds and federal COVID relief funds designated for transportation were used to cover expenses. This can be seen in the Capital expenditures section as well.

Michigan: New revenue bonds support increased transportation spending for road improvements.

Ohio: While employer contributions to current employees' pensions and employer contributions to employee health benefits are included in the expenditure totals, agencies do not receive specific appropriations for these purposes. The Ohio Department of Public Safety and the Ohio Public Utilities Commission are responsible for truck enforcement/regulatory programs. A portion of spending by the Ohio Public Works Commission to retire debt for local road and bridge projects is not included in road assistance subsidy programs for local government.

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

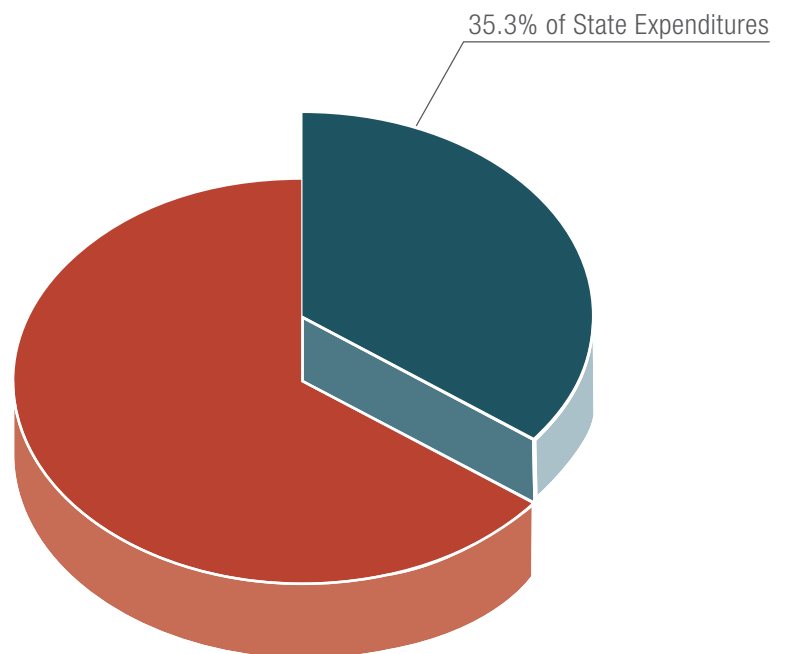
Texas: Port authority operations are outside of TXDOT.

7

CHAPTER



ALL OTHER EXPENDITURES



All Other Expenditures

The “all other” category reflects a substantial amount of state spending not included in the categories described in previous chapters. It includes the bulk of state government agencies. “All other” spending in states includes the Children’s Health Insurance Program (CHIP), care for the mentally ill and developmentally disabled, public health programs, child welfare and family services, constitutional officers, the legislative and judicial branches, some employer contributions to pensions and health benefits, economic development, state police, environmental protection, parks and recreation, other natural resources programs, unemployment insurance, housing, general aid to local governments, and debt service (a list of the items excluded from the “All Other” category is displayed in Table 46).

Total spending in the “all other” category increased 29.3 percent in fiscal 2021, with state funds growing 10.4 percent and federal funds rising 72.8 percent. In fiscal 2021, total state spending for the “all other” category had the highest growth rate among all spending categories. The sizeable increase in “all other” spending in fiscal 2021 is largely due to additional federal aid states received in response to the COVID–19 pandemic. States estimate in fiscal 2020 they expended \$73.2 billion in federal COVID–19 aid for “all other”, while in fiscal 2021, federal COVID–19 aid for “all other” purposes is estimated at \$226.4 billion. In Spring 2020, the United States Congress passed a series of bills responding to the coronavirus outbreak with the largest bill being the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*. The CARES Act provided significant funding to states which they began to spend in fiscal 2020 and continued to spend in fiscal 2021. Many of the top expenditure categories for CARES Act funds fall under the “all other” category in this report including unemployment insurance, public health programs, housing assistance, emergency management, economic relief, aid to local governments, and broadband and other technology upgrades. Additionally, in March 2021, the *American Rescue Plan Act of 2021 (ARPA)* was signed into law, allocating \$195.3 billion for states and the District of Columbia, and \$4.5 billion for territories, through the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF), in addition to multiple other funding allocations. While states have until the end of calendar year 2024 to allocate funds for CSLFRF, some states began allocating the funds towards the end of fiscal 2021. As defined by the U.S. Department of Treasury, allowable uses for CSLFRF under ARPA include public health, negative economic impacts, services to disproportionately impacted communities, premium pay, infrastructure, revenue replacement, and administrative

and other. States’ initial plans for using Fiscal Recovery Funds under ARPA include many areas that fall under the “all other” category, such as: COVID–19 vaccination, testing, and other response costs; prevention in congregate settings; mental health services; other public health services; household assistance, unemployment benefits; contributions to unemployment insurance trust funds; job training assistance; small business economic assistance; aid to tourism, travel or hospitality; aid to other impacted industries; and broadband.

The “all other” category of expenditures totaled \$937.3 billion for estimated fiscal 2021, or 35.3 percent of total state spending, compared to \$724.7 billion and 31.7 percent of total state spending in fiscal 2020. In fiscal 2019, the “all other” category stood at \$618.6 billion, or 29.4 percent of total state spending. Federal funds in the “all other” category rose from \$135.7 billion in fiscal 2019, to \$218.9 billion in fiscal 2020 (a 61.3 percent increase), to \$378.2 billion in estimated fiscal 2021 (a 72.8 percent increase). Along with substantial increases in federal funds over the past two years, state funds in the “all other” category have also seen growth resulting from prior budget surpluses and continued revenue growth. State funds in the “all other” category grew 4.9 percent in fiscal 2020 and 10.4 percent in estimated fiscal 2021. Spending increases from state funds have included one-time stimulus investments, housing programs, other health programs besides Medicaid, children and family services, deposits to reserve funds, pension fund contributions, employee compensation, environment and conservation projects, disaster recovery, economic development, local government assistance, and debt service.

The median growth rates for the “all other” category in fiscal 2020 were all funds (11.0 percent), state funds (3.7 percent), and federal funds (26.6 percent), while in fiscal 2021 the median growth rates are estimated at all funds (21.6 percent), state funds (7.5 percent), and federal funds (63.9 percent).

Children’s Health Insurance Program

Enacted as part of the *Balanced Budget Act of 1997*, the State Children’s Health Insurance Program (SCHIP) expanded health care coverage for previously uninsured children. The program was targeted toward children from families with incomes too high to qualify for Medicaid but too low to afford private insurance. The current Children’s Health Insurance Program (CHIP) provides health coverage to eligible children through both Medicaid and separate CHIP programs. The program is funded jointly by states and the federal government. According to the Centers for Medicare and Medicaid Services (CMS), approxi-

mately 6.9 million children were enrolled under CHIP as of May 2021. As shown in Appendix Table A–2, total spending for CHIP was \$16.8 billion in fiscal 2019, \$17.7 billion in fiscal 2020, and is estimated at \$18.7 billion in fiscal 2021.

Debt Service

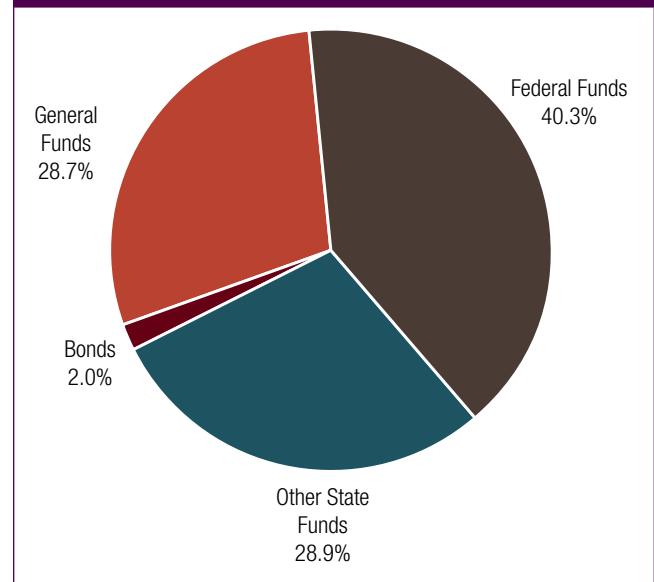
As in years past, states included debt service in the “all other” category of the *State Expenditure Report*. States also separately detailed their debt service spending. As shown in Appendix Table A–4, states’ spending on debt service totaled \$50.7 billion in fiscal 2019, \$47.8 billion in fiscal 2020, and \$55.9 billion in estimated fiscal 2021. In estimated fiscal 2021, general funds represented 76.0 percent of total state spending on debt service, while other state funds comprised the remaining 24.0 percent. In fiscal year 2021, debt service represented 3.6 percent of spending from state funds (general funds and other state funds combined, excluding bonds), and 4.6 percent of spending from the general fund only. Some states reflect no general fund spending for debt service because they earmark certain tax revenue streams to support bond repayments and direct those resources to state funds other than the general fund. Additionally, some states included notes further explaining their debt service practices.

Fund Shares

Figure 17 illustrates fund shares for estimated fiscal 2021. Federal funds comprised the largest percentage of the “all other” category at 40.3 percent, with other state funds representing 28.9 percent, general funds 28.7 percent, and bonds 2.0 percent. The additional federal COVID–19 aid has led to a shift in the funding sources for the “all other” category. As recently as fiscal

2019, general funds were the largest share of “all other” spending at 38.3 percent, followed by other state funds (37.1 percent), federal funds (21.9 percent), and bonds (2.7 percent).

FIGURE 17
STATE EXPENDITURES FOR ALL OTHER PROGRAMS BY FUND SOURCE, ESTIMATED FISCAL 2021



Regional Expenditures

Table 42 shows percentage changes for “all other” expenditures for fiscal 2019–2020 and 2020–2021 by region. In fiscal 2021, all regions saw an increase in “all other” spending with the Far West and Rocky Mountain regions having the largest increases.

TABLE 42
REGIONAL PERCENTAGE CHANGE IN STATE ALL OTHER EXPENDITURES, FISCAL 2020 AND 2021

Region	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	3.4 %	58.7 %	9.9 %	7.1 %	41.1 %	15.5 %
Mid-Atlantic	1.0	18.3	4.7	13.0	29.7	17.2
Great Lakes	2.7	18.2	5.8	4.6	66.2	15.5
Plains	6.9	51.0	18.3	18.3	42.1	25.1
Southeast	5.4	38.9	14.4	7.2	27.1	14.0
Southwest	11.7	7.9	10.5	13.1	-20.6	5.2
Rocky Mountain	14.2	33.8	20.0	-0.6	136.1	44.1
Far West	5.8	180.7	41.8	16.2	134.7	64.0
ALL STATES	4.9 %	61.3 %	17.1 %	10.4 %	72.8 %	29.3 %

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

Region/State	Actual Fiscal 2019					Actual Fiscal 2020					Estimated Fiscal 2021				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$9,976	\$1,102	\$1,814	\$1,286	\$14,178	\$9,778	\$1,187	\$1,977	\$418	\$13,360	\$10,450	\$1,187	\$1,977	\$644	\$14,258
Maine*	1,000	452	1,399	22	2,873	1,026	1,521	1,508	24	4,079	1,056	2,211	1,762	14	5,043
Massachusetts	11,233	4,394	9,223	1,251	26,101	11,545	5,822	9,665	988	28,020	13,789	6,607	9,067	1,255	30,718
New Hampshire	439	583	783	65	1,870	632	1,152	658	39	2,481	566	1,580	719	13	2,878
Rhode Island	1,103	886	1,063	84	3,136	1,288	2,170	1,300	180	4,938	1,325	4,594	1,452	185	7,556
Vermont	658	470	157	80	1,365	559	664	241	63	1,527	681	1,475	177	48	2,381
MID-ATLANTIC															
Delaware	1,544	434	2,570	72	4,620	1,591	521	2,639	61	4,812	1,540	1,363	2,826	56	5,785
Maryland*	4,545	2,259	3,109	551	10,464	5,312	3,317	3,193	389	12,211	5,119	4,632	4,520	396	14,667
New Jersey	12,611	3,274	2,573	76	18,534	12,404	4,384	2,528	306	19,622	14,631	5,975	3,152	116	23,874
New York*	24,837	12,099	9,718	3,106	49,760	26,475	12,229	6,795	2,760	48,259	27,964	17,834	12,092	3,208	61,098
Pennsylvania	7,309	6,707	10,309	213	24,538	7,578	8,845	11,440	198	28,061	7,448	8,196	11,079	295	27,018
GREAT LAKES															
Illinois	20,324	2,087	11,281	205	33,897	19,076	2,107	12,726	724	34,633	21,082	4,409	13,721	886	40,098
Indiana*	2,501	2,759	1,482	0	6,742	2,887	2,575	2,651	0	8,113	3,676	5,910	2,850	0	12,436
Michigan	3,581	5,595	7,821	102	17,099	3,046	7,450	7,605	108	18,209	4,314	8,439	3,982	165	16,900
Ohio*	4,282	2,773	15,351	443	22,849	4,489	3,448	16,120	542	24,599	4,460	5,809	16,227	446	26,942
Wisconsin	3,725	2,600	13,369	0	19,694	3,821	3,111	13,587	0	20,519	3,979	6,503	15,632	0	26,114
PLAINS															
Iowa	1,574	1,504	1,795	7	4,880	1,626	4,106	731	0	6,463	1,608	2,424	2,595	0	6,627
Kansas	1,141	782	1,744	125	3,792	1,203	755	2,949	230	5,137	1,340	2,050	2,388	115	5,893
Minnesota	5,913	2,883	1,815	258	10,869	6,329	3,422	1,958	357	12,066	6,411	4,667	5,019	296	16,393
Missouri*	2,394	1,961	1,864	79	6,298	2,330	2,728	1,760	35	6,853	2,362	3,998	1,690	7	8,057
Nebraska	997	365	2,653	0	4,015	1,140	357	2,961	0	4,458	1,066	1,613	3,061	0	5,740
North Dakota	375	354	1,074	0	1,803	511	515	1,478	17	2,521	561	1,062	1,497	41	3,161
South Dakota	355	363	528	28	1,274	408	519	503	16	1,446	483	1,814	534	0	2,831
SOUTHEAST															
Alabama*	1,454	2,396	3,309	51	7,210	2,191	3,280	3,699	36	9,206	1,048	3,581	4,038	69	8,736
Arkansas	610	827	7,017	54	8,508	612	2,296	7,303	56	10,267	585	3,590	7,665	51	11,891
Florida	7,309	9,049	3,198	1,205	20,761	8,155	11,534	2,124	1,162	22,975	7,163	13,099	3,293	1,183	24,738
Georgia	8,805	2,749	5,545	167	17,266	8,712	4,337	5,747	249	19,045	8,398	2,237	4,664	229	15,528
Kentucky	2,799	1,929	3,053	0	7,781	2,844	5,232	3,049	0	11,125	2,839	6,383	2,574	0	11,796
Louisiana	2,369	1,363	2,445	0	6,177	2,134	2,173	2,133	0	6,440	2,852	3,894	3,656	0	10,402
Mississippi	1,524	1,710	545	703	4,482	1,569	1,853	825	402	4,649	1,655	3,558	1,070	809	7,092
North Carolina	4,852	6,787	2,078	46	13,763	4,993	8,134	601	121	13,849	5,152	2,706	2,244	94	10,196
South Carolina	2,568	1,809	1,510	17	5,904	2,586	1,881	1,587	30	6,084	2,596	4,181	1,696	2	8,475
Tennessee	2,909	3,296	2,220	31	8,456	3,163	3,944	2,237	0	9,344	4,006	11,691	2,365	0	18,062
Virginia	6,755	2,276	9,812	367	19,210	6,974	3,062	14,442	526	25,004	7,275	5,579	17,763	598	31,215
West Virginia	527	342	6,195	0	7,064	551	233	6,018	0	6,802	558	437	5,907	0	6,902
SOUTHWEST															
Arizona	2,232	3,556	2,912	0	8,700	2,681	4,387	2,519	0	9,587	2,002	17	7,831	0	9,850
New Mexico	1,446	1,644	2,270	135	5,495	1,630	1,402	2,286	206	5,524	1,703	1,433	2,355	172	5,663
Oklahoma	1,814	2,436	1,921	201	6,372	2,059	2,792	2,048	254	7,153	1,810	4,032	3,497	286	9,625
Texas	13,920	2,684	5,437	532	22,573	17,624	2,554	4,829	378	25,385	15,689	3,358	5,454	509	25,010
ROCKY MOUNTAIN															
Colorado	2,577	1,235	2,360	0	6,172	2,645	2,460	4,509	0	9,614	2,841	6,253	2,591	0	11,685
Idaho	1,159	2,366	1,084	0	4,609	1,233	2,738	1,201	0	5,172	1,228	5,144	1,966	0	8,338
Montana	712	883	929	0	2,524	713	1,073	1,596	0	3,382	722	3,317	1,714	0	5,753
Utah	1,540	1,165	2,426	0	5,131	1,290	1,465	1,693	0	4,448	1,530	4,223	2,187	0	7,940
Wyoming	762	504	1,233	0	2,499	776	494	1,232	0	2,502	770	490	1,231	0	2,491
FAR WEST															
Alaska	2,802	857	870	0	4,529	2,719	1,712	808	0	5,239	3,646	2,729	1,185	0	7,560
California*	30,758	19,319	28,774	3,678	82,529	31,580	65,868	29,950	4,287	131,685	42,566	158,228	28,214	5,078	234,086
Hawaii	4,510	450	1,864	551	7,375	4,659	922	4,140	669	10,390	5,292	2,486	7,202	804	15,784
Nevada	1,344	1,164	4,394	37	6,939	1,005	1,161	4,214	0	6,380	1,119	1,488	4,452	0	7,059
Oregon	2,491	3,073	17,711	97	23,372	3,529	5,161	18,260	159	27,109	3,272	11,721	20,433	86	35,512
Washington	3,929	3,163	4,887	599	12,578	4,398	3,832	5,105	622	13,957	4,964	7,953	5,859	681	19,457
TOTAL	\$236,894	\$135,718	\$229,494	\$16,524	\$618,630	\$248,079	\$218,885	\$241,128	\$16,612	\$724,704	\$269,192	\$378,160	\$271,125	\$18,837	\$937,314
District of Columbia	4,268	632	802	314	6,016	4,422	1,283	708	409	6,822					

TABLE 44
ALL OTHER EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2019	Fiscal 2020	Fiscal 2021
NEW ENGLAND			
Connecticut	41.2 %	39.3 %	39.9 %
Maine	32.6	38.7	41.7
Massachusetts	43.6	44.4	44.8
New Hampshire	30.0	35.9	38.1
Rhode Island	32.2	43.3	50.0
Vermont	23.4	24.7	32.7
MID-ATLANTIC			
Delaware	40.8	40.5	43.5
Maryland	23.2	25.1	26.0
New Jersey	28.9	29.4	31.8
New York	29.1	27.9	32.7
Pennsylvania	27.4	29.2	26.0
GREAT LAKES			
Illinois	47.2	44.5	45.8
Indiana	19.8	21.5	27.8
Michigan	28.7	29.2	23.3
Ohio	32.2	33.0	33.2
Wisconsin	39.2	39.6	44.0
PLAINS			
Iowa	20.8	24.8	24.0
Kansas	22.4	26.5	27.7
Minnesota	26.6	28.1	32.8
Missouri	23.9	25.1	27.1
Nebraska	33.2	34.6	38.1
North Dakota	28.2	35.7	37.6
South Dakota	28.4	29.8	42.2
SOUTHEAST			
Alabama	25.0	29.1	27.6
Arkansas	33.0	37.0	38.1
Florida	25.1	26.7	26.8
Georgia	30.3	31.3	26.9
Kentucky	23.2	28.9	28.0
Louisiana	21.0	20.7	27.6
Mississippi	23.4	23.3	30.5
North Carolina	23.6	22.5	17.0
South Carolina	22.6	22.6	28.8
Tennessee	25.0	25.9	39.0
Virginia	34.8	38.8	41.6
West Virginia	39.4	36.8	36.2
SOUTHWEST			
Arizona	22.5	23.5	21.8
New Mexico	28.1	24.7	22.4
Oklahoma	26.7	28.8	34.7
Texas	18.5	18.6	17.5
ROCKY MOUNTAIN			
Colorado	20.6	27.0	31.7
Idaho	42.4	44.2	54.0
Montana	35.2	40.7	51.7
Utah	30.9	24.5	33.5
Wyoming	53.1	53.1	53.0
FAR WEST			
Alaska	40.4	43.9	50.7
California	27.5	36.9	45.6
Hawaii	47.2	57.3	64.7
Nevada	43.2	42.3	43.3
Oregon	54.8	55.5	59.6
Washington	24.9	25.7	31.5
ALL STATES	29.4 %	31.7 %	35.3 %

TABLE 45
ANNUAL PERCENTAGE CHANGE IN ALL OTHER EXPENDITURES

Region/State	Fiscal 2019 to 2020			Fiscal 2020 to 2021		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	-0.3 %	7.7 %	-5.8 %	5.7 %	0.0 %	6.7 %
Maine	5.6	236.5	42.0	11.2	45.4	23.6
Massachusetts	3.7	32.5	7.4	7.8	13.5	9.6
New Hampshire	5.6	97.6	32.7	-0.4	37.2	16.0
Rhode Island	19.5	144.9	57.5	7.3	111.7	53.0
Vermont	-1.8	41.3	11.9	7.3	122.1	55.9
MID-ATLANTIC						
Delaware	2.8	20.0	4.2	3.2	161.6	20.2
Maryland	11.1	46.8	16.7	13.3	39.6	20.1
New Jersey	-1.7	33.9	5.9	19.1	36.3	21.7
New York	-3.7	1.1	-3.0	20.4	45.8	26.6
Pennsylvania	7.9	31.9	14.4	-2.6	-7.3	-3.7
GREAT LAKES						
Illinois	0.6	1.0	2.2	9.4	109.3	15.8
Indiana	39.0	-6.7	20.3	17.8	129.5	53.3
Michigan	-6.6	33.2	6.5	-22.1	13.3	-7.2
Ohio	5.0	24.3	7.7	0.4	68.5	9.5
Wisconsin	1.8	19.7	4.2	12.7	109.0	27.3
PLAINS						
Iowa	-30.0	173.0	32.4	78.3	-41.0	2.5
Kansas	43.9	-3.5	35.5	-10.2	171.5	14.7
Minnesota	7.2	18.7	11.0	37.9	36.4	35.9
Missouri	-3.9	39.1	8.8	-0.9	46.6	17.6
Nebraska	12.4	-2.2	11.0	0.6	351.8	28.8
North Dakota	37.3	45.5	39.8	3.5	106.2	25.4
South Dakota	3.2	43.0	13.5	11.6	249.5	95.8
SOUTHEAST						
Alabama	23.7	36.9	27.7	-13.7	9.2	-5.1
Arkansas	3.8	177.6	20.7	4.2	56.4	15.8
Florida	-2.2	27.5	10.7	1.7	13.6	7.7
Georgia	0.8	57.8	10.3	-9.7	-48.4	-18.5
Kentucky	0.7	171.2	43.0	-8.1	22.0	6.0
Louisiana	-11.4	59.4	4.3	52.5	79.2	61.5
Mississippi	15.7	8.4	3.7	13.8	92.0	52.5
North Carolina	-19.3	19.8	0.6	32.2	-66.7	-26.4
South Carolina	2.3	4.0	3.0	2.9	122.3	39.3
Tennessee	5.3	19.7	10.5	18.0	196.4	93.3
Virginia	29.3	34.5	30.2	16.9	82.2	24.8
West Virginia	-2.3	-31.9	-3.7	-1.6	87.6	1.5
SOUTHWEST						
Arizona	1.1	23.4	10.2	89.1	-99.6	2.7
New Mexico	5.4	-14.7	0.5	3.6	2.2	2.5
Oklahoma	10.0	14.6	12.3	29.2	44.4	34.6
Texas	16.0	-4.8	12.5	-5.8	31.5	-1.5
ROCKY MOUNTAIN						
Colorado	44.9	99.2	55.8	-24.1	154.2	21.5
Idaho	8.5	15.7	12.2	31.2	87.9	61.2
Montana	40.7	21.5	34.0	5.5	209.1	70.1
Utah	-24.8	25.8	-13.3	24.6	188.3	78.5
Wyoming	0.7	-2.0	0.1	-0.3	-0.8	-0.4
FAR WEST						
Alaska	-3.9	99.8	15.7	37.0	59.4	44.3
California	3.4	240.9	59.6	15.0	140.2	77.8
Hawaii	38.0	104.9	40.9	42.0	169.6	51.9
Nevada	-9.0	-0.3	-8.1	6.7	28.2	10.6
Oregon	7.9	67.9	16.0	8.8	127.1	31.0
Washington	7.8	21.2	11.0	13.9	107.5	39.4
ALL STATES	4.9 %	61.3 %	17.1 %	10.4 %	72.8 %	29.3 %
MEDIAN	3.7	26.6	11.0	7.5	63.9	21.6

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

TABLE 46
ITEMS EXCLUDED FROM ALL OTHER EXPENDITURES

Region/State	Employers Contribution to Pensions	Employer Contributions to Health Benefits	Child Health Insurance Program	Public Health	Community and Institutional for Mental Health	Community and Institutional for Dev. Disabled	Environmental Programs	Parks and Recreation	Housing	General Aid to Local Government
NEW ENGLAND										
Connecticut					P	P				
Maine										
Massachusetts										
New Hampshire										
Rhode Island									P	
Vermont				P	P	P				
MID-ATLANTIC										
Delaware										
Maryland										
New Jersey										
New York*	P	P								
Pennsylvania										
GREAT LAKES										
Illinois										P
Indiana										
Michigan					N/A					
Ohio*			X			P			P	
Wisconsin										
PLAINS										
Iowa									X	
Kansas									N/A	
Minnesota										
Missouri*					P	P			X	
Nebraska									P	
North Dakota										
South Dakota										
SOUTHEAST										
Alabama									N/A	X
Arkansas										
Florida										
Georgia										
Kentucky									N/A	
Louisiana									X	
Mississippi									X	
North Carolina										
South Carolina										
Tennessee										
Virginia										
West Virginia										
SOUTHWEST										
Arizona										
New Mexico										
Oklahoma									P	P
Texas				X						
ROCKY MOUNTAIN										
Colorado										
Idaho			X						N/A	X
Montana										
Utah										
Wyoming										
FAR WEST										
Alaska										
California										
Hawaii	P	P								
Nevada			N/A							
Oregon										
Washington										X
ALL STATES	2	2	3	2	4	4	0	0	12	5
District of Columbia										N/A

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

All Other Expenditure Notes

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

Alabama: Capital expenditures from Federal and Other State Funds are not reported separately; combined amounts are included in the Other State Funds.

California: The Fiscal 2021 increase in Other Federal Funds is primarily due to an \$89B increase in Unemployment Insurance Benefit payments due to the COVID-19 pandemic.

Indiana: Expenditure amounts for TANF now exclude the approximately \$61M transfer to Child Care Development Fund (CCDF) program. CCDF federal expenditures are included in “All Other” category.

Maine: In FY21, COVID Coronavirus Relief Funds were used to cover payroll costs for certain law enforcement employees in accordance with US Treasury guidelines for public safety employees.

Maryland: Because of a data presentation issue in Maryland’s budget system, FY2019 expenditures for “All Other” federal and state funds had to be adjusted, moving \$1,026 million from state funds to federal funds.

Missouri: Some community mental health and developmentally disabled programs are included in Medicaid.

New York: All Other Federal Funds spending increased in FY 2021 due to the receipt of Federal Funding provided in response to COVID 19 including the Coronavirus Relief Fund and Lost Wages Assistance. All Other “Other State Funds” increased in FY 2021 primarily due to the repayment of \$4.5 billion of PIT notes, which were issued during FY 2021 to help manage the adverse cash flow impact that resulted from the Federal extension of tax filing deadlines in response to the pandemic. State employee pensions and benefits are not included in the General Fund reporting of each expenditure category, but rather are included in “All Other”.

Ohio: While employer contributions to current employees’ pensions and employer contributions to employee health benefits are included in the expenditure totals, agencies do not receive specific appropriations for these purposes. Some expenditures in community and institutional care for the developmentally disabled are included in the Medicaid totals. Most of the expenditures of the Ohio Housing Finance Agency occur outside of the state financial system and are excluded from the housing totals.

8

CHAPTER



CAPITAL EXPENDITURES

Capital Expenditures

Capital expenditures are made for new construction, infrastructure, major repairs and improvements, land purchases and the acquisition of major equipment and existing structures. Minor repairs and routine maintenance are reported as operating expenses. The nature of capital spending often includes multi-year construction timetables and unforeseen or delayed project costs, which explains why state specific spending on capital projects can fluctuate from year-to-year. For greater detail on states' capital spending practices, see NASBO's report *Capital Budgeting in the States*, available at www.nasbo.org. The report contains information on defining capital and maintenance expenditures, the organization of the capital budget, capital budget development and execution, capital financing and debt management, and capital asset management.

The following chapter details capital expenditures for elementary and secondary education, higher education, corrections, transportation, environmental projects, housing, and "all other". Tables 47–55 display capital expenditure data.

Total Capital Expenditures

States' capital spending increased by an estimated 9.1 percent in fiscal 2021, 4.7 percent in fiscal 2020, and 6.1 percent in fiscal 2019. The fiscal 2021 growth rate of 9.1 percent is the highest annual figure in the last 15 years. Capital spending will likely maintain high growth rates for the next several years as states allocate funding from the *American Rescue Plan Act (ARPA)* of 2021. Under ARPA, states and localities are permitted to use federal funding for investments in infrastructure, including water, sewer, and broadband services. While capital spending can fluctuate from year-to-year, the historical average level of growth since 1991 is 4.4 percent. Overall, state capital spending totaled \$114.7 billion in fiscal 2019, \$120.2 billion in fiscal 2020, and is estimated to total \$131.0 billion in fiscal 2021.

Capital Fund Sources

Approximately 72 percent of state spending on capital projects is on a pay-go, or cash basis. The other 28 percent is from debt financing. States primarily use dedicated sources like the transportation fund, higher education tuition and fees, set-aside funding for capital projects, federal funds, and fund

surpluses to finance capital spending. State cash sources represent 45.3 percent of capital spending in fiscal 2021, federal funds are 26.4 percent, and bonds are 28.3 percent. The vast majority of federal funds spent for capital purposes is for transportation (91.6 percent in fiscal 2021). The share of capital spending from debt financing, or bonds, has been trending downward since fiscal 2011. Additionally, in some states the reporting of bond fund capital spending is included in the other state funds category due to the difficulty of separating the fund sources in multiple fund source capital projects.

Capital Funds by Use

Comprising 66.8 percent (\$87.5 billion) of all capital expenditures in fiscal 2021, **transportation** is the largest category of state capital expenditures, rising from 54.1 percent in fiscal 2009. Capital spending for transportation increased by 11.5 percent in fiscal 2021. Since 2010, transportation capital spending has increased by an annual average of 5.6 percent, reflecting states' efforts at addressing both the maintenance and expansion of its transportation systems with tax and revenue actions to raise funds. The amount of reported capital spending would be even larger because a dozen states treat capital spending on the construction and maintenance of roads, bridges and mass transit differently than other capital spending; those amounts are included in the total transportation spending in Table 38.

States vary greatly in the extent that they provide capital funds for **elementary and secondary education**, with 22 states either fully or partially excluding capital expenditures from K–12 spending. In many states, funding provided for schools includes amounts eligible for local capital spending or debt service participation subsidies for local school bonds. In fiscal 2021, elementary and secondary education capital spending totaled \$3.8 billion, an increase of 4.1 percent from fiscal 2020, and is estimated to represent 2.9 percent of overall capital spending.

Higher education capital expenditures are estimated to decline 3.5 percent in fiscal 2021, totaling \$13.0 billion, and account for 9.9 percent of total state capital outlays. Higher education is the second largest category of state capital expenditures. The share of higher education capital spending has been trending downward from a peak of 15.2 percent in fiscal 2009.

Corrections capital spending decreased 9.5 percent in fiscal 2021, totaling \$1.4 billion. Corrections accounted for only 1.1 percent of total state capital expenditures. Capital spending for corrections reflects the year-to-year fluctuations as the largest changes in spending from a prior year are normally due to major institutional construction and renovation projects. From an historical trend view, capital spending for corrections peaked twenty years ago reflecting a surge of institutional expansions at that time.

Housing capital expenditures account for just 1.4 percent of total fiscal 2021 capital spending, at \$1.8 billion. Housing capital spending increased by 35.0 percent in fiscal 2021, largely due to increases in Massachusetts, New York, and Texas. About 25 percent of states report capital spending for housing and more than 85 percent of the funding is from debt financing.

State capital spending for **environmental** purposes in fiscal 2021 totaled \$7.1 billion, 5.4 percent of total capital spend-

ing, reflecting an increase of 9.8 percent from fiscal 2020. Environmental capital spending may include, but is not limited to, projects for environmental cleanup, drinking water, clean water, air quality, hazardous waste management, and river revitalization.

State spending for **“all other”** purposes totaled an estimated \$16.4 billion in fiscal 2021, or 12.5 percent of total capital spending. In fiscal 2021, “all other” capital spending is estimated to grow 8.1 percent.

This includes capital expenditures not classified into one of the other categories. Examples of expenditures in the “all other” category may include items such as behavioral health and hospital facilities, parks and tourism, large information technology systems, other state facilities, community and economic development projects, and other criminal justice facilities. This broad category of capital spending is most reliant on funding from bonds, representing 61.6 percent in fiscal 2021.

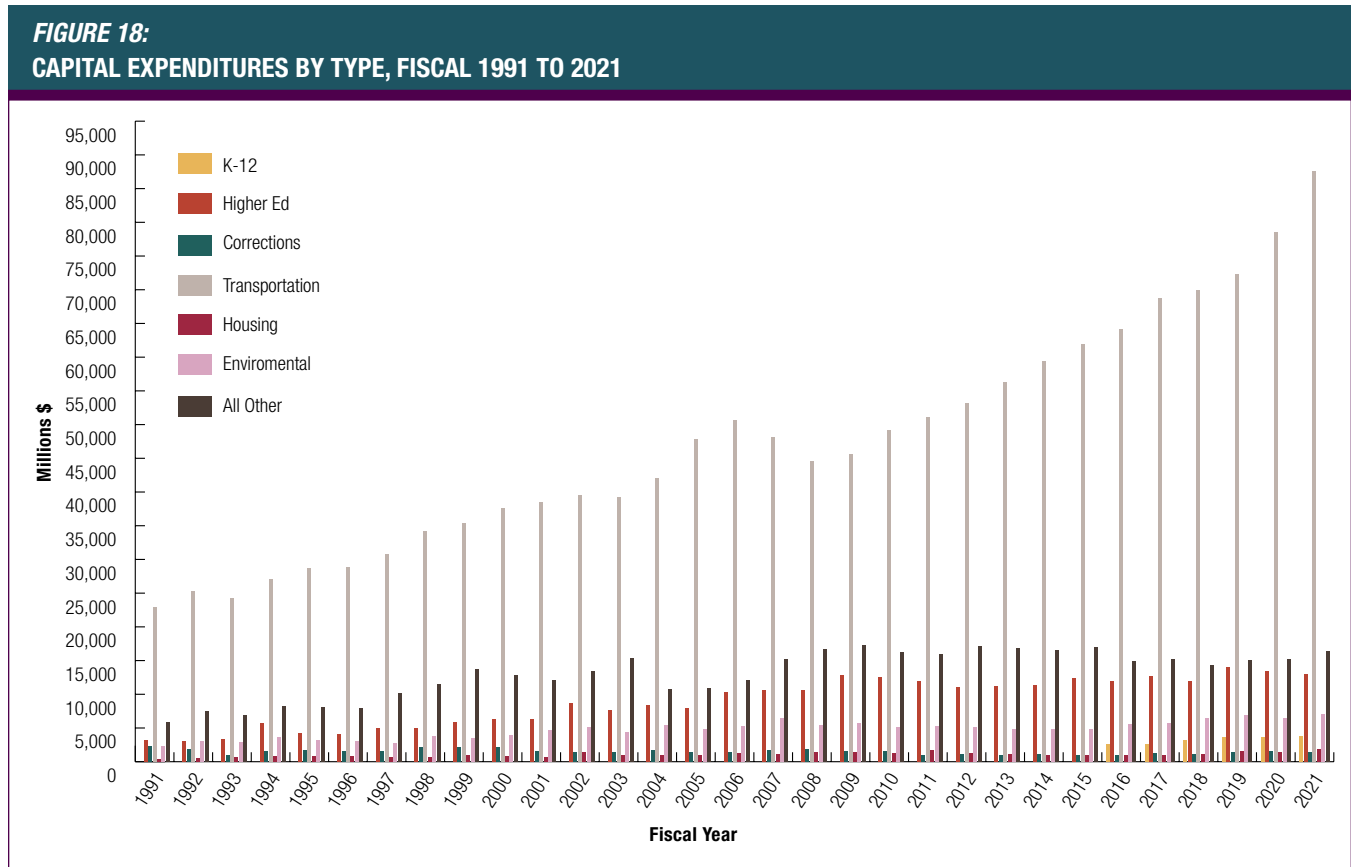


TABLE 47
CAPITAL EXPENDITURES BY PROGRAM AREA (\$ IN MILLIONS)

Year	K-12	Higher Education	Corrections	Transportation	Housing	Environment	All Other	Total
1991		\$3,222	\$2,321	\$22,845	\$411	\$2,358	\$5,898	\$37,055
1992		3,075	1,882	25,245	515	3,027	7,476	41,221
1993		3,274	940	24,234	599	2,881	6,948	38,876
1994		5,681	1,564	27,041	761	3,594	8,232	46,872
1995		4,183	1,725	28,765	816	3,186	8,131	46,805
1996		4,133	1,618	28,869	802	3,065	8,003	46,491
1997		5,021	1,592	30,727	713	2,791	10,114	50,957
1998		5,028	2,117	34,239	711	3,816	11,446	57,488
1999		5,875	2,092	35,399	959	3,530	13,775	61,630
2000		6,325	2,084	37,596	837	3,968	12,865	63,675
2001		6,369	1,575	38,555	630	4,736	12,027	63,892
2002		8,733	1,434	39,542	1,469	5,115	13,466	69,759
2003		7,594	1,384	39,184	923	4,434	15,293	68,812
2004		8,439	1,726	42,115	963	5,404	10,739	69,386
2005		7,946	1,357	47,790	912	4,883	10,832	73,720
2006		10,241	1,466	50,629	1,192	5,338	12,162	81,028
2007		10,570	1,743	48,184	1,090	6,406	15,235	83,228
2008		10,556	1,880	44,542	1,362	5,401	16,615	80,356
2009		12,803	1,558	45,644	1,406	5,700	17,277	84,388
2010		12,514	1,554	49,184	1,289	5,076	16,287	85,904
2011		11,954	1,019	51,113	1,661	5,332	15,971	87,050
2012		10,979	1,158	53,140	1,226	5,090	17,079	88,672
2013		11,224	978	56,269	1,110	4,761	16,899	91,241
2014		11,356	1,072	59,355	946	4,883	16,574	94,186
2015		12,441	1,010	61,894	900	4,885	17,024	98,153
2016	2,614	11,923	956	64,092	899	5,629	14,953	100,708
2017	2,580	12,647	1,301	68,785	930	5,720	15,184	107,141
2018	3,163	11,953	1,139	69,998	1,105	6,488	14,349	108,197
2019	3,632	13,971	1,353	72,284	1,491	6,935	15,086	114,748
2020	3,689	13,436	1,574	78,506	1,366	6,450	15,140	120,158
2021	3,840	12,962	1,425	87,521	1,844	7,084	16,367	131,043

FIGURE 19:
ANNUAL PERCENTAGE CHANGE IN TOTAL CAPITAL EXPENDITURES

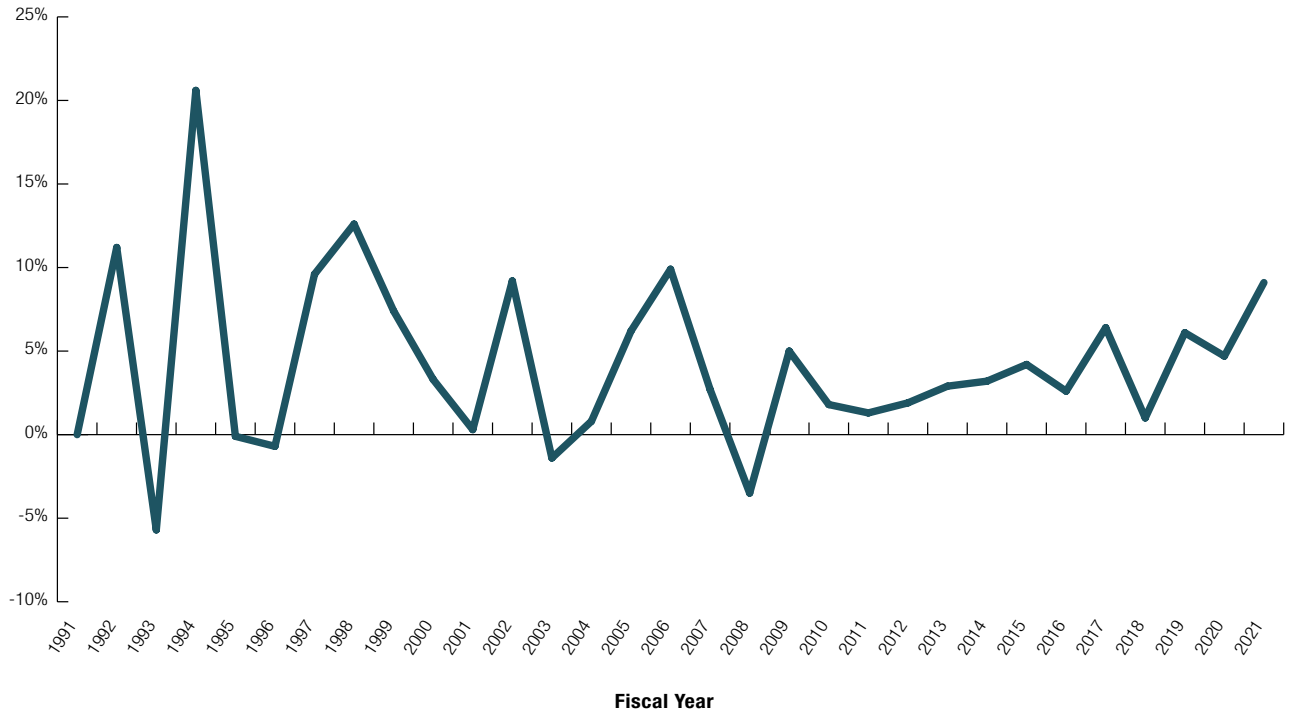


FIGURE 20
TOTAL CAPITAL EXPENDITURES BY FUNDING SOURCE, FISCAL 2021

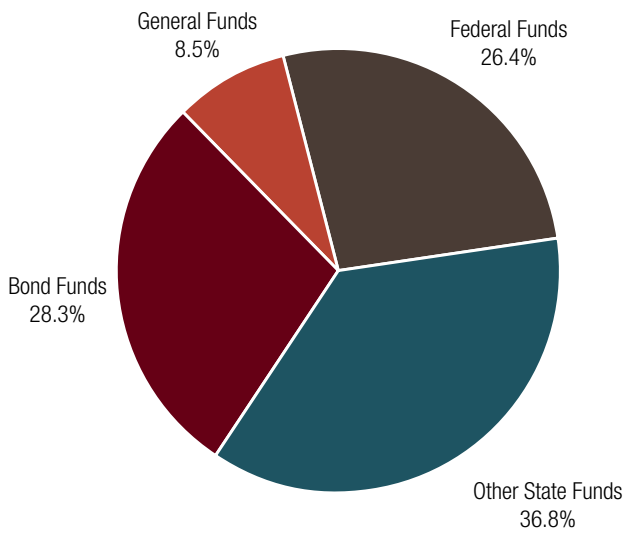


TABLE 48
TOTAL CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2019					Actual Fiscal 2020					Estimated Fiscal 2021				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$482	\$17	\$2,827	\$3,326	\$0	\$562	\$19	\$1,891	\$2,472	\$0	\$478	\$16	\$1,866	\$2,360
Maine	11	134	84	108	337	16	179	135	98	428	4	198	62	127	391
Massachusetts*	0	622	0	2,601	3,223	0	685	0	2,502	3,187	0	775	0	3,116	3,891
New Hampshire	0	10	209	98	317	0	21	171	81	273	0	18	73	33	123
Rhode Island	6	245	98	359	708	9	205	128	399	741	4	195	192	799	1,190
Vermont	0	188	56	87	331	0	222	57	65	344	0	242	62	54	358
MID-ATLANTIC															
Delaware	0	292	312	297	901	0	299	375	265	939	0	355	376	287	1,018
Maryland*	51	922	2,134	1,333	4,440	127	1,162	2,249	1,092	4,630	22	1,381	1,835	1,215	4,453
New Jersey	1,731	2,347	1,037	2,218	7,333	1,689	2,135	922	2,212	6,958	2,009	1,724	822	2,716	7,271
New York	0	1,944	3,784	6,538	12,266	0	1,865	3,964	6,170	11,999	0	1,636	3,576	7,119	12,331
Pennsylvania	2,967	0	0	627	3,594	2,303	0	0	596	2,899	4,756	0	0	700	5,456
GREAT LAKES															
Illinois	0	90	2,603	531	3,224	0	129	3,370	1,304	4,803	0	536	4,194	1,943	6,673
Indiana*	239	0	45	0	284	259	0	98	0	357	378	0	49	0	427
Michigan	266	1,229	695	284	2,474	261	1,615	780	397	3,053	307	2,269	1,176	810	4,562
Ohio	0	1,221	1,260	986	3,467	0	1,292	1,246	1,217	3,755	0	1,215	1,057	1,008	3,280
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	470	798	7	1,275	0	526	877	0	1,403	0	638	887	0	1,525
Kansas	74	489	208	168	938	87	664	277	163	1,192	77	981	334	170	1,562
Minnesota	0	0	0	610	610	0	0	0	856	856	0	0	0	713	713
Missouri	95	18	36	89	238	55	27	46	38	166	89	22	34	8	153
Nebraska	25	359	629	0	1,013	28	452	714	0	1,194	36	471	786	0	1,293
North Dakota	31	278	305	22	636	43	296	309	5	653	46	283	387	81	797
South Dakota	4	9	34	32	79	3	8	29	40	80	8	14	32	8	62
SOUTHEAST															
Alabama*	9	281	322	364	976	9	277	375	226	887	7	302	429	246	984
Arkansas	0	259	645	5	909	0	206	827	5	1,038	0	402	1,017	5	1,424
Florida*	767	2,725	7,929	1,650	13,071	679	2,536	7,884	1,534	12,633	480	3,111	8,240	1,727	13,558
Georgia	0	0	0	1,184	1,184	0	0	0	1,096	1,096	0	0	0	983	983
Kentucky	0	0	681	0	681	0	0	611	0	611	0	0	520	0	520
Louisiana	22	672	258	184	1,136	33	614	264	220	1,131	68	624	242	372	1,306
Mississippi	15	425	294	911	1,645	16	431	235	677	1,358	11	435	432	1,014	1,893
North Carolina	229	1,418	3,236	392	5,275	12	1,629	2,669	861	5,171	182	1,176	2,138	1,327	4,823
South Carolina	70	14	107	147	338	96	45	181	124	446	83	47	163	45	338
Tennessee*	190	893	726	31	1,840	326	1,133	659	0	2,118	5	1,057	751	55	1,868
Virginia	2	20	188	999	1,209	2	25	177	1,142	1,346	1	30	153	1,182	1,366
West Virginia	13	497	734	2	1,246	9	542	956	435	1,942	16	562	777	442	1,797
SOUTHWEST															
Arizona	600	858	711	624	2,793	845	900	1,233	98	3,076	812	973	926	55	2,766
New Mexico	64	458	366	359	1,247	78	445	356	410	1,289	118	490	348	392	1,348
Oklahoma	3	433	1,070	297	1,803	8	522	1,185	219	1,934	8	924	1,278	144	2,354
Texas	256	4,071	7,409	784	12,520	208	5,355	7,834	279	13,676	218	6,118	6,893	367	13,596
ROCKY MOUNTAIN															
Colorado*	177	10	169	644	1,000	123	35	78	686	922	47	3	76	673	799
Idaho	25	377	440	0	842	19	452	385	0	856	13	525	779	0	1,317
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	430	351	881	150	1,812	158	422	1,209	1,067	2,856	760	490	1,272	0	2,522
Wyoming	171	68	177	0	416	171	69	177	0	417	168	68	170	0	406
FAR WEST															
Alaska	167	1,199	240	0	1,605	180	1,077	147	0	1,404	136	1,289	111	0	1,535
California	880	2,153	1,221	463	4,718	344	1,966	2,708	880	5,897	207	2,268	4,518	897	7,890
Hawaii	13	303	189	1,021	1,526	3	194	150	1,228	1,575	1	204	218	1,211	1,634
Nevada	32	9	32	69	142	16	26	28	114	184	3	5	18	120	147
Oregon	0	5	0	324	329	0	17	0	365	382	0	21	0	273	294
Washington	0	46	909	2,515	3,470	0	55	707	2,769	3,531	0	70	826	2,790	3,685
TOTAL*	\$9,634	\$28,893	\$43,278	\$32,942	\$114,748	\$8,215	\$31,316	\$46,800	\$33,826	\$120,158	\$11,080	\$34,624	\$48,244	\$37,095	\$131,043
District of Columbia	0	260	314	1,011	1,585	0	285	503	1,188	1,976					

TABLE 49

ELEMENTARY & SECONDARY EDUCATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2019					Actual Fiscal 2020					Estimated Fiscal 2021				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$228	\$228	\$0	\$0	\$0	\$301	\$301	\$0	\$0	\$0	\$481	\$481
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	32	32	0	0	0	34	34	0	0	0	22	22
New Hampshire	0	0	0	15	15	0	0	0	13	13	0	0	0	8	8
Rhode Island	0	0	3	9	12	0	0	1	25	26	0	0	1	217	218
Vermont	0	0	0	2	2	0	0	0	0	0	0	0	0	0	0
MID-ATLANTIC															
Delaware	0	0	0	199	199	0	0	0	188	188	0	0	0	181	181
Maryland	10	0	0	421	431	36	0	0	330	366	0	0	0	365	365
New Jersey	0	0	3	0	3	0	0	3	0	3	0	0	0	0	0
New York	0	0	17	133	150	0	0	21	160	181	0	0	19	106	125
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GREAT LAKES															
Illinois	0	0	9	5	14	0	0	0	37	37	0	0	0	1	1
Indiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Michigan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ohio	0	0	54	174	228	0	0	55	338	393	0	0	22	301	323
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas	0	0	1	0	1	0	0	3	0	3	0	0	3	0	3
Minnesota	0	0	0	2	2	0	0	0	6	6	0	0	0	16	16
Missouri	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0
Nebraska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHEAST															
Alabama	3	0	186	24	213	1	0	195	41	237	1	0	195	60	256
Arkansas	0	0	1	0	1	0	0	0	0	0	0	0	1	0	1
Florida	2	0	706	0	708	0	0	385	0	385	0	0	393	0	393
Georgia	0	0	0	305	305	0	0	0	338	338	0	0	0	248	248
Kentucky	0	0	30	0	30	0	0	35	0	35	0	0	24	0	24
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	1	0	0	0	1	1	0	0	0	1	0	1	0	1	2
North Carolina	0	0	201	0	201	0	0	130	0	130	0	0	160	0	160
South Carolina	3	1	0	0	4	3	1	1	0	5	1	2	1	0	4
Tennessee	0	0	2	0	2	0	0	2	0	2	0	0	1	0	1
Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHWEST															
Arizona	262	0	0	0	262	354	0	0	0	354	274	0	0	0	274
New Mexico	10	0	0	130	140	12	0	0	103	115	20	0	0	105	125
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ROCKY MOUNTAIN															
Colorado*	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	15	0	19	0	34	14	0	19	0	33	17	0	19	0	36
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	0	1	0	0	1	0	0	9	0	9	0	0	0	0	0
California	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Washington	0	0	50	363	413	0	0	27	465	492	0	0	158	415	573
TOTAL	\$306	\$2	\$1,282	\$2,042	\$3,632	\$423	\$1	\$886	\$2,379	\$3,689	\$313	\$3	\$997	\$2,527	\$3,840
District of Columbia	0	0	8	390	398	0	0	23	370	393					

TABLE 50

HIGHER EDUCATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2019					Actual Fiscal 2020					Estimated Fiscal 2021				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$28	\$28	\$0	\$0	\$0	\$277	\$277	\$0	\$0	\$0	\$18	\$18
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	118	118	0	0	0	151	151	0	0	0	162	162
New Hampshire	0	0	0	6	6	0	0	0	12	12	0	0	0	2	2
Rhode Island	2	0	31	82	115	0	0	51	19	70	0	0	15	74	89
Vermont	0	0	0	4	4	0	0	0	1	1	0	0	0	3	3
MID-ATLANTIC															
Delaware	0	0	0	9	9	0	0	0	15	15	0	0	0	23	23
Maryland	0	0	0	348	348	1	0	0	326	327	0	0	31	401	432
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	0	337	645	982	0	0	325	694	1,019	0	0	351	544	895
Pennsylvania	0	0	0	189	189	0	0	0	163	163	0	0	0	189	189
GREAT LAKES															
Illinois	0	0	0	35	35	0	0	0	18	18	0	0	0	45	45
Indiana	8	0	0	0	8	63	0	0	0	63	48	0	0	0	48
Michigan	166	0	0	187	353	168	0	0	253	421	150	0	0	145	295
Ohio	0	0	0	260	260	0	0	0	257	257	0	0	0	197	197
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	27	0	27	0	0	10	0	10	0	0	31	0	31
Kansas	5	1	87	45	138	5	0	96	47	148	1	0	97	49	147
Minnesota	0	0	0	131	131	0	0	0	170	170	0	0	0	81	81
Missouri	5	0	0	8	13	9	0	0	3	12	1	0	0	1	2
Nebraska	21	0	121	0	142	22	0	153	0	175	17	0	207	0	224
North Dakota	16	0	131	22	169	19	0	127	5	151	35	0	177	81	293
South Dakota	0	0	0	4	4	0	0	0	24	24	0	0	0	8	8
SOUTHEAST															
Alabama*	0	0	0	8	8	0	0	0	6	6	0	0	0	21	21
Arkansas	0	0	8	0	8	0	0	10	0	10	0	0	2	0	2
Florida	109	0	174	96	379	40	0	146	29	215	0	0	151	5	156
Georgia	0	0	0	490	490	0	0	0	295	295	0	0	0	350	350
Kentucky	0	0	361	0	361	0	0	338	0	338	0	0	307	0	307
Louisiana	4	2	53	53	112	4	0	74	34	112	9	0	99	135	243
Mississippi	6	10	92	77	185	6	10	86	145	247	5	17	143	60	225
North Carolina	0	0	0	268	268	0	0	0	375	375	0	0	0	337	337
South Carolina	43	5	73	130	251	38	6	132	94	270	35	7	100	43	185
Tennessee	170	0	47	0	217	174	0	57	0	231	0	0	47	55	102
Virginia	1	0	95	746	842	0	0	93	761	854	0	0	64	698	762
West Virginia	0	0	308	2	310	0	0	308	2	310	0	0	194	2	196
SOUTHWEST															
Arizona	326	429	589	312	1,656	490	450	835	49	1,824	527	458	772	49	1,806
New Mexico	25	0	67	59	151	31	0	65	50	146	50	0	0	60	110
Oklahoma	0	7	231	11	249	0	7	206	9	222	0	7	252	5	264
Texas	232	87	3,172	0	3,491	187	144	2,402	0	2,733	203	240	1,882	0	2,325
ROCKY MOUNTAIN															
Colorado	72	0	156	644	872	97	0	52	686	835	44	0	44	673	761
Idaho	8	5	17	0	30	7	6	9	0	22	8	112	21	0	141
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	169	0	0	0	169	0	0	0	0	0	156	0	0	0	156
Wyoming	9	0	0	0	9	9	1	0	0	10	8	1	0	0	9
FAR WEST															
Alaska	4	1	20	0	25	0	0	0	0	0	0	0	0	0	0
California	0	0	0	94	94	0	0	0	153	153	0	0	0	538	538
Hawaii	0	0	0	124	124	0	0	0	138	138	0	0	0	122	122
Nevada	10	0	30	6	46	11	0	27	44	82	0	0	17	82	99
Oregon	0	0	0	197	197	0	0	0	181	181	0	0	0	147	147
Washington	0	0	134	214	348	0	0	95	248	343	0	0	115	299	414
TOTAL	\$1,411	\$547	\$6,361	\$5,652	\$13,971	\$1,381	\$624	\$5,697	\$5,734	\$13,436	\$1,297	\$842	\$5,119	\$5,704	\$12,962
District of Columbia	0	0	0	15	15	0	0	0	61	61					

TABLE 51
CORRECTIONS CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2019					Actual Fiscal 2020					Estimated Fiscal 2021				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$61	\$61	\$0	\$0	\$0	\$4	\$4	\$0	\$0	\$0	\$8	\$8
Maine	1	0	0	0	1	1	0	0	0	1	1	0	0	0	1
Massachusetts	0	0	0	48	48	0	0	0	50	50	0	0	0	42	42
New Hampshire	0	0	0	2	2	0	0	0	2	2	0	0	0	1	1
Rhode Island	1	0	10	0	11	0	0	16	0	16	0	0	10	0	10
Vermont	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
MID-ATLANTIC															
Delaware	0	0	0	4	4	0	0	0	1	1	0	0	0	6	6
Maryland	0	0	0	13	13	0	0	0	47	47	0	0	0	53	53
New Jersey	12	5	1	0	18	11	1	0	0	12	6	0	0	0	6
New York	0	0	119	251	370	0	0	95	317	412	0	0	95	214	309
Pennsylvania	0	0	0	29	29	0	0	0	32	32	0	0	0	41	41
GREAT LAKES															
Illinois	0	0	0	34	34	0	0	0	36	36	0	0	0	32	32
Indiana	70	0	11	0	81	5	0	8	0	13	5	0	7	0	12
Michigan	17	0	2	2	21	11	0	0	3	14	9	0	10	10	29
Ohio	0	0	0	110	110	0	0	0	82	82	0	0	0	66	66
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas	1	0	0	0	1	1	0	10	0	11	7	0	9	0	16
Minnesota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Missouri	0	0	0	2	2	3	0	0	0	3	0	0	0	0	0
Nebraska	0	0	14	0	14	0	0	24	0	24	0	0	47	0	47
North Dakota	2	0	0	0	2	1	0	1	0	2	1	0	1	0	2
South Dakota	1	0	0	0	1	1	0	0	0	1	3	0	0	0	3
SOUTHEAST															
Alabama	5	0	10	0	15	6	0	6	0	12	6	0	4	0	10
Arkansas	0	0	6	0	6	0	0	5	0	5	0	0	4	0	4
Florida	63	0	0	0	63	34	0	0	0	34	17	0	0	0	17
Georgia	0	0	0	10	10	0	0	0	62	62	0	0	0	56	56
Kentucky	0	0	5	0	5	0	0	4	0	4	0	0	5	0	5
Louisiana	0	0	1	3	4	0	0	0	4	4	0	0	1	5	6
Mississippi	1	0	0	0	1	1	0	0	0	1	1	9	1	0	11
North Carolina	9	0	0	3	12	12	0	0	1	13	12	0	0	0	12
South Carolina	12	0	1	0	13	10	1	1	0	12	9	0	4	0	13
Tennessee	0	0	47	0	47	0	0	25	0	25	0	0	33	0	33
Virginia	0	0	0	27	27	0	0	0	20	20	0	0	0	17	17
West Virginia	2	0	0	0	2	2	0	0	0	2	2	0	0	0	2
SOUTHWEST															
Arizona	0	0	29	0	29	0	0	7	0	7	11	0	24	0	35
New Mexico	0	0	2	3	5	0	0	2	5	7	0	0	0	5	5
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas	20	0	31	0	51	16	0	45	0	61	10	0	30	0	40
ROCKY MOUNTAIN															
Colorado	6	0	0	0	6	11	0	0	0	11	0	0	0	0	0
Idaho	2	1	2	0	5	2	0	2	0	4	1	0	5	0	6
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	113	0	0	0	113	0	0	0	350	350	388	0	0	0	388
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	3	0	1	0	4	0	0	0	0	0	1	0	0	0	1
California	31	0	0	0	31	127	0	0	0	127	13	0	0	0	13
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	0	0	0	24	24	0	0	0	18	18	0	0	0	18	18
Oregon	0	0	0	22	22	0	0	0	20	20	0	0	0	19	19
Washington	0	0	0	35	35	0	0	0	12	12	0	0	2	27	29
TOTAL	\$372	\$6	\$292	\$683	\$1,353	\$255	\$2	\$251	\$1,066	\$1,574	\$503	\$9	\$292	\$621	\$1,425
District of Columbia	0	0	0	5	5	0	0	1	2	3					

TABLE 52
TRANSPORTATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2019					Actual Fiscal 2020					Estimated Fiscal 2021				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$482	\$17	\$1,224	\$1,723	\$0	\$562	\$19	\$891	\$1,472	\$0	\$478	\$16	\$715	\$1,209
Maine	0	124	77	103	304	8	167	127	97	399	1	182	55	126	364
Massachusetts	0	622	0	1,248	1,870	0	685	0	1,345	2,030	0	775	0	1,689	2,464
New Hampshire	0	10	209	10	229	0	21	171	15	207	0	18	73	9	100
Rhode Island	0	214	20	183	417	0	186	19	175	380	0	178	110	217	505
Vermont	0	188	56	1	245	0	222	57	1	280	0	242	62	2	306
MID-ATLANTIC															
Delaware	0	292	312	12	616	0	299	375	0	674	0	355	376	21	752
Maryland	0	852	1,658	0	2,510	75	1,045	1,821	0	2,941	0	1,299	1,370	0	2,669
New Jersey	1,307	2,037	1,011	2,142	6,497	1,412	1,807	899	1,906	6,024	1,496	1,708	820	2,600	6,624
New York	0	1,622	1,415	2,403	5,440	0	1,559	1,390	2,239	5,188	0	1,542	1,560	3,047	6,149
Pennsylvania	2,918	0	0	196	3,114	2,259	0	0	203	2,462	4,727	0	0	175	4,902
GREAT LAKES															
Illinois	0	81	1,911	298	2,290	0	129	2,812	532	3,473	0	536	3,642	1,027	5,205
Indiana	0	0	15	0	15	0	0	19	0	19	0	0	13	0	13
Michigan	0	1,210	505	0	1,715	0	1,596	484	39	2,119	0	2,223	575	497	3,295
Ohio	0	1,212	1,176	0	2,388	0	1,283	1,169	0	2,452	0	1,205	1,010	0	2,215
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	470	723	0	1,193	0	519	819	0	1,338	0	638	803	0	1,441
Kansas	0	438	76	117	631	0	653	117	116	866	0	966	160	121	1,247
Minnesota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Missouri	5	0	0	0	5	3	0	0	0	3	0	0	0	0	0
Nebraska	0	345	441	0	786	0	442	490	0	932	0	460	484	0	944
North Dakota	0	263	151	0	414	10	271	163	0	444	3	264	194	0	461
South Dakota	0	0	22	0	22	0	0	11	0	11	0	0	17	0	17
SOUTHEAST															
Alabama	0	281	104	281	666	0	277	109	143	529	0	302	120	96	518
Arkansas	0	259	622	0	881	0	206	803	0	1,009	0	402	990	0	1,392
Florida	0	2,389	5,878	349	8,616	0	2,201	6,320	343	8,864	0	2,568	6,397	539	9,504
Georgia	0	0	0	212	212	0	0	0	152	152	0	0	0	100	100
Kentucky	0	0	14	0	14	0	0	22	0	22	0	0	28	0	28
Louisiana	6	670	184	77	937	8	613	166	109	896	40	623	132	135	930
Mississippi	0	405	138	130	673	0	394	108	130	632	0	343	115	145	603
North Carolina	0	1,418	3,010	75	4,503	0	1,629	2,539	364	4,532	0	1,176	1,978	896	4,050
South Carolina	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Tennessee	0	889	611	0	1,500	0	1,120	558	0	1,678	0	1,041	642	0	1,683
Virginia	0	0	82	118	200	0	2	72	125	199	0	1	80	67	148
West Virginia	3	483	331	0	817	2	534	638	433	1,607	4	547	534	440	1,525
SOUTHWEST															
Arizona	12	429	93	312	846	1	450	388	49	888	0	515	130	6	651
New Mexico	3	377	260	32	672	5	375	250	47	677	15	405	300	50	770
Oklahoma	0	399	573	85	1,057	0	457	649	96	1,202	0	734	561	6	1,301
Texas	0	3,967	4,183	419	8,569	0	5,182	5,373	27	10,582	0	5,846	4,963	0	10,809
ROCKY MOUNTAIN															
Colorado	1	0	0	0	1	1	0	0	0	1	1	0	0	0	1
Idaho	0	287	208	0	495	0	338	161	0	499	0	365	419	0	784
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	349	749	150	1,248	0	418	1,108	717	2,243	0	490	1,253	0	1,743
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	45	974	90	0	1,109	98	923	64	0	1,085	68	885	69	0	1,022
California	0	2,102	1,888	247	4,237	0	1,926	2,680	265	4,871	0	2,220	4,423	41	6,684
Hawaii	0	264	177	346	787	0	178	145	421	744	0	190	213	285	688
Nevada	0	0	0	2	2	0	0	1	30	31	0	2	0	8	10
Oregon	0	2	0	8	10	0	0	0	5	5	0	2	0	21	23
Washington	0	0	503	1,304	1,807	0	0	402	1,422	1,824	0	0	304	1,368	1,672
TOTAL	\$4,301	\$26,406	\$29,493	\$12,084	\$72,284	\$3,882	\$28,669	\$33,518	\$12,437	\$78,506	\$6,355	\$31,726	\$34,991	\$14,449	\$87,521
District of Columbia	0	216	134	287	637	0	232	318	346	896					

TABLE 53
HOUSING CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2019					Actual Fiscal 2020					Estimated Fiscal 2021				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$217	\$217	\$0	\$0	\$0	\$110	\$110	\$0	\$0	\$0	\$150	\$150
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	253	253	0	0	0	197	197	0	0	0	269	269
New Hampshire	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rhode Island	0	0	0	7	7	0	0	0	13	13	0	0	0	20	20
Vermont	0	0	0	2	2	0	0	0	1	1	0	0	0	2	2
MID-ATLANTIC															
Delaware	0	0	0	10	10	0	0	0	17	17	0	0	0	13	13
Maryland	9	16	33	95	153	15	16	56	62	149	20	23	38	101	182
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	0	83	189	272	0	0	166	185	351	0	0	8	545	553
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GREAT LAKES															
Illinois	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Michigan	0	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
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minnesota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Missouri	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nebraska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHEAST															
Alabama	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Georgia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHWEST															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	0	48	0	8	56	1	46	0	3	50	3	50	0	7	60
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas	0	17	3	365	385	0	29	3	252	284	0	32	2	367	401
ROCKY MOUNTAIN															
Colorado	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	27	19	2	0	48	17	51	2	0	70	19	70	4	0	93
California	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	0	0	0	23	23	0	0	0	56	56	0	0	0	38	38
Washington	0	0	6	59	65	0	0	3	65	68	0	0	2	61	63
TOTAL	\$36	\$100	\$127	\$1,228	\$1,491	\$33	\$142	\$230	\$961	\$1,366	\$42	\$175	\$54	\$1,573	\$1,844
District of Columbia	0	0	151	0	151	0	0	144	0	144					

TABLE 54
ENVIRONMENTAL PROJECTS CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2019					Actual Fiscal 2020					Estimated Fiscal 2021				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$453	\$453	\$0	\$0	\$0	\$76	\$76	\$0	\$0	\$0	\$19	\$19
Maine	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	210	210	0	0	0	222	222	0	0	0	277	277
New Hampshire	0	0	0	5	5	0	0	0	8	8	0	0	0	9	9
Rhode Island	0	3	2	19	24	0	1	7	13	21	0	7	12	70	89
Vermont	0	0	0	20	20	0	0	0	24	24	0	0	0	24	24
MID-ATLANTIC															
Delaware	0	0	0	14	14	0	0	0	8	8	0	0	0	9	9
Maryland	1	49	442	208	700	0	60	372	60	492	0	59	396	60	515
New Jersey	155	266	5	30	456	71	45	5	270	391	277	0	0	0	277
New York	0	237	396	427	1,060	0	223	452	430	1,105	0	48	378	481	907
Pennsylvania	0	0	0	10	10	0	0	0	17	17	0	0	0	25	25
GREAT LAKES															
Illinois	0	9	683	47	739	0	0	558	9	567	0	0	552	16	568
Indiana	8	0	3	0	11	11	0	16	0	27	28	0	9	0	37
Michigan	10	12	124	49	195	11	10	169	58	248	60	26	364	115	565
Ohio	0	0	8	152	160	0	0	13	186	199	0	0	10	154	164
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	13	0	13	0	0	12	0	12	0	0	15	0	15
Kansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minnesota	0	0	0	219	219	0	0	0	323	323	0	0	0	321	321
Missouri	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nebraska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota	2	10	20	0	32	2	12	15	0	29	1	8	15	0	24
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHEAST															
Alabama*	0	0	12	0	12	0	0	51	0	51	0	0	37	0	37
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	157	336	825	166	1,484	335	335	831	163	1,664	283	543	1,006	167	1,999
Georgia	0	0	0	16	16	0	0	0	10	10	0	0	0	5	5
Kentucky	0	0	8	0	8	0	0	8	0	8	0	0	11	0	11
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	4	0	5	9	0	16	0	3	19	0	14	12	2	28
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	2	2	3	0	7	1	5	3	0	9	1	1	3	0	5
Tennessee	0	1	8	0	9	22	0	6	0	28	0	0	7	0	7
Virginia	0	6	7	10	23	0	3	9	11	23	0	1	2	10	13
West Virginia	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0
SOUTHWEST															
Arizona	0	0	0	0	0	0	0	3	0	3	0	0	0	0	0
New Mexico	3	20	20	39	82	4	15	20	30	69	10	20	25	35	90
Oklahoma	0	17	238	0	255	0	17	170	0	187	0	10	350	0	360
Texas	4	0	20	0	24	5	0	11	0	16	5	0	16	0	21
ROCKY MOUNTAIN															
Colorado	23	0	0	0	23	0	0	13	0	13	0	0	21	0	21
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	28	86	30	0	144	12	60	8	0	80	22	83	3	0	108
California	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hawaii	0	0	0	16	16	0	0	0	11	11	0	0	0	13	13
Nevada	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	0	0	0	28	28	0	0	0	37	37	0	0	0	28	28
Washington	0	34	143	295	472	0	38	121	294	453	0	47	155	291	493
TOTAL	\$394	\$1,093	\$3,010	\$2,438	\$6,935	\$474	\$840	\$2,873	\$2,263	\$6,450	\$687	\$867	\$3,399	\$2,131	\$7,084
District of Columbia	0	4	2	9	15	0	3	1	7	11					

TABLE 55
ALL OTHER CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2019					Actual Fiscal 2020					Estimated Fiscal 2021				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$616	\$616	\$0	\$0	\$0	\$232	\$232	\$0	\$0	\$0	\$475	\$475
Maine	9	10	7	5	31	7	12	8	1	28	2	16	7	1	26
Massachusetts	0	0	0	694	694	0	0	0	505	505	0	0	0	655	655
New Hampshire	0	0	0	60	60	0	0	0	31	31	0	0	0	4	4
Rhode Island	4	29	33	59	125	8	18	35	154	215	3	10	45	201	259
Vermont	0	0	0	58	58	0	0	0	38	38	0	0	0	22	22
MID-ATLANTIC															
Delaware	0	0	0	49	49	0	0	0	36	36	0	0	0	34	34
Maryland	31	5	1	248	285	0	41	0	267	308	2	0	0	235	237
New Jersey	257	39	17	46	359	195	282	15	36	528	230	16	2	116	364
New York	0	85	1,417	2,490	3,992	0	83	1,515	2,145	3,743	0	46	1,165	2,182	3,393
Pennsylvania	49	0	0	203	252	44	0	0	181	225	29	0	0	270	299
GREAT LAKES															
Illinois	0	0	0	112	112	0	0	0	672	672	0	0	0	822	822
Indiana	153	0	16	0	169	180	0	55	0	235	297	0	20	0	317
Michigan	73	7	64	46	190	71	9	127	44	251	88	20	227	43	378
Ohio	0	9	22	290	321	0	9	9	354	372	0	10	15	290	315
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	35	7	42	0	7	36	0	43	0	0	38	0	38
Kansas	68	50	43	6	167	82	11	51	0	144	69	15	65	0	149
Minnesota	0	0	0	258	258	0	0	0	357	357	0	0	0	296	296
Missouri	85	18	36	79	218	39	27	46	35	147	88	22	34	7	151
Nebraska	4	14	53	0	71	6	10	47	0	63	19	11	48	0	78
North Dakota	11	5	3	0	19	11	13	3	0	27	6	11	0	0	17
South Dakota	3	9	12	28	52	2	8	18	16	44	5	14	15	0	34
SOUTHEAST															
Alabama*	1	0	10	51	62	2	0	14	36	52	0	0	73	69	142
Arkansas	0	0	8	5	13	0	0	9	5	14	0	0	20	5	25
Florida	436	0	346	1,039	1,821	270	0	202	999	1,471	180	0	293	1,016	1,489
Georgia	0	0	0	151	151	0	0	0	239	239	0	0	0	224	224
Kentucky	0	0	265	0	265	0	0	204	0	204	0	0	145	0	145
Louisiana	12	0	20	51	83	21	1	24	73	119	19	1	10	97	127
Mississippi	7	7	64	698	776	9	11	40	399	459	5	52	162	807	1,026
North Carolina	220	0	25	46	291	0	0	0	121	121	170	0	0	94	264
South Carolina	9	6	30	17	62	44	32	44	30	150	37	37	55	2	131
Tennessee	20	3	11	31	65	130	13	11	0	154	5	16	21	0	42
Virginia	1	14	4	98	117	2	20	3	225	250	1	28	7	390	426
West Virginia	8	13	95	0	116	5	8	10	0	23	10	15	49	0	74
SOUTHWEST															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	23	13	17	88	141	25	9	19	172	225	20	15	23	130	188
Oklahoma	3	10	28	201	242	8	41	160	114	323	8	173	115	133	429
Texas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ROCKY MOUNTAIN															
Colorado	75	10	13	0	98	13	35	13	0	61	2	3	11	0	16
Idaho	15	84	213	0	312	10	108	213	0	331	4	48	334	0	386
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	133	2	113	0	248	144	4	82	0	230	199	0	0	0	199
Wyoming	162	68	177	0	407	162	68	177	0	407	160	67	170	0	397
FAR WEST															
Alaska	60	117	97	0	274	53	43	64	0	160	25	250	35	0	310
California	849	51	-666	122	356	217	40	28	462	747	194	48	95	318	655
Hawaii	13	39	12	535	599	3	16	5	658	682	1	14	5	791	811
Nevada	22	9	2	36	69	4	26	1	21	52	3	4	0	12	19
Oregon	0	3	0	45	48	0	16	0	67	83	0	19	0	20	39
Washington	0	12	73	245	330	0	17	59	263	339	0	23	89	328	440
TOTAL*	\$2,816	\$741	\$2,716	\$8,813	\$15,086	\$1,767	\$1,038	\$3,347	\$8,988	\$15,140	\$1,881	\$1,004	\$3,393	\$10,089	\$16,367
District of Columbia	0	40	19	305	364	0	50	16	402	469					

Capital Spending Notes

Alabama: Higher education capital expenditures are not captured/available at state budget level. Reported Bond Funds for Higher Ed represent bond proceeds paid directly to vendors by the State's Debt Management division. Environmental and All Other capital expenditures from Federal and Other State Funds are not reported separately; combined amounts are included in the Other State Funds.

Colorado: Regarding K-12 capital expenditures, some funding for school facilities certificates of participation are included.

Florida: Regarding Housing, Florida also provided housing grants of \$79 million from other state funds in 2019, \$31 million from other state funds in 2020, and \$115 million from other state funds in 2021.

Indiana: Debt service appropriations are included in capital.

Maryland: FY2019 All Other Federal Funds and Bond Funds were revised to resolve an error in the source data spreadsheet.

Massachusetts: Includes all spending funded by capital appropriations, including General Obligation, Special Obligation, project financed, and federal reimbursement spending. Functional categories are based in the Massachusetts Management Accounting and Reporting System so they may not align with investment categories in the Commonwealth's capital investment plan.

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

9

CHAPTER



REVENUE SOURCES IN THE GENERAL FUND

Revenue Sources in the General Fund

General fund revenue, the largest source of state expenditures and the most discretionary, totaled an estimated \$988.2 billion in fiscal 2021, a 12.8 percent increase over fiscal 2020. In fiscal 2020, general fund revenues declined by 0.5 percent. The three main sources of general fund revenue—personal income taxes, sales and use taxes, and corporate income taxes—accounted for 82.6 percent of state general fund collections in estimated fiscal 2021. Specifically, personal income taxes accounted for 46.0 percent, sales and use taxes for 28.9 percent, and corporate income taxes for 7.7 percent of total general fund revenues in fiscal 2021. “All other” general fund revenue represented 16.5 percent of revenues, while gaming and lottery revenue were just 0.9 percent. The major sources of general fund revenues are displayed by state in Table 56, year-over-year revenue percentage changes can be found in Table 57.

Depending on the state, “all other” general fund revenue may include cigarette and tobacco taxes, alcoholic beverage taxes, insurance premium taxes, severance taxes, franchise taxes, gaming taxes, interest income, licenses and fees for permits, inheritances taxes, and charges for state-provided services.

States use a variety of taxes and fees to finance programs, not all of which are reflected in the general fund. These include some gaming taxes, lottery proceeds, and motor vehicle fees, which often are earmarked for special purposes or specific funds, such as education or roads. In addition to collecting information on state general fund revenues, this report contains detailed information on transportation fund revenues, which can be found in Table A-5 in the Appendix.

Table 58 illustrates the major items that are excluded from general fund revenue sources. For example, property taxes are a mainstay of local government finance and the majority of states do not impose a state property tax. However, many states help reduce the amount of property taxes local governments collect through their elementary and secondary education funding formulas, as well as other aid and subsidies to local governments.

State Tax Collection Trends

Unlike fiscal 2020, when state revenues declined for the first time since fiscal 2010, state revenues rose sharply in fiscal 2021, increasing by an estimated 12.8 percent. Several factors help explain recent improvements in states’ revenue outlooks, including: federal stimulus measures infused additional

money into the economy, which helped to lessen state revenue losses; high-income earners have been relatively insulated from the COVID-19 pandemic’s economic effects, which has limited impacts on personal income tax collections; the types of consumption most curtailed by the pandemic comprise a relatively small portion of states’ sales tax bases; and the enabling of online sales tax collections following the U.S. Supreme Court decision in *Wayfair v. South Dakota*. Fiscal 2021 revenue collections were also impacted by the shifting of the 2020 tax deadline from April 15 to July 15. According to NASBO’s Spring 2021 *Fiscal Survey of States*, nineteen states reported they recognized these delayed revenues due to the deadline shift in fiscal 2021 instead of fiscal 2020, depressing fiscal 2020 revenues and leading to greater growth in fiscal 2021. The lower fiscal 2020 revenue totals also helped lead to higher year-over-year percentage growth for fiscal 2021.

As a result of the preceding factors, most states saw strong year-over-year growth in overall tax collections for fiscal 2021, with 29 states reporting double digit increases. In addition, most states saw revenues exceed earlier projections leading to budget surpluses. Many states reported revenue from all major taxes, including sales, personal income, and corporate income, experienced gains in fiscal 2021 compared to fiscal 2020. When looking at 50-state totals, all revenue sources experienced growth in fiscal 2021 including sales tax (6.9 percent), personal income tax (14.7 percent), corporate income tax (34.1 percent), gaming and lottery revenue (7.8 percent), and all other general fund revenue (10.4 percent). The median growth rates for estimated fiscal 2021 were sales tax (9.3 percent), personal income tax (12.5 percent), corporate income tax (42.3 percent), gaming and lottery revenue (5.5 percent), all other general fund revenue (1.5 percent), and total general fund revenue collections (11.7 percent).

In fiscal 2020, general fund tax collections declined 0.5 percent even though for three quarters of the fiscal year most states were seeing strong revenue growth and tax collections coming in above projections. Most states had sharp revenue declines in the fourth quarter of fiscal 2020 (April-June) resulting from the impact of the COVID-19 pandemic. Personal income tax collections only grew 0.1 percent in fiscal 2020 even though withholding collections were buoyed by temporary stimulus measures provided by the federal government, including enhanced unemployment insurance benefits. Additionally, the Paycheck Protection Program loans helped keep many individuals employed and paying income taxes. Sales tax collections only grew 0.7 percent despite the strong start

to the fiscal year and the impact of temporary federal stimulus measures on spending levels. Corporate income taxes declined 6.0 percent even as stimulus measures such as the Paycheck Protection Program sought to keep companies operating. Gaming and lottery revenues experienced a 11.3 percent decline partly due to the closure of casinos and other gambling establishments during the pandemic. Finally, the “all other” category of general fund revenue declined 1.1 percent, with oil producing states seeing sharp drops in severance taxes. As previously noted, fiscal 2020 revenues were also negatively impacted by the shifting of the federal tax deadline from April 15 to July 15, which caused some revenues to be shifted to fiscal 2021 in a number of states. The median growth rates for fiscal 2020 were sales tax (1.3 percent), personal income tax (-2.8 percent), corporate income tax (-12.1 percent), gaming and lottery revenue (-7.4 percent), all other general fund revenue (-2.0 percent), and total general fund revenue collections (-1.5 percent).

FIGURE 21
REVENUE SOURCES IN THE GENERAL FUND,
ESTIMATED FISCAL 2021

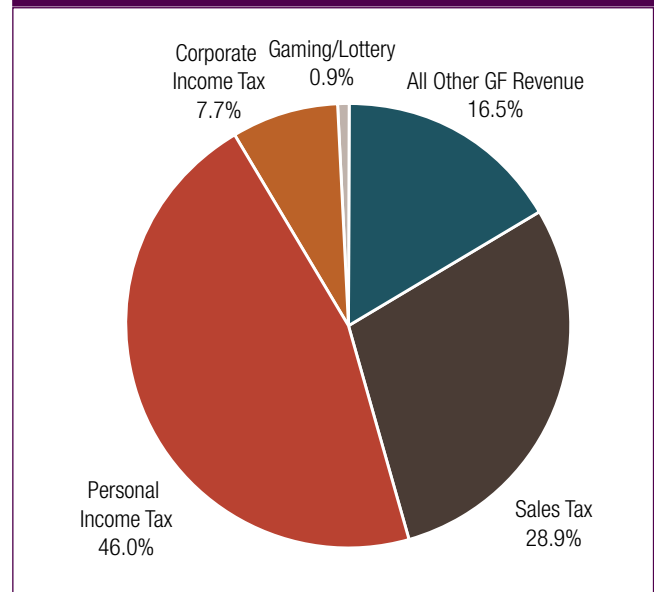


TABLE 56
REVENUE SOURCES IN THE GENERAL FUND (GF) (\$ IN MILLIONS)

Region/state	Actual Fiscal 2019						Actual Fiscal 2020						Estimated Fiscal 2021					
	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Gaming/Lottery Revenue	All Other GF Revenue	Total	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Gaming/Lottery Revenue	All Other GF Revenue	Total	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Gaming/Lottery Revenue	All Other GF Revenue	Total
NEW ENGLAND																		
Connecticut*	\$4,338	\$9,640	\$1,061	\$619	\$3,991	\$19,650	\$4,318	\$9,398	\$934	\$504	\$4,040	\$19,194	\$4,785	\$10,194	\$1,155	\$639	\$3,554	\$20,328
Maine	1,504	1,701	253	63	328	3,849	1,556	1,836	216	65	297	3,969	1,771	1,807	246	65	282	4,171
Massachusetts	4,852	17,109	2,927	1,335	8,387	34,611	4,816	17,361	2,523	1,227	8,594	34,521	5,470	19,593	3,590	1,333	8,733	38,719
New Hampshire	0	0	475	0	1,147	1,622	0	0	410	0	1,115	1,525	0	0	632	0	1,212	1,844
Rhode Island	1,126	1,397	155	397	950	4,025	1,167	1,406	149	284	1,058	4,064	1,342	1,616	203	298	973	4,432
Vermont	0	875	134	0	602	1,611	0	764	129	0	566	1,459	0	1,232	153	0	567	1,952
MID-ATLANTIC																		
Delaware	0	1,527	148	215	2,702	4,592	0	1,472	116	212	2,726	4,526	0	1,888	210	216	3,077	5,390
Maryland*	4,812	10,272	1,033	552	1,530	18,199	4,635	10,699	1,052	549	1,699	18,634	4,775	11,076	1,139	631	1,152	18,773
New Jersey	10,847	15,903	4,344	0	7,255	38,349	10,597	16,254	4,095	0	7,065	38,011	12,104	17,518	4,945	0	13,888	48,455
New York*	12,856	42,967	5,501	15	9,205	70,544	13,626	50,508	6,370	14	8,689	79,207	11,155	44,034	6,420	10	12,693	74,312
Pennsylvania	11,100	14,096	3,398	132	6,132	34,858	10,818	12,835	2,827	143	5,653	32,276	11,981	15,572	3,570	205	6,162	37,490
GREAT LAKES																		
Illinois	8,409	19,236	2,389	1,000	8,161	39,195	8,255	18,471	2,081	825	8,428	38,060	9,118	21,230	3,097	762	8,744	42,951
Indiana*	7,915	6,057	948	443	1,386	16,749	8,042	5,272	691	291	1,436	15,732	9,073	7,532	1,385	498	1,269	19,756
Michigan*	1,552	7,114	699	0	1,295	10,660	1,585	6,870	404	0	1,687	10,546	2,016	6,794	757	0	1,211	10,778
Ohio*	10,573	8,910	1,629	0	2,892	24,004	10,686	7,881	1,672	0	2,785	23,024	12,191	10,201	1,667	0	2,760	26,819
Wisconsin	5,696	8,994	1,338	0	1,313	17,341	5,836	8,742	1,608	0	1,346	17,532	6,374	9,283	2,560	0	1,356	19,573
PLAINS																		
Iowa	2,484	4,086	535	92	662	7,859	2,611	3,948	621	79	672	7,931	2,704	3,972	683	95	625	8,079
Kansas	2,767	3,756	437	0	408	7,368	2,832	3,338	384	0	346	6,900	3,126	4,590	652	0	498	8,866
Minnesota	5,762	12,405	1,660	159	3,492	23,478	5,746	12,094	1,580	149	3,325	22,894	5,833	12,570	1,731	171	3,593	23,898
Missouri	2,174	6,600	300	0	395	9,469	2,248	5,984	323	0	378	8,933	2,357	7,789	678	0	416	11,240
Nebraska	1,658	2,546	424	1	267	4,896	1,848	2,446	391	1	254	4,940	2,010	3,131	571	1	246	5,959
North Dakota	1,082	414	148	14	906	2,564	1,090	352	92	16	1,000	2,550	980	466	146	23	1,486	3,101
South Dakota	1,025	0	0	126	523	1,674	1,073	0	0	125	543	1,741	1,223	0	0	158	635	2,016
SOUTHEAST																		
Alabama	2,647	4,093	455	1	2,171	9,367	2,842	4,168	489	2	2,539	10,040	2,913	4,585	757	2	1,456	9,713
Arkansas	2,465	3,520	570	72	517	7,144	2,544	3,419	482	34	489	6,968	2,884	3,969	652	40	576	8,121
Florida	25,385	0	3,140	270	4,619	33,414	24,591	0	2,474	20	4,282	31,367	27,158	0	3,390	17	5,636	36,201
Georgia	6,250	12,177	1,271	0	5,873	25,571	6,175	12,408	1,233	0	5,663	25,479	6,272	12,070	770	0	5,035	24,147
Kentucky	3,938	4,545	763	264	1,884	11,393	4,071	4,765	639	271	1,820	11,567	4,561	5,144	883	289	1,950	12,827
Louisiana	3,836	3,719	631	411	1,444	10,041	3,697	3,780	578	355	1,419	9,831	3,840	3,654	550	382	1,384	9,810
Mississippi	2,464	1,898	644	143	818	5,968	2,496	1,820	549	116	837	5,817	2,291	2,005	481	121	793	5,691
North Carolina	7,751	13,166	830	0	3,079	24,826	7,821	12,415	658	0	3,046	23,939	9,024	15,823	1,512	0	3,341	29,699
South Carolina	3,186	4,714	494	0	1,009	9,403	3,287	5,019	423	0	1,064	9,793	3,826	5,421	669	0	1,173	11,089
Tennessee*	8,758	131	2,515	385	3,653	15,442	8,982	96	2,610	392	4,115	16,195	9,348	50	2,476	398	3,918	16,190
Virginia	3,591	14,422	1,012	0	1,504	20,529	3,845	15,419	1,032	0	1,676	21,972	4,166	17,304	1,516	0	1,893	24,879
West Virginia	1,370	2,097	198	0	1,091	4,756	1,387	1,948	152	0	1,008	4,495	1,537	2,254	320	0	876	4,987
SOUTHWEST																		
Arizona	5,097	5,009	514	83	529	11,232	5,392	4,531	512	104	431	10,970	6,244	6,533	847	105	437	14,166
New Mexico	2,738	1,672	173	65	3,362	8,010	3,006	1,692	140	46	2,978	7,861	2,575	1,587	135	9	2,890	7,195
Oklahoma	2,443	2,426	242	18	1,731	6,860	2,349	2,511	238	15	1,160	6,273	2,567	2,887	452	20	1,082	7,008
Texas	29,839	0	0	1,523	26,506	57,868	30,800	0	0	1,656	24,528	56,983	30,185	0	0	1,618	23,656	55,459
ROCKY MOUNTAIN																		
Colorado	3,592	7,569	920	0	503	12,584	3,407	7,999	728	0	735	12,868	3,634	8,533	1,184	0	890	14,240
Idaho	1,598	1,661	283	0	193	3,735	1,689	1,905	243	0	194	4,031	1,724	1,904	252	0	243	4,123
Montana	65	1,429	187	75	818	2,574	58	1,435	187	66	787	2,533	53	1,506	149	74	787	2,569
Utah	2,116	4,320	521	0	586	7,543	2,265	3,985	356	0	638	7,244	2,653	6,123	744	0	536	10,056
Wyoming	519	0	0	0	875	1,394	487	0	0	0	709	1,196	451	0	0	0	532	983
FAR WEST																		
Alaska	0	0	115	13	2,499	2,627	0	0	102	16	1,478	1,596	0	0	55	2	1,515	1,572
California*	26,150	99,189	14,075	5	5,066	144,485	25,509	99,599	13,954	4	5,309	144,375	27,936	125,151	20,720	1	6,563	180,371
Hawaii	3,542	2,568	164	0	1,643	7,917	3,430	2,359	8	0	2,488	8,285	3,055	3,355	186	0	2,407	9,003
Nevada	1,285	0	0	758	2,244	4,288	1,264	0	0	623	2,190	4,077	1,293	0	0	661	2,382	4,336
Oregon*	0	9,909	927	0	706	11,542	0	7,192	488	0	639	8,319	0	12,815	1,479	0	1,042	15,335
Washington	11,864	0	0	0	10,566	22,430	12,015	0	0	0	11,802	23,817	14,550	0	0	0	14,933	29,483
ALL STATES	\$265,021	\$395,839	\$60,579	\$9,249	\$149,419	\$880,107	\$266,790	\$396,396	\$56,945	\$8,204	\$147,727	\$876,062	\$285,127	\$454,760	\$76,367	\$8,843	\$163,056	\$988,155
District of Columbia	1,174	2,299	643	45	4,154	8,315	913	2,377	728	38	4,094	8,150	937	2,327	670	34	4,012	7,980

TABLE 57
REVENUE SOURCES IN THE GENERAL FUND (GF) (YEAR-OVER-YEAR PERCENTAGE CHANGE)

Region/state	Actual Fiscal 2020						Estimated Fiscal 2021					
	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Gaming/Lottery Revenue	All Other GF Revenue	Total	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Gaming/Lottery Revenue	All Other GF Revenue	Total
NEW ENGLAND												
Connecticut	-0.5%	-2.5%	-12.0%	-18.6%	1.2%	-2.3%	10.8%	8.5%	23.7%	26.7%	-12.0%	5.9%
Maine	3.5	7.9	-14.6	3.0	-9.5	3.1	13.8	-1.6	13.8	0.6	-5.0	5.1
Massachusetts	-0.7	1.5	-13.8	-8.1	2.5	-0.3	13.6	12.9	42.3	8.6	1.6	12.2
New Hampshire			-13.7		-2.8	-6.0			54.1		8.7	20.9
Rhode Island	3.6	0.6	-3.9	-28.5	11.4	1.0	15.0	14.9	36.2	4.9	-8.0	9.1
Vermont		-12.7	-3.7		-6.0	-9.4		61.3	18.6		0.2	33.8
MID-ATLANTIC												
Delaware		-3.6	-21.6	-1.4	0.9	-1.4		28.3	80.8	1.7	12.9	19.1
Maryland	-3.7	4.2	1.8	-0.5	11.0	2.4	3.0	3.5	8.3	14.9	-32.2	0.7
New Jersey	-2.3	2.2	-5.7		-2.6	-0.9	14.2	7.8	20.8		96.6	27.5
New York	6.0	17.6	15.8	-6.7	-5.6	12.3	-18.1	-12.8	0.8	-28.6	46.1	-6.2
Pennsylvania	-2.5	-8.9	-16.8	8.3	-7.8	-7.4	10.8	21.3	26.3	43.4	9.0	16.2
GREAT LAKES												
Illinois	-1.8	-4.0	-12.9	-17.5	3.3	-2.9	10.5	14.9	48.8	-7.6	3.7	12.9
Indiana	1.6	-13.0	-27.1	-34.3	3.6	-6.1	12.8	42.9	100.5	71.1	-11.7	25.6
Michigan	2.1	-3.4	-42.2		30.3	-1.1	27.2	-1.1	87.4		-28.2	2.2
Ohio	1.1	-11.5	2.6		-3.7	-4.1	14.1	29.4	-0.3		-0.9	16.5
Wisconsin	2.5	-2.8	20.2		2.5	1.1	9.2	6.2	59.2		0.7	11.6
PLAINS												
Iowa	5.1	-3.4	16.1	-14.1	1.5	0.9	3.6	0.6	10.0	20.3	-7.0	1.9
Kansas	2.3	-11.1	-12.1		-15.1	-6.4	10.4	37.5	69.7		43.8	28.5
Minnesota	-0.3	-2.5	-4.8	-6.1	-4.8	-2.5	1.5	3.9	9.6	14.3	8.1	4.4
Missouri	3.4	-9.3	7.7		-4.3	-5.7	4.8	30.2	109.9		10.1	25.8
Nebraska	11.5	-3.9	-7.8	0.0	-4.9	0.9	8.8	28.0	46.0	0.0	-3.1	20.6
North Dakota	0.7	-15.0	-37.8	14.3	10.4	-0.5	-10.1	32.4	58.7	43.8	48.6	21.6
South Dakota	4.7			-0.8	3.8	4.0	14.0			26.4	16.9	15.8
SOUTHEAST												
Alabama	7.4	1.8	7.5	100.0	17.0	7.2	2.5	10.0	54.8	0.0	-42.7	-3.3
Arkansas	3.2	-2.9	-15.5	-52.4	-5.3	-2.5	13.4	16.1	35.2	18.5	17.6	16.5
Florida	-3.1		-21.2	-92.6	-7.3	-6.1	10.4		37.0	-15.0	31.6	15.4
Georgia	-1.2	1.9	-3.0		-3.6	-0.4	1.6	-2.7	-37.5		-11.1	-5.2
Kentucky	3.4	4.9	-16.2	2.8	-3.4	1.5	12.0	7.9	38.1	6.5	7.1	10.9
Louisiana	-3.6	1.6	-8.3	-13.5	-1.7	-2.1	3.9	-3.3	-4.9	7.5	-2.5	-0.2
Mississippi	1.3	-4.1	-14.8	-19.1	2.3	-2.5	-8.2	10.2	-12.4	4.7	-5.3	-2.2
North Carolina	0.9	-5.7	-20.7		-1.1	-3.6	15.4	27.5	129.8		9.7	24.1
South Carolina	3.2	6.5	-14.4		5.5	4.1	16.4	8.0	58.2		10.2	13.2
Tennessee	2.6	-26.7	3.8	1.8	12.6	4.9	4.1	-47.9	-5.1	1.5	-4.8	0.0
Virginia	7.1	6.9	2.0		11.5	7.0	8.3	12.2	46.9		12.9	13.2
West Virginia	1.2	-7.1	-23.2		-7.6	-5.5	10.8	15.7	110.5		-13.1	10.9
SOUTHWEST												
Arizona	5.8	-9.5	-0.4	25.3	-18.5	-2.3	15.8	44.2	65.4	1.0	1.4	29.1
New Mexico	9.8	1.2	-19.4	-29.2	-11.4	-1.9	-14.3	-6.2	-3.6	-81.5	-3.0	-8.5
Oklahoma	-3.8	3.5	-1.7	-16.7	-33.0	-8.6	9.3	15.0	89.9	33.3	-6.7	11.7
Texas	3.2			8.7	-7.5	-1.5	-2.0			-2.3	-3.6	-2.7
ROCKY MOUNTAIN												
Colorado	-5.2	5.7	-20.8		46.0	2.3	6.7	6.7	62.5		21.2	10.7
Idaho	5.7	14.7	-14.1		0.5	7.9	2.1	-0.1	3.7		25.3	2.3
Montana	-10.6	0.4	0.5	-13.1	-3.8	-1.6	-8.6	4.9	-20.5	12.9	0.0	1.4
Utah	7.0	-7.7	-31.7		8.9	-4.0	17.1	53.6	109.1		-16.0	38.8
Wyoming	-6.2				-19.0	-14.2	-7.4				-25.0	-17.8
FAR WEST												
Alaska			-11.3	22.0	-40.9	-39.3			-46.1	-87.1	2.5	-1.5
California	-2.5	0.4	-0.9	-20.0	4.8	-0.1	9.5	25.7	48.5	-75.0	23.6	24.9
Hawaii	-3.2	-8.1	-94.9		51.4	4.7	-10.9	42.2	2114.3		-3.3	8.7
Nevada*	-1.6			-17.9	-2.4	-4.9	2.3			6.1	8.7	6.3
Oregon		-27.4	-47.3		-9.5	-27.9		78.2	202.8		63.1	84.3
Washington	1.3				11.7	6.2	21.1				26.5	23.8
ALL STATES	0.7%	0.1%	-6.0%	-11.3%	-1.1%	-0.5%	6.9%	14.7%	34.1%	7.8%	10.4%	12.8%
MEDIAN	1.3	-2.8	-12.1	-7.4	-2.0	-1.5	9.3	12.5	42.3	5.5	1.5	11.7

TABLE 58
ITEMS EXCLUDED FROM REVENUE SOURCES

Region/State	Sales and Use Taxes	Personal Income Taxes	Corporate Income Taxes	Gaming Taxes	Lottery Funds	Cigarette and Tobacco Taxes	Motor Fuel Taxes	Alcoholic Beverage Taxes	Insurance Premium Taxes	Property Taxes	Utility Taxes	Severance Taxes	Federal Funds	Licenses and Fees	Other
NEW ENGLAND															
Connecticut*	P						X			X		N/A	P		
Maine							X			N/A		N/A	X	P	P
Massachusetts	P			P		P				N/A		N/A	P		
New Hampshire	N/A	N/A		X	X		X			X		N/A	X		
Rhode Island							X			N/A		N/A	X		
Vermont	X			X	X		X			P	P	X	X		
MID-ATLANTIC															
Delaware	N/A			N/A			X			X		N/A	N/A		
Maryland*	P		P	X			P			X		X	X		
New Jersey				P	X	P		P	P	N/A		N/A	X	P	
New York	P		P		X	P	X		P	N/A	P	N/A	X		
Pennsylvania	P			P	X	P	X		P	P		X	X	P	P
GREAT LAKES															
Illinois							P			X		X	P		
Indiana					P	P	X	P		X	N/A	N/A	X	P	
Michigan	P	P		X	X	P	X	X		X	P		P	P	P
Ohio*	P	P	P	X	X		X		P	X	P	P	X	P	P
Wisconsin				X	X		X			N/A		X	X	X	N/A
PLAINS															
Iowa				P		X	X			X			X	P	P
Kansas				P	P		X			X	X		N/A	P	P
Minnesota										P	X	P			
Missouri	P			X	X	X	X	P	P	X	X	X	P	P	P
Nebraska				N/A	P	P	X		P	X	X	N/A	X	X	
North Dakota							X			X	X		X		
South Dakota		N/A	N/A				X			X	X		X		
SOUTHEAST															
Alabama					N/A	P	X	P	P	P			X	P	
Arkansas	P				X		P			X	X	P	X	P	
Florida		X			X	P	X			X	X		X	P	P
Georgia				N/A	X						N/A	N/A	X	P	
Kentucky							X				N/A		X		
Louisiana				P	X	P	X		P	N/A	N/A	P	X	P	N/A
Mississippi					X		X			N/A			N/A		
North Carolina				X	X		X			N/A			X		
South Carolina	P			X	X		X			N/A		X	X	P	P
Tennessee*				N/A	P					N/A					
Virginia				X	X	P				X	X	X		P	
West Virginia				N/A	P		X				X		X		
SOUTHWEST															
Arizona				N/A			N/A						X		
New Mexico					X		X			X			X		
Oklahoma	P	P	P	P	X	P	P	P	P	N/A	N/A	P	X	P	P
Texas		N/A	N/A	N/A						N/A		X	X		
ROCKY MOUNTAIN															
Colorado				X	X		X			N/A	N/A	X	X	X	
Idaho	P			N/A	X	P	X	P	P	N/A		X	X	P	
Montana							X						X		
Utah	P	P	P	N/A	N/A	P	X	P	P	X	P	P	X	P	P
Wyoming		X	X												
FAR WEST															
Alaska	X	X			X						X	X	X		
California	P	P		P	X	P	X			X	X	N/A	X	P	P
Hawaii	P			N/A	N/A	P	X		P	N/A	P	N/A	P		
Nevada		N/A	N/A		N/A		X			X	X	X	X		
Oregon	N/A			X	X	P	X	P		X	X		X		
Washington		N/A	N/A	N/A	X	P	X			P		N/A	X	P	
ALL STATES	20	13	10	31	34	20	41	9	12	43	26	33	47	24	14
District of Columbia	P			X			X		P	P		N/A	X		

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

Revenue Sources in the General Fund Notes

California: Fiscal 2019 excludes \$4.4B in revenue transfers and loans from the General Fund. Fiscal 2020 excludes \$4.7B in revenue transfers and loans from the General Funds as well as \$0.7B in estimated cost recoveries from COVID-19 and wildfires. Fiscal 2021 excludes \$7.8B in revenue transfers and loans from the General Fund as well as \$0.6B in estimated cost recoveries for COVID-19 and wildfires.

Connecticut: Beginning in FY 2016, a portion of the sales and use tax is diverted to the Special Transportation Fund and the Municipal Revenue Sharing Fund.

Indiana: Previous reports only included forecasted General Fund revenue sources. The 2021 report updates these to also include General Fund revenue sources received and anticipated that are not part of the official forecast.

Maryland: FY 2019 All Other General Fund Revenue includes a \$200 million transfer to the State's Excellence in Education Fund to save for expected Education increases related to the Commission on Innovation and Excellence in Education Fund. \$460 million of the All Other General Fund Revenue decline from FY 2020 to FY 2021 is due to tax relief enacted by the state in FY 2021 to help address the impact of the pandemic on individuals and businesses in Maryland. Sales and Use Taxes and Corporate Income Taxes were changed from Included to Partially Excluded because a subset of those revenues are dedicated to special funds (not the General Fund) to support K-12 education, higher education, and transportation. Those components are excluded from the data.

Michigan: General fund revenues for FY19 and FY20 are totals reported in the State of Michigan Comprehensive Annual Financial Reports. FY 2021 estimates are from the May 2021 consensus revenue forecast.

New York: The amounts reported reflect total General Fund receipts as reported in the 2019, 2020, and 2021 Enacted Financial Plans including transfers from other funds which were used to support General Fund activities which totaled (in millions): \$3,001, \$2,915 and \$2,245 for 2019, 2020, and 2021 respectively.

Ohio: Federal reimbursements for expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Also, Ohio does not have a corporate income tax but instead has a commercial activities tax which is a business privilege tax generally calculated on gross receipts.

Oregon: Fiscal 2020 revenues were impacted by the state paying out a large "kicker" refund in the spring of 2020. In addition, some fiscal 2020 revenues were shifted to fiscal 2021 following the extension of the tax deadline to July 15, 2020.

Tennessee: Corporate Income Taxes had not included Franchise taxes in the *State Expenditure Report* but had been included in the *Fiscal Survey of States*; it is now included here so the surveys are in sync. Similarly, Lottery revenue, which goes to the Education Fund, had not been included in the *State Expenditure Report* but it is now included.

APPENDIX

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

Region/State	Actual Fiscal 2019			Actual Fiscal 2020			Estimated Fiscal 2021		
	State Funds	Federal Funds	State & Federal Funds	State Funds	Federal Funds	State & Federal Funds	State Funds	Federal Funds	State & Federal Funds
NEW ENGLAND									
Connecticut	\$25,362	\$6,222	\$31,584	\$25,547	\$6,593	\$32,140	\$26,383	\$7,455	\$33,838
Maine	5,869	2,797	8,666	6,227	4,183	10,410	6,327	5,618	11,945
Massachusetts	42,275	14,849	57,124	43,792	16,726	60,518	45,982	19,339	65,321
New Hampshire	3,813	2,313	6,126	3,972	2,867	6,839	3,944	3,585	7,529
Rhode Island	6,259	3,119	9,378	6,543	4,475	11,018	6,787	7,539	14,326
Vermont	3,862	1,887	5,749	3,886	2,224	6,110	3,974	3,262	7,236
MID-ATLANTIC									
Delaware	8,625	2,403	11,028	8,916	2,706	11,622	9,042	3,956	12,998
Maryland	30,367	13,423	43,790	31,446	16,038	47,484	32,837	22,386	55,223
New Jersey	45,839	16,110	61,949	46,226	18,321	64,547	50,278	22,107	72,385
New York	103,921	60,416	164,337	106,123	60,688	166,811	107,783	71,685	179,468
Pennsylvania	58,509	30,489	88,998	58,681	36,741	95,422	61,369	41,709	103,078
GREAT LAKES									
Illinois	55,282	15,983	71,265	58,477	18,008	76,485	61,190	24,367	85,557
Indiana	20,502	13,547	34,049	22,755	14,901	37,656	24,379	20,319	44,698
Michigan	37,557	21,789	59,346	35,961	25,949	61,910	35,947	35,760	71,707
Ohio	44,721	25,295	70,016	45,759	27,578	73,337	45,855	34,351	80,206
Wisconsin	38,456	11,787	50,243	38,881	12,953	51,834	41,782	17,574	59,356
PLAINS									
Iowa	16,908	6,526	23,434	16,274	9,772	26,046	18,202	9,375	27,577
Kansas	12,422	4,087	16,509	14,240	4,649	18,889	14,551	6,294	20,845
Minnesota	29,038	11,196	40,234	29,939	12,194	42,133	33,683	15,613	49,296
Missouri	17,823	8,491	26,314	17,546	9,726	27,272	18,297	11,473	29,770
Nebraska	9,318	2,791	12,109	9,872	3,029	12,901	9,986	5,081	15,067
North Dakota	4,674	1,697	6,371	5,175	1,861	7,036	5,532	2,749	8,281
South Dakota	3,005	1,451	4,456	2,977	1,834	4,811	3,168	3,534	6,702
SOUTHEAST									
Alabama	17,870	10,652	28,522	19,138	12,274	31,412	18,623	12,793	31,416
Arkansas	17,903	7,814	25,717	18,221	9,498	27,719	18,871	12,300	31,171
Florida	52,403	28,522	80,925	52,269	32,188	84,457	55,281	35,261	90,542
Georgia	40,639	15,109	55,748	41,493	18,178	59,671	41,023	15,691	56,714
Kentucky	21,134	12,421	33,555	21,253	17,181	38,434	20,851	21,219	42,070
Louisiana	16,546	12,658	29,204	16,342	14,480	30,822	18,677	18,611	37,288
Mississippi	10,409	7,841	18,250	10,751	8,491	19,242	11,286	10,945	22,231
North Carolina	36,359	21,469	57,828	35,315	25,312	60,627	36,292	22,267	58,559
South Carolina	17,486	8,441	25,927	17,832	8,993	26,825	17,363	12,035	29,398
Tennessee	21,316	12,479	33,795	21,810	14,238	36,048	23,294	23,021	46,315
Virginia	42,508	11,447	53,955	47,889	15,065	62,954	53,217	20,382	73,599
West Virginia	13,229	4,692	17,921	13,184	4,853	18,037	12,896	5,696	18,592
SOUTHWEST									
Arizona	22,212	15,727	37,939	23,401	16,895	40,296	28,702	15,967	44,669
New Mexico	11,361	7,797	19,158	12,396	9,557	21,953	12,333	12,614	24,947
Oklahoma	15,383	8,153	23,536	15,678	8,762	24,440	16,569	10,784	27,353
Texas	80,872	40,112	120,984	88,061	47,930	135,991	87,596	55,129	142,725
ROCKY MOUNTAIN									
Colorado	20,685	8,690	29,375	23,645	11,310	34,955	20,638	15,539	36,177
Idaho	6,446	4,433	10,879	6,724	4,984	11,708	7,391	8,053	15,444
Montana	4,190	2,983	7,173	4,955	3,347	8,302	5,187	5,946	11,133
Utah	12,538	3,913	16,451	12,302	4,786	17,088	14,571	9,119	23,690
Wyoming	3,864	844	4,708	3,864	844	4,708	3,858	840	4,698
FAR WEST									
Alaska	7,406	3,817	11,223	7,123	4,807	11,930	8,479	6,441	14,920
California	197,539	97,202	294,741	201,371	148,996	350,367	227,775	277,220	504,995
Hawaii	12,070	2,528	14,598	14,071	2,835	16,906	17,939	5,251	23,190
Nevada	10,681	5,215	15,896	10,205	4,869	15,074	10,578	5,649	16,227
Oregon	31,482	10,835	42,317	34,939	13,503	48,442	38,076	21,260	59,336
Washington	35,140	12,857	47,997	37,405	14,125	51,530	39,209	19,814	59,023
TOTAL	\$1,404,078	\$657,319	\$2,061,397	\$1,450,852	\$792,317	\$2,243,169	\$1,533,853	\$1,074,978	\$2,608,831

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

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

Region/State	Actual Fiscal 2019				Actual Fiscal 2020				Estimated Fiscal 2021			
	General Fund	Other State Funds	Federal Funds	Total	General Fund	Other State Funds	Federal Funds	Total	General Fund	Other State Funds	Federal Funds	Total
NEW ENGLAND												
Connecticut	\$5	\$0	\$37	\$42	\$8	\$0	\$34	\$42	\$11	\$0	\$29	\$40
Maine	0	0	18	18	1	0	15	16	3	0	14	17
Massachusetts	93	0	682	775	103	0	591	694	219	0	553	772
New Hampshire	4	0	31	35	5	0	37	42	4	0	39	43
Rhode Island	14	0	81	95	15	0	85	100	28	0	79	107
Vermont	1	0	26	27	2	0	27	29	4	0	19	23
MID-ATLANTIC												
Delaware	0	3	38	41	3	5	30	38	6	4	34	44
Maryland	33	2	244	279	52	2	212	266	79	0	212	291
New Jersey	12	26	533	571	20	73	571	664	37	140	576	753
New York	0	409	1,529	1,938	0	747	1,427	2,174	0	590	1,330	1,920
Pennsylvania	13	33	393	439	32	41	376	449	68	35	375	478
GREAT LAKES												
Illinois	44	5	372	421	103	6	463	572	138	10	394	541
Indiana	0	2	213	215	0	19	243	262	0	38	190	228
Michigan	3	2	298	303	37	2	249	288	43	3	255	301
Ohio	16	0	498	514	49	0	466	515	111	0	472	583
Wisconsin	11	3	239	253	20	8	235	263	46	16	235	297
PLAINS												
Iowa	7	0	127	134	19	0	151	170	35	0	139	174
Kansas	0	8	97	105	16	0	106	122	21	0	132	153
Minnesota	2	0	12	13	3	0	13	16	5	0	12	16
Missouri	23	8	96	127	29	8	117	154	38	8	135	181
Nebraska	2	7	84	93	9	7	78	94	18	7	79	104
North Dakota	3	0	24	27	5	0	19	24	7	0	17	24
South Dakota	2	0	30	32	4	0	26	30	7	0	24	31
SOUTHEAST												
Alabama	0	0	500	500	39	0	466	505	96	0	524	620
Arkansas	0	0	158	158	8	0	133	141	6	16	120	142
Florida	23	19	511	553	66	32	475	573	151	27	483	661
Georgia	0	0	457	457	27	1	394	422	72	1	372	445
Kentucky	0	0	219	219	10	0	231	242	39	0	252	291
Louisiana	6	1	406	413	26	1	365	392	62	1	335	398
Mississippi	0	0	157	157	2	2	157	161	13	7	141	160
North Carolina	0	0	516	516	37	0	526	563	101	0	520	621
South Carolina	0	0	188	188	8	2	187	197	28	1	179	208
Tennessee	2	6	186	194	25	2	276	303	52	2	257	311
Virginia	35	14	375	424	66	14	371	451	109	14	324	447
West Virginia	0	2	51	53	3	0	52	55	7	1	51	59
SOUTHWEST												
Arizona	4	0	77	81	8	0	81	89	20	1	109	130
New Mexico	0	0	96	96	0	0	112	112	0	0	125	125
Oklahoma	14	2	225	241	18	3	250	271	37	7	222	266
Texas	97	0	1,453	1,550	186	0	1,282	1,468	365	0	1,193	1,558
ROCKY MOUNTAIN												
Colorado	0	23	165	188	0	36	152	188	3	44	119	166
Idaho	0	0	83	83	4	0	84	88	12	0	76	88
Montana	0	1	105	106	0	7	80	87	2	13	72	87
Utah	1	7	127	135	1	7	132	139	11	16	111	138
Wyoming	1	0	10	11	2	0	9	11	3	0	6	9
FAR WEST												
Alaska	4	0	30	34	6	0	28	34	7	0	17	23
California	268	0	3,058	3,326	473	0	3,035	3,508	867	0	3,112	3,979
Hawaii	6	0	56	62	10	0	51	61	16	0	46	62
Nevada	1	0	55	55	5	0	47	52	9	0	39	48
Oregon	10	0	304	314	34	0	291	325	68	0	270	338
Washington	17	1	128	146	29	1	162	192	50	1	133	184
TOTAL	\$776	\$584	\$15,398	\$16,758	\$1,628	\$1,026	\$15,000	\$17,654	\$3,131	\$1,003	\$14,550	\$18,685
District of Columbia	0	0	57	57	4	0	57	61				

TABLE A-3
MEDICARE PART D CLAWBACK PAYMENTS (\$ IN MILLIONS)

Region/State	Actual Fiscal 2019			Actual Fiscal 2020			Estimated Fiscal 2021		
	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total
NEW ENGLAND									
Connecticut	\$168	\$0	\$168	\$170	\$0	\$170	\$149	\$0	\$149
Maine	54	0	54	63	0	63	54	0	54
Massachusetts	444	0	444	543	0	543	469	0	469
New Hampshire	44	0	44	45	0	45	43	0	43
Rhode Island	72	0	72	65	0	65	58	0	58
Vermont	34	0	34	36	0	36	30	0	30
MID-ATLANTIC									
Delaware	22	0	22	24	0	24	24	0	24
Maryland	169	0	169	225	0	225	118	0	118
New Jersey	475	0	475	462	0	462	458	0	458
New York	1,319	0	1,319	1,510	0	1,510	1,313	0	1,313
Pennsylvania	755	0	755	776	0	776	695	0	695
GREAT LAKES									
Illinois	626	0	626	647	0	647	622	0	622
Indiana	213	0	213	201	0	201	171	0	171
Michigan	291	0	291	232	0	232	251	0	251
Ohio	457	0	457	477	0	477	387	0	387
Wisconsin	240	0	240	241	0	241	231	0	231
PLAINS									
Iowa	109	0	109	102	0	102	99	0	99
Kansas	70	0	70	15	53	68	0	57	57
Minnesota	245	0	245	234	0	234	233	0	233
Missouri	252	0	252	156	74	230	226	0	226
Nebraska	67	0	67	68	0	68	57	0	57
North Dakota	16	1	17	19	1	20	15	1	16
South Dakota	22	0	22	22	0	22	18	0	18
SOUTHEAST									
Alabama	73	0	73	67	0	67	62	0	62
Arkansas	65	6	71	50	6	56	40	4	44
Florida	611	0	611	658	0	658	667	0	667
Georgia	165	0	165	174	0	174	137	0	137
Kentucky	0	101	101	0	103	103	0	91	91
Louisiana	157	0	157	168	0	168	158	0	158
Mississippi	28	27	55	46	9	55	25	19	45
North Carolina	333	0	333	339	0	339	270	0	270
South Carolina	104	3	107	114	0	114	86	0	86
Tennessee	217	0	217	217	0	217	192	0	192
Virginia	260	0	260	273	0	273	244	0	244
West Virginia	41	0	41	39	0	39	33	0	33
SOUTHWEST									
Arizona	90	22	112	89	21	110	90	21	111
New Mexico	49	0	49	43	0	43	34	0	34
Oklahoma	125	0	125	102	0	102	74	0	74
Texas	482	0	482	389	0	389	392	0	392
ROCKY MOUNTAIN									
Colorado	149	0	149	161	0	161	153	0	153
Idaho	34	0	34	39	0	39	28	0	28
Montana	23	0	23	22	0	22	22	0	22
Utah	42	0	42	47	0	47	37	0	37
Wyoming	18	0	18	16	0	16	13	0	13
FAR WEST									
Alaska	41	0	41	37	0	37	38	0	38
California	2,138	0	2,138	2,210	0	2,210	2,066	0	2,066
Hawaii	37	0	37	37	0	37	39	0	39
Nevada	32	2	33	35	0	36	29	0	29
Oregon	137	0	137	106	0	106	127	0	127
Washington	253	0	253	250	0	250	255	0	255
TOTAL	\$11,868	\$162	\$12,030	\$12,061	\$267	\$12,328	\$11,032	\$193	\$11,225
District of Columbia	20	0	20	16	0	16			

TABLE A-4
DEBT SERVICE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2019			Actual Fiscal 2020			Estimated Fiscal 2021		
	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total
NEW ENGLAND									
Connecticut	\$2,579	\$651	\$3,230	\$2,250	\$651	\$2,901	\$2,330	\$694	\$3,024
Maine	130	0	130	145	0	145	150	0	150
Massachusetts	2,411	59	2,470	2,442	57	2,499	2,374	128	2,502
New Hampshire	113	33	146	107	33	140	96	34	130
Rhode Island	138	69	208	167	67	235	196	70	266
Vermont	73	5	78	76	4	80	75	4	79
MID-ATLANTIC									
Delaware	184	244	428	184	252	436	187	256	443
Maryland	286	1,001	1,287	287	1,024	1,311	131	1,203	1,334
New Jersey	3,955	0	3,955	4,145	0	4,145	4,346	0	4,346
New York*	6,699	0	6,699	4,916	0	4,916	13,298	0	13,298
Pennsylvania	1,072	150	1,222	1,118	184	1,302	1,144	182	1,326
GREAT LAKES									
Illinois	2,701	0	2,701	1,870	0	1,870	1,529	0	1,529
Indiana*	217	109	326	206	117	323	317	126	443
Michigan	104	0	104	111	5	116	121	5	126
Ohio	1,431	356	1,787	1,450	352	1,802	1,217	342	1,559
Wisconsin	601	419	1,020	490	373	863	510	377	887
PLAINS									
Iowa	0	71	71	0	93	93	0	93	93
Kansas	128	418	546	134	523	657	133	406	539
Minnesota	550	0	550	540	0	540	516	0	516
Missouri	111	367	478	97	299	396	67	347	414
Nebraska	9	41	50	9	33	42	0	38	38
North Dakota	5	1	6	5	1	6	8	3	11
South Dakota	10	29	39	10	31	41	34	29	63
SOUTHEAST									
Alabama*	67	19	86	77	22	99	74	24	98
Arkansas	5	212	217	5	244	249	0	351	351
Florida	44	1,864	1,908	41	1,577	1,618	53	1,615	1,668
Georgia	1,390	0	1,390	1,317	0	1,317	1,106	0	1,106
Kentucky	711	339	1,050	697	320	1,016	703	327	1,031
Louisiana	535	53	588	563	61	624	563	139	702
Mississippi	385	66	451	385	19	404	436	21	457
North Carolina	702	80	782	706	101	807	694	83	777
South Carolina*	62	0	62	54	0	54	62	0	62
Tennessee	242	0	242	236	0	236	241	0	241
Virginia	729	47	776	764	45	809	810	32	842
West Virginia	39	294	333	16	305	321	17	304	321
SOUTHWEST									
Arizona	324	404	728	310	362	672	73	268	341
New Mexico	0	498	498	0	475	475	0	512	512
Oklahoma	0	0	0	0	0	0	0	0	0
Texas	1,218	999	2,216	1,200	1,102	2,302	1,180	1,116	2,296
ROCKY MOUNTAIN									
Colorado	0	128	128	0	180	180	0	163	163
Idaho	4	7	11	4	0	4	4	0	4
Montana	9	4	13	8	7	15	11	7	18
Utah	36	357	393	38	440	478	52	397	449
Wyoming	0	0	0	0	0	0	0	0	0
FAR WEST									
Alaska	207	66	273	139	51	190	101	56	157
California*	5,418	1,860	7,278	5,183	1,978	7,162	5,141	2,022	7,163
Hawaii	781	357	1,138	837	338	1,175	791	428	1,219
Nevada	1	276	277	0	281	281	0	294	294
Oregon	281	124	405	337	133	470	336	129	464
Washington	1,153	818	1,971	1,179	839	2,018	1,315	776	2,091
TOTAL	\$37,849	\$12,896	\$50,745	\$34,855	\$12,979	\$47,834	\$42,542	\$13,401	\$55,943
District of Columbia	717	13	730	791	12	803			

Debt Service Notes

Alabama: Total does not include debt service payments made on revenue obligation bonds (\$502M in FY19, \$413M in FY20, \$441M Estimated in FY21). Only general obligation debt service is appropriated and calculated in the state's total expenditure reports. Revenue obligation debt service is not reported as has been the case in previous surveys.

California: Total Debt Service does not include University of California or California State University GO Bond Debt because it is paid directly from their respective state appropriations.

Indiana: Previous report included total appropriations for debt services. The 2021 report revises the figure down to actual amount spent of those appropriations. Some of the FY2019 debt service appropriations were unneeded and reverted back to source fund at the end of the fiscal year.

New York: All debt service is paid outside of the General Fund in Other State Funds (Debt Service Funds). A portion of debt service expenses are supported by transfers from the General Fund to Debt Service Funds. These transfers totaled (in thousands): \$786, \$736 and \$326 for 2019; 2020; and 2021, respectively.

South Carolina: Includes appropriated debt service only.

TABLE A-5

TRANSPORTATION FUND REVENUE SOURCES (\$ IN MILLIONS)

Region/state	Actual Fiscal 2019						Actual Fiscal 2020						Estimated Fiscal 2021					
	Motor Fuel Taxes	License & Registration Fees	Vehicle Sales & Use Taxes	Tolls	Other	Total	Motor Fuel Taxes	License & Registration Fees	Vehicle Sales & Use Taxes	Tolls	Other	Total	Motor Fuel Taxes	License & Registration Fees	Vehicle Sales & Use Taxes	Tolls	Other	Total
NEW ENGLAND																		
Connecticut	\$510	\$250	\$371	\$0	\$558	\$1,688	\$478	\$242	\$401	\$0	\$396	\$1,517	\$471	\$321	\$466	\$0	\$495	\$1,753
Maine	232	97	0	0	17	346	219	91	0	0	17	327	211	96	0	0	17	324
Massachusetts	775	657	583	0	161	2,176	707	598	542	0	281	2,128	662	672	694	0	51	2,079
New Hampshire	128	98	0	0	0	226	118	103	0	0	0	221	117	105	0	0	0	221
Rhode Island	162	101	0	7	9	279	145	98	0	15	0	257	140	104	0	34	0	278
Vermont*	78	94	75	0	54	301	71	92	70	0	49	282	67	97	89	0	44	297
MID-ATLANTIC																		
Delaware	145	219	0	207	18	588	136	204	0	197	17	554	129	237	0	170	14	549
Maryland	1,140	404	917	0	1,467	3,928	1,076	367	847	0	1,986	4,276	1,004	377	950	0	1,738	4,069
New Jersey	500	0	200	12	1,466	2,178	440	0	200	12	1,338	1,990	437	0	200	12	1,622	2,271
New York*	528	1,128	963	0	2,737	5,356	512	950	1,049	0	2,875	5,386	425	843	873	0	2,571	4,712
Pennsylvania	3,824	1,004	0	0	21	4,849	3,558	963	0	0	2	4,523	3,520	1,097	0	0	11	4,628
GREAT LAKES																		
Illinois	1,276	961	0	0	1,904	4,142	1,227	1,145	0	0	2,144	4,516	1,195	1,701	0	0	2,790	5,687
Indiana	928	190	0	0	45	1,163	947	176	0	0	43	1,166	1,008	200	0	0	48	1,256
Michigan	1,461	1,358	97	23	378	3,317	1,319	1,345	90	17	571	3,342	1,395	1,373	96	15	806	3,685
Ohio	719	44	0	0	1,737	2,500	1,058	47	0	0	1,808	2,913	1,089	51	0	0	2,053	3,193
Wisconsin	1,064	534	0	0	190	1,788	1,019	662	0	0	220	1,901	1,064	757	0	0	145	1,966
PLAINS																		
Iowa	661	715	373	0	14	1,763	635	673	375	0	74	1,757	640	731	448	0	42	1,861
Kansas	461	211	534	0	252	1,458	454	210	546	0	127	1,337	435	212	580	0	274	1,501
Minnesota	486	1	90	0	1,746	2,323	486	1	198	0	1,695	2,380	521	1	177	0	1,725	2,424
Missouri*	517	305	358	0	0	1,180	507	296	362	0	0	1,165	492	332	450	0	0	1,274
Nebraska	259	43	124	0	89	515	259	42	127	0	94	522	285	47	158	0	100	590
North Dakota	194	111	0	0	33	338	189	92	0	0	18	299	169	98	0	0	19	286
South Dakota	178	0	118	0	29	325	176	0	121	0	36	333	178	0	148	0	36	362
SOUTHEAST																		
Alabama*	386	106	0	0	1,380	1,872	369	102	0	0	1,157	1,628	360	109	0	0	980	1,449
Arkansas	421	132	0	0	229	781	416	131	0	0	215	762	429	136	0	0	248	813
Florida*	2,454	1,212	0	1,079	4,002	8,747	2,401	1,229	0	1,005	4,087	8,722	2,334	1,410	0	903	3,835	8,482
Georgia	1,838	0	0	0	191	2,029	1,873	0	0	0	163	2,036	1,898	0	0	0	98	1,995
Kentucky	773	138	515	0	141	1,566	742	122	499	0	129	1,491	748	148	621	0	125	1,642
Louisiana	636	54	0	0	46	736	581	52	0	0	37	670	600	57	0	0	32	689
Mississippi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Carolina	2,107	721	839	58	217	3,942	1,958	696	837	67	203	3,761	2,104	1,022	1,006	59	10	4,201
South Carolina	658	68	266	9	995	1,996	681	87	267	6	1,080	2,121	754	99	300	8	951	2,112
Tennessee	654	285	28	0	7	974	673	278	65	0	7	1,023	674	285	15	0	6	980
Virginia	845	339	988	0	1,383	3,555	844	343	976	0	1,444	3,607	972	363	1,166	0	1,633	4,134
West Virginia	444	124	232	0	29	829	427	123	266	0	34	850	400	136	301	0	223	1,060
SOUTHWEST																		
Arizona	366	123	159	0	524	1,172	370	130	187	0	480	1,167	370	148	206	0	531	1,255
New Mexico	231	87	7	0	126	451	221	83	6	0	115	425	239	89	7	0	124	459
Oklahoma	224	1	1	0	0	226	211	1	1	0	0	213	194	0	0	0	0	194
Texas*	2,735	1,552	4,061	46	1,384	9,778	2,611	1,455	2,500	35	1,665	8,266	2,624	1,644	2,500	29	1,134	7,931
ROCKY MOUNTAIN																		
Colorado	655	266	188	0	0	1,109	625	382	63	0	0	1,070	594	400	48	0	0	1,042
Idaho	205	97	0	0	43	345	216	98	0	0	86	400	216	101	0	0	60	377
Montana	253	0	0	0	91	344	251	0	0	0	97	348	265	0	0	0	99	364
Utah	514	106	0	0	0	620	504	110	0	0	0	614	537	111	0	0	0	648
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST																		
Alaska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
California*	8,484	6,431	0	0	1,185	16,099	8,728	6,469	0	0	1,164	16,361	8,491	6,709	0	0	1,236	16,436
Hawaii*	86	47	216	0	1,738	2,087	80	43	213	0	1,258	1,594	69	50	148	0	1,772	2,039
Nevada*	321	260	0	0	88	669	308	237	0	0	108	653	311	193	0	0	237	741
Oregon*	626	443	8	0	515	1,592	592	385	6	0	535	1,517	739	632	10	0	660	2,040
Washington	1,368	923	88	204	572	3,155	1,232	752	57	168	802	3,011	1,073	1,136	103	132	1,294	3,738
TOTAL	\$43,508	\$22,041	\$12,398	\$1,645	\$27,811	\$107,403	\$42,650	\$21,703	\$10,871	\$1,522	\$28,656	\$105,401	\$42,649	\$24,429	\$11,760	\$1,362	\$29,888	\$110,088
District of Columbia*	28	0	0	0	116	144	22	0	0	0	201	223						

Transportation Fund Notes

Alabama: “Other” includes Petroleum Commodities Inspection fees, interest income on investments, insurance recoveries, all federal grants and reimbursements, and other miscellaneous revenue.

California: Vehicle sales and uses taxes are included in overall sales tax figures.

District of Columbia: At the ‘State’ level, the District of Columbia FHWA match (from Motor Fuel Tax) is called the “Highway Trust Fund.” In addition, the District of Columbia also has a Local Transportation Fund, which supports all local transportation needs. “Other” transportation fund revenue includes right-of-way revenue, PAYGO, and borrowed funds.

Florida: The State Transportation Trust Fund is the state’s primary trust fund. The Turnpike General Reserve Trust Fund is the state’s primary trust fund used to manage Turnpike Revenue.

Hawaii: Transportation fund revenues are revenues from Airports, Harbors, Highways, and Administration.

Missouri: Missouri has the State Highways and Transportation Department Fund made up of revenues from motor vehicle registrations, driver’s license and other fees, and motor fuel taxes. Missouri also has a State Road Fund that incorporates State Highways and Transportation Department Funds and revenues from motor vehicle sales taxes and state road bond funds.

Nevada: Other Revenue includes: Proceeds from sale of bonds, Agreement income Interest, Sale of surplus property, Transfer from Petroleum Clean Up Fund, Passenger Carrier Tax, AB595 property tax, AB595 bond revenue, and Other Sales & Reimbursements.

New York: New York State maintains a number of Transportation Funds including: Metropolitan Transportation Authority Financial Assistance Fund; Mass Transportation Operating

Assistance Fund; Dedicated Mass Transportation Trust Fund. Dedicated Highway and Bridge Trust Fund; and Highway Use Tax Administration Fund. Other Transportation Fund Revenue includes: Auto Rental Taxes; Petroleum Business Taxes; Highway Use Tax; Transit Dedicated Business Taxes; and Taxicab Surcharge. Beginning in FY 2020, various supplemental fees and taxes levied on driver licenses, motor vehicle registration, taxis, and passenger car rentals, are remitted directly to the MTA without legislative appropriation. This eliminates the pass through of these fees and taxes, ensuring more timely receipt by the MTA, and is consistent with treatment of mobility tax collections (described below). The Financial Plan no longer includes these supplemental fees and taxes or associated local assistance payments. The Metropolitan Commuter Transportation Mobility Tax is imposed on certain employers and self-employed individuals engaging in business within the Metropolitan Commuter Transportation District (MCTD). Through FY 2018, the State collected these taxes and fees on behalf of, and disbursed the entire amount to the MTA. Beginning in FY 2019 Mobility Tax collections are remitted directly to the MTA. This eliminated the pass through of this tax and ensures more timely receipt by the MTA. The State Financial Plan no longer includes new tax receipts or their associated local assistance.

Oregon: Other revenues includes Weight Mile Taxes and MCTD Fees.

Texas: Other revenues include Lubricant Sales Tax, Special Vehicle Permit Fees, Motor Vehicle Certificates, Land Sales, Judgments & Settlements, Drivers License Fees, Drivers Record Information Fees, Vehicle Inspection Fees, and Other Misc. Government Revenues. Increased transfers from Proposition 1 are the primary factors for the increased ‘Other’ revenues in fiscal 2019 and fiscal 2020.

Vermont: Other revenues include other taxes; fees; rents and leases; fines, forfeitures, and penalties; and other revenues.

Tansportation Fund Names

Alabama: Public Road and Bridge Fund

Arizona: Arizona Highway User Fund

Colorado: Highway Users Trust Fund

Connecticut: Special Transportation Fund

Delaware: Delaware Transportation Authority Transportation Trust Fund, Transportation Trust Fund

District of Columbia: Highway Trust Fund, Local Transportation Fund

Florida: State Transportation Trust Fund, Turnpike General Reserve Trust Fund

Idaho: State Highway Account

Illinois: Road Fund and Motor Fuel Tax Fund

Indiana: State Highway Fund

Iowa: Road Use Tax Fund

Kansas: State Highway Fund

Kentucky: Road Fund

Louisiana: Transportation Trust Fund

Maine: Highway Fund

Maryland: Transportation Trust Fund

Massachusetts: Commonwealth Transportation Fund

Michigan: Michigan Transportation Fund, State Trunkline Fund, State Aeronautics Fund, Comprehensive Transportation Fund, Blue Water Bridge Fund

Minnesota: Highway Users Tax Distribution Fund

Missouri: State Highways and Transportation Department Fund

Montana: Highway State Special Revenue

Nebraska: Highway Trust Fund, State Highway Capital Improvement Fund

Nevada: State Highway Fund

New Hampshire: Highway Fund

New Jersey: Transportation Trust Fund

New Mexico: State Road Fund

New York: Metropolitan Transportation Authority Financial Assistance Fund, Mass Transportation Operating Assistance Fund, Dedicated Mass Transportation Trust Fund, Dedicated Highway and Bridge Trust Fund, Highway Use Tax Administration Fund

North Carolina: Highway Fund, Highway Trust Fund

North Dakota: Highway Fund

Ohio: Highway Operating Fund

Oregon: Highway Fund

Pennsylvania: Motor License Fund

Rhode Island: Intermodal Surface Transportation Fund

South Carolina: State Highway Transportation and Infrastructure Maintenance Funds

South Dakota: Highway Fund

Tennessee: Highway Fund

Texas: State Highway Fund, Texas Mobility Fund

Utah: Transportation Fund

Vermont: Transportation Fund

Virginia: Commonwealth Transportation Fund

Washington: Washington State has 45 transportation accounts. The three largest transportation accounts are: 108 Motor Vehicle Account; 218 Multimodal Account and 20H Connecting Washington Account

West Virginia: Division of Highways

Wisconsin: Transportation Fund

Methodology

The *2021 State Expenditure Report* reflects three years of data: actual fiscal year 2019, actual fiscal year 2020, and estimated fiscal year 2021. The text of this report focuses on actual fiscal year 2020 and estimated fiscal 2021 data. Expenditure data are detailed by program area and funding source so that trends in state spending can be evaluated. Readers are cautioned that a more complete understanding of service levels within a given state would require comparisons of spending by both state and local governments, which is not the purpose of this report. In addition, the data are self-reported by the states.

This report documents state expenditures in six functional categories: elementary and secondary education, higher education, public assistance including Temporary Assistance for Needy Families and other cash assistance, Medicaid, corrections, and transportation. All other expenditures make up a seventh category. The report includes expenditures from four fund sources, including general funds, federal funds, other state funds, and bonds. Data for each category typically include employer contributions to current employees' pensions and to employee health benefits for employees. In addition, the report contains a chapter detailing revenue sources in the general fund.

Elementary and secondary education spending, detailed in chapter one, includes state and federal fund expenditures only, and excludes local funds raised for education purposes. States also were asked to include, where applicable, state expenditures that support the state's Department of Education, early education/pre-K, capital construction, transportation of school children, adult literacy programs, handicapped education programs, programs for other special populations (i.e., gifted and talented programs), anti-drug programs, and vocational education. States were asked to exclude spending for day care programs in the school system, spending for school health and immunization programs, and local funds raised and expended for education purposes.

For higher education, states were requested to include expenditures made for capital construction, community colleges, vocational education, law, medical, veterinary, nursing and technical schools, and assistance to private colleges and universities, as well as tuition, fees and student loan programs. Higher education expenditures exclude federal research grants and endowments to universities. Higher education data can be found in chapter two.

Spending for public assistance, which is examined in chapter three, includes expenditures for the Temporary Assistance for Needy Families (TANF) program and other cash assistance (i.e., state supplements to the Supplemental Security Income program, general or emergency assistance). States were asked to exclude administrative costs from reported expenditures.

Medicaid spending amounts, highlighted in chapter four, exclude administrative costs, but include spending from state funds, federal matching funds and other funds and revenue sources used as a Medicaid match such as provider taxes, fees, assessments, donations, and local funds. Medicare Part D clawback payments are included in a state's overall Medicaid expenditures, and are also listed separately in the Appendix.

For corrections, states were asked to include, where applicable, expenditures for capital construction, aid to local governments for jails, parole programs, prison industries, community corrections, drug abuse rehabilitation programs, as well as expenditures made for juvenile correction programs. Corrections data can be found in chapter five.

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

The "all other" expenditure category includes all remaining programs not captured in the functional categories previously described, including the Children's Health Insurance Program and any debt service for other state programs (i.e., environmental projects, housing). States with lotteries were asked to exclude prizes paid to lottery winners. States were also asked to exclude expenditures for state-owned utilities and liquor stores. "All other" expenditure data can be found in chapter seven. States were also asked to separately detail debt service spending.

Capital spending is included with operating expenditures within each functional category, unless otherwise noted. Capital expenditures have also been collected separately in the following categories: elementary and secondary education, higher education, transportation, corrections, housing, environmental, and "all other." Capital expenditure data can be found in Chapter Eight.

Chapter Nine illustrates the major sources of state revenue including sales and use taxes, personal income taxes, corporate income taxes, gaming and lottery revenue, and “all other” general fund revenue. This chapter only contains information on general fund revenue.

Tables included in four of the functional categories reflect expenditures that states have excluded from their reported data. Each table underscores the observation that state-to-state expenditure comparisons in any functional category can be misleading. For example, one state may have included its juvenile institutions in its corrections budget, while another state may have included them in its human resources budget. Comparisons for one state over time, however, should prove accurate.

All years reported are state fiscal years unless otherwise indicated. In 46 states the fiscal year begins on July 1 and ends on June 30. The exceptions are as follows: in New York, the fiscal year begins on April 1; in Texas, the fiscal year begins on September 1; and in Alabama and Michigan the fiscal year begins on October 1. Additionally, the length of budget cycles vary among states, with more than half of the states budgeting annually and the remainder enacting biennial budgets.

Definitions

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

Federal Funds: funds received directly from the federal government.

Other State Funds: expenditures from revenue sources, which are restricted by law for particular governmental functions or activities. For example, a gasoline tax dedicated to a highway trust fund would appear in the “Other State Funds” column (Note: For Medicaid, other state funds include provider taxes, fees, donations, assessments and local funds).

Bonds: expenditures from the sale of bonds, generally for capital projects.

State Funds: general fund plus other state fund spending, excluding state spending from bonds.

