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***HOW FUNDING OF PROGRAMS FOR CHILDREN  
VARIES AMONG THE 50 STATES***

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## INTRODUCTION & SUMMARY

The devolution revolution that is about to occur will have a major impact on the services provided by state and local governments that are intended to benefit children. In order to understand the implications of that revolution, it is necessary first to understand how much states are already spending on children. That is the purpose of this study. It describes how much states spent on children's services in 1992 and the changes that have occurred in that spending since 1970.

This report is a companion to the *State Investments in Education and Other Children's Services*, recently published by the Finance Project in Washington, D.C. This report shows national trends for spending on children's programs and describes how the trends vary from state to state, while the Finance Project study (co-authored by the Center for the Study of the States) consists of separate profiles for each of the 50 states.

Four factors affect state and local spending for children's services: (1) the number of children and how many of them are poor, (2) the fiscal capacity of state and local governments, (3) the effort exerted to utilize that fiscal capacity, and (4) the share of available revenue devoted to children's programs as opposed to other services.

These four factors are like parts of an equation, where the solution is the amount of spending for children's programs. The number of children drives the need for services. Fiscal capacity shows how much states can potentially afford to spend. Tax effort tells how much of that capacity is actually tapped. Finally, each state's priorities determine how much of its total revenue goes to children's programs. The first chapter sets the stage for the analysis of spending by considering demographics, fiscal capacity, and fiscal effort, and the second and third chapters discuss spending for schools and other children's programs, respectively. Finally, the last chapter discusses the outlook for funding in the next five years.

*Demographics.* The first chapter begins by comparing the number of children in each state and how it has changed since 1970, paying particular attention to the level of enrollment in elementary and secondary schools and the number of children who are poor.

*Fiscal capacity.* Next, it discusses the capacity of states to fund children's programs. It focuses particularly on differences in the relative size of state economies and how they have changed over time. Federal aid is also considered, since it augments resources provided by a state's own resources.



*Tax effort.* Third, it discusses how state and local tax burdens vary among states and how they have changed since 1970. Revenue obtained from fees and charges is also taken into account.

*School spending.* The second chapter focuses on the largest component of children's spending, elementary-secondary education. It shows how school spending has grown in three ways--in real per pupil dollars, as a proportion of personal income, and as a share of total state-local tax revenue. It also analyzes differences in the reliance on federal, state and local revenue among states and over time. In considering education's changing share of state and local budgets, it analyzes the competition from other programs, such as Medicaid and corrections.<sup>1</sup>

*Non-school children's spending.* The third chapter discusses state and local spending on children's programs other than education. While comprehensive information on such spending is not available, the analysis covers most spending, comparing levels of spending among states and tracing changes over time.

*The outlook.* The final chapter discusses the outlook for funding of children's programs in the next five years, considering demographic, federal initiatives, economic growth, and state fiscal policies.

The primary focus of this study is on spending by state and local governments rather than the federal government. Federal aid is included in the analysis of education spending but not in discussing non-education spending. A forthcoming report from the Center for the Study of the States will analyze how federal spending for children varies among the states.

The purpose of this study is to contribute to understanding of how children's services have been financed prior to the changes about to occur as part of the New Federalism. It is not concerned with judging but rather describing spending patterns, considering four questions in particular:

- How much is spent on children's services?
- How much variation is there in spending levels among states?
- Has spending been increasing or decreasing, and if so by how much?
- How is the variation in spending related to the wealth of states and their demographic differences?

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<sup>1</sup> See the note at the end of this chapter for a discussion of how fiscal and school years are treated.

## Conclusions

Twelve important findings emerge from this study:

1. There are fewer children now than in 1970 because the number of births fell sharply after the baby boom ended. This decrease in the number of children, however, ended in the mid-1980s, and the population of children is rising again. The number of poor children has risen steadily, even when the total number of children was falling.
2. Spending for children is the largest component of state and local budgets, primarily because of spending for education. However, state and local governments are devoting a smaller share of their resources to children than in 1970.
3. The capacity of states to fund all programs has increased substantially since 1970 because of the growth of the economy.
4. Children's programs are facing significant competition for funding from health and corrections programs.
5. The burden of state and local taxes in relation to personal income has fluctuated since 1970, but it is not significantly higher than it was then. Large changes have occurred, however, in particular states.
6. Real school spending per pupil rose very substantially in the 1970s and 1980s but has increased relatively little in the 1990s.
7. School spending is a smaller proportion of personal income in most states than it was in 1970, primarily because school enrollment has fallen.
8. In the 1970s, the share of the cost of elementary-secondary schools assumed by states rose, but that trend has not continued. Since 1987, the state share of state-local school revenue has fallen considerably.
9. The federal government has continued to play a relatively small role in financing elementary-secondary schools, and its share of school revenue is lower than it was in 1970.
10. Overall state spending on children's programs, other than for education, have also fallen relative to personal income, although it has increased in terms of real dollars per child. Spending for the largest program, AFDC, has fallen as a share of personal income but risen slightly in terms of spending per poor child. Rapidly increasing spending for some other programs, such as Medicaid and foster care, has offset the slow growth of AFDC spending to some extent.
11. States differ considerably in fiscal capacity, fiscal effort, demographics, and the priority accorded to funding children's services.
12. In the next several years, funding for children's programs will likely not grow as quickly as they would have under prior policies, and in fact may be reduced. This will be due primarily to federal cutbacks in aid to the states.

**A note about years and the treatment of the District of Columbia**

Education data is often referred to by the year in which the academic year begins, while state fiscal data is generally referred to by the calendar year in which it ends. Thus, school year 1969 is the 1969-70 academic year, which is state fiscal year 1970. To avoid confusion, school years in this report will be referred to by the year in which they end, and taxes and other revenue will be referred to in terms of fiscal years. Thus, tax revenue in 1970 was collected in fiscal year 1970, which generally began July 1, 1969.<sup>2</sup>

The most recent comparative data for state and local tax revenue is for fiscal year 1992. Therefore, to be consistent in treating statistics for spending, revenue, and demographics, the tables do not go beyond 1992 even though more recent information is available for many kinds of spending.

In calculating revenue or spending per \$100 of personal income, the report follows the convention used by most analysts, which is to divide revenue or spending for a fiscal year by the personal income for the calendar year that ends during it. For example, revenue for fiscal year 1970 is divided by personal income for calendar year 1969.

Some tables in this report display information for the District of Columbia, but when the text discusses states with particularly high or low revenue and spending, the District is not mentioned. Because of its unique character, the District of Columbia often has particularly high or low levels for certain statistical indicators.

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<sup>2</sup> All states have fiscal years starting July 1 except New York (April 1), Texas (September 1), Alabama (October 1), and Michigan (October 1). Before 1976, Michigan's fiscal year began July 1.

## Chapter 1

### The Demographic and Fiscal Context

States differ widely in terms of their need for and capacity to finance children's services. Need depends in part on how many children reside in the state and how many of them are poor. The resources available are determined by fiscal capacity and fiscal effort. This chapter sets the stage for the analysis of children's program spending in later chapters by describing the demographic and fiscal context.

Four major themes run through this discussion:

- The need for children's services has grown since 1980 because the number of children<sup>3</sup> has been increasing and because an increasing proportion of children are poor.<sup>4</sup> This is different from the situation in the 1970s, when the population of children fell sharply. The total number of children is still less than it was in 1970, although the number of poor children is higher.<sup>5</sup>
- State and local governments' ability to raise revenue has increased substantially because of economic growth.
- Although some states are exerting much more effort to tap available tax bases, the opposite is true in other states. Overall, tax effort (as measured by state and local taxes relative to personal income) is about the same as it was in 1970. Including revenue from user charges, effort rose between 1970 and 1992.
- In relation to the economy, federal aid to state and local governments grew rapidly between 1970 and 1978, when it reached its peak level. It then declined until 1989, when Medicaid spending increased it. However, it was still below its 1978 level in 1992.

#### Demographics: The Changing Population of Children

The proportion of a state's population that is children may have several effects on how much it spends on children's services:

1. The need for children's services increases directly with the number of children. States where a large proportion of the population is of school age tend to have higher spending and tax burdens because education is such a large proportion of state and local budgets.
2. As the number of children increases, the average amount spent on each child by state and local governments tends to decrease. When the child population is small,

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<sup>3</sup> In this report, a "child" is defined as anyone under 18 years of age.

<sup>4</sup> A poor child is defined as one who lives in a family with an income below the federal poverty threshold. In 1992, the federal poverty threshold for a family of three was \$11,186. In this section of this report, the count of poor children comes from the decennial census conducted by the U.S. Census Bureau. In the noneducation spending section of this report, the count of poor children is derived from an annual survey conducted by the U.S. Census Bureau.

<sup>5</sup> In 1970, there were approximately 69.7 million children, while in 1990 there were approximately 63.7 million children. Of these children, 10.5 million were poor in 1970 and 11.4 million were poor in 1990.

spending per child tends to be high. But as the number of children grows, it is too expensive to maintain such generous per child spending. To some extent, this is justified by the fact that costs may not increase proportionately as the number of children rises because fixed costs can be spread over a larger clientele.

3. The opposite is also true. As the number of children decreases, costs do not fall proportionately because certain costs are fixed. This had to be faced as enrollment fell sharply in many states in the 1970s and the early 1980s.
4. Political support for children's services is greater if a large proportion of households include children. As the population ages and more families are childless, political support for children's programs may diminish, other things being equal. If this happens, spending will not increase as much as it would otherwise.

#### *Changes in the population of children*

The end of the post-World War II baby boom had a major impact on the population of children and school enrollment. The number of children fell sharply from the early 1970s until the 1980s, when the baby boom generation's own children created a rebound in the population of youngsters. Thus, in most states there are fewer children than in 1970 but more than in 1980. Only 17 states had more children in 1990 than in 1970.<sup>6</sup>

The trends in the number of children vary greatly from region to region. With only three exceptions,<sup>7</sup> every state in the New England, Mid-Atlantic, Great Lakes, Plains, and Southeast regions had fewer children in 1990 than in 1970. All states in the rest of the country had growing populations of children, except for Montana.

Nationwide, the proportion of the population under the age of 18 has fallen sharply, from 34.6 percent in 1970 to 27.9 percent in 1980 to 25.6 percent in 1990. Even in states where the number of children grew, the general population nearly always has increased more. Utah is the only state where the proportion of children in the population rose in the 1980s, and there were no such states in the 1970s.

#### *Changes in the population of poor children*

Unfortunately, while the total number of children fell between 1970 and 1990, the number of poor children grew.<sup>8</sup> After falling 3.6 percent in the 1970s, the population of poor children rose 11.3 percent in the 1980s. For the two decades of the 1970s and 1980s taken together, the number of poor children rose 7.4 percent while the total number of children fell 8.7 percent.

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<sup>6</sup> See Table 1-1.

<sup>7</sup> Florida, Georgia, and New Hampshire.

<sup>8</sup> The measure of poverty used here is the official one defined by the U.S. Census Bureau.

The proportion of children in poverty has risen, growing from 15.1 percent in 1969 to 16.0 percent in 1979 and 17.9 percent in 1989.<sup>9</sup> This trend is important because poor children are considered to need more public services than children from families with higher incomes. They often need remedial services to compensate for adverse living environments, and they may require more intensive (and expensive) schooling.

### *Changes in school enrollment*

Public school enrollment<sup>10</sup> has followed the course suggested by changes in the population of children. It peaked in the fall of 1971 and then fell 13.8 percent in the next 12 years; in 1985 it started to climb again.<sup>11</sup> But in the 1992 school year, enrollment was still 7.6 percent below its level in 1970.

School enrollment trends have varied widely among states.<sup>12</sup> States with heavy in-migration had growing enrollment despite the baby bust following the baby boom. Seven states had enrollment increases of more than 20 percent between 1970 and 1992 (Alaska, Arizona, California, Florida, Idaho, Nevada, and Texas). On the other hand, 15 states had enrollment decreases of more than 20 percent over the same period. There was a strong regional pattern, with large decreases in most states in the northeast quadrant of the country (New England, Mid Atlantic, Great Lakes, and Plains) and increases or small decreases elsewhere.

There is a marked contrast between the 1970-80 and the 1980-92 periods. Between 1970 and 1980, only 10 states had rising enrollment while 22 states had decreases of more than 10 percent. Enrollment growth was much greater between 1980 and 1992 than in the 1970s. Eighteen states had rising enrollment (including all of those where it rose in the 1970s), and 10 states had double digit decreases.

Even in the states with growing enrollment, increases lagged considerably behind population growth. Every state had a lower ratio of public school enrollment to population in 1992 than in 1970. Nationally, the ratio fell from 22.6 percent in 1969-70 to 19.6 percent in 1980 to 16.7 percent in 1992.

The proportion of the total population in public schools in 1992 varied from 25.8 percent in Utah to 14.1 percent in Massachusetts. Among regions, the Rocky Mountains had the highest proportion and the Mid Atlantic states had the lowest.

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<sup>9</sup> See Table 1-2.

<sup>10</sup> Enrollment in this report is defined as the number of students registered in the fall of a given year.

<sup>11</sup> See Figure 1-1.

<sup>12</sup> See Table 1-3.

### *Conclusion*

These patterns have important implications for state tax burdens. As will be shown below, states with relatively few public school pupils in relation to their population tend to have lower tax burdens than states with large school enrollment.

### **Fiscal capacity**

A state's capacity to fund services for children—or any other program—depends on how much income its citizens receive as well as its ability to export tax burdens to non-residents. The ability to fund a particular service also is influenced by the demographic and economic factors affecting the demand for services.<sup>13</sup> The amount of federal aid received enhances the ability to fund services, but tax and spending limitations can detract from that ability.

Fiscal capacity has increased very substantially since 1970 because of the growth of the economy. This implies that state and local governments have a greater ability to fund children's services than they did a quarter century ago (and, as will be seen in the next chapter, they do indeed spend much more than they did then). However, fiscal capacity has grown unevenly throughout the country and continues to vary widely among states. Wealthy states have much more ability to provide high-quality children's services than poor states.

### *Personal income*

The most widely used measure of the capacity to provide state and local government services is personal income. States vary considerably in their income level. In 1991, Connecticut's per capita personal income was 35 percent above the national average, while Mississippi's was 31 percent below average. Most of the New England, Mid Atlantic, and Far West states had above-average incomes, while states in the rest of the country tended to have below-average incomes.<sup>14</sup>

There are many broad similarities between the levels of personal income in 1969 and 1991, but the relative affluence of the regions changed somewhat. The Southeast and New England regions had larger than average increases in per capita income, while the Great Lakes and Far West had relative decreases. The prosperity of certain regions differed considerably in the 1970s and the 1980s. The Southwest and Rocky Mountain states did well in the 1970s but slipped in the following decade as energy prices fell. By contrast, the Mid Atlantic and New England regions fared much better in the 1980s than in the 1970s.

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<sup>13</sup> Helen F. Ladd and John Yinger, *America's Ailing Cities* (Baltimore: Johns Hopkins Press, 1989); Robert W. Rafuse, *Representative Expenditures: Addressing the Neglected Dimension of Fiscal Capacity* (Washington, D.C.: ACIR, 1990).

<sup>14</sup> See Table 1-4

All states had substantial increases in inflation-adjusted per capita income between 1969 and 1991. The smallest increases, about 20 percent, were in Delaware and Michigan. The largest increase, 50 percent, was in Alabama.<sup>15</sup>

Conventional measures of per capita income do not consider the fact that the cost of living varies throughout the country. A family with \$40,000 annual income in Boston, Massachusetts, for example, has much less purchasing power than one that lives in Jackson, Mississippi. Because the cost of living is considerably lower in states like Arkansas and Mississippi than in Alaska and Hawaii, per capita income overstates the actual differences among states in the level of economic well-being and the capacity to fund state and local government services.

Unfortunately, no comprehensive, reliable data are available to adjust for differences in price levels among states. A cost of living index developed by researchers at Harvard University suggests how relative income levels might be affected if such data were available.<sup>16</sup> The effect of the adjustment for price levels is to reduce the differences in income levels among states, with New England, Mid Atlantic, and Far West states having lower real incomes and most states in other regions having higher real incomes. However, while most states move closer to the national average when differences in the cost of living are considered, the states that are above- and below average are generally the same as for unadjusted income measures.<sup>17</sup>

Per capita income is related to the youthfulness of a state's population. States with a high proportion of children in their population tend to have lower per capita income because children increase population but not income. Thus, although these states have greater need for children's services, they have less ability to finance them than states with relatively few children.<sup>18</sup> On the other hand, political support for children's services may be greater because more households include children.

#### *Other measures of fiscal capacity*

A shortcoming of personal income is that it fails to consider the ability of states to export tax burdens to nonresidents. For example, if a state has a large petroleum industry or is a tourist mecca, it has the ability to raise a substantial amount of revenue without burdening its own citizens. Thus, its fiscal capacity is greater than its personal income suggests.

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<sup>15</sup> See the last three columns of Table 1-4. Note: per capita income in 1992 in Alabama was still much lower than either Delaware or Michigan, even with its large percentage increase.

<sup>16</sup> See Table 1-5, which is based on an indexed reported in Herman Leonard and Monica Fryar, *By Choice or By Chance?* (Boston: Pioneer Institute, 1994).

<sup>17</sup> The Great Lakes and Far West regions were the exceptions to this pattern.

<sup>18</sup> The correlation between per capita income and the proportion of the population between the ages of 5 and 17 was  $-.63$  in 1992.



Economists have developed a number of alternative measures to compensate for this.<sup>19</sup> The Appendix to this chapter discusses some of those alternatives. The most important point about them is that they indicate that major energy producing states (particularly Alaska and Wyoming) and states where tourism is a major part of the economy (particularly Nevada and Hawaii) have relatively more capacity to provide services than personal income indicates.<sup>20</sup>

### *Federal aid*

A state's ability to fund programs depends on more than its own resources and ability to export tax burdens. The federal government augments states' resources by providing financial assistance.

Federal aid per \$100 of personal income rose sharply from 1970 to 1978, when it reached its peak level. It then declined until 1989, when it rebounded, primarily because of growing Medicaid spending.<sup>21</sup> In 1992, federal aid to state and local governments was still less than it was in the late 1970s. It was also lower as a proportion of state-local tax revenue than at that time.<sup>22</sup> But it was considerably higher than it had been in 1970. Trends in federal aid among states largely followed these national patterns.<sup>23</sup>

Federal aid is not distributed uniformly throughout the nation. It was, however, distributed considerably more evenly among states in 1992 than it had been in 1970. In 1970, the Rocky Mountain region received the highest level of aid and the Great Lakes received the least. In 1992, the Rocky Mountain states still ranked first, but they were only 12 percent above the national average rather than the 55 percent they had been in 1970. The Great Lakes rose from 27 percent below average in 1970 to only 9 percent below average in 1992. The Southwest states, which were slightly above the national average in 1970, were slightly below it in 1992. These changes affect state ability to provide services for children and other citizens.

### *Tax and spending limitations*

Finally, it should be noted that constitutional or statutory limitations may prevent some states from tapping their potential fiscal capacity. For example, Proposition 13 in California (1978), Proposition 2 ½ in Massachusetts (1980), and

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<sup>19</sup> See Table 1-6.

<sup>20</sup> See Table 1-7.

<sup>21</sup> See Table 1-8.

<sup>22</sup> Federal aid continued to rise in 1993 and 1994. By that year, it was 3.2 percent of GDP, the highest level since 1981. It was still below the peak of 3.6 percent in 1977 and 1978.

<sup>23</sup> See Table 1-9

Measure 5 in Oregon (1990) limit the amount of property tax that can be levied, which restricts the ability of these three states to fully utilize their tax capacity.<sup>24</sup>

Tax and spending limitations can be viewed as reducing state tax effort, but they can also be considered to be *self-imposed* limitations on state or local government capacity to provide services.

### **Fiscal Effort**

The governmental resources available for programs depend not only on fiscal capacity but also on fiscal effort, that is, how intensively states tap their capacity to fund government services. Some states exert much greater tax effort than others. This section examines how fiscal effort varies among states and how it has changed since 1970.

This subject is important because it relates to the common questions, "Have taxes reached their limit? Can they be raised at all? If so, how much?" Of course, the answers to these questions are inherently political judgments and depend on citizen values.

Some factual information may also be applied in considering these questions. One way of answering them is to note that taxes in the United States are much lower than in other industrialized countries. Other perspectives, which are used here, compare the proportion of income claimed by taxes now with its level in the past, or compare tax effort in one state with effort elsewhere in the country.

Fiscal effort can be divided into tax effort and non-tax effort. While the emphasis in this analysis is on tax revenue, it also considers revenue from user charges and lotteries.<sup>25</sup>

Fiscal effort and fiscal capacity determine the level of resources that state and local governments have available to fund all of their programs. Children's services are

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<sup>24</sup> For a description of limitations, see Daniel R. Mullins and Kimberly A. Cox, *State Tax and Expenditure Limitations on Local Governments* (Washington, D.C.: U.S. Advisory Commission on Intergovernmental Relations, 1995).

<sup>25</sup> The analysis in this chapter covers all state general revenue except for revenue from miscellaneous sources. Miscellaneous revenue includes interest received, rents, royalties, fines, and other revenue not classified as taxes or charges. Because miscellaneous revenue has grown considerably faster than other types of general revenue, its inclusion raises the growth rate of total revenue. The reason miscellaneous revenue has been excluded from this analysis is that most of its growth is due to interest received, and the increase in interest earnings exaggerates the growth of revenue available for education and other traditional state programs. A major reason for the increase in interest revenue has been the growth of non-traditional activities like subsidizing mortgages and increased issuance of industrial development bonds that subsidize private businesses. The rapid growth of interest revenue has been paralleled by a similar increase in interest spending by state and local governments. Thus, the growth of interest received and paid exaggerates the expansion of both spending and revenue for traditional state programs.

just one of the claimants on this total pool of resources, but their funding is likely to be more substantial if tax effort is higher.

Throughout most of this discussion, effort is measured by comparing revenue to personal income. That is, effort shows what percentage of a state's personal income is going to state and local taxes (or, in some cases, to taxes and user charges).

### *National trends*

Tax effort fluctuated over the period from 1970 to 1992, but in 1992 it was about the same as it had been in 1970. It rose sharply from 1970 to 1973, when it reached its all time peak at \$12.42 per \$100 of personal income. It then fell for two years before rebounding to a secondary peak in 1977. Another decline followed through 1982, after which it trended upward, reaching \$11.48 per \$100 of personal income in 1992, 1.5 percent higher than it was in 1970.<sup>26</sup>

Over the entire period, the Southwest had the largest increase in tax effort (10.2 percent), while the Rocky Mountain states had the largest decline (5.9 percent).<sup>27</sup> Comparing 1970 and 1992, tax effort rose in 27 states and fell in 23 states. Most of the changes were relatively small, with only 12 states rising or falling at least 10 percent. Among the states that did have big changes, tax effort increased in eight states and fell in four states.<sup>28</sup>

The states with the largest increases were, in order from largest to smallest: Alaska, Ohio, New Jersey, Connecticut, Texas, Delaware, Kentucky, and New Hampshire. The states with the largest decreases were South Dakota, Nevada, Mississippi, and California. These states demonstrate a tendency for differences in the level of taxation to narrow. All eight states with the largest increases had considerably below average tax effort in 1970, and each of the four states with the largest decreases had above average effort in 1970.

### *State vs. local effort*

In contrast to the trend for total state and local taxes, state tax effort rose sharply in the 1970-80 period and has remained flat since then. The main exceptions to this trend were the Southeast states, where personal income has grown at a faster rate than state tax revenues since 1970, and the Rocky Mountain states, which reduced their tax effort between 1970 and 1980. New England and the Far West had the largest increases in tax effort from 1970-80. New England's state tax revenues also rose 7.4

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<sup>26</sup> See Table 1-10.

<sup>27</sup> See Table 1-11.

<sup>28</sup> This tally does not include the District of Columbia, which had a larger increase than any state except Alaska.

percent from 1980 to 1992, about half the rate of the 1970 to 1980 increase but still higher than any other region.<sup>29</sup>

On average, local tax effort decreased from 1970 to 1980 but began rising again in the 1980-92 period. The result is that local tax effort declined slightly from 1970 to 1992. Some regions, however, such as New England and the Rocky Mountains, saw the decrease in local taxes continue unabated or even at an accelerated pace throughout the two decades. Others, such as the Southeast, Southwest and Mid Atlantic regions, had an increase in local tax effort from 1970 to 1992.<sup>30</sup>

### *Effort for major types of taxes*

The three main sources of tax revenue in most states are the personal income tax, the general sales tax, and the property tax.<sup>31</sup> The relative reliance on these taxes has changed substantially since 1970. The amount of revenue generated by the income and sales taxes increased relative to personal income in most states,<sup>32</sup> while the reliance on the property tax tended to decrease.

Nationally, personal income tax effort increased 81 percent, while sales tax effort increased 21 percent. Part of the reason for this was the imposition of new broad-based income taxes in four states (Connecticut, New Jersey, Ohio, and Pennsylvania).<sup>33</sup>

The shift away from property taxes was widespread but not universal. Ten states increased their property tax effort at least one percent. Four were in the Southeast (Florida, Georgia, South Carolina, and Virginia), three were in New England (New Hampshire, Rhode Island, and Vermont), and the others were dispersed throughout the country (Alaska, Michigan, and Texas).<sup>34</sup>

There are pronounced regional differences in the composition of tax revenue. For example, New England has relatively high property and personal income taxes.

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<sup>29</sup> See Table 1-12.

<sup>30</sup> See Table 1-13.

<sup>31</sup> Table 1-14 compares the revenue from these three taxes per \$100 of personal income in 1970 and 1992. The table refers only to *state* personal income and sales taxes, but for the property tax it includes both state and local revenue. The property tax is primarily a local tax.

<sup>32</sup> The only states where personal income tax revenue per \$100 of personal income fell were Alaska, which repealed the tax when Prudhoe Bay oil swelled its tax collections, and Vermont, which had a particularly high income tax in 1970. Despite its relative slow growth, Vermont's income tax was still considerably above average in 1992. Only 15 states had a decrease in state sales tax revenue per \$100 of personal income, and in many of those states local sales taxes were increased during this period.

<sup>33</sup> Before 1991, Connecticut's income tax applied only to dividends, interest, and capital gains.

<sup>34</sup> The District of Columbia also had a large property increase. In Alaska, oil companies paid most of the higher property taxes. Three of the other states (Florida, New Hampshire, and Texas) lack a personal income tax, placing greater pressure on the property tax. Michigan's property tax was cut sharply in 1994 when voters approved a sales tax increase to reform its school finance system.

The Southwest has relatively high sales taxes but low income taxes. These differences have many implications. For example, heavy reliance on property taxes usually implies that local governments rather than the state play a major role in funding services. High income taxes tend to make the tax system more progressive and its revenue more responsive to economic growth.

Once again, there is a tendency for tax systems to converge. In 1970, the property tax was particularly high in four regions (New England, Plains, Rocky Mountains and Far West). All four had larger than average reductions in this tax in ensuing years. On the other hand, the Southeast had the lowest property taxes in 1970, and while they were still below average in 1992, it was the only region where property tax effort rose noticeably.

### *User charges*

Another important trend in state and local revenue systems is the increasing reliance on user charges. Tuition at state institutions of higher education is the most important state user charge. Local governments employ a vast array of charges for services like refuse collection, recreation, and issuance of permits.

Revenue from charges increased nationally by nearly 30 percent from 1980 to 1992.<sup>35</sup> (Data on charges for individual states was not published for years before 1977.) Though revenue from charges is still much lower than tax revenue (\$2.83 per \$100 in personal income vs. \$11.48 per \$100 for taxes in 1992), it is growing at a much faster rate.<sup>36</sup> While tax effort rose only 4.0 percent from 1980 to 1992, combined effort for both taxes and charges rose 8.1 percent.

The increase in revenue from charges was particularly large in California, which had the highest revenue from charges per \$100 of personal income in 1992. California's governments were constrained not only by Proposition 13, which placed a cap on property tax revenue but also by the so-called Gann Initiative, that restricted increases in state-local appropriations from tax revenue, but not from charges. As a result, California governments were particularly aggressive in raising charges and fees.

### *Lotteries*

Lotteries have also become more widespread. The number of states with lotteries rose from two in 1970 to 14 in 1980 and 35 in 1992.<sup>37</sup> But lotteries raise relatively little revenue compared to taxes and charges. In 1992, lottery revenue amounted to only 2.4 percent of state tax revenue.

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<sup>35</sup> See Table 1-15.

<sup>36</sup> See Table 1-16.

<sup>37</sup> *LaFluer's Lottery World -- Fast Facts Volume II* (TLF Publications, Boyds, Maryland 1995).

### *Total revenue*

As discussed above, federal aid decreased during the 1980s while taxes and charges were increasing. The total revenue available to state and local governments from taxes, charges, and federal aid per \$100 of personal income rose 3.9 percent during 1980-92. While New England and the Rocky Mountains had a decrease in total revenue per \$100 of personal income, all other regions had increases, led by the Southwest's 10 percent increase.<sup>38</sup> Although combined revenue from taxes, charges and fees rose in most states between 1980 and 1992, it fell at least 1 percent in 13 states. The largest decreases were in Alaska, Massachusetts, and Maryland.

### *Summary*

Between 1980 and 1992 government revenue in most states expanded somewhat faster than the economy because revenue from taxes and charges rose enough to offset the relatively slow growth of federal aid. This was a favorable environment for the expansion of spending for children's services.

### **Conclusion**

Since 1980 there have been increases both in the need for and the capacity of states to finance children's services. Need grew as the population of children rose and the poverty rate among children increased. Capacity increased because the economy grew substantially. Federal aid fell at first but has since rebounded. Fiscal effort has increased slightly.

While national generalizations are useful, they obscure important differences among states. For example, the burden of financing children's services is much greater in Mississippi than in Florida because a much higher proportion of Mississippi's population is children and poverty is greater among them. Mississippi, however, has much less fiscal capacity than Florida. Neither state exerts particularly high effort to fund services in general. That is, both states tax their citizens less than the national average. New York, by contrast, has above-average fiscal capacity and taxes itself heavily, while it has relatively few children in relation to its total population. Development of policies both within individual states and at the federal level should consider this diversity

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<sup>38</sup> See Table 1-17.

## Appendix

### Alternative Measures of Fiscal Capacity

As noted above, as an alternative to per capita personal income, at least five other measures have been developed to estimate differences in state fiscal capacity. The Representative Tax System (RTS) provides an alternative way of examining a state's tax capacity and effort.<sup>39</sup> In general, tax effort according to the RTS is similar to effort based on personal income.<sup>40</sup> Differences are largest in the states that have a relatively great ability to export tax burdens because of their oil or tourist industries.

Most states in the Northeast have above-average tax effort, while states in other regions generally tax their residents at a below-average rate. This implies that Northeastern states have less room to increase taxes than states elsewhere, while states in the Southeast, Southwest, Rocky Mountains, and Far West have more unutilized tax capacity.

In addition to the RTS, the other alternative measures of fiscal capacity or effort are:

- Representative Revenue System (RRS), which is a modification of the RTS that includes the capacity to raise non-tax revenue such as user fees and royalties.
- Gross State Product (GSP), which measures the total production in a state and thus takes account of economic activity that does not generate personal income.
- Total Taxable Resources (TTR), which is a combination of Gross State Product and personal income, with overlap between the two measures eliminated. (Table 1-7 compares TTR and per capita personal income in 1991. The largest differences are in Alaska, Wyoming, and Louisiana).
- Representative Expenditure System (RES), which recognizes that population is an imperfect measure of the need for services. It adjusts for differences in needs arising from demographic and economic variations among states. For example, states with a relatively large school age population have less fiscal capacity, other things being equal, than states with relatively few children.<sup>41</sup>

Unfortunately, while these alternative measures offer the possibility of improving the measurement of fiscal capacity, most of them are not available for all of the years covered by this report.

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<sup>39</sup> See Tables 1-6 and 1-7.

<sup>40</sup> See Table 1-18. The correlation between tax effort as measured by the RTS and tax revenue per \$100 of personal income in 1991 was .61

<sup>41</sup> Rafuse, *Representative Expenditures*..

## Chapter 2

### Education Spending and Revenue

This chapter analyzes spending and revenue for elementary-secondary education, how they vary among states and how they have grown over time. Seven major themes emerge from it:

Real school spending per pupil rose very substantially in the 1970s and 1980s but has increased relatively little in the 1990s.

1. School spending is a smaller proportion of personal income in most states than it was in 1970, primarily because school enrollment has fallen.
2. The share of state and local budgets devoted to schools has also decreased.
3. Education is facing increasing competition for funding from health and corrections programs.
4. The federal government has continued to play a relatively small role in financing elementary-secondary schools, and its share of school revenue is lower than it was in 1970.
5. In the 1970s, the share of elementary-secondary school costs assumed by states rose, but that trend has not continued. Since 1987, the state share of state-local school revenue has fallen considerably.
6. Spending per pupil varies from state to state, reflecting differences in per capita income, the number of children, and state priorities.

School spending and revenue are analyzed in this chapter in several different ways because no single perspective is completely adequate to account for variations and trends. In particular, spending may be analyzed in terms of the number of pupils in school, as a proportion of personal income, or in comparison with spending for other programs. When considering spending per pupil, differences in price levels may or may not be taken into account. The analysis may focus either on spending of state-local revenue or it may include federal aid as well.

Although the primary focus of this chapter is on current spending, it also considers school revenue. Revenue needs to be considered for two reasons. First, for some purposes, such as considering the relative contributions by state, local and federal governments, revenue is more appropriate. Second, there are two kinds of spending—for current operations and for capital construction and debt service.<sup>42</sup> Although current spending and revenue are closely related, their relationship has changed over time. In

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<sup>42</sup> Capital construction refers to spending for capital projects that comes out of current revenues as distinct from borrowed funds.



1970,<sup>43</sup> schools were experiencing great pressure because of the burgeoning enrollments associated with educating the baby boom generation. They had to spend a great deal on capital costs (that is, for construction of new school buildings and for debt service incurred because of the need to expand facilities in the previous two decades). In 1970, current spending was equal to 85 percent of school revenue. By 1992, that ratio had risen to 90 percent, because capital costs had grown more slowly than spending for current operations.

Whether it is better to focus on revenue or current spending depends on the question that is being considered. From the point of view of how large the education burden is on state budgets, it makes sense to consider school revenue, which reflects not only the cost of operating schools but also the expense of building them and paying for past construction. From the perspective of services being provided to students at a particular point in time, it makes sense to emphasize current spending. Consequently, both revenue and spending are considered in this analysis.

This chapter is about differences in the financial resources available to schools. It shows that very large differences exist among states and that resources grew substantially in the 1970s and 1980s. Whether such differences matter depends on how effectively they are used, an issue that is not discussed here.

## **Overview**

There are two primary ways of comparing school expenditures or revenues among states, both of which are discussed below. Spending per pupil measures school resources in relation to the number of young people in public schools. It is inversely related to average class sizes and directly related to teacher salaries. Spending per \$100 of personal income measures how much of a state's resources it devotes to public elementary-secondary education.<sup>44</sup> Because both school spending and personal income are influenced by differences in price levels, personal income is not biased against low-cost states as per capita spending is.

If all states had the same per capita income, the same school enrollment as a proportion of their population, the same tax effort, and the same share of tax revenue devoted to schools, school expenditures and revenues would always vary directly with each other. But in reality states vary in all of those ways. This chapter discusses each of these influences on per pupil school spending and how each has changed since 1970. It concludes by classifying each state in terms of its per pupil spending and how that spending has been affected by the four influences.

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<sup>43</sup> As mentioned in the Introduction, to provide consistency across chapters, school years are referred to in terms of the calendar year in which they end rather than the calendar year in which they begin. Thus, the 1969-70 school year is referred to as 1970 rather than 1969.

<sup>44</sup> Both measures are imperfect. Per pupil spending should be adjusted for differences in price levels, and spending should be compared to Total Taxable Resources rather than personal income in order to adjust for the ability to export tax burdens.

Changes in school revenue per pupil and per \$100 of personal income have followed sharply different paths since 1970.<sup>45</sup> Real revenue per pupil was much higher in 1992 than in 1970, while revenue per \$100 of personal income was lower.

- Revenue per pupil (in 1992 dollars) rose 64.7 percent between 1970 and 1992. The gain in the 1990s was much slower than in the 1970s and 1980s.<sup>46</sup>
- Revenue per \$100 of personal income, which is strongly influenced by the number of children in school, reached its highest level in 1972, at \$5.62 per \$100 of personal income. Then, as enrollment fell, revenue rose more slowly than personal income. By 1982, revenue per \$100 of personal income was down to \$4.36. At that point, approximately at the time that enrollment turned up, it reversed course, rising to \$4.85 per \$100 of personal income in 1992. Despite the uptrend after 1982, school revenue per \$100 of personal income in 1992 was still 14 percent lower than it had been two decades earlier.

Changes in current school spending have been similar in direction but not as large as changes in school revenue. While current school spending is also lower relative to personal income than it was in 1972, it has not declined as much as school revenue. The difference occurred because school capital spending (and the revenue to pay for it) has shrunk relative to current spending.

### Spending per pupil

Current school spending per pupil varies greatly among states. In 1992 it was more than three times as high in the highest as in the lowest state.<sup>47</sup> There are some pronounced regional patterns. Eight of the nine states with the highest spending per pupil are in the New England and Mid Atlantic regions. States in the Southeast, Southwest, Plains, and Mountain regions tend to have relatively low spending per pupil.

In real dollars, education spending per pupil was considerably higher in every state in 1992 than it had been in 1970, when the average was \$3,126 in 1992 dollars.<sup>48</sup> The largest increase was in New Jersey (139.3 percent), and the smallest increase was in Utah (26.7 percent). Even most of the states with below-average increases had a substantial rise in spending. Illinois, which had the tenth smallest increase, raised its spending per pupil 62.8 percent. Most of the states with the lowest growth rates are in the Plains, Southwest, and Rocky Mountain regions.

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<sup>45</sup> See Table 2-1.

<sup>46</sup> Between 1990 and 1995, real current spending per pupil rose only 2.4 percent, U.S. National Center of Education Statistics, *Digest of Education Statistics, 1995*, p. 163.

<sup>47</sup> It was \$9,317 in New Jersey and \$3,040 in Utah. The number of pupils here is based on average daily attendance. See Table 2-2.

<sup>48</sup> See Table 2-3. The implicit deflator for state and local governments was used to measure inflation.

Most states did not increase spending at a high, steady rate.<sup>49</sup> Only 12 states had increases of more than 30 percent in both periods (1970-80 and 1980-92).<sup>50</sup> In general, the Southeast, New England, Mid Atlantic, and Great Lakes states had greater increases from 1980 to 1992, while the Southwest and Rocky Mountain states had bigger increases from 1970 to 1980.

### **Spending per \$100 of personal income**

In 1992, Alaska, Wyoming, Vermont, Montana, and West Virginia had the highest spending per \$100 of personal income, while Tennessee, Nevada, Hawaii, Florida, and Massachusetts had the lowest spending.<sup>51</sup>

Table 2-5 provides a comparison of the two measures of spending—per pupil and per \$100 of income.<sup>52</sup> In 18 states, the measures are relatively close, with a difference in ranking of 10 places or less. But in 18 other states, the difference is substantial—20 places or more. The variations are particularly great in Utah, New Mexico, Massachusetts, and Maryland. The first two states have high education spending per \$100 of personal income and low spending per pupil; the latter two states have high spending per pupil but low education spending per \$100 of personal income.

There is little systematic relationship between the two measures of school spending. Although there is a weak positive relationship between spending per pupil and per \$100 of personal income, states that rank high on one measure are nearly as likely to rank low on the other one as they are to rank high.<sup>53</sup>

In view of the large decreases that occurred in school enrollment in most states, it is not surprising that spending per \$100 of personal income fell in most states between 1970 and 1992. In fact, only 22 states increased current spending faster than their personal income grew.<sup>54</sup>

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<sup>49</sup> The correlation coefficient of increases in the two periods (1970-80 and 1980-92) is .45.

<sup>50</sup> Kentucky, Massachusetts, Michigan, Nebraska, New Jersey, North Carolina, Pennsylvania, Rhode Island, South Carolina, Texas, West Virginia, and Wyoming.

<sup>51</sup> See Table 2-4.

<sup>52</sup> The correlation coefficient of per pupil education revenue in 1992 and education revenue per \$100 of personal income is .30. In Table 2-6, the columns represent rankings of spending per \$100 of personal income while the rows correspond to rankings of spending per pupil. The state name is placed in the corresponding cell. For instance, Connecticut ranked fourth in per pupil spending but thirty-second in spending per \$100 of personal income. Thus Connecticut is found in the first row, fourth column.

<sup>53</sup> See Table 2-6. The five shaded cells represent states with approximately the same ranking in both measures. Only 11 states are found in these cells.

<sup>54</sup> See Table 2-7. School revenue grew slower than current school spending. Only 13 states increased revenue per \$100 of personal income between 1970 and 1992. Nine of these 13 states had below average revenue per \$100 of personal income in 1970. Two of the exceptions were Alaska and Wyoming, which benefited from expanding oil production; the others were Michigan and West Virginia.

The decrease in school spending per \$100 of personal income between 1970 and 1992 was very substantial in some states. In 14 states, this ratio fell at least 10 percent.

### **Per pupil spending with price level adjustments**

A third way to compare education spending by states is to adjust for cost of living differences. Unfortunately, precise information on these differences is not available. Table 2-8 shows two indices that attempt to estimate these variations and uses them to compare per pupil spending in 1992. The first index was constructed by Howard Nelson of the American Federation of Teachers (AFT). The second index was developed by Herman Leonard and Monica Friar of the Kennedy School of Government at Harvard University.<sup>55</sup>

Both indices indicate that costs are relatively high in the New England, Mid-Atlantic and Far West regions and relatively low in other regions. Regardless of which index is used, adjusting for price level differences reduces the variation in spending per pupil among states because low-spending states tend to have relatively low price levels.<sup>56</sup> The measures differ, however, on the extent of the variation in price levels. The variations according to the Kennedy School index are smaller than those estimated by AFT. That is, price levels differ less among states according to the Kennedy School methodology than according to the that used by the AFT.

### **Changes in reliance on revenue from federal, state, and local governments**

The composition of school revenue from the federal, state, and local governments has undergone a number of shifts since 1970.<sup>57</sup>

#### *Federal contribution*

The federal government has always played a relatively small role in financing elementary-secondary education, and its role decreased between 1970 and 1992. In 1970, the federal government provided 8.0 percent of the total revenue for public elementary and secondary schools, but by 1992 that proportion had decreased to 6.6 percent.<sup>58</sup>

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<sup>55</sup> In the previous chapter, the AFT index was not used to compare the cost of living among states because it was specifically developed for comparing costs of school services.

<sup>56</sup> The standard deviation for education revenue for the unadjusted figures is \$1,323. Using the Leonard/Friar index, the standard deviation was \$1,034. Using the Nelson/AFT index, the standard deviation was \$899.

<sup>57</sup> See Table 2-9.

<sup>58</sup> Federal revenues as a percentage of elementary-secondary school revenues has fluctuated during the two decades. The percentage dropped significantly (from 9.2 percent to 7.4 percent) in the first year of the Reagan administration. Conversely, the percentage has increased annually since 1990.

The federal share varies regionally.<sup>59</sup> It tends to be particularly high in the Southeast and low in the New England and Mid-Atlantic states. There are two reasons why the federal share is relatively high in the Southeast. First, federal aid per pupil is above-average because of the relatively high proportion of low-income students and the large number of federal employees (who attract Impact Aid).<sup>60</sup> In addition, Southeastern states raise less revenue from their own resources, which makes the federal share larger.

### *State and local contributions*

Aside from federal aid, the division of responsibility for funding schools between state and local governments varies considerably among states.<sup>61</sup> In 16 states the state government provided 55 percent or more of the revenue in 1992. The extreme outlier is Hawaii, where there are no local school districts. Overall, states in the Southeast tend to rely heavily on the state to provide education revenue—a policy that can be traced to Reconstruction after the Civil War. On the other hand, 12 states provided less than 40 percent of school revenue, with New Hampshire's state government providing only 9 percent of state-local education revenue in 1992.

State governments substantially increased their share of school revenue in the 1970s, both to raise school spending and to provide property tax relief. The proportion of school revenue provided by states rose from 39.9 percent in 1970 to 46.8 percent in 1980. States continued to increase their share until it reached a peak of 49.7 percent in 1987, after which the state contribution fell steadily until it reached 46.4 percent in 1992. In other words, viewing the entire period since 1970, there has been a large increase in the state share of school revenue, but the entire gain occurred by 1980.

The state share was higher in 35 states in 1992 than it had been in 1970, with the average rising from 43.5 percent to 51.3 percent. The states with the biggest increases were California, where Proposition 13 was responsible for the decrease in local taxes, and Iowa, Idaho, and North Dakota, where property tax relief was a high state priority. States with the biggest reductions in the state share were Michigan and South Carolina. Michigan reversed this decline in 1994 by increasing the sales tax and other state taxes to increase school aid, and South Carolina substantially increased the state share in 1995.

Short-run and long-run trends are inconsistent. While state government's relative contribution to school revenue is considerably higher than it was in 1970, it has fallen since 1987. In projecting future trends, the question is whether the direction will be up, as it was from 1970 to 1987, or down, as it has been since then.

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<sup>59</sup> See Table 2-10.

<sup>60</sup> The distribution of Impact aid depends on the number of federal employees and Native Americans who live in a school district. If Alaska is omitted, the correlation between federal aid per pupil and per capita income is  $-.32$ .

<sup>61</sup> See Table 2-11.

The division of revenue between state and local governments is important for several reasons. When the state share falls, as it has in most states in the past decade, it exerts upward pressure on property taxes. Rapid increases in that tax often lead to tax revolts. In addition, a decreasing state share usually leads to greater disparities in school spending, since state aid tends to redistribute resources from wealthy to poor school districts.

### School revenue as proportion of total tax revenue

State and local governments are devoting a smaller proportion of their resources to elementary-secondary education than they did in 1970.<sup>62</sup> The decrease occurred mainly in the 1970s, when the share of tax revenue going to schools fell sharply from 42.5 percent to 37.9 percent. The proportion remained about the same between 1980 and 1992, when it was 38.2 percent.

An important reason for the decrease in the share of state-local tax revenue going to schools is the decline in school enrollment. As discussed above, enrollment fell sharply in the 1970s and is still considerably lower now than it was in 1970 in most states.

However, the situation appears somewhat different if the focus is on *state* tax revenue rather than combined *state-local* tax revenue. State spending for elementary-secondary education as a proportion of state tax revenue has not trended down. Between 1970 and 1992, it fluctuated between 31.3 percent and 35.0 percent of state tax revenue.<sup>63</sup> The spending proportions in 1991 and 1992 were higher than the average for the period and higher than in 1970.<sup>64</sup> The discrepancy between the trends as a proportion of *state-local* and *state* tax revenue is due to the fact that the state share of state-local school revenue has risen. The decrease in the share of resources going to schools occurred at the local, not the state, level.

The past 25 years need to be viewed as two distinct periods because trends at the state and local levels were different in the 1970s than in later years. State spending for schools held up well in the 1970s while local spending growth slowed. Local spending, however, began to rebound after 1982 and has grown considerably faster than state school spending since 1987. In the 1970s, states placed such a high priority on reducing the property tax that they increased aid substantially even though school enrollment was falling. In the 1980s they tacitly abandoned providing property tax relief as they chose to spend more on non-education programs.

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<sup>62</sup> See Table 2-12.

<sup>63</sup> See Table 2-13.

<sup>64</sup> See Table 2-14.

At the state level, schools faced increasing competition from two other programs, corrections and Medicaid. State spending for those two programs has risen sharply as a proportion of state tax revenue.<sup>65</sup>

Elementary-secondary education has fared considerably better than two other large programs, welfare and higher education. (In this context, welfare spending refers to all poverty-related spending except Medicaid; it includes both cash assistance and social services.) Both welfare and higher education have experienced significant decreases in spending as a proportion of state tax revenue. These decreases reflect the failure of welfare benefits to keep up with inflation and increasing reliance on tuition rather than state appropriations to support public higher education.

Another important perspective is to compare school revenue to personal income.<sup>66</sup> This measure shows whether school resources have grown faster or slower than the general economy. State elementary-secondary school revenue has fluctuated within a narrow band since 1970, from \$2.05 to \$2.38 per \$100 of personal income.

### **Accounting for differences in the level of school spending**

As the foregoing discussion has shown, states vary considerably in terms of how much they spend on schools, whether one considers spending per pupil or per \$100 of personal income. In addition, gains in spending since 1970 have differed considerably from state to state. This section discusses several factors that have contributed to those variations.

*Income differences.* A close relationship exists between the fiscal capacity of a state and its per pupil school spending.<sup>67</sup> This is one of the main reasons why per pupil spending is relatively high in Northeastern states and relatively low in Southeastern states. Table 2-16 demonstrates that the higher a state's per capita income, the more it tends to spend per pupil.

The relationship between per capita income and school spending as a proportion of personal income is much weaker, although it is still positive. There is a slight tendency for rich states to spend more for education per \$100 of personal income than poor states.<sup>68</sup>

*Demographics.* The number of school children in a state also influences the resources devoted to education, but it has opposite effects on the two principal

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<sup>65</sup> See Table 2-14. Medicaid is represented by vendor payments for medical care; those payments account for most of Medicaid spending, but they do not include Medicaid spending at hospitals operated by governments.

<sup>66</sup> See Table 2-15.

<sup>67</sup> The correlation coefficient between per capita income and per pupil revenue in 1992 is .77.

<sup>68</sup> The correlation coefficient between per capita income and spending per \$100 of personal income in 1992 is .22.

measures of school spending. A state like Connecticut with relatively low school enrollment as a proportion of its population tends, other things being equal, to have lower spending per \$100 of personal income. But it can afford to have higher spending per pupil because it has fewer of them to educate. Utah is the extreme example of the opposite situation, with such large school enrollment that it can afford only low per pupil spending. But its school spending effort is high relative to personal income, a sign of strong political support for schools.<sup>69</sup>

*Historical and Political Differences.* Certain political, geographic, and historical differences help to explain the differences in education spending. Former Confederate and Border states have a long-standing tradition of limited government and low expenditures. Likewise, politically conservative states tend to have relatively low spending for most government programs, including education.<sup>70</sup> Southeastern states have relatively low school spending even when their low price levels are taken into account, as Table 2-8 showed.

Some political factors have also influenced the course of education spending. In the 1980s, numerous governors (for example, Bill Clinton of Arkansas, Lamar Alexander of Tennessee, and Richard Riley of South Carolina) made increases in education a political priority, and they convinced their legislatures to raise state taxes to increase school aid. In addition, in some states the business community played an active role in promoting the idea that education reform was vital for state economic development. During the 1970s and 1980s, many business leaders advocated education reform as a powerful economic development tool.<sup>71</sup> These political factors are related to some of the other considerations discussed in the next section. In particular, most of the states that raised taxes for schools in the 1980s had relatively low school spending at the time. Their subsequent spending increases represent an attempt to catch up with spending levels in other states.<sup>72</sup>

### *Separating the key factors influencing spending*

Demographics, fiscal capacity, tax effort, and a state's priorities all contribute to explaining variations in per pupil school spending. Spending per pupil is higher if a state has relatively few children, a large tax base, high tax effort, and a high priority for school spending. These factors interact differently from state to state.

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<sup>69</sup> The proportion of the population enrolled in public school is negatively correlated with per pupil spending ( $r = -.52$ ), but it is positively related to education spending per \$100 of personal income ( $r = .51$ ).

<sup>70</sup> Wright, Erickson, and McIver show a very high correlation between the degree of public opinion liberalism and the composition of state public policies. See, "Public Opinion and Policy Liberalism in the American States," *American Journal of Political Science* 1987, p. 989.

<sup>71</sup> According to Odden and Picus, business roundtable groups in several states issued education reports as did a variety of national business organizations. For a summary see Allan R. Odden and Lawrence O. Picus, *School Finance: A Policy Perspective* (New York: McGraw-Hill, 1992).

<sup>72</sup> Steven D. Gold, *How Much Do Schools Really Benefit When States Raise Taxes on Their Behalf?* (Washington, DC: National Education Association, 1995).



These relationships can be shown by decomposing per pupil spending using the following identities:<sup>73</sup>

$$\frac{\text{School Spending}}{\text{Pupils}} = \frac{\text{School Spending}}{\text{Personal income}} * \frac{\text{Personal Income}}{\text{Population}} * \frac{\text{Population}}{\text{Pupils}}$$

and

$$\frac{\text{School Spending}}{\text{Personal Income}} = \frac{\text{School Spending}}{\text{Tax Revenue}} * \frac{\text{Tax Revenue}}{\text{Personal Income}}$$

In other words, per pupil spending depends on the proportion of personal income that is devoted to education, per capita income, and whether there are a large number of students in relation to the state's total population. The proportion of personal income devoted to school spending depends on the share of state and local tax revenue going to schools and a state's overall tax effort as measured by the ratio of taxes to personal income. The relevant statistics for each of these indicators are shown in columns 1, 3, 5, and 7 of Table 2-17 and columns 1, 3, and 5 of Table 2-18. Each variable has been indexed (or divided by the corresponding national average and multiplied by 100) in order to facilitate comparisons among states. The indexed numbers are shown in columns 2, 4, 6, and 8 of Table 2-17 and columns 2, 4, and 6 of Table 2-18.

For example, Connecticut per pupil spending in 1992 was \$8,016 (column 1), which was 48 percent above the national average (column 2). The most important reason why spending was high was the state's per capita income--35 percent above the national average. School spending divided by personal income was about average at 99 percent (column 4) and the population/student ratio was 11 percent above the national average (column 8). In other words, Connecticut had a relatively small number of pupils in relation to the size of its population, which also tended to boost its per pupil spending.

Per pupil spending was at least 20 percent above average in eight states.<sup>74</sup> Each of the three factors shown in Table 2-17 plays an important role in accounting for this high spending in some states, but their significance varies from state to state.

- In New Jersey and New York, all three factors are at least 10 percent above average.
- In Connecticut and Maryland, high per capita income and a small school population are responsible for high per pupil spending.
- In Pennsylvania and Rhode Island, high per pupil spending is primarily related to small school populations.
- Vermont's high per pupil spending is due entirely to its spending a large proportion of personal income on schools. This is also the main factor in Alaska, although its high per capita income also contributes.

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<sup>73</sup> The number of pupils in these formulas is average daily attendance.

<sup>74</sup> See Table 2-19.

In contrast to the lack of a consistent pattern for the high spending states, the picture is much simpler in the states with low spending per pupil.<sup>75</sup> All 10 states with per pupil spending at least 20 percent below average have relatively low per capita income and relatively large school age populations. Most of them devote an above-average proportion of personal income to education, but that does not compensate for their low fiscal capacity and unfavorable demographics. The only two states in this category that spend a below average proportion of personal income on schools are Alabama and Tennessee.

The analysis can be taken a step further by analyzing the factors associated with differences in the proportion of personal income devoted to school spending, which depends on the share of total tax revenue devoted to schools and a state's overall tax effort.<sup>76</sup>

- All seven states where the proportion of personal income devoted to schools is at least 20 percent above average also devote an above-average share of tax revenue to schools. Most of them also have above-average tax effort, although this is a considerably less important factor in every state except Alaska.<sup>77</sup>
- Most of the nine states with a low share of personal income devoted to school spending are below average in both the share of revenue going to schools and in overall tax effort, although there are some exceptions to this generalization.

#### Accounting for differences in the growth of school revenue

Just as a state's income and demography affect the level of school revenue in a particular year, changes in income and school enrollment also influence the growth rate of spending over time. States tend to have a larger increase in revenue per pupil if personal income increases more<sup>78</sup> and if enrollment grows less. Several other factors also have influenced the rate of school revenue growth, holding other things constant:<sup>79</sup>

- It increased more if the state's highest court overturned the constitutionality of its school finance system.<sup>80</sup>
- In the 1980s, it increased less in states with heavy dependence on oil production and agriculture.
- States with relatively low per pupil revenue in 1983 tended to have more rapid increases in school revenue in the following decade.

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<sup>75</sup> See Table 2-19.

<sup>76</sup> See Table 2-18 and Table 2-20.

<sup>77</sup> That is, the share of tax revenue going to schools is more above average than the state's tax effort is above average.

<sup>78</sup> The correlation coefficient between the changes in per capita personal income (1970-92) and per pupil expenditure (1970-92) is .36.

<sup>79</sup> See the Appendix of this chapter for the regression results.

<sup>80</sup> Revenue also tended to increase more if the school finance system was upheld by the court, suggesting that the suit was enough by itself to increase school resources. This result was not, however, statistically significant at the .05 level.

There was a tendency for revenue levels to converge. Five of the 10 states with the highest per pupil revenue in 1970 were among the 10 states with the smallest increases in the next 22 years (California, Delaware, Hawaii, Illinois and Minnesota). On the other hand, five of the 10 states with the lowest per pupil revenue in 1970 were among the 15 states with the largest increases (Arkansas, Georgia, Kentucky, North Carolina, and Texas).<sup>81</sup>

There are many exceptions to the convergence pattern. Alaska, Connecticut, Massachusetts, and New Jersey had large revenue increases even though they had high per pupil revenue in 1970, while Idaho, Missouri, New Mexico, South Dakota and Utah had small increases despite having low initial per pupil revenue.

The convergence tendency reflects the fact that income differences among states have tended to narrow. It also is due to the perceived need in states with poor education systems to upgrade them in order to maintain competitive in the race for economic development.

## **Conclusions**

Many relationships involving the financing of schools changed during the period since 1970. For example:

- Per pupil spending rose substantially in the 1970s and 1980s but not in the early 1990s.
- Spending rose slower than personal income in the 1970s but faster than personal income since the early 1980s.
- The state share of school costs rose until 1987 but has fallen since then.
- The federal share of school costs has fallen over all, but the decrease halted in the early 1980s.
- At the state level, the share of total tax revenue devoted to schools rose in the 1970s but not in the 1980s.

There are two underlying reasons why these trends reversed course. First, school enrollment fell sharply until the mid-1980s before rebounding. Second, schools have faced increasingly intense competition in the past ten years from corrections and health programs.

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<sup>81</sup> With four outliers excluded (Alaska, Connecticut, New Jersey and New York), the correlation between 1970 per pupil revenue and the increase in revenue between that year and 1992 was -.42. The four outliers each had much larger revenue increases than would have been expected based on patterns in the other states. Although revenue levels tended to converge, this was not true in the 1970-92 period for current spending per pupil.

### Appendix

A multiple regression analysis of the percentage change in real state-local revenue per pupil between the 1982-83 and 1992-93 school years provides support for statements in the text. The regression results were as follows (t-statistics are in parentheses):<sup>82</sup>

.396 (3.134)	
+1.005 (2.604)	Percent change in personal income per capita
+.142 (3.045)	1 if state Supreme Court declared school finance system unconstitutional; 0 otherwise
+.0597 (1.503)	1 if state Supreme Court declared school finance system constitutional; 0 otherwise
-.0000536 (2.876)	Per pupil revenue in 1982-83 (in 1992 dollars)
-.0267 (2.999)	Percentage of income from farming (average, 1983-93)
-.0106 (3.673)	Per capita severance tax revenue in 1983
-.397 (2.461)	Percent change in school enrollment, 1983 to 1993

Adjusted R<sup>2</sup> = .66

Note that the regression is only for the period after 1983. All of the coefficients are highly significant statistically except for the dummy variable that is 1 if the plaintiff lost a Supreme Court challenge. That variable is included in the reported regression because it does increase the explanatory power of the analysis as measured by the R<sup>2</sup> adjusted for degrees of freedom.

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<sup>82</sup> These conclusions are based on research by Therese McCarty that will be published in Gold, *How Much Do Schools Really Benefit When States Raise Taxes on Their Behalf?*

## Chapter 3

### State Spending On Noneducation Programs

While education spending makes up the bulk of state spending on children, states invest tens of billions more on other programs for children such as health, income support, foster care and child care. This chapter describes what states spend on these other programs and analyzes how and why the spending has changed over time.

The latest year covered is 1992. Most of the programs discussed in this chapter could be fundamentally changed by the New Federalism. Thus, this chapter can be viewed as providing a baseline analysis of spending before the new federal block grants go into effect.

There are three distinct types of noneducational state spending for children. First, states spend money on programs established by the federal government that require a state match to draw down federal funds. These are called federal matching programs. Second, states spend money on programs that they initiate themselves and are distinct to that state. These are often called "state-only" programs. Included in state-only spending are supplements to the federal matching programs which are not reimbursed by the federal government. A third type of spending does not require a state match but does require states to maintain their past level of effort. Many federal block grants function this way.

This chapter focuses on the spending on federal matching programs. We have this focus for three reasons. First, most noneducational state spending on children is for federal matching programs. Few states spend large amounts of money on state-only programs. Second, reliable and consistent state-only spending data for all 50 states are not available. Third, even when there are data on children's spending in a particular state, they rarely cover more than a few years, making it difficult to track trends in spending.

Unlike the previous chapter, this analysis considers only state spending, not counting the federal contribution to these programs. It does, however, include local spending in the minority of states where cities or counties contribute a portion of the funds to match federal dollars.

This study examines the following nine federal matching programs for children:

1. Medicaid for children
2. Foster care
3. Aid to Families with Dependent Children (AFDC)
4. Maternal and Child Health Block Grant
5. Child Support administration
6. AFDC Child Care
7. At-risk Child Care
8. Child Welfare
9. Adoption

A brief description of each of these programs is provided in Appendix A. Total state spending was computed using each state's federal matching rate and total (federal and state) spending on the state. Data sources are listed in Appendix B.

Six of the nine federal matching grant programs—Medicaid, foster care, AFDC, child support administration, AFDC child care, and adoption—are considered open-ended matching grants. That is, states can draw on federal money as long as they continue to spend state dollars on the program (and as long as the program meets certain federal requirements). The three other programs—maternal and child health block grant, at-risk child care, and child welfare—are considered closed-ended matching grants. States can only draw on a fixed amount of money. As with the open-ended grants, states must spend state funds in order to draw on federal funds but they cannot draw an unlimited amount.

The type of program the federal government will reimburse varies, but the rate of reimbursement is consistent across many of the programs. Reimbursement rates are outlined in Table 3-1. Most of the open-ended matching grant programs and the at-risk child care program are reimbursed from the federal government, at least in part, using the Federal Medical Assistance Percentage, also called the "FMAP" or the "Medicaid Matching Rate." In 1992, the FMAP varied from a minimum of 50 percent to a maximum of 80 percent. The percentage reimbursed depends on a state's per capita income relative to the national average. Therefore, wealthier states such as Connecticut, California and New York had a Medicaid matching rate of 50 percent, while poorer states such as Mississippi and West Virginia had rates closer to 80 percent. Some parts of the open-ended matching grants programs are not reimbursed using the Medicaid matching rate. For example, while reimbursements for foster care payments to families are based on the FMAP, the reimbursements for foster care

administration and training do not vary by state. Administrative costs for foster care are reimbursed at a rate of 50 percent in all states and training costs are reimbursed at a rate of 75 percent in all states. The child support enforcement program is an open-ended matching program that is not reimbursed using the FMAP at all. For that program, the federal government reimburses 66 percent of state costs for most administrative services and 90 percent for management information systems.

For closed-ended matching grants, the federal reimbursement rate may or may not be based on the FMAP. It varies from program to program. For the Maternal and Child Health Block Grant, states must spend \$3 for every \$4 of federal money they receive. For child welfare services, all states receive a 75 percent reimbursement. Reimbursements for the at-risk child care program are based on the FMAP.<sup>83</sup>

### **Current Spending Levels**

Nationally, state spending on the nine federal matching programs for children in 1992 was \$21.2 billion.<sup>84</sup> Ninety percent of this spending is for three programs: AFDC (\$11.1 billion), Medicaid for children (\$6.2 billion), and foster care (\$2.0 billion). The other six programs make up the remaining 10 percent of the spending, with no program receiving more than \$700 million. On a state-by-state basis, California spent the most on children's matching programs, \$4.5 billion in 1992. New York was next, spending \$3.4 billion. Michigan was third, spending \$1.0 billion.

While overall levels of spending are important, state-by-state spending comparisons are most useful when they are made relative to two factors: the need in the for services in the state and the revenue capacity of the state. Therefore, this study focuses on state spending per poor child and per \$100 of income.<sup>85</sup>

Average state spending per poor child was \$1550, but the range was extremely broad.<sup>86</sup> For example, Alaska spent \$3645 per poor child, more than 11 times as much as Mississippi, which spent the least, \$297 per poor child. On a regional basis, New England spent the most per poor child, \$2,923, while the Southwest spent the least per poor child, \$667.<sup>87</sup>

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<sup>83</sup> This is not a traditional block grant in the same way as other programs because states do not simply get a fixed amount of money to spend on these programs.

<sup>84</sup> See Table 3-2.

<sup>85</sup> A poor child is defined as one who lives in a family with an income below the federal poverty threshold. In 1992, the federal poverty threshold for a family of three was \$11,186.

<sup>86</sup> See Table 3-3.

<sup>87</sup> Average state spending is derived by taking total state spending and dividing it by the total population served or by total personal income. It is not intended to be the spending of the average state, which would sum all state spending and divide by 50. The number of poor children in a state is derived by multiplying the three year average of the percentage of poor children by the number of children in the middle year. The data on child poverty were derived from the Current Population Survey, an annual survey conducted by the U.S. Census Bureau. Three year averages are used to ensure statistical reliability.

Average state spending per \$100 of personal income was \$0.40 in 1992.<sup>88</sup> So, for the average American family earning \$40,000, \$160 of its state taxes went toward federal matching programs for children in 1992. New York spent the most per \$100 of income, \$0.77, while Alabama spent the least, \$0.15. On a regional basis, the Far West region spent the most, \$0.60 per \$100 of personal income while the Rocky Mountains spent the least, \$0.24.

It is interesting to note that many states are consistently above average in both measures of spending. They spend more relative to need and relative to state resources. For example, six states -- Alaska, New York, Massachusetts, Rhode Island, Washington and Vermont -- rank in the top ten using both measures of spending. Many other states are below average according to both measures of spending. Six states -- Mississippi, Alabama, Arkansas, Idaho, South Carolina, and South Dakota -- rank among the bottom ten on both. This finding is surprising because one would not expect a state to rank high or low on both measures. One might expect a poorer state to spend less per poor child than a wealthier state because it has to spread the dollars among more poor children. But one might expect the poor state to spend more than the wealthier one relative to its revenue capacity. To get the same amount of revenue, the poorer state has to take in more per \$100 of income. But these findings show that states with large numbers of poor children spend less on noneducation spending relative to their capacities than wealthier states do. The results imply that some states simply make more of a commitment to children's programs than other states.<sup>89</sup>

### Overall Trends Since 1985

Of the nine programs discussed in this study, only three—Medicaid, AFDC, and child support—were in existence in similar forms prior to 1980. Foster care, which was initially part of the AFDC program, was separated from AFDC in 1980 with the creation of Title IV-E of the Social Security Act. The child welfare program, Title IV-B, was also reformed at this time, and the adoption program was created and placed within Title IV-E at the same time. The Maternal and Child Health block grant was created in 1981, consolidating numerous other programs. The AFDC child care program was established in the Family Support Act, a major welfare reform initiative passed by Congress in 1988. The child support program was established in 1975 with the creation of Title IV-D of the Social Security Act and was changed and strengthened with the Family Support Act. The at-risk child care program was established in 1990 as part of the Omnibus Budget Reconciliation Act.

Because most of these programs were established after 1980 (or have changed in structure since 1980), it is difficult or impossible to track spending prior to that date.

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<sup>88</sup> See Table 3-4.

<sup>89</sup> Please note: this study compares only *state* spending. When federal spending is factored in, there are still some states which rank high in both spending measures and some which rank low in both measures. However, this finding is dominated by AFDC spending patterns. In Medicaid, many of the states that spend less than average per poor child spend more than average per \$100 of personal income.



The historic spending information that is available from the federal agencies that administer these programs is sometimes combined with the spending information of other programs. For example, 1970 data on AFDC include spending information on medical assistance payments (Medicaid), while AFDC spending information prior to 1982 includes foster care payments. In addition, in some cases the agencies do not have easy access to good historic records on state spending. State-by-state foster care spending information, for example, is not available prior to 1988.

As mentioned earlier, total state spending on the nine federal matching programs in 1992 was \$21.2 billion. This is a 44 percent real increase over the \$15.0 billion (in 1992 dollars) spent on these programs in 1985.<sup>90</sup> AFDC accounted for 53 percent of the state spending on these programs in 1992, down from 69 percent in 1985. AFDC spending grew 10 percent in real terms from 1985 to 1992. It is growing much more slowly than state spending for foster care or Medicaid for children. State foster care spending, while still considerably less than AFDC or children's Medicaid spending, grew 199 percent in real terms from 1985 to 1992.<sup>91</sup> Children's Medicaid spending, while growing less than Medicaid overall, increased 100 percent from 1985 to 1992. Children's Medicaid spending by the states consumed 29 percent of total state spending on federal matching programs in 1992, up from 21 percent in 1985, while foster care spending represented nine percent in 1992, up from five percent in 1985. State spending on child care reflects a new commitment on the part of both the federal and state governments, receiving more than \$580 million in state funds in 1992.

While total state spending for all of these children's programs grew in real terms from 1985 to 1992, the proportion of total state general fund spending devoted to federal matching programs for children is still a relatively small portion of overall state spending. In 1992, state spending on federal matching programs for children was about seven percent of total state general fund spending, up from six percent in 1985.

### **Spending On Individual Programs**

While state spending on federal matching programs for children has increased overall in these programs from 1985 to 1992, it has not increased as dramatically when compared to need and revenue capacity. In some cases, it has actually decreased.

#### *Aid to Families with Dependent Children*

AFDC spending relative to need increased slightly (five percent) in real terms from 1985 to 1992.<sup>92</sup> The Southeast region increased its spending the most (37 percent)

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<sup>90</sup> See Table 3-5.

<sup>91</sup> To derive total foster care spending in 1985, we assumed that the state share of total foster care spending remained the same in 1985 as it was in 1988.

<sup>92</sup> See Table 3-6.

but the level of spending (\$321 per poor child) is still well below the national average of \$814 per poor child.

Relative to personal income, AFDC spending decreased on a national basis, falling four percent from 1985 to 1992. In other words, most states were dedicating a smaller proportion of their tax capacity to AFDC. This decline occurred in 30 states, with the largest percentage decreases in Wisconsin (-46 percent) and Michigan (-36 percent).<sup>93</sup>

The Great Lakes region had the largest declines in spending, using both measures. AFDC spending per poor child declined by 20 percent per poor child and spending per \$100 of personal income dropped 32 percent. Wisconsin, Michigan and Illinois had particularly large decreases. Two major factors affect how much a state spends on AFDC: the size of the poor population and AFDC benefit levels. Both factors affected the declines in AFDC spending in the Great Lakes region. The economic recovery in the Midwest reduced poverty levels from the mid-1980s to the early 1990s, and state policymakers reduced benefit levels by placing certain restrictions on benefits.

While AFDC spending trends from 1985 to 1992 are instructive, a longer term look is important because there have been dramatic changes since the mid-1970s. While overall real spending remained basically flat since 1975, spending has declined substantially per poor family and per \$100 of personal income. This reduction in spending is due primarily to real declines in benefit levels, not a decrease in the number of poor children. Real benefit levels dropped 30 percent on average from 1975 to 1992 while the number of poor children grew 32 percent nationwide.<sup>94</sup>

### *Medicaid Spending on Children*

State Medicaid spending on children reveals an entirely different pattern from state AFDC spending.<sup>95</sup> While AFDC spending increased slightly per poor child and declined relative to revenue capacity, Medicaid spending increased substantially in both areas.

Real child Medicaid spending per poor child increased 94 percent between 1985 and 1992. Every state experienced an increase, with the Southeastern region showing the largest increase, 260 percent. However, average spending in the region, \$336 per poor child, is still well below the national average of \$450 per poor child.

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<sup>93</sup> See Table 3-7.

<sup>94</sup> Committee on Ways and Means, U.S. House of Representatives, *Overview of Entitlement Programs, 1994 Green Book* (Washington, D.C.: Government Printing Office, July 1994). See also Sarah Ritchie, *Welfare Spending in State Budgets* (Albany, NY: Center for the Study of the States, April 1995).

<sup>95</sup> See Tables 3-8 and 3-9.

Real child Medicaid spending per \$100 of personal income also increased from 1985 to 1992. It grew 53 percent. Here too, every state had an increase. Again, the Southwest and Southeast had the largest increases (246 percent and 211 percent, respectively), but in contrast to their children's Medicaid spending per poor child, their level of children's Medicaid spending per \$100 of personal income is now slightly above the national average. The Southwestern and Southeastern states are dedicating considerably more of their personal income to health care for low-income children than they did in the past.

There are several reasons for the growth in Medicaid spending. Medical inflation, the growth in the child poverty population, the expansion in those who are eligible for Medicaid, and the expansion of benefits all have contributed to the increase. Federal mandates have played an important role here. In 1986, the federal government required states to provide Medicaid coverage to all pregnant women and children under age six with family incomes below 133 percent of the federal poverty line. In addition, states were required to provide Medicaid coverage by 1991 to all children under age 19 (born after September 30, 1983) with family incomes under 100 percent of the poverty line. These requirements had a particularly profound effect on Medicaid spending in certain regions, such as the Southeast and Southwest, which generally had very low levels of Medicaid coverage for children. In fact, the state disparities in children's Medicaid spending dropped 24 percent between 1985 and 1992, more than any other program discussed here except adoption.

### *Foster Care*<sup>96</sup>

Foster care spending is growing at a rate similar to Medicaid's growth rate. Overall, state foster care spending per poor child has increased 90 percent in real terms, although seven states decreased their foster care spending per poor child. Many states had an extremely high growth in spending per poor child. Twenty-three states had increases of more than 100 percent over the four year period. In fact, the increase in the Rocky Mountains region, the region with the largest increase, was 147 percent, though the level of spending is still less than half of the national average.

As a proportion of personal income, foster care spending is quite low, less than four cents per \$100 in most cases, despite a real increase of 98 percent nationally from 1988 to 1992.

One unusual aspect of state foster care spending is that California and New York spend much more than any other state. Together they make up 53 percent of total state spending nationally but have only 20 percent of the children in the country. California spent \$215 per poor child on foster care in 1992, and New York spent \$660 per poor child, more than four times the national average of \$146 per poor child.

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<sup>96</sup> See Tables 3-2, 3-3 and 3-4 for the following sections. Please note: historical data on these programs is not contained in this study but is available from the authors upon request.

### *Maternal and Child Health Block Grant*

Nationally, real state spending on the Maternal and Child Health Block Grant decreased per poor child and per \$100 of personal income from 1985 to 1992. Nationally, it decreased three percent per poor child and 12 percent per \$100 of personal income. The variation in the changes in spending is not as large in other areas of spending. For example, though 23 states showed a decrease in the state maternal and child health spending per poor child and 37 showed an increase, the largest increase was 40 percent while the largest decrease was 38 percent. Regionally, the changes ranged from a 15 percent decrease in the New England to an eight percent increase in the Rocky Mountains region. This is in contrast to AFDC spending per poor child which ranged from a 123 percent increase in Arizona to a 45 percent decrease in Louisiana.

Federal Maternal and Child Health Block Grant spending is capped, and many states supplement the spending required to meet the federal match. The federal Maternal and Child Health Bureau attempts to keep track of state supplements to the required spending although some states are better at reporting than others. The Bureau has found that total state expenditures on the maternal and child health block grant were \$968 million in 1991. The total state spending required to draw down the federal match in 1991 was \$374 million. In other words, in 1991, states spent 45 percent more than they were required to for the maternal and child health program. The data indicate that nearly every state spent significantly more than was necessary to receive full federal matching funds.<sup>97</sup>

### *Child Support*

Real child support spending has increased per poor child (93 percent) and per \$100 of personal income (52 percent). While total spending per poor child is still quite low at \$59 per poor child, the increase, like that of foster care and Medicaid, is quite dramatic. The largest increase (276 percent) was in the Southwest, fueled by Texas's 418 percent increase from \$5 per poor child to \$27 per poor child. The same is true for the spending per \$100 of personal income but the spending per \$100 is only a penny or less in most cases.

The increased spending is due in part to federal financial incentives to set up or improve state computer systems. In 1980, the federal government was authorized to reimburse states 90 percent of the cost of automated data systems on an open-ended basis. Then the 1988 Family Support Act, recognizing the importance of child support in reducing welfare costs, established new requirements and incentives for state child support offices. Included in the Family Support Act was a requirement that all states automate their child support enforcement systems by October 1, 1995. There have been additional political pressures to improve state child support systems. It is one of

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<sup>97</sup> For this study, only spending required to draw down the match is counted. Other MCHBG data is too inconsistent a reliable indication of spending among states.

the few areas of the state budget that can actually bring in revenues by recouping welfare dollars.

### *Child Welfare*

State child welfare spending, which, unlike foster care, is available for families without regard to their AFDC eligibility, does not show the same dramatic trend that state foster care spending does. State foster care spending increased rapidly between 1998 and 1992. State child welfare spending per poor child decreased three percent between 1985 and 1992, with 25 states decreasing and 25 increasing. State spending per \$100 of personal income declined 10 percent, with 39 states showing a decrease.

### *Adoption*

Real state spending patterns in the adoption program look more like the patterns of foster care than those of child welfare but with much lower spending levels. Adoption spending per poor child increased 68 percent to \$14 per poor child. Nearly every state showed increases in both spending per poor child and per \$100 of personal income.

### *Child Care*

Because the child care programs are so new, it is not possible to analyze trends in spending on the programs. As mentioned earlier, the AFDC child care programs were implemented in 1990. By 1992, states were spending a total of \$317 million. This equals \$23 per poor child. The highest level of spending is in New England, where spending on AFDC child care is \$74 per poor child, while the lowest level is \$14 per poor child in the Southwest. Spending per \$100 of personal income averages about one cent.

At-risk child care spending shows a similar pattern. Total spending in 1992 was \$266.3 million. Nationally, state spending averaged \$20 per poor child in 1992. State spending per \$100 of personal income was less than a penny nationally. The highest level of spending using both measures was in the Mid-Atlantic region. The lowest was in the Southeast.

### **Adding It All Up**

What do all these numbers mean? First, state spending on non-education programs for children is much lower than the public or many researchers might believe. As mentioned earlier, total state spending on federal matching programs for children was \$21.5 billion in 1992. That represented about 7 percent of total state general fund spending. On a per capita basis, spending averaged \$85 nationwide in 1992. In addition to this low level of spending, there is fairly wide variation in spending across programs and across states. On a program basis, state spending on

AFDC, for instance, was more than 20 times state spending on the two federal matching programs for child care. On a state-by-state basis, state spending per poor child in Alaska, for example, was more than 200 times state spending per poor child in Mississippi.

What affects this level of spending? Are there particular factors that affect how much is spent? Several factors appear to influence the amount of state spending. The reimbursement structure of the program, federal policies, political pressures and political traditions in a state all affect the level of spending.

The reimbursement structure seems to be one of the more important factors in state spending. All of the open-ended entitlement programs except AFDC have had substantial increases in spending relative to the need and the revenue capacity of the state. Medicaid, foster care, child support and adoption spending each increased rapidly from 1985 to 1992. On the other hand, spending on the programs that have a limited number of federal dollars available (the Maternal and Child Health Block Grant and child welfare)—the closed-ended matching grants—declined per poor child and per \$100 of personal income. This finding implies that when the federal government provides a reimbursement for a portion of every dollar spent on program, states are more inclined to spend money on those programs. Certain states, such as New York, have been particularly adept at stretching their state dollars by taking advantage of federal reimbursements.

Other program features affect the growth rate of spending. When a program, such as Medicaid, automatically reflects inflation, spending tends to grow more rapidly. When program benefits increase only due to legislation, as with AFDC, spending growth tends to lag.

Federal mandates are also important influences on state spending for children. As mentioned earlier, the federal mandate to provide Medicaid coverage to low-income pregnant women and children led to dramatic increases in spending in many states, especially those that had very low spending to begin with.

Public political pressure affects state spending on children as well. AFDC has been particularly influenced by the public's disaffection with welfare. Because the program is stigmatized, elected officials find it an easy target for cutting. On the other hand, the public's desire for government-subsidized child care has resulted in a relatively large initial investment in child care programs. How much these programs grow will also be affected by the public demand for them.

Political traditions also play a role in the funding of children's services. Certain states—such as Alaska, California, Connecticut, Massachusetts, and New York—and certain regions—such as New England, the Mid-Atlantic, and the Far West—invest more than other states and regions. It can be argued that these states and regions are

wealthier and therefore more capable of spending, but they spend more *relative to their revenue capacity* than other states do.

These findings serve as an important baseline for understanding how federal policy changes will affect states. In particular, these findings imply that any elimination of mandates or state matching requirements will reduce spending on noneducation programs for children in the states. If the goal of the proposed federal block grant legislation is simply to cut spending, the proposals will almost certainly achieve their goal. If the goals are to increase flexibility and improve noneducation programs for children, it is debatable as to whether the goals will be achieved in a climate of significant spending cutbacks.

## Appendix A

### Description Of Federal Matching Grant Programs For Children

#### *AFDC*

AFDC, or Aid to Families with Dependent Children, provides monthly cash assistance to low- income families with children. Eligibility is based on income and assets. The program is an open-ended entitlement program administered by the states and funded by both the federal and the state governments.

#### *AFDC/JOBS Child Care*

This program is available to recipients of AFDC who need child care in order to accept employment, remain employed, or participate in State-approved education and training activities. The program is an open-ended entitlement program administered by the states and funded by both the federal and the state governments.

#### *AFDC Transitional Child Care (TCC)*

The TCC program is available to families who lose AFDC eligibility due to increased hours of work or increased income from work. Recipients must need child care in order to accept or retain employment. It operates under similar rules to the AFDC child care program, but families are required to make a contribution based on their income.

#### *Adoption Assistance*

The Adoption Assistance program provides states with resources to assist parents who adopt AFDC-eligible or SSI-eligible children with special needs. The program is an open-ended entitlement program administered by the states and funded by both the federal and the state governments.

#### *At-risk Child Care*

The At-risk Child Care program is available to families who are not receiving AFDC but are “at-risk” of needing welfare because of child care needs. It is capped entitlement program with costs shared between the federal and state governments. Like the other AFDC child care programs, the federal reimbursement rate is based on the state’s Medicaid matching rate.

#### *Child support enforcement*

The child support enforcement program assists custodial parents in obtaining child support for their children. The program requires that the state provide child



support services to both welfare and nonwelfare families. The program is an open-ended entitlement program administered by the states and funded by both the federal and the state governments. The federal government plays a major role in funding, monitoring, and evaluating state programs.

### *Child Welfare*

The Child Welfare program (also known as Title IV-B of the Social Security Act) encompasses many different services for children. It includes services to help address problems associated with neglect, abuse or exploitation of children; services to prevent unnecessary separation of children from their families; services to place children in adoptive homes if necessary; and services to assure adequate foster care when children need it. It is funded by both the federal and state governments but is administered by the states but it is not an entitlement. Title IV-B authorizes the federal government to reimburse states for 75 percent of their child welfare costs. There are no income guidelines for the receipt of child welfare services. Funding is capped.

### *Foster Care*

The Foster Care program (also known as Title IV-E) provides maintenance payments for AFDC-eligible children who are removed from their home and placed in foster care family homes or other facilities. The program is an open-ended entitlement program which is funded by both federal and state governments. The federal government reimburses the states at the state's Medicaid matching rate.

### *Maternal and Child Health Block Grant*

The Maternal and Child Health Block Grant provides states with grants to provide low-income pregnant women and children with basic health care services. States are required to match every \$4 federal with \$3 state.

### *Medicaid*

The Medicaid program provides health care to low-income persons. Pregnant women and children are eligible if they are on AFDC or if they meet income guidelines, which are less restrictive than those for adults. The program is an open-ended entitlement program administered by the states and funded by both the federal and the state governments.

## APPENDIX B

### Data Sources

#### *Federal Medical Assistance Percentages:*

Federal Medical Assistance Percentages were provided by the Office of the Assistant Secretary of Planning and Evaluation in the Department of Health and Human Services.

#### *Spending inflators:*

Office of Management and Budget, *Budget Information of the United States, FY96, Historical Tables* (Washington, DC: GPO, 1995) p. 143.

#### *Aid to Families with Dependent Children:*

Program spending data for assistance payments and administration for 1985 and 1992 were prepared by Office of Family Assistance in the Department of Health and Human Services. State shares and inflation adjustments calculated by the Center for the Study of the States using data supplied by the Census Bureau.

#### *Medicaid:*

Data on children's Medicaid spending are Urban Institute calculations based on the Health Care Financing Administration forms 64 and 1082. State shares and inflation adjustments calculated by the Center for the Study of the States using data supplied by the Census Bureau.

#### *Foster care and Adoption:*

Foster care and adoption data were provided by staff at the Administration for Children and Families in the Department of Health and Human Services. Inflation adjustments were calculated by the Center for the Study of the States. Total state foster care spending for 1985 was calculated by the Center for the Study of the States using data from the *1994 Green Book*. [Committee on Ways and Means, *Overview of Entitlement Programs* (Washington, DC: GPO, 1994)]

#### *Maternal and Child Health Block Grant:*

Data on the Maternal and Child Health Block Grant were provided by the Maternal and Child Health Bureau of the Health Research Services Agency in the Department of Health and Human Services. State shares and inflation adjustments were calculated by the Center for the Study of the States using data supplied by the Census Bureau.

*Child Support:*

Child support data were provided by the federal Office of Child Support Enforcement in the Department of Health and Human Services. Inflation adjustments were calculated by the Center for the Study of the States using data supplied by the Census Bureau.

*Child Care:*

Child care data for the at-risk and the AFDC programs were provided by the Administration for Children and Families in the Department of Health and Human Services. State shares and inflation adjustments were calculated by the Center for the Study of the States using data supplied by the Census Bureau.

*Child welfare:*

Child welfare data were taken from the *1994 Green Book*. [Committee on Ways and Means, *Overview of Entitlement Programs* (Washington, DC: GPO, 1994)] State shares and inflation adjustments calculated by the Center for the Study of the States using data supplied by the Census Bureau.

## Chapter 4

### The Outlook

The outlook for children's spending in the next five years is uncertain. Congress appears likely to change federal policies in ways that will have profound effects on state and local programs, but the content of these changes and how states will respond to them are difficult to predict.

As in the rest of this report, some distinctions should be made between school spending and other programs. For schools, states are the key players, but for other children's programs federal funding is more important. The funding for both kinds of children's programs also has some common characteristics.

Four questions appear critical to anticipating how policies will develop:

- How much will the number of children increase or decrease?
- How will federal policy affect state finances? What do block grants and spending reductions portend for children's services?
- How fast will the economy grow?
- What will happen to state fiscal policy? Will states cut taxes sharply? How much will children's programs be affected by competition from other programs, particularly Medicaid and corrections?

The remainder of this chapter will address each of these critical questions.

### Demographics

The population up to the age of 19 is projected to increase 4.9 percent between 1995 and 2000.<sup>98</sup> This increase encompasses two opposing trends—a 3.7 percent decrease in the number of children under the age of 5 and a 8.0 percent increase for the 5 to 19 age group. The latter projection is made with considerably more confidence because most of that population had already been born when the estimates were made, while the number of children under the age of 5 depends on future birth rates.

Trends vary considerably from state to state. Between 1995 and 2000, the number of children between the ages of 5 and 19 is projected to grow at least 10 percent in 15 states, led by a 15.4 percent increase in Nevada. The increase is expected to be at least 5 percent in another 10 states, while North Dakota and West Virginia are the only states with projected decreases.

The increase in the school age population translates into higher school enrollment. As discussed earlier in the paper, enrollment increases tend to increase

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<sup>98</sup> The most recent population projections from the Census Bureau use age cohorts of 0-4, 5-9, 10-14, and 15-19. That is the reason why the analysis here considers the population up to the age of 19 rather than 17 as in earlier chapters. See Table 4-1.

total school spending, but they often depress the growth of spending per pupil. If more families have children in public school, that increases political support for school spending. Yet, despite the enrollment growth in the 1990s, the proportion of families with children in school is considerably lower than it was in the 1950s and 1960s.

While no official projections are available of the number of poor children, it is reasonable to assume that the poverty rate among children will continue to grow, as it has for the past 25 years. The population of African-American and Hispanic children, who are more likely to be poor than white children, is expected to grow considerably faster than average.<sup>99</sup> The growth of poor children will mean a greater demand for services.

### **Federal policies and state responses to them**

At the time of writing of this report (January 1996), future federal policies are uncertain. Congress has approved some far-reaching proposals, which would convert many existing children's programs into block grants and reduce their funding. The extent to which these new policies will be accepted by the President is unknown.

In addition to the spending reductions, Congress has also approved a large federal tax cut. Since most states tie their own income taxes to the definition of income used by the federal income tax, state revenue would be reduced to the extent that states conformed to the federal changes.

Three scenarios can be sketched. One assumes continuation of existing federal policies. The second projects the implications of adopting the entire Contract with America and other similar reforms (e.g., reforms affecting Medicaid, which is not explicitly affected by the provisions of the Contract). A third and most likely scenario represents a compromise between the first two scenarios.

Federal spending on children increased substantially in the early 1990s. According to the House Ways and Means Committee, it was estimated to increase from \$65.6 billion in 1990 to \$113.5 billion in 1995.<sup>100</sup> The largest part of this increase, in Medicaid, overstates the increase in the value of services provided because of inflation in healthcare costs. Part of the increase was caused by the recession, which led to a large expansion in welfare rolls as well as increases in other programs like foster care.

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<sup>99</sup> In 1992, the poverty rate for non-Hispanic white children was 16.9 percent; for Hispanic children, 39.9 percent; and for African-American children, 46.6 percent. (1994 *Green Book*, p. 1148). Between 1995 and 2000, the Census Bureau's Population Projection Division projects that the population up to the age of 19 will increase as follows: non-Hispanic whites, 1.1 percent; Hispanics, 15.8 percent; and African-Americans, 4.4 percent. (Telephone conversation with Census Bureau Staff, April 6, 1995)

<sup>100</sup> These figures do not include the adult portion of programs like AFDC, nor do they include tax expenditures that benefit children, such as the credit for child care expenses. *Green Book*, 1993, p. 1566.

Because of the resumption of economic growth and a reduction in healthcare inflation, the growth rate of federal children's spending under present policies will probably be lower in the second half of the 1990s than it was in the first half.

This would be radically changed by the Congressional Budget Resolution and related policies. If the current Congressional plan to balance the budget is adopted (or a Constitutional amendment were eventually approved by Congress and ratified by the states), and if the tax cuts proposed by Congress are also adopted, federal spending for children's programs would probably be reduced nearly 30 percent from what it would otherwise be.<sup>101</sup> This 30 percent reduction would occur in 2002, the year when the balanced budget plan or amendment would probably take effect.

Even if the amendment is not approved, substantial reductions in spending for children's programs could occur as part of the effort to reduce the federal deficit. Many of these reductions will be associated with the creation of new block grants. The effects of these block grants will depend on details about how they are structured, for example, how much flexibility they provide to states and whether they require them to maintain their previous level of spending.

The block grants will tend to reduce spending for children's programs in three ways: First, federal spending is usually cut when a block grant is established. Second, spending for block grants tends to grow more slowly, if at all, than spending for the categorical programs they replace.<sup>102</sup> This is particularly true for programs that formerly were open-ended entitlements, for which federal spending automatically grew as caseloads and costs rose. Third, states have less incentive to spend their own funds on programs for which federal aid is in the form of a block grant than for programs where the federal government matches state expenditures. Matching grants are like price cuts, but block grants are not. For example, if there is a 50-50 state-federal match, a state receives 50 cents from the federal government for every dollar it spends. This provides a strong incentive to spend on the program. By contrast, with a block grant, when the state spends a dollar, it costs it a dollar.<sup>103</sup>

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<sup>101</sup> This projection assumes that Social Security and defense spending would not be reduced much and that taxes would not be increased to balance the budget. See Deborah A. Ellwood and Steven D. Gold, "Children and the Balanced Budget Amendment," *State Fiscal Brief #27* (Albany, N.Y.: Center for the Study of the States, February 1995).

<sup>102</sup> Total spending for the nine block grants established in 1981 fell 23 percent in real dollars between 1983 and 1993. For example, the Social Services Block Grant was reduced 27 percent during that period. Steven D. Gold, "The ABCs of Block Grants," *State Fiscal Brief #28* (Albany, NY: Center for the Study of the States, March, 1995).

<sup>103</sup> This contrast between matching and non-matching grants is particularly stark for open-ended matching grants, that is, those for which there is no limit on federal spending. Examples until 1995 were Medicaid, AFDC, and foster care. The stimulative effect of matching grants is less if federal spending is limited, which is referred to a close-ended matching grant. The incentive to spend is enhanced in such cases only if a state is spending less than the maximum amount for which the federal government provides matching funds.

The actual course of federal spending for children's programs will probably be less generous than would be expected based on past precedent but more generous than would occur if the full Contract with America were implemented. For example, even if a balanced budget amendment were adopted, Congress is unlikely to cut taxes as much as called for in the Contract. A smaller tax reduction would reduce the spending reductions that are necessary.

In any case, it appears likely that between 1995 and 2000 federal spending on children's programs will increase little, if at all, in real dollars per child, and it could well be significantly reduced.<sup>104</sup> States will have increased flexibility in terms of how they use federal aid, but the efficiency gains resulting from this flexibility will not be sufficiently great to allow them to maintain the previous level of services and benefits.

How will states respond to federal cutbacks and block grants? In the 1980s, most states replaced part of the federal cutbacks implemented under President Ronald Reagan by drawing upon revenue increases that resulted from economic growth and inflation, by transferring money from one block grant to another, by carrying over unspent money from categorical grants or by implementing tax increases.<sup>105</sup> The federal aid reductions envisioned now, however, are much larger than those that occurred in 1981. States will have a much more difficult time coping with them.

The response of the states will differ from one block grant to another, as it did in the 1980s. Funding cuts for social service programs, which had strong public support, were largely replaced by the states, while they replaced little if any of the funds cut from the Community Services Block Grant, which funded community-based anti-poverty agencies. In addition, other Reagan Administration cuts in categorical programs, such as Medicaid, were also largely compensated for by state and local governments.<sup>106</sup>

According to estimates reported by Gramlich and Laren, the response to block grants for welfare will differ considerably among states. States where welfare benefits are already low are likely to cut them even further, while states with relatively generous welfare benefits would also reduce them but not as much.<sup>107</sup>

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<sup>104</sup> Even before the cutbacks expected in 1995, the outlook for non-entitlement children's spending was negative because there is a cap on discretionary federal spending, which means that it will not be increased even to reflect inflation. The cap did not, however, apply to children's spending for AFDC, Medicaid or foster care.

<sup>105</sup> See George E. Peterson et al., *The Reagan Block Grants: What Have We Learned?* (Washington, D.C.: The Urban Institute Press, 1986) and Richard P. Nathan and Fred C. Doolittle, *Effects of the Reagan Domestic Program on States and Localities* (Princeton, NJ: Princeton University Urban and Regional Research Center, June 1984).

<sup>106</sup> See Nathan and Doolittle.

<sup>107</sup> Edward M. Gramlich and Deborah S. Laren, "Migration and Income Redistribution Responsibilities," *Journal of Human Resources* 19 (1984), pp. 489-511.

As shown in Chapter 2, elementary-secondary education is mainly financed by state and local governments. Federal aid provides only about 7 percent of total funding. The main impact of federal cutbacks on schools is likely to be an indirect one. More important than the direct loss of federal education aid will be the effect of cuts in aid for social services and health programs. States will use more of their own resources for those programs, cutting into the pool of resources available for schools.

The reduction in state income tax revenue that will result from state conformity with federal tax reductions depends on the size and nature of the federal changes. Past precedent<sup>108</sup> suggests that most states would adopt changes in the treatment of capital gains, depreciation, Social Security, and IRAs, but they would not adopt a tax credit for each child that is part of the House tax bill.<sup>109</sup>

### Economic growth

The rate of economic growth has a major impact on state fiscal conditions. When the economy is healthy, state revenue growth is greater, and the demand for social services does not increase as much as during recessions.<sup>110</sup> The rate of increase of school spending is strongly influenced by how fast the economy grows.<sup>111</sup>

The national rate of economic growth is likely to be moderate at best because the economy is already operating at a rate close to full employment. The capacity of the economy is believed to be growing at a rate of about 2.5 percent per year, which is considerably slower than it grew in the 1950s and 1960s. The slowdown is related to slower growth of productivity and the labor force.

There are always significant variations in economic growth rates from region to region. Unfortunately, it is very difficult to predict which regions will lead and which will lag because considerable rotation in relative economic occurs over time, as was seen in Chapter 1. For example, energy producing states did well in the 1970s but poorly in the mid-1980s. The Northeast had strong growth in the 1980s but lagged behind the rest of the country in the early 1990s.

In 1995, the Rocky Mountain and Southwest states are enjoying strong growth, as are the Pacific Northwest and certain Southeastern states, such as Florida and Texas. The New England states and New York are lagging behind the rest of the nation. Most of these patterns will probably continue for the remainder of the decade.

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<sup>108</sup> Such as when Congress passed the Tax Reform Act of 1986.

<sup>109</sup> Most states define income as the federal government does but establish their own personal exemptions and credits. As a rule of thumb, changes in federal taxes result in changes in state tax revenue about one-fifth as large as the federal measures.

<sup>110</sup> Steven D. Gold, "Comparing State Fiscal Stress in 1991," *State Tax Notes* (August 3, 1995), pp. 149-160.

<sup>111</sup> See Chapter 3.



The timing and severity of the next recession are difficult to forecast, but when it does occur it will probably cause widespread state fiscal stress. Since the last recession officially ended more than four years ago (in March 1991), it would not be unusual based on historical precedent for another recession to occur by 1997. A recession would have a serious effect on state finances because of the new block grants, which would not automatically grow as fast as federal grants did during past recessions.

### **State fiscal policy**

There are two major questions about state tax and budget policy: Will states be raising or lowering tax rates much, or will they essentially keep tax policy on an even keel? Will there be a change in the way tax dollars are divided up among various programs? Together, the answers to these questions will have a major effect on the level of resources states provide for schools and other children's programs.

Aside from these questions that relate to the amount of children's spending, another important issue is whether many states will restructure school finance by curtailing reliance on the property tax. If many states follow in Michigan's footsteps by slashing property taxes, what does that imply about revenue growth over time?

### **Revenue policy**

State tax cuts were widespread in 1995. Thirty states reduced taxes in some manner.<sup>112</sup> This does not, however, necessarily imply that state tax policy has made a major shift in direction. With only a few exceptions, the tax cuts were small to moderate in size, reducing state tax revenue by less than 5 percent. The tax cuts of 1995 (as well as those of 1994) are a normal development a few years after a recession. States usually raise taxes during recessions and then lower them several years later as the economy improves.

The moderate size of state tax cuts reflects the fact that large reductions would generally make it difficult to maintain the existing level of services. Although the public would like taxes to be reduced, polls consistently show that it also opposes significant reductions of services (except for welfare).<sup>113</sup>

It is possible, however, that state tax policy will be tilted somewhat more in the anti-tax direction in future years. The tax cuts of 1994 and 1995 reflect the fact that Republicans with a strong ideological preferences for tax cuts have gained strength in governors' mansions as well as in many state legislatures, as they have in the U.S. Congress. This trend would affect the level of state taxes in the future if it goes further.

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<sup>112</sup> Steven D. Gold, "1995 Tax Cuts: Widespread But Not Revolutionary," *State Fiscal Brief #32* (Albany, N.Y.: Center for the Study of the States, December 1995); Steven D. Gold, "State Tax Cuts of 1995: Is Something New Afoot?" forthcoming in *Public Budgeting and Finance* (1996).

<sup>113</sup> Harvy Lipman, "New Yorkers Want Cuts Without Cuts," *Albany Times Union* (April 3, 1995), p. 1.

The restraint on state taxes implies that local taxes will continue to rise faster than state taxes, as they have consistently since 1985.<sup>114</sup> One consequence of this trend is that the state share of school costs has fallen since 1987, and this will probably continue in most states over the rest of the decade.

This decentralization of revenue raising for schools implies that property taxes will continue to increase. When property taxes rise substantially or reach high levels, that often leads to a backlash. In the 1990s, three states have enacted large state tax increases to reduce reliance on the property tax (Kansas, Michigan and Nebraska). Three other states (Oregon, South Carolina, and Wisconsin) have cut property taxes without increasing state taxes much if at all. A seventh state, South Dakota, increased state taxes moderately in order to reduce property taxes. This movement will probably weaken if not disappear as devolution adds to state fiscal pressures and the public remains reluctant to increase state taxes to cut property taxes.<sup>115</sup>

The increased reliance on local property taxes could lead to greater disparities in school resources between rich and poor school districts. This is not a necessary consequence of fiscal decentralization, but it often accompanies it.

School revenue could be enhanced by increased reliance on user charges or gambling taxes, but those options appear to have limited potential for helping schools or other children's programs.<sup>116</sup> In general, schools will remain dependent on the major conventional existing taxes—the sales tax, the personal income tax, and the property tax.

### *Spending patterns*

The prevailing patterns of how state spending is changing appear well entrenched and are likely to continue. That is, Medicaid and corrections will consume a larger and larger share of state resources. Higher education and welfare will take a smaller share. Elementary-secondary education will fare better than the losers but worse than the winners.

The most certain prediction is that corrections spending will continue to expand its share of the state budget. Many states have recently adopted "three strikes and

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<sup>114</sup> See Chapter 2.

<sup>115</sup> Michigan voters, for example, rejected such proposals six times before accepting the 1994 school tax reform. In that case, the only options were to raise the sales tax or the income tax to lower property taxes; turning down either alternative was not an option. One reason why voters tend to oppose higher state taxes to cut property taxes is that the tax increases are viewed as a certainty while the reductions are not guaranteed. Another reason is that businesses usually directly pay a higher proportion of the property tax than of the income and sales taxes; even though the business tax burden is shifted to households, this is not widely perceived by citizens.

<sup>116</sup> Steven D. Gold, "Are Casinos a Windfall for State Budgets?" *State Fiscal Brief #30* (Albany, N.Y.: Center for the Study of the States, July 1995).

you're out" sentencing policies, and "get tough on criminals" is still one of the most popular campaign themes for governors and legislators.

The outlook for health spending is not as clear. Health cost inflation, the aging of the population, expensive improvements in medical technology, and perhaps a higher poverty rate tend to make health spending rise more than other parts of the budget, but new federal policies could have a major impact on existing state practices. If Medicaid is no longer an open-ended matching grant and federal mandates are substantially relaxed, state health spending could grow considerably more slowly than it did in the 1980s and the first half of the 1990s.

New federal policy initiatives are the main reason why state spending decisions in the second half of the 1990s could differ substantially from those in the first half. If federal aid for health and social services is significantly less than it would have been under previous federal policies, this injects a great deal of uncertainty into how states will spend their funds. State spending on elementary-secondary education is likely to be adversely affected by such federal aid cutbacks for health and social services because they will devote more of their limited resources to those programs than in the past. In fact, the reductions in federal non-school aid to states could easily have a larger effect on schools than reductions in federal education aid.

Since state children's spending other than education is primarily provided as a match for federal funds, it will be directly affected by new federal policies that convert many of the existing programs into block grants. The distinction between state-only spending and matches for federal funds will become much less important if it does not disappear completely. This will probably lead to a major restructuring of programs. Although states will probably replace some reductions in federal spending, the net effect will probably be a decrease in total spending.

## **Conclusion**

State children's spending is probably entering a turbulent period, primarily because of new federal initiatives rather than independent shifts at the state level. Resources for children's programs will probably not grow as rapidly in the new era as they would have under past policies. In fact, many programs may have lower funding. This makes it more important than ever for states and localities to reconsider how their limited funds are spent. If services for children are to improve at all, it will be because of thoughtful, creative restructuring of programs rather than because more money is available.

Change of Number of Children and Number of Children in Poverty, 1970 to 1990

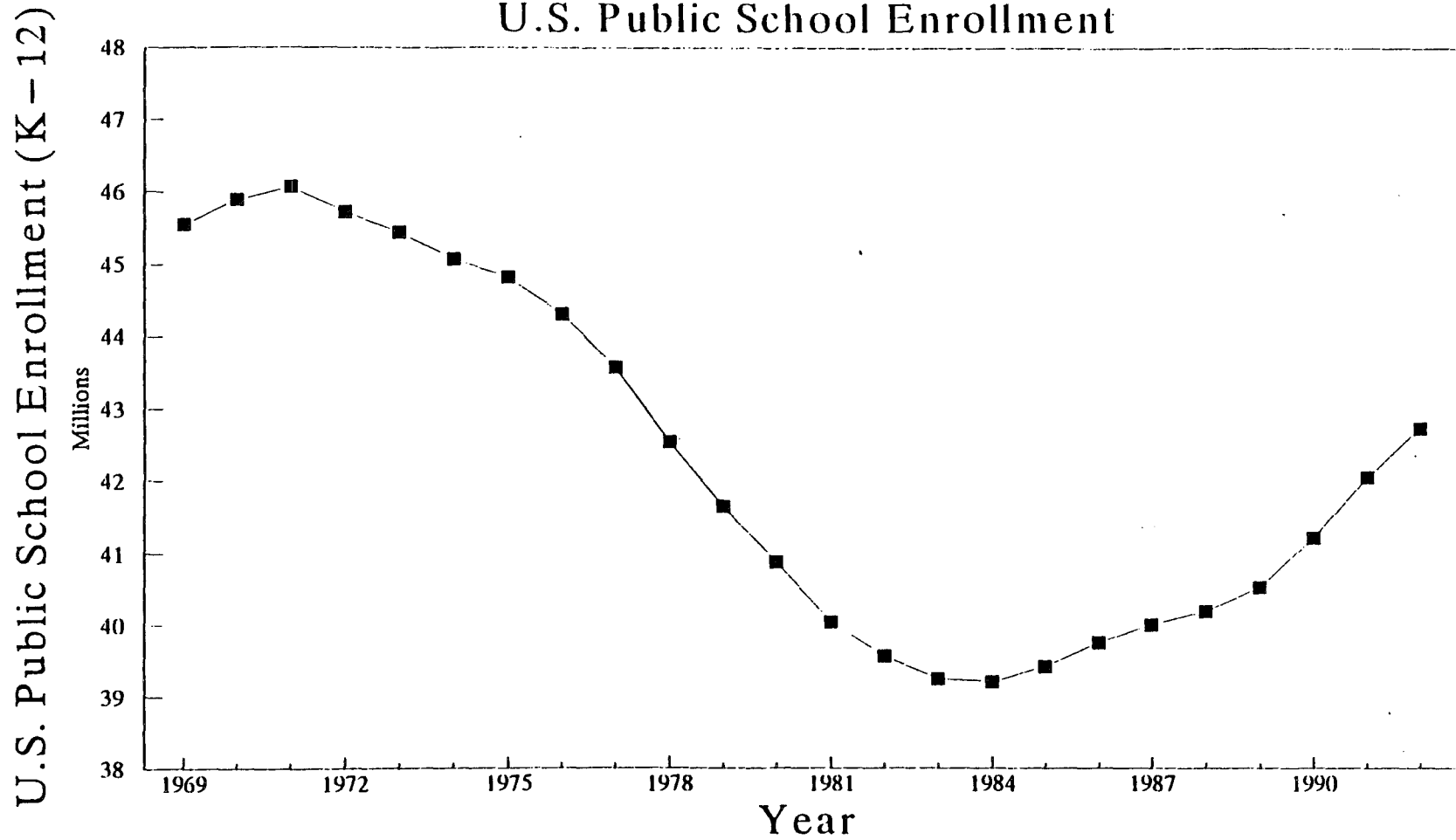
	Number of Children				Number of Children in Poverty			
	<u>1970-80</u>	<u>1980-90</u>	<u>1970-90</u>	<u>% Change</u> <u>1970-90</u>	<u>1970-80</u>	<u>1980-90</u>	<u>1970-90</u>	<u>% Change</u> <u>1970-90</u>
<b>United States</b>	<b>-10.0 %</b>	<b>1.5 %</b>	<b>-8.7 %</b>		<b>-3.6 %</b>	<b>11.3 %</b>	<b>7.4 %</b>	
<b>New England</b>	<b>-18.1</b>	<b>-5.4</b>	<b>-22.6</b>		<b>13.0</b>	<b>-14.2</b>	<b>-3.1</b>	
Connecticut	-20.5	-7.6	-26.6	47	18.0	-17.3	-2.4	29
Maine	-8.4	-1.9	-10.2	24	1.4	-19.9	-18.8	40
Massachusetts	-21.6	-8.0	-27.9	50	17.4	-11.2	4.2	24
New Hampshire	0.1	9.6	9.7	12	21.6	-19.9	-2.7	30
Rhode Island	-20.1	-5.8	-24.8	44	-7.0	-7.7	-14.1	37
Vermont	-9.1	0.3	-8.9	23	12.6	-18.9	-8.7	33
<b>Mid Atlantic</b>	<b>-20.0</b>	<b>-7.2</b>	<b>-25.8</b>		<b>11.7</b>	<b>-12.1</b>	<b>-1.8</b>	
Delaware	-16.6	-0.1	-16.7	35	7.3	-26.6	-21.2	43
D.C.	-37.8	-16.0	-47.7	51	-25.6	-25.9	-44.9	51
Maryland	-17.1	1.5	-15.8	34	-8.7	-13.2	-20.8	42
New Jersey	-17.6	-8.4	-24.5	43	28.0	-29.7	-10.0	34
New York	-21.1	-7.6	-27.1	48	19.4	-10.8	6.5	22
Pennsylvania	-20.1	-9.1	-27.4	49	2.2	-0.9	1.2	26
<b>Great Lakes</b>	<b>-16.3</b>	<b>-7.9</b>	<b>-22.9</b>		<b>12.3</b>	<b>14.3</b>	<b>28.4</b>	
Illinois	-15.7	-7.9	-22.4	39	15.8	1.7	17.8	16
Indiana	-13.5	-8.6	-20.9	38	11.5	5.0	17.1	17
Michigan	-16.7	-9.2	-24.4	42	18.7	21.8	44.5	6
Ohio	-18.4	-8.2	-25.1	45	8.2	20.8	30.6	12
Wisconsin	-15.3	-3.8	-18.6	37	-0.1	32.3	32.2	11
<b>Plains</b>	<b>-15.0</b>	<b>-2.5</b>	<b>-17.1</b>		<b>-12.5</b>	<b>13.2</b>	<b>-0.9</b>	
Iowa	-16.2	-11.9	-26.2	46	-3.6	4.8	1.0	27
Kansas	-14.5	3.6	-11.4	25	-17.4	24.2	2.6	25
Minnesota	-16.2	0.9	-15.5	33	-9.5	20.5	9.1	20
Missouri	-13.8	-1.8	-15.3	31	-14.5	14.7	-1.9	28
Nebraska	-13.0	-2.7	-15.4	32	-13.2	7.0	-7.1	31
North Dakota	-16.3	-7.3	-22.4	40	-24.4	7.9	-18.5	39
South Dakota	-15.8	-2.2	-17.7	36	-10.3	-3.2	-13.2	35

**Table 1-1 continued**  
**Change of Number of Children and Number of Children in Poverty, 1970 to 1990**

	Number of Children				Number of Children in Poverty			
	<u>1970-80</u>	<u>1980-90</u>	<u>1970-90</u>	<u>% Change 1970-90</u>	<u>1970-80</u>	<u>1980-90</u>	<u>1970-90</u>	<u>% Change 1970-90</u>
<b>Southeast</b>	<b>-2.9 %</b>	<b>0.9 %</b>	<b>-2.0 %</b>		<b>-19.9 %</b>	<b>2.0 %</b>	<b>-18.3 %</b>	
Alabama	-6.9	-7.8	-14.1	29	-24.3	-7.6	-30.0	47
Arkansas	0.9	-6.0	-5.2	19	-23.9	-1.0	-24.6	45
Florida	9.5	24.1	35.9	5	7.0	19.7	28.1	15
Georgia	-1.3	6.4	5.0	14	-12.5	-1.7	-14.0	36
Kentucky	-4.6	-10.3	-14.4	30	-16.1	-0.1	-16.2	38
Louisiana	-5.6	-6.2	-11.5	26	-25.4	22.8	-8.4	32
Mississippi	-4.7	-7.1	-11.5	27	-29.3	0.8	-28.8	46
North Carolina	-7.1	-1.7	-8.6	22	-27.0	-10.7	-34.8	50
South Carolina	-2.8	-0.8	-3.6	18	-28.1	-3.5	-30.6	48
Tennessee	-3.6	-4.8	-8.3	21	-18.4	-6.0	-23.3	44
Virginia	-8.9	3.9	-5.3	20	-23.6	-11.1	-32.1	49
West Virginia	-4.8	-19.6	-23.5	41	-27.1	10.8	-19.2	41
<b>Southwest</b>	<b>6.3</b>	<b>13.5</b>	<b>20.6</b>		<b>-8.2</b>	<b>43.9</b>	<b>32.1</b>	
Arizona	20.2	26.8	52.3	2	12.3	62.0	81.9	2
New Mexico	1.1	8.9	10.0	11	-15.4	32.4	12.0	18
Oklahoma	0.3	-0.2	0.1	17	-19.0	33.0	7.8	21
Texas	5.8	14.2	20.9	6	-8.0	44.1	32.6	10
<b>Rocky Mountain</b>	<b>8.9</b>	<b>7.9</b>	<b>17.6</b>		<b>5.4</b>	<b>33.1</b>	<b>40.2</b>	
Colorado	2.5	8.7	11.4	10	-5.8	38.2	30.2	13
Idaho	14.7	2.2	17.3	7	30.0	10.5	43.6	7
Montana	-9.9	-2.6	-12.2	28	-5.5	37.2	29.7	14
Utah	25.2	18.2	48.0	3	27.7	32.5	69.2	3
Wyoming	19.2	-5.3	12.9	9	-21.1	69.3	33.5	9
<b>Far West</b>	<b>-4.6</b>	<b>21.3</b>	<b>15.7</b>		<b>14.5</b>	<b>38.1</b>	<b>58.0</b>	
Alaska	6.1	35.3	43.6	4	-9.7	18.0	6.5	23
California	-6.3	24.6	16.8	8	14.3	41.1	61.3	4
Hawaii	-1.9	3.8	1.9	16	26.0	-13.3	9.2	19
Nevada	21.9	42.5	73.7	1	36.8	75.7	140.4	1
Oregon	0.7	3.0	3.7	15	13.9	25.9	43.4	8
Washington	-4.0	13.4	8.8	13	13.5	34.1	52.2	5

# Figure 1 - 1

## U.S. Public School Enrollment



Data provided by National Center for Education Statistics, U.S. Department of Education

**Table 1-2**  
**Percent of Population Under 18 and Children in Poverty, 1970 to 1990**

	Percent of Population Under 18							Percent of Children in Poverty						
	1970	Index	1980	Index	1990	Index	Rank	1970	Index	1980	Index	1990	Index	Rank
<b>United States</b>	<b>34.3</b>	<b>% 100</b>	<b>27.7</b>	<b>% 100</b>	<b>25.6</b>	<b>% 100</b>		<b>15.1</b>	<b>% 100</b>	<b>16.0</b>	<b>% 100</b>	<b>17.9</b>	<b>% 100</b>	
<b>New England</b>	<b>33.3</b>	<b>97</b>	<b>26.2</b>	<b>95</b>	<b>23.2</b>	<b>91</b>		<b>9.2</b>	<b>61</b>	<b>9.6</b>	<b>60</b>	<b>11.8</b>	<b>66</b>	
Connecticut	33.7	98	26.1	94	22.8	89	47	7.8	52	8.0	50	10.4	58	50
Maine	34.6	101	28.0	101	25.2	98	35	14.5	96	13.0	81	13.2	74	38
Massachusetts	33.0	96	25.6	93	22.5	88	49	8.8	58	9.6	60	12.9	72	40
New Hampshire	34.4	100	27.6	100	25.1	98	36	7.9	52	8.5	53	7.0	39	51
Rhode Island	31.6	92	25.3	92	22.5	88	48	11.7	77	10.3	64	13.5	75	36
Vermont	35.3	103	27.9	101	25.4	99	33	11.5	76	12.1	76	11.5	64	45
<b>Mid Atlantic</b>	<b>32.7</b>	<b>95</b>	<b>26.3</b>	<b>95</b>	<b>23.6</b>	<b>92</b>		<b>11.5</b>	<b>76</b>	<b>16.1</b>	<b>101</b>	<b>15.3</b>	<b>85</b>	
Delaware	35.8	104	27.5	100	24.5	96	40	12.3	81	11.9	74	11.7	65	44
D.C.	29.6	86	21.8	79	19.3	75	51	23.1	153	18.6	116	25.0	140	6
Maryland	35.2	103	27.1	98	24.5	96	41	11.5	76	9.8	61	10.9	61	48
New Jersey	33.2	97	26.7	96	23.3	91	46	9.2	61	9.5	59	11.0	61	47
New York	32.0	93	26.2	95	23.7	93	44	12.7	84	13.4	84	18.8	105	17
Pennsylvania	32.6	95	25.9	94	23.5	92	45	10.9	72	10.5	66	15.4	86	27
<b>Great Lakes</b>	<b>35.3</b>	<b>103</b>	<b>28.5</b>	<b>103</b>	<b>26.1</b>	<b>102</b>		<b>9.8</b>	<b>65</b>	<b>10.3</b>	<b>64</b>	<b>16.7</b>	<b>93</b>	
Illinois	34.2	100	28.0	101	25.8	101	30	11.0	73	11.0	69	16.8	94	25
Indiana	35.4	103	29.0	105	26.3	103	22	9.3	62	9.7	61	13.9	78	34
Michigan	36.6	107	29.2	106	26.5	103	19	9.4	62	10.4	65	18.2	102	19
Ohio	35.1	102	28.3	102	25.8	101	29	10.0	66	10.3	64	17.6	98	21
Wisconsin	35.8	105	28.5	103	26.3	103	21	8.9	59	8.7	54	14.6	82	30
<b>Plains</b>	<b>34.5</b>	<b>101</b>	<b>27.8</b>	<b>101</b>	<b>26.4</b>	<b>103</b>		<b>12.2</b>	<b>81</b>	<b>11.0</b>	<b>69</b>	<b>14.6</b>	<b>82</b>	
Iowa	34.5	101	28.0	101	25.9	101	28	10.1	67	9.5	59	14.0	78	32
Kansas	33.2	97	27.0	98	26.7	104	14	12.0	79	10.1	63	13.9	78	35
Minnesota	36.3	106	28.4	103	26.7	104	15	9.5	63	9.5	59	12.4	69	42
Missouri	33.2	97	27.2	98	25.7	100	31	14.9	99	12.2	76	17.4	97	22
Nebraska	34.1	100	28.1	102	27.2	106	12	12.2	81	10.7	67	13.5	75	37
North Dakota	36.6	107	29.0	105	27.4	107	11	15.9	105	12.6	79	16.9	94	23
South Dakota	36.2	106	29.4	106	28.5	111	8	18.9	125	16.9	106	20.1	112	14

**Table 1-2 continued**  
**Percent of Population Under 18 and Children in Poverty, 1970 to 1990**

	Percent of Population Under 18							Percent of Children in Poverty											
	1970	Index	1980	Index	1990	Index	Rank	1970	Index	1980	Index	1990	Index	Rank					
<b>Southeast</b>	<b>34.7</b>	<b>%</b>	<b>101</b>	<b>%</b>	<b>101</b>	<b>25.1</b>	<b>%</b>	<b>98</b>		<b>25.1</b>	<b>%</b>	<b>166</b>	<b>20.7</b>	<b>%</b>	<b>129</b>	<b>20.9</b>	<b>%</b>	<b>117</b>	
Alabama	35.8		105		107	26.2		102	23	29.3		194	18.9		118	24.0		134	8
Arkansas	34.1		99		105	26.4		103	20	31.3		207	19.0		119	25.0		140	5
Florida	31.1		91		86	22.2		87	50	19.2		127	13.5		84	18.3		102	18
Georgia	35.9		105		107	26.7		104	16	24.1		160	16.6		104	19.8		111	16
Kentucky	34.6		101		105	25.9		101	27	24.9		165	17.6		110	24.5		137	7
Louisiana	38.1		111		113	29.1		114	6	30.0		199	18.6		116	31.2		174	2
Mississippi	38.1		111		115	29.0		113	7	41.3		274	23.9		149	33.5		187	1
North Carolina	34.6		101		100	24.2		95	43	23.6		156	14.8		93	16.9		94	24
South Carolina	36.9		108		107	26.5		103	18	28.7		190	16.6		104	20.8		116	12
Tennessee	33.8		99		101	24.9		98	37	24.6		163	16.5		103	20.7		116	13
Virginia	34.2		100		98	24.3		95	42	18.0		119	11.8		74	13.0		73	39
West Virginia	33.3		97		102	24.7		97	38	24.3		161	15.0		94	25.9		145	4
<b>Southwest</b>	<b>35.6</b>		<b>104</b>		<b>29.4</b>	<b>106</b>		<b>28.1</b>	<b>110</b>		<b>21.1</b>	<b>140</b>	<b>18.2</b>		<b>114</b>	<b>23.1</b>		<b>129</b>	
Arizona	36.3		106		103	26.8		105	13	17.9		119	13.2		83	21.7		121	10
New Mexico	39.9		117		114	29.5		115	5	26.7		177	17.6		110	27.5		154	3
Oklahoma	32.7		95		100	26.6		104	17	19.7		130	13.4		84	21.4		120	11
Texas	35.7		104		108	28.5		111	9	21.7		144	14.7		92	24.0		134	9
<b>Rocky Mountain</b>	<b>36.6</b>		<b>107</b>		<b>30.5</b>	<b>110</b>		<b>29.6</b>	<b>116</b>		<b>12.1</b>	<b>80</b>	<b>11.7</b>		<b>73</b>	<b>14.4</b>		<b>81</b>	
Colorado	35.0		102		99	26.1		102	24	12.7		84	10.1		63	15.0		84	29
Idaho	36.9		108		116	30.6		120	3	12.7		84	12.6		79	15.8		88	26
Montana	36.5		106		105	27.8		109	10	13.3		88	12.3		77	19.9		111	15
Utah	40.0		117		131	36.4		142	1	10.6		70	10.3		64	12.2		68	43
Wyoming	36.1		106		110	29.9		117	4	11.8		78	7.9		49	14.1		79	31
<b>Far West</b>	<b>33.5</b>		<b>98</b>		<b>26.5</b>	<b>96</b>		<b>26.0</b>	<b>102</b>		<b>11.9</b>	<b>79</b>	<b>14.2</b>		<b>89</b>	<b>16.2</b>		<b>90</b>	
Alaska	39.6		116		115	31.3		123	2	14.7		97	10.7		67	10.9		61	49
California	33.2		97		95	26.0		102	25	12.7		84	11.4		71	17.8		99	20
Hawaii	35.7		104		101	25.3		99	34	10.3		68	9.9		62	11.1		62	46
Nevada	35.0		102		94	24.7		97	39	9.1		60	8.7		54	12.8		72	41
Oregon	33.4		97		97	25.5		100	32	10.8		72	10.7		67	15.2		85	28
Washington	34.0		99		97	25.9		101	26	9.8		65	9.8		61	14.0		78	33

Source: U.S. Census Bureau, *Census of Population and Housing: Summary of Social, Economic and Housing Characteristics, 1970, 1980, 1990.*



Table 1-3

## Growth of General Population and Public School Enrollment, 1970 to 1992

	% Growth General Population				% Growth in Public School Enrollment				Enrollment as a % of Total Population			
	1970-80	1980-92	1970-92	Rank	1970-80	1980-92	1970-92	Rank	1970	1980	1992	Rank
<b>United States</b>	<b>11.6 %</b>	<b>12.3 %</b>	<b>25.3 %</b>		<b>-8.5 %</b>	<b>1.0 %</b>	<b>-7.6 %</b>		<b>22.6 %</b>	<b>18.5 %</b>	<b>16.7 %</b>	
<b>New England</b>	<b>5.2</b>	<b>6.9</b>	<b>12.5</b>		<b>-8.6</b>	<b>-12.6</b>	<b>-20.1</b>		<b>21.0</b>	<b>18.3</b>	<b>14.9</b>	
Connecticut	3.3	6.1	9.7	36	-12.3	-13.3	-24.0	45	21.5	18.3	14.9	44
Maine	13.4	9.9	24.6	25	-5.1	-5.0	-9.9	25	24.2	20.3	17.5	23
Massachusetts	1.7	4.3	6.1	42	-9.7	-18.3	-26.3	48	20.3	18.0	14.1	50
New Hampshire	26.0	21.5	53.0	9	12.1	3.9	16.4	9	21.0	18.7	16.0	40
Rhode Island	2.7	4.9	7.7	40	-14.4	-8.1	-21.4	39	19.4	16.2	14.2	49
Vermont	15.8	12.3	30.0	20	-1.2	-1.7	-2.8	16	22.9	19.5	17.1	27
<b>Mid Atlantic</b>	<b>0.6</b>	<b>3.7</b>	<b>4.3</b>		<b>-14.3</b>	<b>-11.8</b>	<b>-24.4</b>		<b>20.0</b>	<b>17.0</b>	<b>14.5</b>	
Delaware	10.9	13.7	26.1	22	-20.3	-1.8	-21.7	40	24.2	17.4	15.0	43
D.C.	-13.9	-9.5	-22.0	51	-28.8	-24.1	-45.9	51	19.6	16.2	13.6	51
Maryland	9.2	15.2	25.7	23	-12.8	-5.3	-17.5	34	23.1	18.4	15.1	42
New Jersey	3.9	5.4	9.6	37	-11.5	-13.8	-23.7	44	20.5	17.5	14.3	47
New York	-2.6	2.3	-0.3	49	-13.8	-11.0	-23.2	43	19.0	16.8	14.7	45
Pennsylvania	1.1	0.6	1.8	48	-16.1	-14.0	-27.8	50	20.0	16.6	14.2	48
<b>Great Lakes</b>	<b>4.3</b>	<b>1.9</b>	<b>6.2</b>		<b>-13.5</b>	<b>-11.1</b>	<b>-23.1</b>		<b>22.8</b>	<b>18.9</b>	<b>16.5</b>	
Illinois	3.5	0.9	4.4	44	-12.1	-9.5	-20.5	37	21.1	17.9	16.0	39
Indiana	6.5	2.4	9.0	38	-11.4	-11.7	-21.8	42	23.8	19.8	17.1	29
Michigan	5.3	1.4	6.8	41	-13.0	-14.3	-25.5	46	24.4	20.1	17.0	30
Ohio	2.2	1.3	3.6	45	-16.8	-11.9	-26.7	49	23.0	18.8	16.3	36
Wisconsin	6.6	6.0	13.0	33	-12.5	-5.0	-16.9	33	22.4	18.4	16.5	33
<b>Plains</b>	<b>5.5</b>	<b>4.0</b>	<b>9.8</b>		<b>-17.2</b>	<b>-2.5</b>	<b>-19.2</b>		<b>23.6</b>	<b>18.5</b>	<b>17.3</b>	
Iowa	4.0	-4.4	-0.5	50	-17.0	-10.4	-25.6	47	23.5	18.8	17.6	19
Kansas	5.0	6.1	11.4	34	-18.5	5.3	-14.2	30	23.2	18.0	17.9	14
Minnesota	7.5	9.6	17.8	28	-14.9	-0.6	-15.4	31	24.3	19.3	17.5	24
Missouri	5.4	5.5	11.1	35	-19.0	-3.4	-21.8	41	23.2	17.9	16.3	35
Nebraska	6.1	1.7	7.9	39	-13.2	-2.7	-15.5	32	22.5	18.4	17.6	21
North Dakota	5.0	-2.9	1.9	47	-20.4	0.6	-19.9	35	23.8	18.1	18.7	11
South Dakota	3.1	1.9	5.1	43	-19.7	-1.7	-21.1	38	25.0	19.4	18.7	9

Table 1-3 continued

## Growth of General Population and Public School Enrollment, 1970 to 1992

	% Growth General Population				% Growth in Public School Enrollment				Enrollment as a % of Total Population			
	1970-80	1980-92	1970-92	Rank	1970-80	1980-92	1970-92	Rank	1970	1980	1992	Rank
<b>Southeast</b>	<b>19.7 %</b>	<b>15.9 %</b>	<b>38.7 %</b>		<b>-3.1 %</b>	<b>3.0 %</b>	<b>-0.2 %</b>		<b>23.3 %</b>	<b>18.9 %</b>	<b>16.8 %</b>	
Alabama	12.5	5.7	18.9	27	-8.7	-4.3	-12.6	28	24.0	19.5	17.7	17
Arkansas	18.6	4.5	23.9	26	-1.5	-3.2	-4.7	19	24.1	20.0	18.5	13
Florida	42.6	40.1	99.9	3	7.1	28.1	37.2	5	21.2	15.9	14.6	46
Georgia	18.5	22.9	45.6	14	-3.1	9.2	5.9	13	24.4	20.0	17.8	16
Kentucky	13.9	1.9	16.2	32	-3.8	-4.6	-8.2	24	22.0	18.6	17.4	25
Louisiana	14.4	2.5	17.3	29	-4.2	-0.8	-5.0	20	23.1	19.3	18.7	10
Mississippi	13.0	3.3	16.8	30	-16.2	4.6	-12.4	27	25.9	19.2	19.4	7
North Carolina	15.3	16.3	34.1	19	-3.0	-4.6	-7.4	23	23.6	19.8	16.3	37
South Carolina	20.1	15.4	38.6	17	-3.6	0.4	-3.2	17	25.2	20.2	17.6	18
Tennessee	16.3	9.2	27.1	21	-2.8	-3.7	-6.5	22	22.9	19.1	16.8	31
Virginia	15.4	18.1	36.3	18	-4.2	-1.5	-5.6	21	23.3	19.4	16.2	38
West Virginia	11.1	-7.2	3.0	46	-3.3	-17.5	-20.2	36	23.0	20.0	17.8	15
<b>Southwest</b>	<b>27.2</b>	<b>24.2</b>	<b>58.1</b>		<b>4.4</b>	<b>18.8</b>	<b>24.1</b>		<b>24.9</b>	<b>20.4</b>	<b>19.5</b>	
Arizona	51.9	41.9	115.7	2	21.8	29.0	57.1	2	24.1	19.3	17.5	22
New Mexico	26.7	20.8	53.0	10	-0.3	12.0	11.7	10	27.3	21.5	20.0	6
Oklahoma	17.2	6.7	25.0	24	-4.7	0.8	-3.9	18	24.2	19.6	18.6	12
Texas	25.7	25.0	57.1	6	4.3	21.3	26.5	6	24.9	20.7	20.1	5
<b>Rocky Mountain</b>	<b>30.3</b>	<b>15.5</b>	<b>50.5</b>		<b>4.5</b>	<b>14.4</b>	<b>19.6</b>		<b>25.9</b>	<b>20.8</b>	<b>20.6</b>	
Colorado	31.5	18.3	55.6	7	2.3	7.7	10.2	12	24.8	19.3	17.6	20
Idaho	32.0	11.3	46.8	13	12.7	11.3	25.5	7	25.4	21.7	21.7	3
Montana	13.7	2.3	16.3	31	-9.5	-1.5	-10.9	26	25.2	20.1	19.3	8
Utah	35.2	24.8	68.8	5	10.1	37.0	50.9	4	28.9	23.5	25.8	1
Wyoming	37.4	1.3	39.2	16	10.4	7.0	18.1	8	26.3	21.1	22.3	2
<b>Far West</b>	<b>20.0</b>	<b>29.3</b>	<b>55.2</b>		<b>-8.2</b>	<b>21.2</b>	<b>11.2</b>		<b>23.6</b>	<b>18.0</b>	<b>16.9</b>	
Alaska	34.8	42.6	92.2	4	15.3	34.2	54.7	3	26.0	22.2	20.9	4
California	18.0	30.8	54.3	8	-10.4	24.0	11.1	11	23.3	17.7	16.8	32
Hawaii	27.9	19.5	52.8	11	-5.5	3.6	-2.1	15	24.0	17.8	15.4	41
Nevada	59.4	68.4	168.3	1	19.5	42.9	70.8	1	25.8	19.3	16.4	34
Oregon	25.0	13.2	41.6	15	-2.5	6.7	4.1	14	23.2	18.1	17.1	28
Washington	20.0	25.0	50.0	12	-6.3	13.1	-13.1	29	24.5	19.2	17.3	26

Source: US Dept. of Commerce, Bureau of Economic Analysis, *State Summary Tables* (SA1-3, SA51-52), 1929-93, 1948-93, August 1994; National Center for Education Statistics, *Digest of Education Statistics 1994*, (NCES 94-115).

Table 1-4

**Real Per Capita Personal Income in 1969, 1974, 1979, 1984, and 1991**  
(in 1991 dollars)

Year	1969	Index	1974	Index	1979	Index	1984	Index	1991	Index	% Change 1969-79	% Change 1979-91	% Change 1969-91
<b>United States</b>	<b>\$14,573</b>	<b>100</b>	<b>\$14,544</b>	<b>100</b>	<b>\$15,707</b>	<b>100</b>	<b>\$17,227</b>	<b>100</b>	<b>\$19,199</b>	<b>100</b>	<b>7.8 %</b>	<b>22.2 %</b>	<b>31.7 %</b>
<b>New England</b>	<b>16,052</b>	<b>110</b>	<b>15,317</b>	<b>105</b>	<b>16,328</b>	<b>104</b>	<b>19,426</b>	<b>113</b>	<b>22,421</b>	<b>117</b>	<b>1.7</b>	<b>37.3</b>	<b>39.7</b>
Connecticut	18,407	126	17,276	119	18,692	119	22,091	128	25,844	135	1.6	38.3	40.4
Maine	11,959	82	12,141	83	12,761	81	14,712	85	17,330	90	6.7	35.8	44.9
Massachusetts	16,232	111	15,591	107	16,457	105	19,803	115	22,796	119	1.4	38.5	40.4
New Hampshire	14,298	98	13,562	93	15,130	96	18,551	108	20,961	109	5.8	38.5	46.6
Rhode Island	14,577	100	13,800	95	14,745	94	17,203	100	19,451	101	1.2	31.9	33.4
Vermont	12,892	88	12,464	86	13,465	86	15,172	88	17,811	93	4.4	32.3	38.2
<b>Mid-Atlantic</b>	<b>16,480</b>	<b>113</b>	<b>16,066</b>	<b>110</b>	<b>16,820</b>	<b>107</b>	<b>19,178</b>	<b>111</b>	<b>22,306</b>	<b>116</b>	<b>2.1</b>	<b>32.6</b>	<b>35.3</b>
Delaware	16,893	116	16,053	110	16,015	102	17,754	103	20,317	106	-5.2	26.9	20.3
D.C.	17,413	119	18,984	131	19,870	127	21,537	125	26,094	136	14.1	31.3	49.9
Maryland	15,892	109	16,043	110	16,835	107	19,559	114	22,483	117	5.9	33.5	41.5
New Jersey	17,210	118	16,844	116	17,997	115	21,266	123	24,744	129	4.6	37.5	43.8
New York	17,558	120	16,650	114	16,978	108	19,707	114	22,925	119	-3.3	35.0	30.6
Pennsylvania	14,497	99	14,529	100	15,719	100	16,858	98	19,638	102	8.4	24.9	35.5
<b>Great Lakes</b>	<b>15,284</b>	<b>105</b>	<b>15,058</b>	<b>104</b>	<b>16,281</b>	<b>104</b>	<b>16,997</b>	<b>99</b>	<b>18,767</b>	<b>98</b>	<b>6.5</b>	<b>15.3</b>	<b>22.8</b>
Illinois	16,595	114	16,552	114	17,555	112	18,480	107	20,622	107	5.8	17.5	24.3
Indiana	14,057	96	13,828	95	15,031	96	15,533	90	17,275	90	6.9	14.9	22.9
Michigan	15,506	106	15,092	104	16,604	106	17,038	99	18,693	97	7.1	12.6	20.6
Ohio	14,845	102	14,487	100	15,571	99	16,407	95	18,001	94	4.9	15.6	21.3
Wisconsin	14,046	96	14,089	97	15,640	100	16,366	95	17,970	94	11.4	14.9	27.9
<b>Plains</b>	<b>13,534</b>	<b>93</b>	<b>14,113</b>	<b>97</b>	<b>15,275</b>	<b>97</b>	<b>16,405</b>	<b>95</b>	<b>18,103</b>	<b>94</b>	<b>12.9</b>	<b>18.5</b>	<b>33.8</b>
Iowa	13,725	94	14,149	97	15,405	98	15,569	90	17,102	89	12.2	11.0	24.6
Kansas	13,419	92	14,485	100	15,788	101	16,945	98	18,259	95	17.7	15.6	36.1
Minnesota	14,260	98	14,748	101	15,895	101	17,542	102	19,289	100	11.5	21.4	35.3
Missouri	13,511	93	13,498	93	14,970	95	16,363	95	18,105	94	10.8	20.9	34.0
Nebraska	13,522	93	13,852	95	14,921	95	15,916	92	18,047	94	10.3	21.0	33.5
North Dakota	11,390	78	15,286	105	13,984	89	15,007	87	15,594	81	22.8	11.5	36.9
South Dakota	11,241	77	12,926	89	13,534	86	13,934	81	16,419	86	20.4	21.3	46.1

Table 1-4 Continued

## Real Per Capita Income in 1969, 1974, 1979, 1984, and 1991

Year	1969	Index	1974	Index	1979	Index	1984	Index	1991	Index	% Change 1969-79	% Change 1979-91	% Change 1969-91			
<b>Southeast</b>	<b>\$11,661</b>	<b>80</b>	<b>\$12,280</b>	<b>84</b>	<b>\$13,334</b>	<b>85</b>	<b>\$14,928</b>	<b>87</b>	<b>\$17,062</b>	<b>89</b>	<b>14.3</b>	<b>%</b>	<b>28.0</b>	<b>%</b>	<b>46.3</b>	<b>%</b>
Alabama	10,407	71	11,004	76	12,209	78	13,266	77	15,601	81	17.3		27.8		49.9	
Arkansas	9,937	68	11,066	76	12,040	77	12,990	75	14,458	75	21.2		20.1		45.5	
Florida	13,847	95	14,286	98	15,107	96	17,126	99	19,203	100	9.1		27.1		38.7	
Georgia	12,039	83	12,456	86	13,263	84	15,473	90	17,636	92	10.2		33.0		46.5	
Kentucky	11,187	77	11,722	81	12,883	82	13,640	79	15,442	80	15.2		19.9		38.0	
Louisiana	10,981	75	11,484	79	13,348	85	14,500	84	15,067	78	21.6		12.9		37.2	
Mississippi	9,043	62	9,949	68	11,094	71	11,699	68	13,210	69	22.7		19.1		46.1	
North Carolina	11,489	79	11,993	82	12,665	81	14,401	84	16,810	88	10.2		32.7		46.3	
South Carolina	10,629	73	11,254	77	11,918	76	13,311	77	15,469	81	12.1		29.8		45.5	
Tennessee	11,210	77	11,867	82	12,812	82	14,053	82	16,489	86	14.3		28.7		47.1	
Virginia	13,457	92	13,906	96	15,205	97	17,625	102	20,074	105	13.0		32.0		49.2	
West Virginia	10,572	73	11,329	78	12,670	81	12,864	75	14,665	76	19.9		15.7		38.7	
<b>Southwest</b>	<b>12,639</b>	<b>87</b>	<b>13,089</b>	<b>90</b>	<b>14,958</b>	<b>95</b>	<b>16,310</b>	<b>95</b>	<b>16,965</b>	<b>88</b>	<b>18.3</b>		<b>13.4</b>		<b>34.2</b>	
Arizona	13,136	90	13,492	93	14,515	92	15,872	92	16,760	87	10.5		15.5		27.6	
New Mexico	11,038	76	11,557	79	12,902	82	13,759	80	14,818	77	16.9		14.8		34.2	
Oklahoma	12,089	83	12,647	87	14,371	91	15,287	89	15,656	82	18.9		8.9		29.5	
Texas	12,834	88	13,255	91	15,356	98	16,830	98	17,440	91	19.7		13.6		35.9	
<b>Rocky Mountain</b>	<b>12,968</b>	<b>89</b>	<b>13,903</b>	<b>96</b>	<b>14,945</b>	<b>95</b>	<b>16,012</b>	<b>93</b>	<b>17,495</b>	<b>91</b>	<b>15.2</b>		<b>17.1</b>		<b>34.9</b>	
Colorado	14,050	96	14,903	102	16,379	104	18,461	107	19,745	103	16.6		20.6		40.5	
Idaho	12,200	84	13,567	93	13,352	85	13,751	80	15,854	83	9.4		18.7		30.0	
Montana	12,261	84	13,459	93	13,871	88	14,281	83	15,793	82	13.1		13.9		28.8	
Utah	11,558	79	11,875	82	12,817	82	13,361	78	14,737	77	10.9		15.0		27.5	
Wyoming	13,473	92	15,250	105	17,732	113	16,414	95	18,295	95	31.6		3.2		35.8	
<b>Far West</b>	<b>16,714</b>	<b>115</b>	<b>16,294</b>	<b>112</b>	<b>17,969</b>	<b>114</b>	<b>19,232</b>	<b>112</b>	<b>20,601</b>	<b>107</b>	<b>7.5</b>		<b>14.6</b>		<b>23.3</b>	
Alaska	17,726	122	19,878	137	21,594	137	22,785	132	21,592	112	21.8		0.0		21.8	
California	17,168	118	16,599	114	18,332	117	19,864	115	20,880	109	6.8		13.9		21.6	
Hawaii	16,951	116	17,227	118	16,659	106	17,557	102	21,621	113	-1.7		29.8		27.6	
Nevada	17,115	117	16,288	112	18,353	117	18,318	106	20,774	108	7.2		13.2		21.4	
Oregon	13,954	96	14,472	100	15,933	101	15,863	92	17,789	93	14.2		11.6		27.5	
Washington	15,540	107	15,056	104	17,044.37	109	17,706	103	20,163	105	9.7		18.3		29.7	

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *State Summary Tables* (August 1994) (SA1-3, SA51-52), 1929-93, 1948-93.

Table 1-5

## Per Capita Personal Income Adjusted for the Cost of Living, 1991

	<u>Unadjusted</u> <u>Per Capita Income</u>	<u>Index</u>	<u>Cost of Living</u> <u>Index</u>	<u>Adjusted</u> <u>Per Capita Income</u>	<u>Index</u>	<u>Difference</u>
<b>United States</b>	<b>\$19,199</b>	<b>100</b>	<b>100</b>	<b>\$19,199</b>	<b>100</b>	<b>0</b>
<b>New England</b>	<b>22,421</b>	<b>117</b>	<b>109</b>	<b>20,570</b>	<b>107</b>	<b>10</b>
Connecticut	25,844	135	113	22,871	119	15
Maine	17,330	90	104	16,663	87	3
Massachusetts	22,796	119	115	19,823	103	15
New Hampshire	20,961	109	107	19,590	102	7
Rhode Island	19,451	101	112	17,367	90	11
Vermont	17,811	93	103	17,292	90	3
<b>Mid-Atlantic</b>	<b>22,306</b>	<b>116</b>	<b>107</b>	<b>20,814</b>	<b>108</b>	<b>8</b>
Delaware	20,317	106	104	19,536	102	4
D.C.	26,094	136	107	24,387	127	9
Maryland	22,483	117	98	22,942	119	-2
New Jersey	24,744	129	115	21,517	112	17
New York	22,925	119	114	20,110	105	15
Pennsylvania	19,638	102	105	18,703	97	5
<b>Great Lakes</b>	<b>18,767</b>	<b>98</b>	<b>96</b>	<b>19,549</b>	<b>102</b>	<b>-4</b>
Illinois	20,622	107	100	20,622	107	0
Indiana	17,275	90	95	18,184	95	-5
Michigan	18,693	97	94	19,886	104	-6
Ohio	18,001	94	97	18,558	97	-3
Wisconsin	17,970	94	94	19,117	100	-6
<b>Plains</b>	<b>18,103</b>	<b>94</b>	<b>93</b>	<b>19,496</b>	<b>102</b>	<b>-7</b>
Iowa	17,102	89	93	18,389	96	-7
Kansas	18,259	95	93	19,633	102	-7
Minnesota	19,289	100	94	20,520	107	-6
Missouri	18,105	94	93	19,468	101	-7
Nebraska	18,047	94	93	19,405	101	-7
North Dakota	15,594	81	93	16,768	87	-6
South Dakota	16,419	86	91	18,043	94	-8

**Per Capita Personal Income Adjusted for the Cost of Living, 1991**

	<b>Unadjusted Per Capita Income</b>	<b>Index</b>	<b>Cost of Living Index</b>	<b>Adjusted Per Capita Income</b>	<b>Index</b>	<b>Difference</b>
<b>Southeast</b>	<b>\$17,062</b>	<b>89</b>	<b>92</b>	<b>\$18,613</b>	<b>97</b>	<b>-8</b>
Alabama	15,601	81	92	16,958	88	-7
Arkansas	14,458	75	90	16,064	84	-8
Florida	19,203	100	94	20,429	106	-6
Georgia	17,636	92	91	19,380	101	-9
Kentucky	15,442	80	90	17,158	89	-9
Louisiana	15,067	78	92	16,377	85	-7
Mississippi	13,210	69	89	14,843	77	-9
North Carolina	16,810	88	91	18,473	96	-9
South Carolina	15,469	81	91	16,999	89	-8
Tennessee	16,489	86	93	17,730	92	-6
Virginia	20,074	105	96	20,910	109	-4
West Virginia	14,665	76	91	16,115	84	-8
<b>Southwest</b>	<b>16,965</b>	<b>88</b>	<b>94</b>	<b>18,096</b>	<b>94</b>	<b>-6</b>
Arizona	16,760	87	96	17,458	91	-4
New Mexico	14,818	77	97	15,276	80	-2
Oklahoma	15,656	82	91	17,204	90	-8
Texas	17,440	91	91	19,165	100	-9
<b>Rocky Mountain</b>	<b>17,495</b>	<b>91</b>	<b>96</b>	<b>18,186</b>	<b>95</b>	<b>-4</b>
Colorado	19,745	103	97	20,356	106	-3
Idaho	15,854	83	94	16,866	88	-5
Montana	15,793	82	95	16,624	87	-4
Utah	14,737	77	100	14,737	77	0
Wyoming	18,295	95	95	19,258	100	-5
<b>Far West</b>	<b>20,601</b>	<b>107</b>	<b>108</b>	<b>19,104</b>	<b>100</b>	<b>8</b>
Alaska	21,592	112	114	18,940	99	14
California	20,880	109	104	20,077	105	4
Hawaii	21,621	113	129	16,760	87	25
Nevada	20,774	108	100	20,774	108	0
Oregon	17,789	93	99	17,969	94	-1
Washington	20,163	105	101	19,963	104	1

Sources: U.S. Department of Commerce, Bureau of Economic Analysis, *State Summary Tables* (August 1994) (SA1-3, SA51-52), 1929-93, 1948-93.

Leonard/Friar Cost of Living Index -- Herman Leonard, *By Choice or By Chance* (Boston: Pioneer Institute for Policy Research, 1992)

**Table 1-6**  
**Tax Capacity According to the Representative Tax System**

<b>Year</b>	<b>1967</b>	<b>1980</b>	<b>1991</b>
<b>United States</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>New England</b>			
Connecticut	117	112	130
Maine	81	80	95
Massachusetts	98	96	117
New Hampshire	110	97	110
Rhode Island	91	84	89
Vermont	94	85	105
<b>Mid-Atlantic</b>			
Delaware	123	111	125
D.C.	121	111	123
Maryland	101	99	106
New Jersey	107	105	119
New York	108	90	103
Pennsylvania	91	93	96
<b>Great Lakes</b>			
Illinois	114	108	102
Indiana	99	92	90
Michigan	104	97	94
Ohio	100	97	93
Wisconsin	94	95	90
<b>Plains</b>			
Iowa	104	105	93
Kansas	105	109	93
Minnesota	95	102	101
Missouri	97	94	91
Nebraska	110	97	95
North Dakota	92	108	91
South Dakota	91	90	86
<b>Southeast</b>			
Alabama	70	76	81
Arkansas	77	79	78
Florida	104	100	103
Georgia	80	82	91
Kentucky	80	83	83
Louisiana	94	109	89
Mississippi	64	69	68
North Carolina	78	80	93
South Carolina	64	75	83
Tennessee	78	79	82
Virginia	86	95	103
West Virginia	75	94	77
<b>Southwest</b>			
Arizona	95	89	94
New Mexico	94	107	87
Oklahoma	102	117	87
Texas	98	124	97
<b>Rocky Mountain</b>			
Colorado	104	113	109
Idaho	91	88	82
Montana	105	112	91
Utah	87	86	82
Wyoming	141	196	134
<b>Far West</b>			
Alaska	99	260	178
California	124	117	115
Hawaii	99	107	146
Nevada	171	154	128
Oregon	106	103	100
Washington	112	103	108

*Source:* U.S. Advisory Commission on Intergovernmental Relations, *State Revenue Capacity and Effort --RTS 1991*, September 1993, Table C-1.

**Table 1-7**

**Significant Differences Between Per Capita Income and RTS Tax Capacity Measures, 1991**

<u>Size of Difference</u>	<u>Higher RTS States</u>		<u>Higher Per Capita Income States</u>	
<b>Greater than 10 points</b>	Alaska	65.5	New York	16.4
	Wyoming	38.7	Washington DC	12.9
	Hawaii	33.4	Rhode Island	12.3
	Nevada	19.8	Maryland	11.1
	Delaware	19.2		
	Vermont	12.2		
	Louisiana	10.5		
<b>6-9.9 points</b>	New Mexico	9.8	New Jersey	9.9
	North Dakota	9.8	Pennsylvania	6.3
	Montana	8.7		
	Oregon	7.3		
	Arizona	6.7		
	California	6.2		
	Texas	6.2		
	Colorado	6.2		
<b>3-5.9 points</b>	Oklahoma	5.5	Illinois	5.4
	North Carolina	5.4	Connecticut	4.6
	Utah	5.2	Tennessee	3.9
	Maine	4.7	Wisconsin	3.6
	Iowa	3.9	Michigan	3.4
			Missouri	3.3

Sources: U.S. Advisory Commission on Intergovernmental Relations, *State Revenue Capacity and Effort -- RTS 1991*, September 1993, Table C-1.

U.S. Department of Commerce, Bureau of Economic Analysis, *State Summary Tables* (August 1994) (SA1-3, SA51-52), 1929-93, 1948-93.



**Table 1-8****Federal Aid to State and Local Governments Per \$100 of Personal Income, 1970 to 1992**

<b>Year</b>	<b>Total</b>	<b>State</b>	<b>Local</b>	<b>Federal Aid as a % of Total Tax Revenues</b>
1970	\$2.85	\$2.51	\$0.34	25.2%
1971	3.17	2.76	0.41	27.5
1972	3.52	3.02	0.50	28.7
1973	4.03	3.22	0.81	32.4
1974	3.83	2.90	0.94	32.0
1975	3.92	3.01	0.91	33.3
1976	4.27	3.23	1.05	35.4
1977	4.34	3.19	1.16	35.6
1978	4.36	3.14	1.22	35.9
1979	4.17	3.03	1.15	36.6
1980	4.10	3.06	1.05	37.2
1981	4.00	3.00	1.00	36.9
1982	3.44	2.61	0.83	32.6
1983	3.35	2.57	0.79	31.6
1984	3.40	2.66	0.73	28.5
1985	3.38	2.69	0.69	30.4
1986	3.36	2.75	0.61	30.3
1987	3.21	2.67	0.55	28.4
1988	3.10	2.65	0.45	27.0
1989	3.10	2.66	0.43	26.8
1990	3.13	2.71	0.42	27.3
1991	3.31	2.90	0.41	29.3
1992	3.70	3.29	0.42	32.3

Source: U.S. Census Bureau, *Government Finances in {various years}*.

Table 1-9

## Federal Aid to State and Local Governments Per \$100 of Personal Income, 1970, 1980 and 1992

	<u>FY1970</u>	<u>Index</u>	<u>FY1980</u>	<u>Index</u>	<u>FY1992</u>	<u>Index</u>	<u>Rank</u> <u>FY 1992</u>	<u>% Change</u> <u>1970-80</u>	<u>% Change</u> <u>1980-92</u>	<u>% Change</u> <u>1970-92</u>	<u>Rank</u> <u>% Change</u> <u>1970-92</u>
<b>United States</b>	<b>\$2.85</b>	<b>100</b>	<b>\$4.10</b>	<b>100</b>	<b>\$3.70</b>	<b>100</b>		<b>43.9 %</b>	<b>-9.7 %</b>	<b>29.9 %</b>	
<b>New England</b>	<b>2.47</b>	<b>87</b>	<b>4.49</b>	<b>110</b>	<b>3.59</b>	<b>97</b>		<b>82.0</b>	<b>-20.1</b>	<b>45.5</b>	
Connecticut	1.78	62	2.93	72	2.91	79	45	64.8	-0.9	63.3	6
Maine	3.19	112	5.90	144	4.66	126	15	84.8	-20.9	46.2	13
Massachusetts	2.53	89	5.01	122	3.55	96	33	97.9	-29.2	40.1	18
New Hampshire	2.36	83	3.93	96	3.38	91	38	66.5	-14.1	43.0	16
Rhode Island	3.29	116	5.33	130	5.19	140	11	61.7	-2.6	57.5	9
Vermont	4.93	173	7.04	172	5.12	138	12	42.9	-27.3	3.9	38
<b>Mid Atlantic</b>	<b>2.47</b>	<b>87</b>	<b>4.29</b>	<b>105</b>	<b>3.93</b>	<b>106</b>		<b>73.5</b>	<b>-8.3</b>	<b>59.1</b>	
Delaware	4.44	156	5.07	124	3.16	85	40	14.2	-37.7	-28.8	50
D.C.	7.82	274	15.35	374	11.45	309	1	96.3	-25.4	46.5	12
Maryland	2.22	78	4.10	100	2.73	74	48	84.9	-33.3	23.3	24
New Jersey	1.68	59	2.99	73	2.79	75	47	78.3	-6.6	66.5	4
New York	2.66	93	4.93	120	4.63	125	16	85.1	-6.0	73.9	3
Pennsylvania	2.26	79	3.43	84	3.75	101	24	52.2	9.2	66.1	5
<b>Great Lakes</b>	<b>2.09</b>	<b>73</b>	<b>3.60</b>	<b>88</b>	<b>3.36</b>	<b>91</b>		<b>72.3</b>	<b>-6.7</b>	<b>60.8</b>	
Illinois	2.17	76	3.51	85	2.83	77	46	61.2	-19.1	30.4	20
Indiana	1.80	63	2.57	63	3.44	93	36	42.7	33.7	90.9	2
Michigan	2.30	81	4.42	108	3.66	99	25	92.5	-17.3	59.1	8
Ohio	1.88	66	3.19	78	3.60	97	32	69.6	12.7	91.1	1
Wisconsin	2.25	79	4.26	104	3.61	98	31	89.2	-15.2	60.4	7
<b>Plains</b>	<b>2.84</b>	<b>100</b>	<b>3.97</b>	<b>97</b>	<b>3.48</b>	<b>94</b>		<b>39.9</b>	<b>-12.4</b>	<b>22.5</b>	
Iowa	2.54	89	3.55	87	3.64	98	26	39.8	2.4	43.2	15
Kansas	2.76	97	3.46	84	2.97	80	44	25.2	-14.2	7.5	36
Minnesota	2.88	101	4.30	105	3.20	86	39	49.5	-25.6	11.2	31
Missouri	2.78	98	3.94	96	3.43	93	37	41.5	-12.9	23.3	23
Nebraska	2.44	86	3.52	86	3.44	93	35	44.3	-2.3	40.9	17
North Dakota	4.21	148	5.34	130	6.11	165	6	26.7	14.4	45.0	14
South Dakota	4.71	165	5.90	144	5.20	140	10	25.1	-11.8	10.3	35

Table 1-9 continued

## Federal Aid to State and Local Governments Per \$100 of Personal Income, 1970, 1980 and 1992

	<u>FY1970</u>	<u>Index</u>	<u>FY1980</u>	<u>Index</u>	<u>FY1992</u>	<u>Index</u>	<u>Rank</u> <u>FY 1992</u>	<u>% Change</u> <u>1970-80</u>	<u>% Change</u> <u>1980-92</u>	<u>% Change</u> <u>1970-92</u>	<u>Rank</u> <u>% Change</u> <u>1970-92</u>
<b>Southeast</b>	<b>\$3.32</b>	<b>116</b>	<b>\$4.56</b>	<b>111</b>	<b>\$3.80</b>	<b>103</b>		<b>37.4 %</b>	<b>-16.7 %</b>	<b>14.5 %</b>	
Alabama	4.83	169	5.43	132	4.59	124	18	12.4	-15.4	-4.9	42
Arkansas	4.46	157	5.33	130	5.02	136	13	19.4	-5.9	12.4	29
Florida	1.94	68	3.34	82	2.49	67	49	72.5	-25.4	28.6	21
Georgia	3.18	112	4.69	114	3.63	98	27	47.6	-22.7	14.1	28
Kentucky	3.98	140	5.01	122	4.89	132	14	25.8	-2.3	22.9	25
Louisiana	4.20	147	5.34	130	6.28	170	5	27.2	17.7	49.7	11
Mississippi	5.32	187	6.72	164	6.37	172	4	26.3	-5.2	19.8	26
North Carolina	2.74	96	4.64	113	3.62	98	30	69.6	-21.9	32.4	19
South Carolina	3.05	107	4.59	112	4.59	124	17	50.5	0.2	50.8	10
Tennessee	3.64	128	4.76	116	4.52	122	20	30.6	-5.1	24.0	22
Virginia	2.52	88	3.71	91	2.34	63	51	47.6	-37.0	-7.0	43
West Virginia	5.29	186	5.72	139	5.62	152	8	8.1	-1.7	6.2	37
<b>Southwest</b>	<b>3.34</b>	<b>117</b>	<b>3.43</b>	<b>84</b>	<b>3.35</b>	<b>91</b>		<b>2.7</b>	<b>-2.4</b>	<b>0.3</b>	
Arizona	3.60	126	3.67	89	3.44	93	34	1.8	-6.2	-4.5	41
New Mexico	6.85	240	5.84	143	5.40	146	9	-14.6	-7.6	-21.1	49
Oklahoma	4.57	160	4.07	99	3.82	103	23	-10.9	-6.3	-16.5	45
Texas	2.76	97	3.07	75	3.10	84	42	11.4	0.9	12.3	30
<b>Rocky Mountain</b>	<b>4.41</b>	<b>155</b>	<b>4.76</b>	<b>116</b>	<b>4.14</b>	<b>112</b>		<b>7.8</b>	<b>-12.9</b>	<b>-6.1</b>	
Colorado	3.47	122	3.73	91	3.13	85	41	7.7	-16.1	-9.6	44
Idaho	3.66	128	4.70	115	4.06	110	22	28.6	-13.6	11.1	33
Montana	5.47	192	6.90	168	6.06	164	7	26.2	-12.2	10.8	34
Utah	5.52	194	5.58	136	4.56	123	19	1.0	-18.2	-17.4	46
Wyoming	7.27	255	5.99	146	8.08	218	2	-17.6	34.8	11.2	32
<b>Far West</b>	<b>3.69</b>	<b>129</b>	<b>4.08</b>	<b>99</b>	<b>3.81</b>	<b>103</b>		<b>10.6</b>	<b>-6.5</b>	<b>3.4</b>	
Alaska	7.89	277	8.71	212	6.49	175	3	10.4	-25.4	-17.7	47
California	3.70	130	3.86	94	3.63	98	28	4.1	-5.9	-2.1	40
Hawaii	4.41	155	5.25	128	3.63	98	29	19.1	-30.9	-17.7	48
Nevada	3.56	125	3.75	91	2.45	66	50	5.3	-34.7	-31.3	51
Oregon	3.77	132	5.38	131	4.34	117	21	42.4	-19.2	15.1	27
Washington	2.94	103	3.88	95	3.04	82	43	32.0	-21.6	3.5	39

Sources: U.S. Census Bureau, *Government Finances in {various years}*.U.S. Department of Commerce, Bureau of Economic Analysis, *State Summary Tables* (August 1994) (SA1-3, SA51-52), 1929-93, 1948-93.

Table 1-10

## State and Local Tax Revenue Per \$100 of Personal Income, 1970-92

FY	State							
	Total	Local	Total	General Sales	Personal Income	Corporate Income	Severance	Other
1970	\$11.31	\$5.06	\$6.24	\$1.86	\$1.20	\$0.49	\$0.09	\$2.61
1971	11.51	5.27	6.28	1.88	1.24	0.42	0.09	2.65
1972	12.25	5.51	6.77	1.99	1.47	0.50	0.09	2.72
1973	12.42	5.44	7.01	2.04	1.61	0.56	0.09	2.72
1974	11.97	5.17	6.82	2.08	1.57	0.55	0.12	2.51
1975	11.78	5.11	6.71	2.07	1.57	0.56	0.15	2.36
1976	12.04	5.19	6.88	2.11	1.65	0.56	0.16	2.40
1977	12.20	5.19	7.04	2.15	1.78	0.64	0.15	2.32
1978	12.13	5.03	7.12	2.22	1.83	0.68	0.16	2.24
1979	11.40	4.47	6.96	2.20	1.82	0.68	0.16	2.10
1980	11.04	4.27	6.79	2.14	1.84	0.66	0.21	1.95
1981	10.82	4.20	6.65	2.06	1.82	0.63	0.28	1.86
1982	10.54	4.10	6.46	2.00	1.81	0.56	0.31	1.78
1983	10.61	4.22	6.41	2.01	1.86	0.49	0.28	1.77
1984	11.90	4.32	6.91	2.20	2.07	0.54	0.26	1.84
1985	11.12	4.28	6.87	2.22	2.04	0.56	0.23	1.82
1986	11.08	4.31	6.79	2.23	2.02	0.55	0.18	1.81
1987	11.32	4.42	6.92	2.23	2.13	0.58	0.11	1.87
1988	11.50	4.53	6.99	2.31	2.12	0.57	0.11	1.88
1989	11.54	4.54	7.02	2.31	2.19	0.59	0.10	1.82
1990	11.49	4.61	6.90	2.29	2.21	0.50	0.11	1.80
1991	11.28	4.61	6.69	2.22	2.14	0.44	0.12	1.78
1992	11.48	4.69	6.81	2.23	2.16	0.45	0.10	1.87

Sources: U.S. Census Bureau, *Government Finances in {various years}*; and

U.S. Department of Commerce, Bureau of Economic Analysis, *State Summary Tables* (August 1994) (SA1-3, SA51-52), 1929-93, 1948-93.

Table 1-11

## State and Local Tax Revenue Per \$100 of Personal Income, 1970, 1980, and 1992

	<u>FY 1970</u>	<u>Index</u>	<u>FY 1980</u>	<u>Index</u>	<u>FY 1992</u>	<u>Index</u>	<u>Rank</u> <u>FY 1992</u>	<u>% Change</u> <u>1970-80</u>	<u>% Change</u> <u>1980-92</u>	<u>% Change</u> <u>1970-92</u>	<u>Rank</u> <u>% Change</u> <u>1970-92</u>
<b>United States</b>	<b>\$11.31</b>	<b>100</b>	<b>\$11.04</b>	<b>100</b>	<b>\$11.50</b>	<b>100</b>		<b>-2.4 %</b>	<b>4.2 %</b>	<b>1.7 %</b>	
<b>New England</b>	<b>11.19</b>	<b>99</b>	<b>11.67</b>	<b>106</b>	<b>11.45</b>	<b>100</b>		<b>4.3</b>	<b>-1.9</b>	<b>2.3</b>	
Connecticut	10.17	90	10.00	91	11.80	103	15	-1.7	18.0	16.0	5
Maine	12.17	108	11.72	106	12.42	108	9	-3.7	6.0	2.0	26
Massachusetts	11.79	104	13.14	119	11.20	97	25	11.5	-14.7	-5.0	38
New Hampshire	9.07	80	8.60	78	10.07	88	45	-5.1	17.1	11.1	9
Rhode Island	10.90	96	11.61	105	11.50	100	19	6.5	-0.9	5.5	16
Vermont	14.20	126	11.76	107	12.89	112	8	-17.1	9.6	-9.2	45
<b>Mid Atlantic</b>	<b>12.30</b>	<b>109</b>	<b>12.82</b>	<b>116</b>	<b>13.13</b>	<b>114</b>		<b>4.2</b>	<b>2.4</b>	<b>6.8</b>	
Delaware	10.33	91	11.44	104	11.70	102	17	10.8	2.2	13.3	7
D.C.	11.26	100	12.58	114	15.52	135	2	11.7	23.4	37.8	2
Maryland	11.57	102	11.41	103	10.49	91	40	-1.4	-8.1	-9.3	46
New Jersey	10.04	89	11.00	100	11.90	103	13	9.6	8.2	18.6	4
New York	14.31	127	15.27	138	15.47	135	3	6.7	1.3	8.1	13
Pennsylvania	10.63	94	10.83	98	11.19	97	27	1.9	3.4	5.3	17
<b>Great Lakes</b>	<b>10.79</b>	<b>95</b>	<b>10.78</b>	<b>98</b>	<b>11.21</b>	<b>97</b>		<b>-0.1</b>	<b>4.0</b>	<b>3.9</b>	
Illinois	11.29	100	12.29	111	10.78	94	35	8.9	-12.3	-4.5	36
Indiana	9.80	87	8.64	78	10.44	91	41	-11.8	20.7	6.4	14
Michigan	11.35	100	11.29	102	11.70	102	16	-0.5	3.6	3.1	25
Ohio	8.91	79	9.06	82	10.83	94	34	1.7	19.6	21.6	3
Wisconsin	13.96	123	11.92	108	13.06	114	5	-14.6	9.6	-6.5	42
<b>Plains</b>	<b>11.31</b>	<b>100</b>	<b>10.63</b>	<b>96</b>	<b>11.12</b>	<b>97</b>		<b>-6.0</b>	<b>4.7</b>	<b>-1.6</b>	
Iowa	12.24	108	10.92	99	11.94	104	12	-10.7	9.3	-2.5	34
Kansas	11.31	100	10.29	93	10.86	94	32	-9.0	5.6	-3.9	35
Minnesota	11.99	106	12.44	113	12.98	113	6	3.8	4.3	8.2	12
Missouri	9.77	86	8.89	81	9.26	81	50	-9.1	4.2	-5.2	39
Nebraska	11.28	100	11.29	102	11.27	98	24	0.1	-0.1	-0.1	28
North Dakota	12.54	111	10.56	96	11.32	98	23	-15.8	7.2	-9.8	47
South Dakota	13.50	119	10.16	92	9.62	84	47	-24.7	-5.3	-28.8	51

Table 1-11 continued

## State and Local Tax Revenue Per \$100 of Personal Income, 1970, 1980, and 1992

	<u>FY 1970</u>	<u>Index</u>	<u>FY 1980</u>	<u>Index</u>	<u>FY 1992</u>	<u>Index</u>	<u>Rank</u> <u>FY 1992</u>	<u>% Change</u> <u>1970-80</u>	<u>% Change</u> <u>1980-92</u>	<u>% Change</u> <u>1970-92</u>	<u>Rank</u> <u>% Change</u> <u>1970-92</u>
<b>Southeast</b>	<b>\$10.17</b>	<b>90</b>	<b>\$9.86</b>	<b>89</b>	<b>\$10.33</b>	<b>90</b>		<b>-3.0 %</b>	<b>4.7 %</b>	<b>1.5 %</b>	
Alabama	9.51	84	9.32	84	9.31	81	48	-2.0	-0.2	-2.2	32
Arkansas	9.73	86	9.53	86	10.60	92	36	-2.0	11.2	8.9	10
Florida	9.79	87	8.99	81	10.17	88	43	-8.2	13.2	3.9	23
Georgia	9.98	88	10.25	93	10.58	92	37	2.7	3.3	6.0	15
Kentucky	10.28	91	10.05	91	11.49	100	20	-2.2	14.2	11.7	8
Louisiana	11.60	103	11.14	101	11.07	96	29	-3.9	-0.7	-4.6	37
Mississippi	12.48	110	10.20	92	10.10	88	44	-18.3	-1.0	-19.1	49
North Carolina	10.45	92	10.42	94	10.93	95	30	-0.3	4.9	4.6	20
South Carolina	9.94	88	10.46	95	10.36	90	42	5.2	-0.9	4.2	21
Tennessee	9.59	85	9.03	82	9.05	79	51	-5.8	0.2	-5.6	40
Virginia	9.74	86	9.84	89	10.05	87	46	1.1	2.1	3.2	24
West Virginia	10.87	96	11.00	100	11.38	99	22	1.2	3.5	4.7	19
<b>Southwest</b>	<b>10.08</b>	<b>89</b>	<b>10.00</b>	<b>91</b>	<b>11.11</b>	<b>97</b>		<b>-0.7</b>	<b>11.1</b>	<b>10.2</b>	
Arizona	12.63	112	12.45	113	12.34	107	10	-1.4	-0.9	-2.3	33
New Mexico	12.50	111	12.05	109	12.34	107	11	-3.6	2.4	-1.3	29
Oklahoma	9.76	86	10.20	92	10.57	92	38	4.5	3.5	8.2	11
Texas	9.55	84	9.37	85	10.85	94	33	-1.9	15.9	13.7	6
<b>Rocky Mountain</b>	<b>11.86</b>	<b>105</b>	<b>11.30</b>	<b>102</b>	<b>11.17</b>	<b>97</b>		<b>-4.7</b>	<b>-1.2</b>	<b>-5.9</b>	
Colorado	11.61	103	10.67	97	10.54	92	39	-8.1	-1.2	-9.2	44
Idaho	10.97	97	9.96	90	11.53	100	18	-9.2	15.8	5.1	18
Montana	12.41	110	12.52	113	11.41	99	21	0.9	-8.9	-8.0	43
Utah	12.53	111	11.78	107	11.83	103	14	-6.1	0.5	-5.6	41
Wyoming	12.44	110	14.33	130	12.96	113	7	15.2	-9.6	4.2	22
<b>Far West</b>	<b>12.30</b>	<b>109</b>	<b>11.55</b>	<b>105</b>	<b>11.85</b>	<b>103</b>		<b>-6.1</b>	<b>2.6</b>	<b>-3.7</b>	
Alaska	9.18	81	33.87	307	17.25	150	1	269.0	-49.1	87.9	1
California	12.60	111	11.34	103	11.15	97	28	-10.1	-1.6	-11.5	48
Hawaii	13.37	118	13.57	123	13.09	114	4	1.4	-3.5	-2.1	31
Nevada	11.74	104	9.64	87	9.29	81	49	-17.9	-3.6	-20.9	50
Oregon	11.11	98	10.93	99	11.20	97	26	-1.6	2.5	0.8	27
Washington	11.11	98	10.40	94	10.90	95	31	-6.4	4.8	-1.9	30

Sources: U.S. Census Bureau, *Government Finances in {various years}*; and

U.S. Department of Commerce, Bureau of Economic Analysis, *State Summary Tables* (August 1994) (SA1-3, SA51-52), 1929-93, 1948-93.

Table 1-12

## State Tax Revenue Per \$100 of Personal Income, 1970, 1980 and 1992

	FY 1970	Index	FY 1980	Index	FY 1992	Index	Rank FY 1992	% Change 1970-80	% Change 1980-92	% Change 1970-92	Rank % Change 1970-92
<b>United States</b>	<b>\$6.25</b>	<b>100</b>	<b>\$6.77</b>	<b>100</b>	<b>\$6.82</b>	<b>100</b>		<b>8.3 %</b>	<b>0.7 %</b>	<b>9.1 %</b>	
<b>New England</b>	<b>5.68</b>	<b>91</b>	<b>6.46</b>	<b>95</b>	<b>6.93</b>	<b>102</b>		<b>13.6</b>	<b>7.4</b>	<b>22.0</b>	
Connecticut	5.13	82	5.53	82	7.16	105	26	7.7	29.5	39.5	5
Maine	6.69	107	7.51	111	7.82	115	15	12.3	4.0	16.9	14
Massachusetts	5.81	93	7.23	107	7.22	106	25	24.5	-0.2	24.3	9
New Hampshire	3.50	56	3.38	50	3.48	51	50	-3.5	2.9	-0.7	34
Rhode Island	6.43	103	6.80	100	6.83	100	30	5.7	0.4	6.1	28
Vermont	9.17	147	6.81	101	7.58	111	19	-25.7	11.2	-17.4	48
<b>Mid Atlantic</b>	<b>6.32</b>	<b>101</b>	<b>6.72</b>	<b>99</b>	<b>6.88</b>	<b>101</b>		<b>6.4</b>	<b>2.3</b>	<b>8.8</b>	
Delaware	8.20	131	9.37	138	9.12	134	4	14.3	-2.6	11.3	23
Maryland	6.54	105	6.76	100	5.96	87	41	3.4	-11.8	-8.8	45
New Jersey	4.17	67	5.60	83	6.49	95	35	34.3	16.0	55.7	2
New York	7.35	118	7.40	109	7.38	108	23	0.6	-0.2	0.4	31
Pennsylvania	6.24	100	6.76	100	7.04	103	28	8.4	4.2	12.9	19
<b>Great Lakes</b>	<b>5.80</b>	<b>93</b>	<b>6.13</b>	<b>91</b>	<b>6.36</b>	<b>93</b>		<b>5.7</b>	<b>3.6</b>	<b>9.6</b>	
Illinois	5.99	96	6.14	91	5.61	82	44	2.7	-8.7	-6.2	42
Indiana	5.30	85	5.71	84	6.68	98	31	7.7	17.0	26.0	7
Michigan	6.58	105	6.75	100	6.41	94	37	2.5	-5.0	-2.6	37
Ohio	4.15	66	4.94	73	6.20	91	39	19.0	25.5	49.3	3
Wisconsin	8.28	133	8.04	119	8.24	121	10	-3.0	2.5	-0.5	33
<b>Plains</b>	<b>5.92</b>	<b>95</b>	<b>6.52</b>	<b>96</b>	<b>6.86</b>	<b>101</b>		<b>10.1</b>	<b>5.3</b>	<b>15.9</b>	
Iowa	6.24	100	6.77	100	7.41	109	22	8.6	9.4	18.8	13
Kansas	5.49	88	5.97	88	6.15	90	40	8.7	3.1	12.1	22
Minnesota	7.28	116	8.69	128	8.74	128	6	19.4	0.5	20.0	12
Missouri	5.00	80	4.98	74	5.46	80	47	-0.4	9.6	9.2	24
Nebraska	5.01	80	6.10	90	6.57	96	34	21.7	7.9	31.2	6
North Dakota	6.57	105	7.10	105	7.53	110	21	8.1	6.0	14.6	16
South Dakota	5.74	92	5.05	75	4.96	73	49	-11.9	-1.8	-13.5	47
<b>Southeast</b>	<b>6.91</b>	<b>111</b>	<b>6.81</b>	<b>101</b>	<b>6.56</b>	<b>96</b>		<b>-1.5</b>	<b>-3.7</b>	<b>-5.1</b>	
Alabama	7.02	112	6.85	101	6.61	97	33	-2.5	-3.4	-5.8	40
Arkansas	7.06	113	7.40	109	7.92	116	13	4.8	7.0	12.2	21
Florida	5.91	94	5.85	86	5.76	84	42	-1.0	-1.6	-2.5	36
Georgia	6.57	105	6.65	98	6.24	92	38	1.3	-6.1	-4.9	39
Kentucky	7.51	120	7.96	118	8.67	127	7	6.0	9.0	15.5	15
Louisiana	8.07	129	7.56	112	6.65	97	32	-6.3	-12.1	-17.6	49
Mississippi	9.25	148	7.87	116	7.26	107	24	-14.9	-7.8	-21.5	50
North Carolina	7.87	126	7.62	113	7.89	116	14	-3.1	3.5	0.2	32
South Carolina	7.61	122	7.94	117	7.14	105	27	4.4	-10.1	-6.1	41
Tennessee	6.01	96	5.66	84	5.54	81	45	-5.8	-2.1	-7.8	44
Virginia	5.88	94	5.90	87	5.51	81	46	0.3	-6.7	-6.4	43
West Virginia	7.97	128	8.65	128	9.03	132	5	8.5	4.4	13.3	17
<b>Southwest</b>	<b>5.97</b>	<b>96</b>	<b>6.25</b>	<b>92</b>	<b>6.40</b>	<b>94</b>		<b>4.6</b>	<b>2.4</b>	<b>7.1</b>	
Arizona	7.95	127	7.66	113	7.76	114	16	-3.6	1.3	-2.3	35
New Mexico	9.37	150	9.76	144	9.75	143	3	4.2	-0.1	4.1	29
Oklahoma	6.26	100	7.25	107	7.58	111	20	15.7	4.5	21.0	11
Texas	5.33	85	5.52	82	5.67	83	43	3.7	2.6	6.4	27
<b>Rocky Mountain</b>	<b>6.50</b>	<b>104</b>	<b>6.50</b>	<b>96</b>	<b>6.63</b>	<b>97</b>		<b>-0.1</b>	<b>1.9</b>	<b>1.9</b>	
Colorado	5.90	94	5.56	82	5.30	78	48	-5.7	-4.8	-10.3	46
Idaho	6.91	111	6.86	101	8.64	127	8	-0.7	26.0	25.1	8
Montana	5.78	93	6.94	102	8.17	120	11	19.9	17.9	41.3	4
Utah	7.95	127	7.54	111	7.60	111	18	-5.1	0.7	-4.4	38
Wyoming	7.29	117	8.44	125	7.95	117	12	15.8	-5.8	9.1	25
<b>Far West</b>	<b>6.47</b>	<b>104</b>	<b>8.08</b>	<b>119</b>	<b>7.83</b>	<b>115</b>		<b>24.9</b>	<b>-3.1</b>	<b>21.0</b>	
Alaska	6.26	100	29.06	429	12.83	188	1	364.4	-55.8	105.1	1
California	6.21	99	7.91	117	7.64	112	17	27.4	-3.4	23.1	10
Hawaii	10.33	165	10.99	162	11.26	165	2	6.3	2.5	9.0	26
Nevada	6.94	111	5.91	87	7.02	103	29	-14.8	18.7	1.2	30
Oregon	5.72	92	6.17	91	6.46	95	36	7.9	4.7	12.9	18
Washington	7.56	121	7.43	110	8.50	125	9	-1.7	14.4	12.4	20

Sources: U.S. Census Bureau, *Government Finances in (various years)*.U.S. Department of Commerce, Bureau of Economic Analysis, *State Summary Tables* (August 1994) (SA1-3, SA51-52), 1929-93, 1948-93.

Table 1-13

## Local Tax Revenue Per \$100 of Personal Income, 1970, 1980 and 1992

	FY 1970	Index	FY 1980	Index	FY 1992	Index	Rank FY 1992	% Change 1970-80	% Change 1980-92	% Change 1970-92	Rank % Change 1970-92
<b>United States</b>	<b>\$5.06</b>	<b>100</b>	<b>\$4.27</b>	<b>100</b>	<b>\$4.69</b>	<b>100</b>		<b>-15.7 %</b>	<b>10.0 %</b>	<b>-7.3 %</b>	
<b>New England</b>	<b>5.51</b>	<b>109</b>	<b>5.22</b>	<b>122</b>	<b>4.52</b>	<b>96</b>		<b>-5.3</b>	<b>-13.4</b>	<b>-18.1</b>	
Connecticut	5.04	100	4.47	105	4.68	100	19	-11.3	4.6	-7.2	26
Maine	5.48	108	4.20	99	4.65	99	21	-23.3	10.5	-15.2	37
Massachusetts	5.98	118	5.90	138	3.96	84	31	-1.2	-33.0	-33.8	46
New Hampshire	5.57	110	5.23	123	6.50	139	3	-6.1	24.4	16.8	8
Rhode Island	4.47	88	4.81	113	4.80	102	13	7.5	0.0	7.5	14
Vermont	5.03	99	4.95	116	5.34	114	4	-1.5	7.8	6.2	15
<b>Mid Atlantic</b>	<b>5.98</b>	<b>118</b>	<b>6.10</b>	<b>143</b>	<b>6.29</b>	<b>134</b>		<b>2.0</b>	<b>3.1</b>	<b>5.2</b>	
Delaware	2.13	42	2.07	49	2.00	43	51	-2.7	-3.5	-6.1	25
D.C.	11.26	223	12.58	295	15.52	331	1	11.7	23.4	37.8	3
Maryland	5.03	99	4.64	109	4.54	97	22	-7.7	-2.2	-9.7	29
New Jersey	5.86	116	5.40	126	5.24	112	9	-8.0	-2.9	-10.6	31
New York	6.95	137	7.87	184	8.19	175	2	13.2	4.0	17.8	7
Pennsylvania	4.39	87	4.07	95	4.26	91	28	-7.3	4.6	-3.0	22
<b>Great Lakes</b>	<b>4.99</b>	<b>99</b>	<b>4.65</b>	<b>109</b>	<b>4.83</b>	<b>103</b>		<b>-6.9</b>	<b>4.0</b>	<b>-3.2</b>	
Illinois	5.30	105	6.14	144	5.11	109	11	15.9	-16.8	-3.6	23
Indiana	4.50	89	2.94	69	3.75	80	34	-34.8	27.7	-16.8	39
Michigan	4.77	94	4.55	107	5.26	112	5	-4.6	15.8	10.4	12
Ohio	4.76	94	4.12	97	4.68	100	18	-13.4	13.5	-1.7	18
Wisconsin	5.68	112	3.88	91	4.75	101	14	-31.6	22.2	-16.4	38
<b>Plains</b>	<b>5.39</b>	<b>107</b>	<b>4.11</b>	<b>96</b>	<b>4.23</b>	<b>90</b>		<b>-23.7</b>	<b>3.0</b>	<b>-21.5</b>	
Iowa	6.00	119	4.15	97	4.39	94	26	-30.8	5.7	-26.9	45
Kansas	5.82	115	4.32	101	4.70	100	16	-25.7	8.9	-19.1	41
Minnesota	4.71	93	3.75	88	4.25	91	29	-20.3	13.3	-9.7	30
Missouri	4.77	94	3.90	91	3.76	80	33	-18.2	-3.5	-21.1	42
Nebraska	6.27	124	5.19	122	4.69	100	17	-17.2	-9.7	-25.2	43
North Dakota	5.97	118	3.46	81	3.68	78	35	-42.1	6.4	-38.4	48
South Dakota	7.76	153	5.11	120	4.71	100	15	-34.2	-7.7	-39.3	50
<b>Southeast</b>	<b>3.26</b>	<b>64</b>	<b>3.05</b>	<b>71</b>	<b>3.77</b>	<b>80</b>		<b>-6.4</b>	<b>23.6</b>	<b>15.7</b>	
Alabama	2.50	49	2.48	58	2.69	57	45	-0.8	8.8	8.0	13
Arkansas	2.67	53	2.13	50	2.59	55	48	-20.0	21.4	-2.9	21
Florida	3.88	77	3.14	74	4.48	95	24	-19.2	42.7	15.3	11
Georgia	3.42	68	3.60	84	4.37	93	27	5.4	21.2	27.8	4
Kentucky	2.77	55	2.09	49	2.63	56	47	-24.5	25.5	-5.3	24
Louisiana	3.53	70	3.58	84	4.42	94	25	1.5	23.3	25.2	5
Mississippi	3.23	64	2.33	55	2.82	60	44	-28.1	21.0	-13.0	33
North Carolina	2.58	51	2.80	66	2.99	64	42	8.5	6.8	15.8	10
South Carolina	2.33	46	2.51	59	3.22	69	38	7.8	27.9	37.9	2
Tennessee	3.58	71	3.38	79	3.51	75	36	-5.7	4.1	-1.9	19
Virginia	3.85	76	3.94	92	4.48	96	23	2.3	13.8	16.4	9
West Virginia	2.90	57	2.36	55	2.47	53	50	-18.9	4.8	-15.0	35
<b>Southwest</b>	<b>4.11</b>	<b>81</b>	<b>3.76</b>	<b>88</b>	<b>4.75</b>	<b>101</b>		<b>-8.5</b>	<b>26.4</b>	<b>15.6</b>	
Arizona	4.68	93	4.79	112	4.65	99	20	2.3	-2.9	-0.7	17
New Mexico	3.14	62	2.29	54	2.56	54	49	-27.1	11.7	-18.5	40
Oklahoma	3.50	69	2.96	69	2.97	63	43	-15.5	0.6	-15.0	36
Texas	4.22	83	3.85	90	5.22	111	10	-8.9	35.8	23.7	6
<b>Rocky Mountain</b>	<b>5.36</b>	<b>106</b>	<b>4.80</b>	<b>113</b>	<b>4.57</b>	<b>97</b>		<b>-10.3</b>	<b>-4.9</b>	<b>-14.8</b>	
Colorado	5.70	113	5.11	120	5.25	112	7	-10.4	2.8	-8.0	27
Idaho	4.06	80	3.10	73	3.02	64	41	-23.7	-2.8	-25.8	44
Montana	6.62	131	5.59	131	3.30	70	37	-15.7	-41.0	-50.2	51
Utah	4.59	91	4.23	99	4.20	89	30	-7.7	-0.8	-8.5	28
Wyoming	5.15	102	5.89	138	5.25	112	6	14.4	-10.9	2.0	16
<b>Far West</b>	<b>5.83</b>	<b>115</b>	<b>3.47</b>	<b>81</b>	<b>4.06</b>	<b>87</b>		<b>-40.5</b>	<b>17.0</b>	<b>-30.4</b>	
Alaska	2.92	58	4.81	113	5.08	108	12	64.6	5.7	74.0	1
California	6.40	126	3.42	80	3.89	83	32	-46.5	13.6	-39.2	49
Hawaii	3.04	60	2.58	60	2.64	56	46	-15.2	2.2	-13.3	34
Nevada	4.81	95	3.72	87	3.05	65	40	-22.5	-18.2	-36.6	47
Oregon	5.39	106	4.75	111	5.24	112	8	-11.7	10.3	-2.7	20
Washington	3.55	70	2.97	70	3.16	67	39	-16.3	6.5	-10.9	32

Sources: U.S. Census Bureau, *Government Finances in (various years)*; andU.S. Department of Commerce, Bureau of Economic Analysis, *State Summary Tables* (August 1994) (SA1-3, SA51-52), 1929-93, 1948-93.



Table 1-14

## Trends in Major Taxes Per \$100 of Personal Income, 1970 to 1992

	FY 1970				FY 1992				% Change 1970-92				Rank Total Taxes
	State Personal Income Tax	State Sales Tax	State & Local Property Tax	Total State & Local Taxes	State Personal Income Tax	State Sales Tax	State & Local Property Tax	Total State & Local Taxes	Income Tax	Sales Tax	Property Tax	Total Taxes	
<b>United States</b>	<b>\$1.20</b>	<b>\$1.85</b>	<b>\$4.44</b>	<b>\$11.31</b>	<b>\$2.16</b>	<b>\$2.23</b>	<b>\$3.69</b>	<b>\$11.48</b>	<b>80.9 %</b>	<b>20.7 %</b>	<b>-16.8 %</b>	<b>1.5 %</b>	
<b>New England</b>	<b>1.23</b>	<b>1.23</b>	<b>5.48</b>	<b>11.20</b>	<b>2.90</b>	<b>1.75</b>	<b>4.45</b>	<b>11.45</b>	<b>135.1</b>	<b>42.6</b>	<b>-18.8</b>	<b>2.3</b>	
Connecticut	0.03	1.79	5.00	10.17	2.21	2.47	4.64	11.80	6381.5	38.0	-7.2	16.0	5
Maine	0.61	2.68	5.56	12.17	2.78	2.69	4.77	12.42	356.6	0.4	-14.2	2.0	26
Massachusetts	2.16	0.70	5.93	11.79	3.89	1.44	3.83	11.20	80.3	105.6	-35.4	-5.0	38
New Hampshire	0.13	N/A	5.65	9.07	0.15	N/A	6.28	10.07	14.7	N/A	11.2	11.1	9
Rhode Island	0.52	2.20	4.42	10.90	2.50	2.03	4.93	11.50	376.4	-7.8	11.6	5.5	16
Vermont	2.96	1.16	4.95	14.20	2.69	1.56	5.41	12.89	-9.1	34.6	9.2	-9.2	45
<b>Mid Atlantic</b>	<b>1.66</b>	<b>1.41</b>	<b>4.54</b>	<b>12.30</b>	<b>2.78</b>	<b>1.66</b>	<b>4.40</b>	<b>13.13</b>	<b>68.0</b>	<b>17.7</b>	<b>-3.1</b>	<b>6.8</b>	
Delaware	2.87	N/A	1.92	10.33	3.39	N/A	1.55	11.70	18.0	N/A	-19.0	13.3	7
D.C.	N/A	N/A	3.68	11.26	N/A	N/A	6.06	15.52	N/A	N/A	64.6	37.8	2
Maryland	2.57	1.47	3.81	11.57	2.67	1.45	2.94	10.49	3.7	-1.6	-22.8	-9.3	46
New Jersey	0.06	1.11	5.43	10.04	2.08	2.05	5.03	11.89	3667.8	84.5	-7.3	18.5	4
New York	3.01	1.22	5.20	14.31	3.66	1.47	5.23	15.47	21.3	21.0	0.5	8.1	13
Pennsylvania	N/A	2.13	3.14	10.63	2.03	1.95	3.16	11.19	N/A	-8.6	0.6	5.3	17
<b>Great Lakes</b>	<b>1.06</b>	<b>1.97</b>	<b>4.67</b>	<b>10.78</b>	<b>2.20</b>	<b>2.08</b>	<b>4.06</b>	<b>11.21</b>	<b>107.1</b>	<b>5.2</b>	<b>-13.2</b>	<b>3.9</b>	
Illinois	1.20	2.10	4.65	11.29	1.91	1.77	4.11	10.78	59.0	-15.9	-11.6	-4.5	36
Indiana	1.14	2.01	4.76	9.80	2.27	2.87	3.31	10.44	98.6	42.4	-30.3	6.4	14
Michigan	1.17	2.33	4.58	11.35	1.84	2.08	5.09	11.70	58.0	-10.4	11.3	3.1	25
Ohio	N/A	1.61	4.21	8.91	2.25	1.92	3.20	10.83	N/A	19.5	-24.0	21.6	3
Wisconsin	3.04	1.69	6.05	13.96	3.50	2.37	4.57	13.06	15.0	40.0	-24.4	-6.5	42
<b>Plains</b>	<b>1.27</b>	<b>1.87</b>	<b>5.08</b>	<b>11.31</b>	<b>2.45</b>	<b>2.25</b>	<b>3.50</b>	<b>11.12</b>	<b>93.2</b>	<b>20.2</b>	<b>-31.0</b>	<b>-1.7</b>	
Iowa	1.12	2.22	5.98	12.24	2.90	2.08	4.11	11.94	159.4	-6.3	-31.2	-2.5	34
Kansas	1.00	1.85	5.78	11.31	1.83	2.10	4.02	10.86	83.3	13.7	-30.5	-3.9	35
Minnesota	2.47	1.40	4.64	11.99	3.52	2.57	4.08	12.98	42.7	84.2	-12.1	8.2	12
Missouri	0.79	2.10	3.92	9.77	1.96	2.04	2.22	9.26	148.4	-2.9	-43.3	-5.2	39
Nebraska	0.85	1.44	5.94	11.28	2.27	2.31	4.06	11.27	166.4	60.7	-31.6	-0.1	28
North Dakota	0.83	2.32	5.84	12.54	1.19	2.56	3.37	11.32	43.4	10.4	-42.3	-9.8	47
South Dakota	N/A	2.43	7.42	13.50	N/A	2.54	3.81	9.62	N/A	4.6	-48.7	-28.8	51

Table 1-14 continued

## Trends in Major Taxes Per \$100 of Personal Income, 1970 to 1992

	FY 1970				FY 1992				% Change 1970-92				Rank Total Taxes
	State Personal Income Tax	State Sales Tax	State & Local Property Tax	Total State & Local Taxes	State Personal Income Tax	State Sales Tax	State & Local Property Tax	Total State & Local Taxes	Income Tax	Sales Tax	Property Tax	Total Taxes	
<b>Southeast</b>	<b>\$0.93</b>	<b>\$2.31</b>	<b>\$2.67</b>	<b>\$10.17</b>	<b>\$1.67</b>	<b>\$2.48</b>	<b>\$2.80</b>	<b>\$10.33</b>	<b>80.30 %</b>	<b>7.07 %</b>	<b>4.85 %</b>	<b>1.52 %</b>	
Alabama	0.91	2.27	1.45	9.51	1.93	1.75	1.13	9.31	112.98	-23.02	-21.93	-2.21	32
Arkansas	0.86	2.19	2.51	9.73	2.45	2.98	1.81	10.60	186.75	36.30	-27.96	8.94	10
Florida	N/A	2.74	3.33	9.79	N/A	3.30	3.95	10.17	N/A	20.80	18.59	3.88	23
Georgia	1.29	2.34	3.05	9.98	2.65	2.31	3.14	10.58	105.25	-1.43	3.16	6.02	15
Kentucky	1.30	2.86	2.36	10.28	2.87	2.33	1.90	11.49	120.86	-18.42	-19.35	11.67	8
Louisiana	0.46	1.60	2.29	11.60	1.36	1.98	1.85	11.07	193.81	23.87	-19.23	-4.59	37
Mississippi	0.84	4.34	3.00	12.48	1.28	3.44	2.72	10.10	52.22	-20.67	-9.56	-19.10	49
North Carolina	1.79	1.75	2.64	10.45	3.14	1.90	2.24	10.93	75.12	8.71	-15.28	4.61	20
South Carolina	1.33	2.69	2.22	9.94	2.56	2.63	2.95	10.36	91.78	-2.22	32.44	4.23	21
Tennessee	0.11	2.11	2.64	9.59	0.11	3.08	2.14	9.05	7.81	45.88	-18.97	-5.58	40
Virginia	1.74	1.29	2.75	9.74	2.60	1.23	3.25	10.05	49.63	-4.73	18.13	3.22	24
West Virginia	0.83	3.76	2.54	10.88	2.35	3.06	2.04	11.38	183.50	-18.70	-19.53	4.65	19
<b>Southwest</b>	<b>0.28</b>	<b>1.68</b>	<b>3.80</b>	<b>10.08</b>	<b>0.67</b>	<b>2.90</b>	<b>3.81</b>	<b>11.11</b>	<b>138.09</b>	<b>72.71</b>	<b>0.49</b>	<b>10.23</b>	
Arizona	1.09	2.91	4.91	12.63	1.99	3.36	4.15	12.34	83.20	15.35	-15.58	-2.28	33
New Mexico	1.22	2.94	2.83	12.50	1.94	4.27	1.49	12.34	58.18	45.50	-47.11	-1.35	29
Oklahoma	0.63	1.17	2.97	9.76	2.45	1.95	1.57	10.57	288.98	67.00	-47.31	8.25	11
Texas	N/A	1.49	3.87	9.55	N/A	2.85	4.29	10.85	N/A	91.50	10.97	13.66	6
<b>Rocky Mountain</b>	<b>1.59</b>	<b>1.80</b>	<b>5.04</b>	<b>11.86</b>	<b>2.51</b>	<b>1.80</b>	<b>3.62</b>	<b>11.17</b>	<b>58.11</b>	<b>0.35</b>	<b>-28.27</b>	<b>-5.86</b>	
Colorado	1.62	1.73	4.95	11.61	2.43	1.37	3.51	10.54	49.57	-20.56	-29.04	-9.18	44
Idaho	1.62	1.85	4.00	10.97	3.30	2.71	2.93	11.53	103.25	46.63	-26.57	5.14	18
Montana	1.75	N/A	6.73	12.41	2.54	N/A	4.59	11.41	45.49	N/A	-31.77	-8.05	43
Utah	1.94	2.87	4.51	12.53	2.99	3.07	3.19	11.83	54.14	6.72	-29.34	-5.60	41
Wyoming	N/A	2.67	5.90	12.44	N/A	2.25	5.67	12.96	N/A	-15.87	-3.80	4.22	22
<b>Far West</b>	<b>1.29</b>	<b>2.16</b>	<b>5.45</b>	<b>12.30</b>	<b>2.38</b>	<b>2.61</b>	<b>3.16</b>	<b>11.72</b>	<b>84.53</b>	<b>20.72</b>	<b>-42.03</b>	<b>-4.73</b>	
Alaska	2.36	N/A	2.24	9.18	N/A	N/A	5.07	17.25	N/A	N/A	126.88	87.89	1
California	1.30	1.98	5.91	12.60	2.69	2.35	3.25	10.98	107.00	18.61	-44.98	-12.93	48
Hawaii	3.19	4.94	2.30	13.37	3.77	5.38	2.31	13.09	18.29	8.97	0.65	-2.11	31
Nevada	N/A	2.55	4.04	11.74	N/A	3.44	2.51	9.29	N/A	34.99	-37.83	-20.92	50
Oregon	2.83	N/A	5.25	11.11	4.33	N/A	5.01	11.20	52.99	N/A	-4.54	0.84	27
Washington	N/A	4.02	3.90	11.11	N/A	5.04	3.51	10.90	N/A	25.50	-10.06	-1.88	30

Sources: U.S. Census Bureau, *Government Finances in {various years}*; and U.S. Department of Commerce, Bureau of Economic Analysis, *State Summary Tables* (August 1994) (SA1-3, SA51-52), 1929-93, 1948-93.

**Table 1-15**  
**User Charge Revenue Per \$100 of Personal Income, 1980 and 1992**

	<b>FY 1980</b>	<b>Index</b>	<b>FY1992</b>	<b>Index</b>	<b>% Change</b>	<b>Rank % Change</b>
<b>United States</b>	<b>\$2.19</b>	<b>100</b>	<b>\$2.83</b>	<b>100</b>	<b>29.0</b>	<b>%</b>
<b>New England</b>	<b>1.49</b>	<b>100</b>	<b>1.54</b>	<b>100</b>	<b>3.2</b>	
Connecticut	1.08	72	1.37	89	26.9	25
Maine	1.66	112	2.17	141	30.6	19
Massachusetts	1.56	105	1.35	88	-13.2	51
New Hampshire	1.80	121	1.98	129	9.7	44
Rhode Island	1.90	128	1.67	109	-12.4	49
Vermont	2.15	145	2.82	184	31.0	18
<b>Mid Atlantic</b>	<b>1.85</b>	<b>124</b>	<b>2.40</b>	<b>156</b>	<b>29.7</b>	
Delaware	3.09	208	3.88	252	25.3	26
D.C.	1.23	83	1.70	111	38.4	11
Maryland	2.10	141	1.83	119	-12.7	50
New Jersey	1.73	116	2.09	136	20.8	36
New York	2.03	137	2.73	178	34.3	14
Pennsylvania	1.53	103	2.30	150	50.0	4
<b>Great Lakes</b>	<b>2.14</b>	<b>144</b>	<b>2.64</b>	<b>172</b>	<b>23.4</b>	
Illinois	1.47	99	1.80	117	22.2	32
Indiana	2.40	161	3.51	228	45.9	6
Michigan	2.63	176	3.03	197	15.1	40
Ohio	2.08	140	2.70	175	29.6	20
Wisconsin	2.78	187	3.04	198	9.1	45
<b>Plains</b>	<b>2.46</b>	<b>165</b>	<b>3.10</b>	<b>202</b>	<b>26.1</b>	
Iowa	2.70	182	3.88	253	43.7	8
Kansas	2.27	153	2.81	183	23.5	29
Minnesota	2.69	181	3.61	235	34.2	15
Missouri	1.83	123	2.20	143	20.3	37
Nebraska	2.92	196	3.54	230	21.2	35
North Dakota	4.10	275	4.40	286	7.3	46
South Dakota	2.55	171	2.26	147	-11.4	48
<b>Southeast</b>	<b>2.62</b>	<b>176</b>	<b>3.34</b>	<b>217</b>	<b>27.3</b>	
Alabama	3.71	249	4.51	294	21.5	34
Arkansas	2.39	161	3.04	198	26.9	24
Florida	2.45	164	3.00	195	22.6	31
Georgia	3.34	224	3.56	231	6.5	47
Kentucky	1.99	133	2.78	181	39.6	10
Louisiana	2.39	160	3.82	249	60.1	2
Mississippi	3.54	238	4.53	295	27.7	22
North Carolina	2.34	157	3.12	203	33.6	16
South Carolina	2.80	188	4.27	278	52.8	3
Tennessee	2.67	179	3.40	221	27.2	23
Virginia	2.20	147	2.82	183	28.3	21
West Virginia	2.30	155	3.04	198	32.1	17
<b>Southwest</b>	<b>2.24</b>	<b>150</b>	<b>2.79</b>	<b>181</b>	<b>24.7</b>	
Arizona	2.08	140	2.41	157	16.0	39
New Mexico	2.58	173	3.63	236	40.9	9
Oklahoma	2.72	183	3.72	242	36.7	12
Texas	2.14	144	2.65	172	23.8	28
<b>Rocky Mountain</b>	<b>2.55</b>	<b>171</b>	<b>3.23</b>	<b>210</b>	<b>26.9</b>	
Colorado	2.56	172	3.03	197	18.3	38
Idaho	2.59	174	3.20	208	23.4	30
Montana	1.85	124	2.66	173	43.7	7
Utah	2.62	176	3.84	250	46.6	5
Wyoming	3.17	213	3.87	252	22.1	33
<b>Far West</b>	<b>2.20</b>	<b>147</b>	<b>3.07</b>	<b>200</b>	<b>39.7</b>	
Alaska	4.11	276	4.63	301	12.6	42
California	2.07	139	2.82	184	36.4	13
Hawaii	2.08	140	3.36	219	61.5	1
Nevada	2.58	173	2.89	188	11.9	43
Oregon	2.72	182	3.07	200	13.0	41
Washington	2.39	161	3.00	195	25.3	27

Sources: U.S. Census Bureau, *Government Finances in various years*; and U.S. Department of Commerce, Bureau of Economic Analysis, *State Summary Tables* (August 1994) (SA1-3, SA51-52), 1929-93, 1948-93.

Table 1-16

## Trends in State and Local Taxes and Charges Per \$100 in Personal Income, 1980-92

	FY 1980				FY 1992				% Change 1980-92			
	Taxes	Charges	Taxes & Charges	Index	Taxes	Charges	Taxes & Charges	Index	Taxes	Charges	Taxes & Charges	Rank
<b>United States</b>	<b>\$11.04</b>	<b>\$2.19</b>	<b>\$13.23</b>	<b>100</b>	<b>\$11.50</b>	<b>\$2.83</b>	<b>\$14.33</b>	<b>100</b>	<b>4.2 %</b>	<b>29.0 %</b>	<b>8.3 %</b>	
<b>New England</b>	<b>11.67</b>	<b>1.49</b>	<b>13.16</b>	<b>99</b>	<b>11.45</b>	<b>1.54</b>	<b>12.99</b>	<b>91</b>	<b>-1.9</b>	<b>3.2</b>	<b>-1.3</b>	
Connecticut	10.00	1.08	11.08	84	11.80	1.37	13.17	92	18.0	26.9	18.9	4
Maine	11.72	1.66	13.38	101	12.42	2.17	14.59	102	6.0	30.6	9.0	22
Massachusetts	13.14	1.56	14.70	111	11.20	1.35	12.55	88	-14.7	-13.2	-14.6	50
New Hampshire	8.60	1.80	10.41	79	10.07	1.98	12.05	84	17.1	9.7	15.8	9
Rhode Island	11.61	1.90	13.51	102	11.50	1.67	13.17	92	-0.9	-12.4	-2.6	46
Vermont	11.76	2.15	13.92	105	12.89	2.82	15.71	110	9.6	31.0	12.9	12
<b>Mid Atlantic</b>	<b>12.82</b>	<b>1.85</b>	<b>14.68</b>	<b>111</b>	<b>13.13</b>	<b>2.40</b>	<b>15.53</b>	<b>108</b>	<b>2.4</b>	<b>29.7</b>	<b>5.8</b>	
Delaware	11.44	3.09	14.53	110	11.70	3.88	15.57	109	2.2	25.3	7.2	28
D.C.	12.58	1.23	13.81	104	15.52	1.70	17.22	120	23.4	38.4	24.7	2
Maryland	11.41	2.10	13.51	102	10.49	1.83	12.32	86	-8.1	-12.7	-8.8	49
New Jersey	11.00	1.73	12.73	96	11.89	2.09	13.98	98	8.2	20.8	9.9	17
New York	15.27	2.03	17.30	131	15.47	2.73	18.20	127	1.3	34.3	5.2	35
Pennsylvania	10.83	1.53	12.36	93	11.19	2.30	13.49	94	3.4	50.0	9.1	21
<b>Great Lakes</b>	<b>10.32</b>	<b>2.14</b>	<b>12.46</b>	<b>94</b>	<b>11.21</b>	<b>2.64</b>	<b>13.85</b>	<b>97</b>	<b>8.6</b>	<b>23.4</b>	<b>11.1</b>	
Illinois	10.75	1.47	12.22	92	10.78	1.80	12.58	88	0.2	22.2	2.9	41
Indiana	8.64	2.40	11.05	84	10.44	3.51	13.94	97	20.7	45.9	26.2	1
Michigan	11.29	2.63	13.92	105	11.70	3.03	14.73	103	3.6	15.1	5.8	34
Ohio	9.06	2.08	11.14	84	10.83	2.70	13.53	94	19.6	29.6	21.4	3
Wisconsin	11.92	2.78	14.70	111	13.06	3.04	16.10	112	9.6	9.1	9.5	19
<b>Plains</b>	<b>10.63</b>	<b>2.46</b>	<b>13.09</b>	<b>99</b>	<b>11.12</b>	<b>3.10</b>	<b>14.22</b>	<b>99</b>	<b>4.7</b>	<b>26.1</b>	<b>8.7</b>	
Iowa	10.92	2.70	13.63	103	11.94	3.88	15.82	110	9.3	43.7	16.1	8
Kansas	10.29	2.27	12.56	95	10.86	2.81	13.67	95	5.6	23.5	8.8	24
Minnesota	12.44	2.69	15.13	114	12.98	3.61	16.59	116	4.3	34.2	9.6	18
Missouri	8.89	1.83	10.72	81	9.26	2.20	11.46	80	4.2	20.3	7.0	29
Nebraska	11.29	2.92	14.21	107	11.27	3.54	14.81	103	-0.1	21.2	4.3	38
North Dakota	10.56	4.10	14.66	111	11.32	4.40	15.72	110	7.2	7.3	7.2	27
South Dakota	10.16	2.55	12.71	96	9.62	2.26	11.88	83	-5.3	-11.4	-6.6	48

**Table 1-16 continued**  
**Trends in State and Local Taxes and Charges Per \$100 in Personal Income, 1980-92**

	FY 1980				FY 1992				% Change 1980-92			Rank
	Taxes	Charges	Taxes & Charges	Index	Taxes	Charges	Taxes & Charges	Index	Taxes	Charges	Taxes & Charges	
<b>Southeast</b>	<b>\$9.86</b>	<b>\$2.62</b>	<b>\$12.48</b>	<b>94</b>	<b>\$10.33</b>	<b>\$3.34</b>	<b>\$13.67</b>	<b>95</b>	<b>4.7</b>	<b>27.3</b>	<b>9.5</b>	
Alabama	9.32	3.71	13.04	99	9.31	4.51	13.82	96	-0.2	21.5	6.0	33
Arkansas	9.53	2.39	11.93	90	10.60	3.04	13.64	95	11.2	26.9	14.3	11
Florida	8.99	2.45	11.43	86	10.17	3.00	13.17	92	13.2	22.6	15.2	10
Georgia	10.25	3.34	13.59	103	10.58	3.56	14.14	99	3.3	6.5	4.0	40
Kentucky	10.05	1.99	12.04	91	11.49	2.78	14.26	100	14.2	39.6	18.4	5
Louisiana	11.14	2.39	13.53	102	11.07	3.82	14.89	104	-0.7	60.1	10.0	16
Mississippi	10.20	3.54	13.74	104	10.10	4.53	14.63	102	-1.0	27.7	6.4	31
North Carolina	10.42	2.34	12.75	96	10.93	3.12	14.05	98	4.9	33.6	10.1	15
South Carolina	10.46	2.80	13.26	100	10.36	4.27	14.63	102	-0.9	52.8	10.4	14
Tennessee	9.03	2.67	11.71	89	9.05	3.40	12.45	87	0.2	27.2	6.4	32
Virginia	9.84	2.20	12.04	91	10.05	2.82	12.87	90	2.1	28.3	6.9	30
West Virginia	11.00	2.30	13.30	101	11.38	3.04	14.42	101	3.5	32.1	8.4	26
<b>Southwest</b>	<b>10.00</b>	<b>2.24</b>	<b>12.24</b>	<b>93</b>	<b>11.11</b>	<b>2.79</b>	<b>13.90</b>	<b>97</b>	<b>11.1</b>	<b>24.7</b>	<b>13.5</b>	
Arizona	12.45	2.08	14.54	110	12.34	2.41	14.76	103	-0.9	16.0	1.5	43
New Mexico	12.05	2.58	14.63	111	12.34	3.63	15.97	111	2.4	40.9	9.2	20
Oklahoma	10.21	2.72	12.93	98	10.57	3.72	14.29	100	3.5	36.7	10.5	13
Texas	9.37	2.14	11.50	87	10.85	2.65	13.50	94	15.9	23.8	17.3	7
<b>Rocky Mountain</b>	<b>11.30</b>	<b>2.55</b>	<b>13.85</b>	<b>105</b>	<b>11.17</b>	<b>3.23</b>	<b>14.40</b>	<b>100</b>	<b>-1.2</b>	<b>26.9</b>	<b>4.0</b>	
Colorado	10.67	2.56	13.23	100	10.54	3.03	13.57	95	-1.2	18.3	2.5	42
Idaho	9.96	2.59	12.55	95	11.53	3.20	14.73	103	15.8	23.4	17.4	6
Montana	12.52	1.85	14.37	109	11.41	2.66	14.07	98	-8.9	43.7	-2.1	45
Utah	11.77	2.62	14.39	109	11.83	3.84	15.67	109	0.5	46.6	8.9	23
Wyoming	14.33	3.17	17.50	132	12.96	3.87	16.83	117	-9.6	22.1	-3.8	47
<b>Far West</b>	<b>11.55</b>	<b>2.20</b>	<b>13.75</b>	<b>104</b>	<b>11.85</b>	<b>3.07</b>	<b>14.92</b>	<b>104</b>	<b>2.6</b>	<b>39.7</b>	<b>8.5</b>	
Alaska	33.87	4.11	37.98	287	17.25	4.63	21.87	153	-49.1	12.5	-42.4	51
California	11.34	2.07	13.40	101	11.15	2.82	13.97	97	-1.6	36.3	4.2	39
Hawaii	13.57	2.08	15.65	118	13.09	3.36	16.45	115	-3.5	61.2	5.1	36
Nevada	9.64	2.58	12.22	92	9.29	2.89	12.18	85	-3.6	12.1	-0.3	44
Oregon	10.92	2.72	13.64	103	11.20	3.07	14.27	100	2.5	13.0	4.6	37
Washington	10.40	2.39	12.79	97	10.90	3.00	13.90	97	4.8	25.3	8.6	25

Sources: U.S. Census Bureau, *Government Finances in {various years}*; and U.S. Department of Commerce, Bureau of Economic Analysis, *State Summary Tables* (August 1994) (SA1-3, SA51-52), 1929-93, 1948-93.

Table 1-17

## Trends in State and Local Revenue (Including Federal Aid) per \$100 of Personal Income, 1980-92

	FY 1980				FY 1992				% Change 1980-92				Rank
	Taxes	Charges	Federal Aid	Total Revenue	Taxes	Charges	Federal Aid	Total Revenue	Taxes	Charges	Federal Aid	Total Revenue	
United States	\$11.04	\$2.19	\$4.10	\$17.33	\$11.48	\$2.83	\$3.70	\$18.00	3.9 %	29.0 %	-9.7 %	3.9 %	
<b>New England</b>	<b>11.67</b>	<b>1.49</b>	<b>4.49</b>	<b>17.65</b>	<b>11.45</b>	<b>1.54</b>	<b>3.59</b>	<b>16.58</b>	<b>-1.9</b>	<b>3.2</b>	<b>-20.1</b>	<b>-6.1</b>	
Connecticut	10.00	1.08	2.93	14.01	11.80	1.37	2.91	16.08	18.0	26.9	-0.9	14.7	3
Maine	11.72	1.66	5.90	19.28	12.42	2.17	4.66	19.25	6.0	30.6	-20.9	-0.1	34
Massachusetts	13.14	1.56	5.01	19.71	11.20	1.35	3.55	16.10	-14.7	-13.2	-29.2	-18.3	50
New Hampshire	8.60	1.80	3.93	14.34	10.07	1.98	3.38	15.43	17.1	9.7	-14.1	7.6	13
Rhode Island	11.61	1.90	5.33	18.84	11.50	1.67	5.19	18.35	-0.9	-12.4	-2.6	-2.6	41
Vermont	11.76	2.15	7.04	20.96	12.89	2.82	5.12	20.83	9.6	31.0	-27.3	-0.6	36
<b>Mid Atlantic</b>	<b>12.82</b>	<b>1.85</b>	<b>4.29</b>	<b>18.96</b>	<b>13.13</b>	<b>2.40</b>	<b>3.93</b>	<b>19.47</b>	<b>2.4</b>	<b>29.7</b>	<b>-8.2</b>	<b>2.7</b>	
Delaware	11.44	3.09	5.07	19.60	11.70	3.88	3.16	18.74	2.2	25.3	-37.6	-4.4	45
D.C.	12.58	1.23	15.35	29.16	15.52	1.70	11.45	28.68	23.4	38.4	-25.4	-1.7	38
Maryland	11.41	2.10	4.10	17.60	10.49	1.83	2.73	15.05	-8.1	-12.7	-33.3	-14.5	49
New Jersey	11.00	1.73	2.99	15.72	11.89	2.09	2.79	16.78	8.2	20.8	-6.6	6.7	14
New York	15.27	2.03	4.93	22.23	15.47	2.73	4.63	22.83	1.3	34.3	-6.0	2.7	24
Pennsylvania	10.83	1.53	3.43	15.80	11.19	2.30	3.75	17.24	3.4	50.0	9.2	9.1	9
<b>Great Lakes</b>	<b>10.32</b>	<b>2.14</b>	<b>3.60</b>	<b>16.07</b>	<b>11.21</b>	<b>2.64</b>	<b>3.36</b>	<b>17.21</b>	<b>8.6</b>	<b>23.4</b>	<b>-6.6</b>	<b>7.1</b>	
Illinois	10.75	1.47	3.51	15.73	10.78	1.80	2.83	15.41	0.2	22.2	-19.1	-2.0	39
Indiana	8.64	2.40	2.57	13.61	10.44	3.51	3.44	17.38	20.7	45.9	33.7	27.6	1
Michigan	11.29	2.63	4.42	18.34	11.70	3.03	3.66	18.38	3.6	15.1	-17.3	0.2	32
Ohio	9.06	2.08	3.19	14.34	10.83	2.70	3.60	17.13	19.6	29.6	12.7	-19.5	2
Wisconsin	11.92	2.78	4.26	18.96	13.06	3.04	3.61	19.71	9.6	9.1	-15.1	4.0	20
<b>Plains</b>	<b>10.63</b>	<b>2.46</b>	<b>3.97</b>	<b>17.06</b>	<b>11.12</b>	<b>3.10</b>	<b>3.48</b>	<b>17.70</b>	<b>4.7</b>	<b>26.1</b>	<b>-12.4</b>	<b>3.8</b>	
Iowa	10.92	2.70	3.55	17.18	11.94	3.88	3.64	19.46	9.3	43.7	2.4	13.3	5
Kansas	10.29	2.27	3.46	16.02	10.86	2.81	2.97	16.64	5.6	23.5	-14.2	3.9	21
Minnesota	12.44	2.69	4.30	19.43	12.98	3.61	3.20	19.79	4.3	34.2	-25.6	1.8	26
Missouri	8.89	1.83	3.94	14.66	9.26	2.20	3.43	14.90	4.2	20.3	-12.9	1.6	27
Nebraska	11.29	2.92	3.52	17.73	11.27	3.54	3.44	18.25	-0.1	21.2	-2.3	3.0	23
North Dakota	10.56	4.10	5.34	20.00	11.32	4.40	6.11	21.83	7.2	7.3	14.5	9.2	8
South Dakota	10.16	2.55	5.90	18.61	9.62	2.26	5.20	17.08	-5.3	-11.4	-11.8	-8.2	47

Table 1-17 continued

## Trends in State and Local Revenue (Including Federal Aid) per \$100 of Personal Income, 1980-92

	FY 1980				FY 1992				% Change 1980-92				Rank
	Taxes	Charges	Federal Aid	Total Revenue	Taxes	Charges	Federal Aid	Total Revenue	Taxes %	Charges %	Federal Aid %	Total Revenue %	
<b>Southeast</b>	<b>\$9.86</b>	<b>\$2.62</b>	<b>\$4.56</b>	<b>\$17.04</b>	<b>\$10.33</b>	<b>\$3.34</b>	<b>\$3.80</b>	<b>\$17.46</b>	<b>4.7 %</b>	<b>27.3 %</b>	<b>-16.8 %</b>	<b>2.5 %</b>	
Alabama	9.32	3.71	5.43	18.46	9.31	4.51	4.59	18.41	-0.2	21.5	-15.4	-0.3	35
Arkansas	9.53	2.39	5.33	17.26	10.60	3.04	5.02	18.65	11.2	26.9	-5.9	8.1	11
Florida	8.99	2.45	3.34	14.78	10.17	3.00	2.49	15.66	13.2	22.6	-25.4	6.0	17
Georgia	10.25	3.34	4.69	18.28	10.58	3.56	3.63	17.77	3.3	6.5	-22.7	-2.8	42
Kentucky	10.05	1.99	5.01	17.05	11.49	2.78	4.89	19.16	14.2	39.6	-2.3	12.3	6
Louisiana	11.14	2.39	5.34	18.86	11.07	3.82	6.28	21.17	-0.7	60.1	17.7	12.2	7
Mississippi	10.20	3.54	6.72	20.46	10.10	4.53	6.37	21.00	-1.0	27.7	-5.2	2.6	25
North Carolina	10.42	2.34	4.64	17.40	10.93	3.12	3.62	17.67	4.9	33.6	-21.9	1.6	29
South Carolina	10.46	2.80	4.59	17.84	10.36	4.27	4.59	19.23	-0.9	52.8	0.2	7.8	12
Tennessee	9.03	2.67	4.76	16.47	9.05	3.40	4.52	16.97	0.2	27.2	-5.1	3.1	22
Virginia	9.84	2.20	3.71	15.75	10.05	2.82	2.34	15.21	2.1	28.3	-37.0	-3.4	43
West Virginia	11.00	2.30	5.72	19.02	11.38	3.04	5.62	20.04	3.5	32.1	-1.7	5.4	18
<b>Southwest</b>	<b>10.00</b>	<b>2.24</b>	<b>3.43</b>	<b>15.67</b>	<b>11.11</b>	<b>2.79</b>	<b>3.35</b>	<b>17.25</b>	<b>11.1</b>	<b>24.7</b>	<b>-2.4</b>	<b>10.0</b>	
Arizona	12.45	2.08	3.67	18.21	12.34	2.41	3.44	18.20	-0.9	16.0	-6.2	0.0	33
New Mexico	12.05	2.58	5.84	20.47	12.34	3.63	5.40	21.37	2.4	40.9	-7.6	4.4	19
Oklahoma	10.21	2.72	4.07	17.00	10.57	3.72	3.82	18.11	3.5	36.7	-6.3	6.5	15
Texas	9.37	2.14	3.07	14.58	10.85	2.65	3.10	16.59	15.9	23.8	0.7	13.8	4
<b>Rocky Mountain</b>	<b>11.30</b>	<b>2.55</b>	<b>4.76</b>	<b>18.61</b>	<b>11.17</b>	<b>3.23</b>	<b>4.14</b>	<b>18.54</b>	<b>-1.2</b>	<b>26.9</b>	<b>-12.9</b>	<b>-0.4</b>	
Colorado	10.67	2.56	3.73	16.97	10.54	3.03	3.13	16.71	-1.2	18.3	-16.1	-1.5	37
Idaho	9.96	2.59	4.70	17.25	11.53	3.20	4.06	18.79	15.8	23.4	-13.6	8.9	10
Montana	12.52	1.85	6.90	21.28	11.41	2.66	6.06	20.13	-8.9	43.7	-12.2	-5.4	46
Utah	11.77	2.62	5.58	19.97	11.83	3.84	4.56	20.23	0.5	46.6	-18.2	1.3	30
Wyoming	14.33	3.17	5.99	23.49	12.96	3.87	8.08	24.91	-9.6	22.1	34.8	6.0	16
<b>Far West</b>	<b>11.55</b>	<b>2.20</b>	<b>4.08</b>	<b>17.83</b>	<b>11.72</b>	<b>3.07</b>	<b>3.81</b>	<b>18.60</b>	<b>1.4</b>	<b>39.7</b>	<b>-6.5</b>	<b>4.3</b>	
Alaska	33.87	4.11	8.71	46.69	17.25	4.63	6.49	28.37	-49.1	12.6	-25.4	-39.2	51
California	11.34	2.07	3.86	17.26	10.98	2.82	3.63	17.42	-3.2	36.4	-5.9	1.0	31
Hawaii	13.57	2.08	5.25	20.90	13.09	3.36	3.63	20.08	-3.5	61.5	-30.9	-3.9	44
Nevada	9.64	2.58	3.75	15.97	9.29	2.89	2.45	14.62	-3.6	11.9	-34.7	-8.4	48
Oregon	10.92	2.72	5.38	19.02	11.20	3.07	4.34	18.61	2.5	13.0	-19.2	-2.1	40
Washington	10.40	2.39	3.88	16.67	10.90	3.00	3.04	16.94	4.8	25.3	-21.6	1.6	28

Sources: U.S. Census Bureau, *Government Finances in {various years}*; and U.S. Department of Commerce, Bureau of Economic Analysis, *State Summary Tables* (August 1994) (SAI-3, SA51-52), 1929-93, 1948-93.

**Table 1-18****Tax Effort According to the Representative Tax System**

<b>Year</b>	<b>1967</b>	<b>1980</b>	<b>1991</b>
<b>United States</b>	100	100	100
<b>New England</b>			
Connecticut	93	100	99
Maine	105	111	102
Massachusetts	121	135	101
New Hampshire	81	75	84
Rhode Island	105	123	115
Vermont	119	104	97
<b>Mid Atlantic</b>			
Delaware	90	89	80
D.C.	90	131	157
Maryland	103	109	103
New Jersey	97	112	112
New York	138	167	156
Pennsylvania	99	104	95
<b>Great Lakes</b>			
Illinois	84	103	100
Indiana	95	84	93
Michigan	10	116	107
Ohio	82	87	96
Wisconsin	124	116	118
<b>Plains</b>			
Iowa	104	96	100
Kansas	96	88	100
Minnesota	119	111	112
Missouri	86	84	85
Nebraska	78	102	99
North Dakota	97	79	92
South Dakota	107	88	83



Table 1-18 continued

Tax Effort According to the Representative Tax System

<u>Year</u>	<u>1967</u>	<u>1980</u>	<u>1991</u>
<b>Southeast</b>			
Alabama	89	85	81
Arkansas	83	86	82
Florida	84	74	86
Georgia	92	96	95
Kentucky	85	89	100
Louisiana	90	78	89
Mississippi	98	97	92
North Carolina	94	97	87
South Carolina	97	96	90
Tennessee	87	84	82
Virginia	90	88	91
West Virginia	96	82	102
<b>Southwest</b>			
Arizona	109	117	103
New Mexico	92	83	96
Oklahoma	80	72	93
Texas	75	65	87
<b>Rocky Mountain</b>			
Colorado	106	90	86
Idaho	105	88	94
Montana	93	92	78
Utah	111	101	94
Wyoming	79	74	81
<b>Far West</b>			
Alaska	104	166	119
California	108	102	95
Hawaii	135	125	95
Nevada	71	60	73
Oregon	101	93	97
Washington	106	94	99

Source: U.S. Advisory Commission on Intergovernmental Relations,  
*State Revenue Capacity and Effort* --RTS 1991, September 1993, Table C-2.

**Table 2-1**  
**Real Education Revenue Per Pupil and Per \$100 of Personal Income, 1970-1992**

	Per Pupil (1992 Dollars)	Per \$100 of Personal Income			
		Total	Federal	State	Local
1970	\$ 3,387	\$ 5.24	\$ 0.42	\$ 2.09	\$ 2.73
1971	3,439	5.40	0.46	2.11	2.83
1972	3,618	5.62	0.50	2.15	2.97
1973	3,551	5.34	0.46	2.14	2.74
1974	3,650	5.33	0.45	2.21	2.67
1975	3,695	5.37	0.48	2.27	2.62
1976	3,783	5.47	0.49	2.44	2.54
1977	3,786	5.23	0.46	2.27	2.50
1978	3,869	5.10	0.48	2.19	2.43
1979	3,954	4.89	0.48	2.23	2.18
1980	4,052	4.79	0.47	2.24	2.08
1981	4,140	4.69	0.43	2.22	2.04
1982	4,101	4.36	0.32	2.08	1.96
1983	4,200	4.38	0.31	2.10	1.97
1984	4,346	4.41	0.30	2.11	2.00
1985	4,524	4.37	0.29	2.14	1.94
1986	4,705	4.44	0.30	2.19	1.95
1987	4,799	4.42	0.28	2.20	1.94
1988	4,878	4.48	0.28	2.22	1.98
1989	5,303	4.73	0.29	2.26	2.18
1990	5,459	4.76	0.29	2.25	2.22
1991	5,569	4.79	0.30	2.26	2.23
1992	5,577	4.85	0.32	2.25	2.28

Note: Number of pupils is fall enrollment.

Figures were adjusted by the State and Local Government Implicit Price Deflator from the *Economic Report of the President* (1992=100).

Source: National Center for Education Statistics, *Digest of Education Statistics, 1994*, Table 57, p. 152.

Income data are from the U.S. Department of Commerce as of August 1994.

**Table 2-2**  
**Real Current Spending per Pupil, 1970, 1980, and 1992**  
**(1992 Dollars)**

	1970	Rank	1980	Rank	1992	Rank
<b>United States</b>	<b>\$ 3,126</b>		<b>\$ 3,958</b>		<b>\$ 5,421</b>	
<b>New England</b>						
Connecticut	3,644	4	4,216	17	8,017	4
Maine	2,651	34	3,178	39	5,652	18
Massachusetts	3,291	16	4,911	5	6,408	9
New Hampshire	2,770	29	3,338	35	5,790	15
Rhode Island	3,414	12	4,531	8	6,546	8
Vermont	3,092	20	3,479	27	6,944	5
<b>Mid Atlantic</b>						
Delaware	3,448	11	4,984	4	6,093	12
Maryland	3,517	6	4,526	9	6,679	6
New Jersey	3,893	3	5,559	3	9,317	1
New York	5,084	1	6,031	2	8,527	2
Pennsylvania	3,379	14	4,416	12	6,613	7
<b>Great Lakes</b>						
Illinois	3,483	8	4,507	10	5,670	17
Indiana	2,789	28	3,279	38	5,074	28
Michigan	3,464	9	4,599	7	6,268	10
Ohio	2,797	27	3,615	25	5,694	16
Wisconsin	3,383	13	4,315	14	6,139	11
<b>Plains</b>						
Iowa	3,234	18	4,052	19	5,096	27
Kansas	2,954	22	3,786	22	5,007	29
Minnesota	3,464	10	4,159	18	5,409	21
Missouri	2,716	31	3,373	30	4,830	32
Nebraska	2,820	25	3,746	23	5,263	23
North Dakota	2,644	36	3,345	32	4,441	37
South Dakota	2,644	35	3,324	36	4,173	42
<b>Southeast</b>						
Alabama	2,084	49	2,808	49	3,616	47
Arkansas	2,176	46	2,742	50	4,031	44
Florida	2,805	26	3,291	37	5,243	24
Georgia	2,253	45	2,831	48	4,375	40
Kentucky	2,088	48	2,963	43	4,719	34
Louisiana	2,483	38	3,122	40	4,354	41
Mississippi	1,920	50	2,899	44	3,245	49
North Carolina	2,345	42	3,056	41	4,555	36
South Carolina	2,349	41	3,052	42	4,436	38
Tennessee	2,169	47	2,848	47	3,692	46
Virginia	2,713	32	3,432	29	4,880	31
West Virginia	2,567	37	3,345	33	5,109	26
<b>Southwest</b>						
Arizona	2,759	30	3,434	28	4,381	39
New Mexico	2,709	33	3,544	26	3,765	45
Oklahoma	2,314	43	3,355	31	4,078	43
Texas	2,391	40	3,338	34	4,632	35
<b>Rocky Mountain</b>						
Colorado	2,828	24	4,218	16	5,172	25
Idaho	2,310	44	2,890	45	3,556	48
Montana	2,996	21	4,314	15	5,423	19
Utah	2,398	39	2,887	46	3,040	50
Wyoming	3,280	17	4,402	13	5,812	14
<b>Far West</b>						
Alaska	4,303	2	8,237	1	8,450	3
California	3,322	15	3,951	21	4,746	33
Hawaii	3,222	19	4,045	20	5,420	20
Nevada	2,946	23	3,638	24	4,926	30
Oregon	3,544	5	4,690	6	5,913	13
Washington	3,506	7	4,474	11	5,271	22

Note: Number of pupils is average daily attendance.

Figures were adjusted by the State and Local Government Implicit Price Deflator from the *Economic Report of the President* (1992=100).

Source: National Center for Education Statistics, *Digest of Education Statistics, 1994*, Table 166, page 164-5.

**Table 2-3**  
**Percentage Change of Real Current Spending Per Pupil, 1970, 1980, and 1992**

	1970-80	1980-92	1970-92	Rank Change 1970-92
<b>United States</b>	<b>26.6 %</b>	<b>37.0 %</b>	<b>73.4 %</b>	
<b>New England</b>				
Connecticut	15.7	90.2	120.0	4
Maine	19.9	77.9	113.2	5
Massachusetts	49.2	30.5	94.7	11
New Hampshire	20.5	73.5	109.0	6
Rhode Island	32.7	44.5	91.8	15
Vermont	12.5	99.6	124.6	3
<b>Mid Atlantic</b>				
Delaware	44.5	22.2	76.7	29
Maryland	28.7	47.6	89.9	16
New Jersey	42.8	67.6	139.3	1
New York	18.6	41.4	67.7	38
Pennsylvania	30.7	49.7	95.7	10
<b>Great Lakes</b>				
Illinois	29.4	25.8	62.8	41
Indiana	17.5	54.8	81.9	22
Michigan	32.8	36.3	81.0	25
Ohio	29.2	57.5	103.6	7
Wisconsin	27.6	42.3	81.5	23
<b>Plains</b>				
Iowa	25.3	25.8	57.6	44
Kansas	28.2	32.3	69.5	34
Minnesota	20.1	30.1	56.2	45
Missouri	24.2	43.2	77.8	27
Nebraska	32.8	40.5	86.6	19
North Dakota	26.5	32.8	68.0	37
South Dakota	25.7	25.5	57.8	43
<b>Southeast</b>				
Alabama	34.7	28.8	73.5	32
Arkansas	26.0	47.0	85.2	20
Florida	17.3	59.3	86.9	18
Georgia	25.7	54.5	94.2	13
Kentucky	41.9	59.2	126.0	2
Louisiana	25.7	39.5	75.4	31
Mississippi	51.0	11.9	69.1	35
North Carolina	30.3	49.1	94.3	12
South Carolina	30.0	45.3	88.9	17
Tennessee	31.3	29.6	70.2	33
Virginia	26.5	42.2	79.9	26
West Virginia	30.3	52.7	99.0	8
<b>Southwest</b>				
Arizona	24.5	27.6	58.8	42
New Mexico	30.8	6.2	39.0	49
Oklahoma	45.0	21.5	76.2	30
Texas	39.6	38.8	93.7	14
<b>Rocky Mountain</b>				
Colorado	49.2	22.6	82.9	21
Idaho	25.1	23.0	53.9	46
Montana	44.0	25.7	81.0	24
Utah	20.4	5.3	26.7	50
Wyoming	34.2	32.0	77.2	28
<b>Far West</b>				
Alaska	91.4	2.6	96.4	9
California	18.9	20.1	42.9	48
Hawaii	25.5	34.0	68.2	36
Nevada	23.5	35.4	67.2	39
Oregon	32.3	26.1	66.8	40
Washington	27.6	17.8	50.4	47

Note: Number of pupils is average daily attendance.

Figures were adjusted by the State and Local Government Implicit Price Deflator from the *Economic Report of the President* (1992=100).

Source: National Center for Education Statistics, *Digest of Education Statistics, 1994*, Table 166, page 164-5.

**Table 2-4**  
**Current Education Spending per \$100 of Personal Income, 1970, 1980, and 1992**

	1970	Rank	1980	Rank	1992	Rank
<b>United States</b>	<b>\$ 4.46</b>		<b>\$ 4.30</b>		<b>\$ 4.36</b>	
<b>New England</b>						
Connecticut	4.07	42	3.69	47	4.31	32
Maine	5.02	16	4.68	17	5.23	7
Massachusetts	3.78	48	4.86	9	3.68	46
New Hampshire	3.74	50	3.73	46	4.00	39
Rhode Island	4.09	41	4.47	22	4.44	30
Vermont	5.35	9	4.86	10	6.24	3
<b>Mid Atlantic</b>						
Delaware	4.56	26	4.89	8	4.14	36
Maryland	4.49	28	4.37	26	3.99	40
New Jersey	4.21	37	4.78	14	5.02	11
New York	4.94	18	5.10	5	4.78	19
Pennsylvania	4.29	33	4.28	31	4.42	31
<b>Great Lakes</b>						
Illinois	3.96	46	3.98	37	3.89	42
Indiana	4.28	35	3.92	40	4.69	21
Michigan	5.05	15	5.27	4	5.23	8
Ohio	4.00	44	3.97	38	4.63	23
Wisconsin	4.83	20	4.56	21	5.17	9
<b>Plains</b>						
Iowa	5.23	11	4.60	20	4.94	15
Kansas	4.62	24	3.90	43	4.46	29
Minnesota	5.57	6	4.85	11	4.61	25
Missouri	3.91	47	3.58	48	3.87	43
Nebraska	4.44	30	4.34	28	4.81	18
North Dakota	5.29	10	4.36	27	4.97	14
South Dakota	5.57	7	4.45	24	4.50	27
<b>Southeast</b>						
Alabama	4.51	27	4.23	33	3.86	44
Arkansas	4.73	21	4.25	32	4.83	17
Florida	3.99	45	3.37	50	3.65	47
Georgia	4.18	38	3.92	41	4.11	37
Kentucky	3.77	49	3.91	42	4.72	20
Louisiana	4.84	19	4.11	34	4.99	12
Mississippi	5.00	17	4.73	15	4.49	28
North Carolina	4.47	29	4.46	23	4.11	38
South Carolina	5.15	14	4.72	16	4.66	22
Tennessee	4.14	39	3.96	39	3.50	50
Virginia	4.34	31	4.05	36	3.96	41
West Virginia	5.16	12	4.81	12	5.74	5
<b>Southwest</b>						
Arizona	4.72	22	4.32	29	4.14	34
New Mexico	6.29	1	5.43	3	5.29	6
Oklahoma	4.23	36	4.31	30	4.58	26
Texas	4.09	40	4.08	35	4.86	16
<b>Rocky Mountain</b>						
Colorado	4.64	23	4.64	19	4.14	35
Idaho	4.57	25	4.39	25	4.62	24
Montana	5.71	4	5.70	2	6.01	4
Utah	5.68	5	4.97	6	4.98	13
Wyoming	6.00	2	4.91	7	6.52	2
<b>Far West</b>						
Alaska	5.93	3	7.64	1	7.59	1
California	4.33	32	3.75	45	3.73	45
Hawaii	4.29	34	3.87	44	3.60	48
Nevada	4.06	43	3.50	49	3.60	49
Oregon	5.36	8	4.78	13	5.06	10
Washington	5.15	13	4.65	18	4.21	33

Sources: Education Expenditure Data-National Center for Education Statistics, *Digest of Education Statistics, 1994*.  
 Personal Income Data-U.S. Department of Commerce as of August 1994.

**Table 2-5**  
**Education Spending per Pupil and per \$100 of Personal Income, 1992**

	Per Pupil	Rank	Per \$100 of Personal Income	Rank	Change of Rank
<b>United States</b>	<b>\$ 5,421</b>		<b>\$ 4.36</b>		
<b>New England</b>					
Connecticut	8,017	4	4.31	32	-28
Maine	5,652	18	5.23	7	11
Massachusetts	6,408	9	3.68	46	-37
New Hampshire	5,790	15	4.00	39	-24
Rhode Island	6,546	8	4.44	30	-22
Vermont	6,944	5	6.24	3	2
<b>Mid Atlantic</b>					
Delaware	6,093	12	4.14	36	-24
Maryland	6,679	6	3.99	40	-34
New Jersey	9,317	1	5.02	11	-10
New York	8,527	2	4.78	19	-17
Pennsylvania	6,613	7	4.42	31	-24
<b>Great Lakes</b>					
Illinois	5,670	17	3.89	42	-25
Indiana	5,074	29	4.69	21	8
Michigan	6,268	10	5.23	8	2
Ohio	5,694	16	4.63	23	-7
Wisconsin	6,139	11	5.17	9	2
<b>Plains</b>					
Iowa	5,096	27	4.94	15	12
Kansas	5,077	28	4.46	29	-1
Minnesota	5,409	21	4.61	25	-4
Missouri	4,830	32	3.87	43	-11
Nebraska	5,263	23	4.81	18	5
North Dakota	4,441	37	4.97	14	23
South Dakota	4,173	42	4.50	27	15
<b>Southeast</b>					
Alabama	3,616	47	3.86	44	3
Arkansas	4,031	44	4.83	17	27
Florida	5,243	24	3.65	47	-23
Georgia	4,375	40	4.11	37	3
Kentucky	4,719	34	4.72	20	14
Louisiana	4,354	41	4.99	12	29
Mississippi	3,245	49	4.49	28	21
North Carolina	4,555	36	4.11	38	-2
South Carolina	4,436	38	4.66	22	16
Tennessee	3,692	46	3.50	50	-4
Virginia	4,880	31	3.96	41	-10
West Virginia	5,109	26	5.74	5	21
<b>Southwest</b>					
Arizona	4,381	39	4.14	34	5
New Mexico	3,765	45	5.29	6	39
Oklahoma	4,078	43	4.58	26	17
Texas	4,632	35	4.86	16	19
<b>Rocky Mountain</b>					
Colorado	5,172	25	4.14	35	-10
Idaho	3,556	48	4.62	24	24
Montana	5,423	19	6.01	4	15
Utah	3,040	50	4.98	13	37
Wyoming	5,812	14	6.52	2	12
<b>Far West</b>					
Alaska	8,450	3	7.59	1	2
California	4,746	33	3.73	45	-12
Hawaii	5,420	20	3.60	48	-28
Nevada	4,926	30	3.60	49	-19
Oregon	5,913	13	5.06	10	3
Washington	5,271	22	4.21	33	-11

Sources: See Tables 2-2 and 2-4

Table 2-6

Comparison of State Rankings in Current Education Spending per Pupil and per \$100 of Personal Income, 1992

Current Education Spending Per \$100 of Personal Income

	1-10	11-20	21-30	31-40	41-50
1-10	Alaska Michigan Vermont	New York New Jersey	Rhode Island	Connecticut Maryland Pennsylvania	Massachusetts
11-20	Maine Montana Oregon Wisconsin Wyoming		Ohio	Delaware New Hampshire	Hawaii Illinois
21-30	West Virginia	Iowa Nebraska	Indiana Kansas Minnesota	Colorado Washington	Florida Nevada
31-40		Kentucky Texas North Dakota	South Carolina	Arizona Georgia North Carolina	California Missouri Virginia
41-50	New Mexico	Arkansas Louisiana Utah	Idaho Mississippi Oklahoma South Dakota		Alabama Tennessee

Current Education  
Spending per Pupil

Source: Table 2-5

**Table 2-7**  
**Current Education Spending per \$100 of Personal Income, 1970, 1980, and 1992**

	1970	1980	1992	Percent Change 1970-80	Percent Change 1980-92	Percent Change 1970-92
<b>United States</b>	<b>\$ 4.46</b>	<b>\$ 4.30</b>	<b>\$ 4.36</b>	<b>-3.6 %</b>	<b>1.5 %</b>	<b>-2.2 %</b>
<b>New England</b>						
Connecticut	4.07	3.69	4.31	-9.4	16.8	5.8
Maine	5.02	4.68	5.23	-6.9	11.9	4.2
Massachusetts	3.78	4.86	3.68	28.5	-24.2	-2.6
New Hampshire	3.74	3.73	4.00	-0.3	7.1	6.8
Rhode Island	4.09	4.47	4.44	9.3	-0.8	8.4
Vermont	5.35	4.86	6.24	-9.3	28.6	16.6
<b>Mid Atlantic</b>						
Delaware	4.56	4.89	4.14	7.3	-15.4	-9.2
Maryland	4.49	4.37	3.99	-2.7	-8.7	-11.1
New Jersey	4.21	4.78	5.02	13.6	5.2	19.4
New York	4.94	5.10	4.78	3.1	-6.2	-3.3
Pennsylvania	4.29	4.28	4.42	-0.4	3.3	2.9
<b>Great Lakes</b>						
Illinois	3.96	3.98	3.89	0.6	-2.2	-1.7
Indiana	4.28	3.92	4.69	-8.4	19.8	9.7
Michigan	5.05	5.27	5.23	4.2	-0.8	3.4
Ohio	4.00	3.97	4.63	-0.6	16.6	15.9
Wisconsin	4.83	4.56	5.17	-5.7	13.5	7.1
<b>Plains</b>						
Iowa	5.23	4.60	4.94	-12.1	7.3	-5.6
Kansas	4.62	3.90	4.46	-15.5	14.3	-3.4
Minnesota	5.57	4.85	4.61	-13.0	-4.9	-17.2
Missouri	3.91	3.58	3.87	-8.5	8.0	-1.2
Nebraska	4.44	4.34	4.81	-2.3	10.9	8.4
North Dakota	5.29	4.36	4.97	-17.5	14.0	-6.0
South Dakota	5.57	4.45	4.50	-20.1	1.0	-19.2
<b>Southeast</b>						
Alabama	\$ 4.51	\$ 4.23	\$ 3.86	-6.3	-8.6	-14.4
Arkansas	4.73	4.25	4.83	-10.0	13.6	2.2
Florida	3.99	3.37	3.65	-15.7	8.5	-8.5
Georgia	4.18	3.92	4.11	-6.3	5.0	-1.6
Kentucky	3.77	3.91	4.72	3.7	20.7	25.2
Louisiana	4.84	4.11	4.99	-15.1	21.3	3.0
Mississippi	5.00	4.73	4.49	-5.4	-5.2	-10.3
North Carolina	4.47	4.46	4.11	-0.3	-7.9	-8.1
South Carolina	5.15	4.72	4.66	-8.2	-1.4	-9.5
Tennessee	4.14	3.96	3.50	-4.4	-11.5	-15.4
Virginia	4.34	4.05	3.96	-6.7	-2.2	-8.8
West Virginia	5.16	4.81	5.74	-6.9	19.2	11.0
<b>Southwest</b>						
Arizona	4.72	4.32	4.14	-8.5	-4.1	-12.3
New Mexico	6.29	5.43	5.29	-13.6	-2.7	-16.0
Oklahoma	4.23	4.31	4.58	1.9	6.2	8.2
Texas	4.09	4.08	4.86	-0.3	19.1	18.7
<b>Rocky Mountain</b>						
Colorado	4.64	4.64	4.14	0.1	-10.8	-10.7
Idaho	4.57	4.39	4.62	-3.9	5.3	1.2
Montana	5.71	5.70	6.01	-0.2	5.5	5.2
Utah	5.68	4.97	4.98	-12.5	0.1	-12.4
Wyoming	6.00	4.91	6.52	-18.1	32.6	8.6
<b>Far West</b>						
Alaska	5.93	7.64	7.59	28.9	-0.7	28.0
California	4.33	3.75	3.73	-13.4	-0.4	-13.8
Hawaii	4.29	3.87	3.60	-9.7	-6.9	-16.0
Nevada	4.06	3.50	3.60	-13.9	2.9	-11.4
Oregon	5.36	4.78	5.06	-10.9	5.9	-5.7
Washington	5.15	4.65	4.21	-9.7	-9.4	-18.2

Sources: Education Expenditure Data-National Center for Education Statistics, *Digest of Education Statistics 1994*.  
 Personal Income Data-U.S. Department of Commerce as of August 1994.



Table 2-8

## Current Education Spending per Pupil Adjusted for Cost of Living Differences, 1992

	Unadjusted Spending	Rank	Nelson/ AFT Index	Spending Adjusted by Nelson/ AFT Index	Rank	Leonard/ Friar Index	Spending Adjusted by Leonard/ Friar Index	Rank
<b>New England</b>								
Connecticut	8,017	4	128.1	6,258	7	113	7,095	4
Maine	5,652	18	100.6	5,618	21	104	5,435	23
Massachusetts	6,408	9	119.9	5,344	27	115	5,572	21
New Hampshire	5,790	15	108.4	5,341	28	107	5,411	24
Rhode Island	6,546	8	108.8	6,017	12	112	5,845	14
Vermont	6,944	5	101.3	6,855	3	103	6,742	6
<b>Mid Atlantic</b>								
Delaware	6,093	12	109.9	5,544	24	104	5,859	13
Maryland	6,679	6	115.0	5,808	17	98	6,815	5
New Jersey	9,317	1	127.6	7,302	1	115	8,102	1
New York	8,527	2	117.6	7,251	2	114	7,480	2
Pennsylvania	6,613	7	106.9	6,186	9	105	6,298	9
<b>Great Lakes</b>								
Illinois	5,670	17	96.6	5,870	15	100	5,670	17
Indiana	5,074	28	90.6	5,600	22	95	5,341	26
Michigan	6,268	10	93.2	6,725	4	94	6,668	7
Ohio	5,694	16	93.1	6,116	11	97	5,870	12
Wisconsin	6,139	11	92.2	6,658	5	94	6,531	8
<b>Plains</b>								
Iowa	5,096	27	89.9	5,669	20	93	5,480	22
Kansas	5,007	29	89.5	5,594	23	93	5,384	25
Minnesota	5,409	21	93.9	5,760	18	94	5,754	15
Missouri	4,830	32	91.5	5,279	30	93	5,194	30
Nebraska	5,263	23	90.2	5,835	16	93	5,659	18
North Dakota	4,441	37	89.2	4,979	36	93	4,775	37
South Dakota	4,173	42	88.8	4,699	39	91	4,586	40

Table 2-8 continued  
**Current Education Spending per Pupil Adjusted for Cost of Living Differences, 1992**

	Unadjusted Spending	Rank	Nelson/ AFT Index	Spending Adjusted by Nelson/ AFT Index	Rank	Leonard/ Friar Index	Spending Adjusted by Leonard/ Friar Index	Rank
<b>Southeast</b>								
Alabama	3,616	47	88.2	4,100	45	92	3,930	46
Arkansas	4,031	44	87.6	4,602	41	90	4,479	43
Florida	5,243	24	92.2	5,687	19	94	5,578	20
Georgia	4,375	40	90.2	4,850	38	91	4,808	36
Kentucky	4,719	34	88.1	5,356	26	90	5,243	28
Louisiana	4,354	41	88.2	4,937	37	92	4,733	38
Mississippi	3,245	49	86.8	3,738	49	89	3,646	46
North Carolina	4,555	36	89.9	5,067	33	91	5,005	33
South Carolina	4,436	38	88.8	4,995	35	91	4,875	35
Tennessee	3,692	46	89.0	4,148	44	93	3,970	45
Virginia	4,880	31	92.0	5,304	29	96	5,083	32
West Virginia	5,109	26	87.0	5,872	14	91	5,614	19
<b>Southwest</b>								
Arizona	4,381	39	96.2	4,554	42	94	4,661	39
New Mexico	3,765	45	92.1	4,088	47	97	3,881	47
Oklahoma	4,078	43	88.3	4,618	40	91	4,481	42
Texas	4,632	35	90.0	5,147	32	91	5,090	31
<b>Rocky Mountain</b>								
Colorado	5,172	25	99.1	5,219	31	97	5,332	27
Idaho	3,556	48	91.4	3,891	48	94	3,783	45
Montana	5,423	19	91.9	5,901	13	95	5,708	16
Utah	3,040	50	92.0	3,304	50	100	3,040	47
Wyoming	5,812	14	94.6	6,144	10	95	6,118	10
<b>Far West</b>								
Alaska	8,450	3	132.3	6,387	6	114	7,412	3
California	4,746	33	110.9	4,280	43	104	4,563	41
Hawaii	5,420	20	132.5	4,091	46	129	4,202	44
Nevada	4,926	30	98.0	5,027	34	100	4,926	34
Oregon	5,913	13	94.9	6,231	8	99	5,973	11
Washington	5,271	22	98.2	5,368	25	101	5,219	29

Source: National Center for Education Statistics, *Digest of Education Statistics, 1994*, Table 166, page 165.

Nelson/AFT Index-Howard Nelson, "Survey and Analysis of Salary Trends 1990" (Washington, D.C.:AFT, 1990).

Leonard/Friar Index-Herman Leonard, *By Choice or By Chance* (Boston: Pioneer Institute for Policy Research, 1992).

**Table 2-9**

**Composition of School Revenue, 1970 to 1992**

	<b>Federal</b>	<b>State</b>	<b>Local</b>
1970	8.0 %	39.9 %	53.1 %
1971	8.4	39.1	52.5
1972	8.9	38.3	52.8
1973	8.7	40.0	51.3
1974	8.5	41.4	50.1
1975	9.0	42.2	48.8
1976	8.9	44.6	46.5
1977	8.8	43.4	47.8
1978	9.4	43.0	47.6
1979	9.8	45.6	44.6
1980	9.8	46.8	43.4
1981	9.2	47.4	43.4
1982	7.4	47.6	45.0
1983	7.1	47.9	45.0
1984	6.8	47.8	45.4
1985	6.6	48.9	44.4
1986	6.7	49.4	43.9
1987	6.4	49.7	43.9
1988	6.3	49.5	44.1
1989	6.2	47.8	46.0
1990	6.1	47.3	46.6
1991	6.2	47.3	46.5
1992	6.6	46.4	47.0

Source: National Center for Education Statistics, *Digest of Education Statistics, 1994*, Table 157, Page 152.

**Table 2-10**  
**Federal Education Revenue as a Proportion of Total Education Revenue,**  
**1970, 1980, 1992**

	1970	1980	1992	% Change (1970-92)	Rank % Change
<b>United States</b>	<b>8.0 %</b>	<b>9.8 %</b>	<b>6.6 %</b>		
<b>New England</b>					
Connecticut	4.5	7.0	3.3	-1.2	19
Maine	7.5	9.9	5.9	-1.6	23
Massachusetts	5.1	6.5	5.4	0.3	9
New Hampshire	7.0	6.6	3.1	-3.9	35
Rhode Island	6.7	10.3	6.1	-0.6	14
Vermont	5.9	8.8	5.2	-0.7	15
<b>Mid Atlantic</b>					
Delaware	6.9	12.5	7.7	0.8	6
Maryland	8.2	8.5	5.3	-2.9	28
New Jersey	5.4	6.6	4.2	-1.2	20
New York	5.1	8.2	5.7	0.6	7
Pennsylvania	6.1	9.9	5.9	-0.2	12
<b>Great Lakes</b>					
Illinois	5.0	8.3	7.0	2.0	2
Indiana	6.0	8.3	5.5	-0.5	13
Michigan	4.8	7.2	6.3	1.5	4
Ohio	5.7	7.7	6.1	0.4	8
Wisconsin	4.6	5.6	4.4	-0.2	11
<b>Plains</b>					
Iowa	5.4	6.4	5.7	0.3	10
Kansas	7.8	6.9	5.6	-2.2	25
Minnesota	6.0	5.9	4.6	-1.4	21
Missouri	7.4	10.6	6.6	-0.8	17
Nebraska	7.6	7.6	6.8	-0.8	16
North Dakota	13.9	11.2	11.8	-2.1	24
South Dakota	13.9	15.4	11.5	-2.4	26
<b>Southeast</b>					
Alabama	18.4	12.2	12.4	-6.0	42
Arkansas	18.9	16.6	11.2	-7.7	46
Florida	10.7	11.3	7.6	-3.1	30
Georgia	14.3	14.1	7.9	-6.4	44
Kentucky	17.6	16.0	10.2	-7.4	45
Louisiana	12.0	14.6	11.1	-0.9	18
Mississippi	20.9	25.1	17.7	-3.2	32
North Carolina	16.2	13.8	7.5	-8.7	49
South Carolina	15.2	17.8	9.4	-5.8	40
Tennessee	14.6	15.4	10.3	-4.3	36
Virginia	14.1	11.0	6.0	-8.1	48
West Virginia	13.6	11.1	7.7	-5.9	41
<b>Southwest</b>					
Arizona	12.0	12.2	9.0	-3.0	29
New Mexico	18.7	16.6	12.7	-6.0	43
Oklahoma	12.7	14.1	4.8	-7.9	47
Texas	11.5	11.6	6.8	-4.7	37
<b>Rocky Mountain</b>					
Colorado	10.2	6.5	5.1	-5.1	38
Idaho	11.6	9.6	8.3	-3.3	34
Montana	5.7	9.4	9.2	3.5	1
Utah	9.7	8.5	7.2	-2.5	27
Wyoming	8.5	5.6	5.4	-3.1	31
<b>Far West</b>					
Alaska	22.3	9.3	11.7	-10.6	50
California	5.9	10.7	7.6	1.7	3
Hawaii	11.0	15.3	7.7	-3.3	33
Nevada	10.1	6.7	4.3	-5.8	39
Oregon	5.5	9.6	6.6	1.1	5
Washington	7.3	9.0	5.8	-1.5	22

Source: National Center for Education Statistics, *Digest of Education Statistics*, {Various Years}

**Table 2-11**  
**State Education Revenue as a Proportion of Total Education Revenue, 1970, 1980, 1992**

	1970	1980	1992	% Change (1970-92)	Rank % Change
<b>United States</b>	<b>39.1 %</b>	<b>47.4 %</b>	<b>46.4 %</b>	<b>18.7 %</b>	
<b>New England</b>					
Connecticut	47.7	26.8	42.0	-5.7	46
Maine	37.4	44.9	49.9	12.5	19
Massachusetts	22.9	33.7	31.4	8.5	24
New Hampshire	11.9	8.2	8.8	-3.1	38
Rhode Island	38.9	32.7	39.0	0.1	35
Vermont	40.3	28.7	32.3	-8.0	48
<b>Mid Atlantic</b>					
Delaware	74.0	64.5	67.1	-6.9	47
Maryland	34.3	38.7	39.5	5.2	30
New Jersey	26.9	36.2	43.0	16.1	12
New York	46.0	38.0	40.7	-5.3	44
Pennsylvania	46.3	41.1	42.3	-4.0	40
<b>Great Lakes</b>					
Illinois	31.1	38.1	29.6	-1.5	37
Indiana	39.4	53.0	54.7	15.3	15
Michigan	45.0	39.6	27.1	-17.9	50
Ohio	27.1	45.8	42.5	15.4	14
Wisconsin	30.1	37.3	40.2	10.1	22
<b>Plains</b>					
Iowa	24.8	39.0	50.4	25.6	3
Kansas	31.2	42.6	43.7	12.5	20
Minnesota	47.4	57.3	53.6	6.2	28
Missouri	31.3	36.4	39.6	8.3	25
Nebraska	19.3	16.7	37.7	18.4	7
North Dakota	25.6	44.1	47.5	21.9	5
South Dakota	13.6	23.0	27.9	14.3	18
<b>Southeast</b>					
Alabama	60.3	63.8	64.0	3.7	32
Arkansas	43.8	48.8	61.8	18.0	9
Florida	55.0	56.2	50.4	-4.6	42
Georgia	53.0	54.0	48.8	-4.2	41
Kentucky	52.2	64.2	67.5	15.3	16
Louisiana	56.2	54.8	56.3	0.1	34
Mississippi	52.7	56.0	55.6	2.9	33
North Carolina	59.4	60.5	67.4	8.0	26
South Carolina	59.7	45.0	50.5	-9.2	49
Tennessee	46.1	42.2	41.4	-4.7	43
Virginia	35.2	39.6	32.1	-3.1	39
West Virginia	52.9	58.9	68.3	15.4	13
<b>Southwest</b>					
Arizona	48.5	38.5	43.2	-5.3	45
New Mexico	61.3	63.6	75.7	14.4	17
Oklahoma	38.7	55.7	64.6	25.9	2
Texas	46.0	49.1	44.6	-1.4	36
<b>Rocky Mountain</b>					
Colorado	26.2	40.6	44.0	17.8	10
Idaho	39.2	57.8	63.1	23.9	4
Montana	24.2	48.1	43.5	19.3	6
Utah	0.0	52.1	59.3	59.3	27
Wyoming	36.9	34.2	53.4	16.5	11
<b>Far West</b>					
Alaska	58.1	72.1	69.6	11.5	21
California	31.9	66.3	66.6	34.7	1
Hawaii	85.8	84.7	91.8	6.0	29
Nevada	35.7	51.5	40.1	4.4	31
Oregon	21.9	33.6	31.5	9.6	23
Washington	55.8	69.5	73.9	18.1	8

Source: National Center for Education Statistics, *Digest of Education Statistics, {Various Years}*.

**Table 2-12**  
**State-Local Education Revenue as a Proportion of Total State-Local Tax Revenue,**  
**1970, 1980, 1992**

	1970	1980	1992	Percentage Change (1970-92)	Rank Percentage Change (1970-92)
<b>United States</b>	<b>43.5 %</b>	<b>39.0 %</b>	<b>38.2 %</b>	<b>-5.3 %</b>	
<b>New England</b>					
Connecticut	38.9	34.0	36.3	-2.5	17
Maine	45.9	38.1	44.0	-1.9	16
Massachusetts	37.7	42.6	34.0	-3.6	22
New Hampshire	45.9	44.7	41.0	-4.9	29
Rhode Island	39.6	34.8	37.0	-2.6	19
Vermont	46.2	43.4	46.0	-0.2	13
<b>Mid Atlantic</b>					
Delaware	57.5	41.1	34.1	-23.4	50
Maryland	42.4	39.1	37.5	-4.9	28
New Jersey	45.1	45.9	43.2	-1.9	15
New York	36.3	33.2	31.5	-4.9	27
Pennsylvania	45.0	40.0	40.6	-4.4	26
<b>Great Lakes</b>	0.0			0.0	
Illinois	43.4	21.7	35.4	-8.1	42
Indiana	44.0	43.4	46.4	2.4	4
Michigan	44.8	45.5	43.2	-1.6	14
Ohio	49.0	45.8	41.1	-7.9	41
Wisconsin	38.5	39.9	40.1	1.6	5
<b>Plains</b>					
Iowa	49.0	43.3	38.7	-10.3	46
Kansas	45.4	44.4	41.9	-3.4	21
Minnesota	52.3	43.4	37.4	-14.9	48
Missouri	48.0	42.4	41.9	-6.1	37
Nebraska	38.2	39.5	39.5	1.3	7
North Dakota	45.2	43.4	40.1	-5.1	31
South Dakota	39.5	42.6	43.2	3.8	2
<b>Southeast</b>					
Alabama	43.2	42.0	38.2	-4.9	30
Arkansas	42.2	38.6	43.3	1.1	9
Florida	43.5	39.3	37.0	-6.6	38
Georgia	43.2	39.4	38.8	-4.4	25
Kentucky	38.6	33.9	39.8	1.2	8
Louisiana	43.8	36.8	41.2	-2.6	20
Mississippi	38.8	33.5	38.9	0.1	12
North Carolina	41.4	39.5	36.2	-5.2	32
South Carolina	52.6	36.7	44.3	-8.3	43
Tennessee	42.6	35.8	34.2	-8.4	44
Virginia	45.2	41.2	40.0	-5.2	33
West Virginia	46.1	42.1	52.0	5.9	1
<b>Southwest</b>					
Arizona	41.0	38.9	37.1	-3.9	23
New Mexico	46.6	45.3	41.1	-5.5	35
Oklahoma	42.9	42.8	44.5	1.6	6
Texas	45.7	45.2	46.6	0.9	10
<b>Rocky Mountain</b>					
Colorado	44.2	49.0	40.2	-4.0	24
Idaho	43.4	45.8	40.8	-2.6	18
Montana	54.8	46.2	49.2	-5.6	36
Utah	49.8	48.7	44.4	-5.4	34
Wyoming	47.7	37.9	51.3	3.6	3
<b>Far West</b>					
Alaska	61.2	22.5	42.9	-18.3	49
California	40.6	25.5	33.5	-7.1	39
Hawaii	37.6	25.1	26.8	-10.8	47
Nevada	37.7	36.3	38.2	0.5	11
Oregon	50.7	43.0	41.7	-8.9	45
Washington	46.8	47.5	38.9	-7.9	40

Source: National Center for Education Statistics, *Digest of Education Statistics, 1994*  
U.S. Census Bureau, *Government Finances* in 1969-70, 1979-80, and 1991-92

Table 2-13

## State Education Revenue as a Proportion of Total State Tax Revenue, 1970, 1980, and 1992

	1970	1980	1992	% Change 1970-92	Rank of % Change 1970-92
<b>United States</b>	33.5 %	33.1 %	33.1 %	-0.4 %	
<b>New England</b>					
Connecticut	38.5	17.8	26.1	-12.4	45
Maine	33.8	29.6	37.3	3.5	18
Massachusetts	18.5	27.9	17.5	-1.0	27
New Hampshire	15.2	10.1	10.4	-4.8	35
Rhode Island	28.0	21.7	26.4	-1.6	29
Vermont	30.6	23.6	26.8	-3.8	33
<b>Mid Atlantic</b>					
Delaware	57.6	37.0	29.9	-27.7	50
Maryland	28.0	27.9	27.6	-0.4	25
New Jersey	30.9	34.9	34.7	3.8	16
New York	34.3	28.4	28.9	-5.4	37
Pennsylvania	37.9	29.2	29.4	-8.5	43
<b>Great Lakes</b>					
Illinois	26.8	14.2	21.4	-5.4	36
Indiana	34.2	38.0	41.8	7.6	9
Michigan	36.5	32.5	22.8	-13.7	47
Ohio	30.3	41.8	32.8	2.5	21
Wisconsin	20.5	23.4	26.5	6.0	13
<b>Plains</b>					
Iowa	25.2	29.1	32.7	7.5	10
Kansas	31.6	35.0	34.2	2.6	20
Minnesota	43.4	37.8	31.2	-12.2	44
Missouri	31.7	30.7	30.0	-1.7	30
Nebraska	18.0	13.2	27.4	9.4	7
North Dakota	25.6	32.1	32.0	6.4	12
South Dakota	14.7	23.4	26.8	12.1	3
<b>Southeast</b>					
Alabama	43.2	41.6	39.3	-3.9	34
Arkansas	31.4	29.1	39.9	8.5	8
Florida	44.4	38.2	36.0	-8.4	42
Georgia	40.6	38.2	35.0	-5.6	38
Kentucky	33.4	32.7	38.8	5.4	14
Louisiana	39.6	34.8	43.5	3.9	15
Mississippi	34.9	32.5	36.5	1.6	23
North Carolina	39.0	39.5	36.3	-2.7	32
South Carolina	48.4	26.5	35.8	-12.6	46
Tennessee	36.7	28.5	28.8	-7.9	41
Virginia	30.6	30.5	24.6	-6.0	39
West Virginia	38.5	35.5	49.1	10.6	5
<b>Southwest</b>					
Arizona	35.9	27.8	28.3	-7.6	40
New Mexico	46.9	42.6	45.0	-1.9	31
Oklahoma	29.6	39.1	42.0	12.4	2
Texas	42.5	42.6	43.0	0.5	24
<b>Rocky Mountain</b>					
Colorado	25.4	40.8	37.1	11.7	4
Idaho	30.6	42.5	38.0	7.4	11
Montana	30.1	44.2	33.2	3.1	19
Utah	45.0	43.3	44.0	-1.0	26
Wyoming	32.8	23.3	48.6	15.8	1
<b>Far West</b>					
Alaska	67.1	20.9	48.0	-19.1	49
California	27.9	24.7	37.4	9.5	6
Hawaii	46.9	31.0	33.0	-13.9	48
Nevada	25.3	32.6	23.8	-1.5	28
Oregon	22.8	28.3	26.5	3.7	17
Washington	41.3	50.8	43.0	1.7	22

Sources: National Center for Education Statistics, *Digest of Education Statistics*, {Various Years}.  
U.S. Census Bureau, *Governmental Finances* {Various Years}.

Table 2-14

**State Spending for Major Programs as a Proportion of State Tax Revenue  
(Excluding Spending Financed by Federal Aid and Revenue from Charges), 1970-92**

<b>Year</b>	<b>K-12 Education</b>	<b>Higher Education</b>	<b>Net Vendor Payments for Medical Care</b>	<b>Net Other Welfare</b>	<b>Corrections</b>	<b>Net Health &amp; Hospitals</b>	<b>Net Highway</b>	<b>Miscellaneous</b>
1970	32.8%	13.0%	3.0%	8.3%	2.3%	8.3%	8.3%	15.0%
1971	33.7	13.4	3.6	9.4	2.4	8.9	8.9	10.8
1972	32.4	12.9	3.3	8.3	2.3	8.7	8.7	16.2
1973	31.3	12.5	3.4	8.4	2.3	8.0	8.0	20.3
1974	32.7	13.2	4.1	8.3	2.4	8.4	8.4	16.9
1975	34.3	14.1	5.2	8.9	2.7	9.1	9.1	11.6
1976	34.3	14.3	5.3	9.0	2.8	8.7	8.7	13.5
1977	32.6	13.8	5.4	8.6	2.9	8.6	8.6	18.3
1978	32.1	13.7	5.6	8.3	2.9	8.2	8.2	19.4
1979	33.2	13.7	5.5	7.7	3.0	8.4	8.4	18.0
1980	35.0	14.0	6.1	8.1	3.2	8.8	8.8	13.8
1981	34.3	14.0	6.5	8.6	3.4	9.3	9.3	14.1
1982	33.6	14.1	6.4	8.2	3.6	9.3	9.3	15.3
1983	33.5	14.2	6.7	7.6	3.9	9.2	9.2	15.5
1984	31.3	13.2	6.8	7.1	3.9	8.1	8.1	21.0
1985	32.1	13.3	6.4	6.9	4.3	8.5	8.5	19.9
1986	33.3	13.4	6.5	7.0	4.7	8.9	8.9	17.0
1987	33.0	13.0	6.6	6.9	4.7	8.8	8.8	17.5
1988	32.9	13.0	7.0	6.8	5.0	8.8	8.8	17.0
1989	33.0	12.9	7.4	6.9	5.3	8.9	8.9	16.5
1990	33.5	13.0	8.2	6.9	5.7	9.2	9.2	14.1
1991	34.8	12.8	9.6	7.3	6.2	9.3	9.3	10.4
1992	34.0	12.2	11.9	8.0	6.1	8.7	8.7	9.5

Source: U.S. Census Bureau, *Government Finances in {various years}*.



Table 2-15

State Spending for Major Programs per \$100 of Personal Income  
(Excluding Spending Financed by Federal Aid and Revenue from Charges), 1970-92

Year	K-12 Education	Higher Education	Net Vendor Payments for Medical Care	Net Other Welfare	Corrections	Net Health & Hospitals	Net Highway	Miscellaneous
1970	\$2.05	\$0.81	\$0.18	\$0.52	\$0.14	\$0.52	\$1.08	\$1.24
1971	2.12	0.84	0.23	0.59	0.15	0.56	1.11	1.23
1972	2.20	0.87	0.22	0.56	0.16	0.59	1.09	1.08
1973	2.20	0.88	0.24	0.59	0.16	0.56	0.97	1.13
1974	2.23	0.90	0.28	0.57	0.17	0.57	0.95	1.34
1975	2.30	0.95	0.35	0.60	0.18	0.61	0.94	1.55
1976	2.36	0.99	0.37	0.62	0.19	0.60	0.83	1.49
1977	2.30	0.97	0.38	0.60	0.20	0.61	0.70	1.43
1978	2.29	0.97	0.40	0.59	0.21	0.59	0.69	1.30
1979	2.31	0.95	0.38	0.54	0.21	0.59	0.72	1.31
1980	2.38	0.95	0.42	0.55	0.22	0.60	0.74	1.25
1981	2.28	0.93	0.43	0.57	0.23	0.62	0.65	1.21
1982	2.17	0.91	0.41	0.53	0.23	0.60	0.61	1.12
1983	2.15	0.91	0.43	0.49	0.25	0.59	0.60	1.16
1984	2.16	0.91	0.47	0.49	0.27	0.56	0.59	1.23
1985	2.21	0.91	0.44	0.48	0.29	0.59	0.60	1.37
1986	2.26	0.91	0.44	0.48	0.32	0.60	0.62	1.41
1987	2.29	0.90	0.46	0.48	0.33	0.61	0.65	1.43
1988	2.30	0.91	0.49	0.47	0.35	0.62	0.66	1.42
1989	2.32	0.90	0.52	0.49	0.37	0.63	0.64	1.41
1990	2.32	0.90	0.57	0.48	0.40	0.64	0.64	1.24
1991	2.33	0.85	0.64	0.49	0.41	0.62	0.65	0.99
1992	2.32	0.83	0.81	0.54	0.42	0.59	0.65	0.63

Source: U.S. Census Bureau, *Government Finances in {various years}*.

**Per Capita Income Ranking**

	1-10	11-20	21-30	31-40	41-50	
<b>Per Pupil Spending Ranking</b>	1-10	Alaska Connecticut Massachusetts Maryland New Jersey New York	Michigan Pennsylvania Rhode Island	Vermont		
	11-20	Hawaii New Hampshire	Delaware Illinois	Ohio Oregon Wisconsin Wyoming	Maine Montana	
	21-30	Nevada	Colorado Florida Minnesota Washington	Kansas Nebraska	Indiana Iowa	West Virginia
	31-40	California	Virginia	Georgia Missouri Texas	Arizona North Carolina	Kentucky North Dakota South Carolina
	41-50				Alabama Idaho South Dakota Tennessee	Arkansas Louisiana Oklahoma New Mexico Mississippi Utah

Sources: Table 1-4 and 2-2

Table 2-17  
Determinants of Education Spending per Pupil, 1992

	Education Spending Per Pupil	Index	Education Spending/ Personal Income	Index	Per Capita Income	Index	Population/ Number of Pupils	Index
<b>United States</b>	<b>\$ 5,421</b>	<b>100</b>	<b>\$ 4.36</b>	<b>100</b>	<b>\$ 19,183</b>	<b>100</b>	<b>6.46</b>	<b>100</b>
<b>New England</b>								
Connecticut	8,016	148	4.31	99	25,847	135	7.19	111
Maine	5,652	104	5.23	120	17,331	90	6.23	96
Massachusetts	6,409	118	3.68	85	22,798	119	7.63	118
New Hampshire	5,790	107	4.00	92	20,955	109	6.92	107
Rhode Island	6,545	121	4.44	102	19,445	101	7.59	117
Vermont	6,945	128	6.24	143	17,803	93	6.25	97
<b>Mid Atlantic</b>								
Delaware	6,094	112	4.14	95	20,311	106	7.25	112
Maryland	6,679	123	3.99	92	22,486	117	7.44	115
New Jersey	9,317	172	5.02	115	24,745	129	7.50	116
New York	8,527	157	4.78	110	22,891	119	7.79	121
Pennsylvania	6,613	122	4.42	101	19,637	102	7.62	118
<b>Great Lakes</b>								
Illinois	5,670	105	3.89	89	20,621	107	7.07	109
Indiana	5,073	94	4.69	108	17,273	90	6.26	97
Michigan	6,268	116	5.23	120	18,693	97	6.42	99
Ohio	5,695	105	4.63	106	18,001	94	6.83	106
Wisconsin	6,139	113	5.17	119	17,968	94	6.61	102
<b>Plains</b>								
Iowa	5,097	94	4.94	113	17,102	89	6.04	93
Kansas	5,009	92	4.46	102	18,256	95	6.15	95
Minnesota	5,409	100	4.61	106	19,288	101	6.08	94
Missouri	4,830	89	3.87	89	18,107	94	6.89	107
Nebraska	5,264	97	4.81	110	18,050	94	6.06	94
North Dakota	4,441	82	4.97	114	15,603	81	5.72	89
South Dakota	4,172	77	4.50	103	16,411	86	5.65	87
<b>Southeast</b>								
Alabama	3,612	67	3.86	89	15,716	82	5.95	92
Arkansas	4,031	74	4.83	111	14,456	75	5.77	89
Florida	5,243	97	3.65	84	19,203	100	7.47	116
Georgia	4,375	81	4.11	94	17,636	92	6.03	93
Kentucky	4,719	87	4.72	108	15,441	80	6.47	100
Louisiana	4,354	80	4.99	114	15,067	79	5.79	90
Mississippi	3,245	60	4.49	103	13,211	69	5.48	85
North Carolina	4,555	84	4.11	94	16,809	88	6.60	102
South Carolina	4,436	82	4.66	107	15,467	81	6.16	95
Tennessee	3,692	68	3.50	80	16,490	86	6.39	99
Virginia	4,880	90	3.96	91	20,075	105	6.14	95
West Virginia	5,109	94	5.74	132	14,667	76	6.07	94
<b>Southwest</b>								
Arizona	4,381	81	4.14	95	16,759	87	6.31	98
New Mexico	3,765	69	5.29	121	14,822	77	4.80	74
Oklahoma	4,078	75	4.58	105	15,655	82	5.69	88
Texas	4,632	85	4.86	111	17,440	91	5.46	85
<b>Rocky Mountain</b>								
Colorado	5,172	95	4.14	95	19,744	103	6.33	98
Idaho	3,557	66	4.62	106	15,850	83	4.86	75
Montana	5,424	100	6.01	138	15,803	82	5.71	88
Utah	3,040	56	4.98	114	14,736	77	4.14	64
Wyoming	5,813	107	6.52	149	18,292	95	4.88	76
<b>Far West</b>								
Alaska	8,448	156	7.59	174	21,581	113	5.16	80
California	4,746	88	3.73	86	20,880	109	6.09	94
Hawaii	5,420	100	3.60	83	21,620	113	6.95	108
Nevada	4,925	91	3.60	83	20,773	108	6.59	102
Oregon	5,912	109	5.06	116	17,787	93	6.57	102
Washington	5,271	97	4.21	97	20,163	105	6.21	96

Sources: Tables 1-3, 1-4, 2-2 and 2-4

**Table 2-18**  
**Determinants of Education Spending per \$100 of Personal Income, 1992**

	<b>Current Education Expenditure per \$100 of Personal Income</b>	<b>Index</b>	<b>(Education Expenditures/ Tax Revenue)*100</b>	<b>Index</b>	<b>(State-Local Tax Revenue/ Personal Income)*100</b>	<b>Index</b>
<b>United States</b>	<b>\$ 4.36</b>	<b>100</b>	<b>38.0</b>	<b>100</b>	<b>13.98</b>	<b>122</b>
<b>New England</b>						
Connecticut	4.31	99	36.5	96	11.80	103
Maine	5.23	120	42.2	111	12.42	108
Massachusetts	3.68	85	32.9	87	11.20	97
New Hampshire	4.00	92	39.7	104	10.07	88
Rhode Island	4.44	102	38.6	102	11.50	100
Vermont	6.24	143	48.4	127	12.89	112
<b>Mid Atlantic</b>						
Delaware	4.14	95	35.4	93	11.70	102
Maryland	3.99	92	38.0	100	10.49	91
New Jersey	5.02	115	42.2	111	11.90	104
New York	4.78	110	30.9	81	15.47	135
Pennsylvania	4.42	101	39.5	104	11.19	97
<b>Great Lakes</b>					<b>0.00</b>	
Illinois	3.89	89	36.1	95	10.78	94
Indiana	4.69	108	45.0	118	10.44	91
Michigan	5.23	120	44.7	118	11.70	102
Ohio	4.63	106	42.8	113	10.83	94
Wisconsin	5.17	119	39.6	104	13.06	114
<b>Plains</b>						
Iowa	4.94	113	41.4	109	11.94	104
Kansas	4.46	102	41.1	108	10.86	95
Minnesota	4.61	106	35.5	94	12.98	113
Missouri	3.87	89	41.8	110	9.26	81
Nebraska	4.81	110	42.7	112	11.27	98
North Dakota	4.97	114	43.9	116	11.32	99
South Dakota	4.50	103	46.8	123	9.62	84
<b>Southeast</b>						
Alabama	3.86	89	41.5	109	9.31	81
Arkansas	4.83	111	45.6	120	10.60	92
Florida	3.65	84	35.9	95	10.17	89
Georgia	4.11	94	38.9	102	10.58	92
Kentucky	4.72	108	41.1	108	11.49	100
Louisiana	4.99	114	45.1	119	11.07	96
Mississippi	4.49	103	44.4	117	10.10	88
North Carolina	4.11	94	37.6	99	10.93	95
South Carolina	4.66	107	44.9	118	10.36	90
Tennessee	3.50	80	38.7	102	9.05	79
Virginia	3.96	91	39.4	104	10.05	87
West Virginia	5.74	132	50.4	133	11.38	99
<b>Southwest</b>						
Arizona	4.14	95	33.6	88	12.34	107
New Mexico	5.29	121	42.9	113	12.34	107
Oklahoma	4.58	105	43.3	114	10.57	92
Texas	4.86	111	44.8	118	10.85	94
<b>Rocky Mountain</b>						
Colorado	4.14	95	39.3	103	10.54	92
Idaho	4.62	106	40.1	105	11.53	100
Montana	6.01	138	52.7	139	11.41	99
Utah	4.98	114	42.1	111	11.83	103
Wyoming	6.52	149	50.3	132	12.96	113
<b>Far West</b>						
Alaska	7.59	174	41.3	109	18.36	160
California	3.73	86	32.4	85	11.54	100
Hawaii	3.60	83	26.1	69	13.82	120
Nevada	3.60	83	35.5	93	10.14	88
Oregon	5.06	116	42.2	111	12.00	104
Washington	4.21	97	35.7	94	11.81	103

Sources: Table 2-4 and U.S. Census Bureau, *Government Finances in 1992*.

**Table 2-19**  
**Analysis of States with Education Spending per Pupil at Least 20 Percent**  
**Above or Below Average, 1992**  
**(100=National Average)**

State	Spending Per Pupil	Spending/ Pers. Inc.	Per Capita Income	Population/ Pupils
<b>High spenders (at least 20% above average)</b>				
Alaska	156	174	113	80
Connecticut	148	99	135	111
Maryland	123	92	117	115
New Jersey	172	115	129	116
New York	157	110	119	121
Pennsylvania	122	101	102	118
Rhode Island	121	102	101	117
Vermont	128	143	93	97
<b>Low spenders (at least 20% below average)</b>				
Alabama	67	89	82	92
Arkansas	74	111	75	89
Idaho	66	106	83	75
Louisiana	80	114	79	90
Mississippi	60	103	69	85
New Mexico	69	121	77	74
Oklahoma	75	105	82	88
South Dakota	77	103	86	87
Tennessee	68	80	86	99
Utah	56	114	77	64

Note: the number of pupils is based on average daily attendance.

Source: Table 2-16

**Table 2-20**  
**Analysis of States with Relatively High or Low Education Spending**  
**per \$100 of Personal Income, 1992**  
**(100=National Average)**

State	Spending/ Pers. Inc.	Spending/ Tax Revenue	Tax Revenue/ Pers. Income
<b>High spenders (at least 20% above average)</b>			
Alaska	174	109	160
Maine	99	111	108
Michigan	92	118	102
Montana	115	139	99
New Mexico	110	113	107
Vermont	101	127	112
West Virginia	102	133	99
Wyoming	143	132	113
<b>Low spenders (at least 20% below average)</b>			
Alabama	89	109	81
California	111	85	100
Florida	106	95	89
Hawaii	114	69	120
Illinois	103	95	94
Massachusetts	121	87	97
Missouri	105	110	81
Nevada	103	93	88
Tennessee	80	102	79

Note: the number of pupils is based on average daily attendance.

Source: Table 2-18

**Table 3-1**

**Federal Reimbursement Rates for Federal Matching Programs for Children**

<b>PROGRAM NAME</b>	<b>FEDERAL REIMBURSEMENT RATE</b>
Aid to Families with Dependent Children	Federal Medical Assistance Percentage (FMAP)
AFDC Child Care	FMAP
Adoption Assistance	FMAP for assistance payments, 50% for administrative expenses, 75% for training
At-risk Child Care	FMAP, capped at state allotment
Child Support Enforcement	66% for most administration, 90% for management information systems. In 1985, the rate was 75% for administration.
Child Welfare	75% for all services, capped at state allotment
Foster Care	FMAP for assistance payments, 50% for administrative expenses, 75% for training
Maternal and Child Health Block Grant	Federal government pays \$4 for every \$3 spent by the state, capped at state allotment
Medicaid	FMAP

Source: Chapter 3, Appendix B

Table 3-2  
**Total State Spending on Federal Matching Programs for Children, 1992**  
(in Millions of Dollars)

	AFDC	Medicaid	Foster care	MCHBG	Child Support	Child Welfare	Adoption	AFDC Child care	At-risk Child care	TOTAL
<b>United States</b>	<b>\$11,138.62</b>	<b>\$6,160.50</b>	<b>\$1,994.61</b>	<b>\$389.98</b>	<b>\$651.81</b>	<b>\$90.39</b>	<b>\$187.69</b>	<b>\$317.34</b>	<b>\$266.33</b>	<b>\$21,197.28</b>
<b>New England</b>	<b>781.66</b>	<b>395.98</b>	<b>81.29</b>	<b>19.38</b>	<b>37.78</b>	<b>3.46</b>	<b>15.40</b>	<b>34.98</b>	<b>12.67</b>	<b>1,382.61</b>
Connecticut	201.93	103.70	14.66	3.70	9.54	0.64	2.39	6.36	3.46	346.3
Maine	47.77	26.08	4.07	2.68	3.45	0.48	1.41	0.45	0.14	86.53
Massachusetts	411.46	199.90	45.28	8.88	17.90	1.43	6.23	22.12	6.12	719.32
New Hampshire	29.35	27.10	6.42	1.53	2.35	0.34	0.62	2.20	1.54	71.45
Rhode Island	62.88	30.20	6.02	1.29	2.96	0.34	3.44	2.78	0.93	110.82
Vermont	28.27	9.00	4.84	1.32	1.59	0.24	1.32	1.07	0.48	48.12
<b>Mid-Atlantic</b>	<b>2,511.15</b>	<b>1,628.50</b>	<b>864.44</b>	<b>69.99</b>	<b>126.42</b>	<b>11.87</b>	<b>55.28</b>	<b>82.89</b>	<b>61.86</b>	<b>5,412.40</b>
Delaware	22.12	17.30	1.31	1.52	3.03	0.24	0.38	4.29	0.77	50.95
Maryland	188.01	151.20	44.29	9.11	13.81	1.29	1.68	10.92	6.51	426.83
New Jersey	325.75	183.60	21.19	9.40	31.35	1.63	5.00	8.02	14.98	600.92
New York	1524.63	951.90	680.52	31.25	50.50	4.78	43.93	46.68	20.15	3 354.33
Pennsylvania	450.64	324.50	117.12	18.72	27.72	3.93	4.29	12.98	19.45	979.36
<b>Great Lakes</b>	<b>1,808.80</b>	<b>1,053.60</b>	<b>261.95</b>	<b>65.44</b>	<b>112.29</b>	<b>15.23</b>	<b>42.12</b>	<b>37.94</b>	<b>28.30</b>	<b>3,425.68</b>
Illinois	485.71	318.90	64.29	16.85	20.73	3.74	6.29	7.23	11.20	934.93
Indiana	95.72	137.60	16.75	9.01	6.13	2.21	2.91	1.91	0.19	272.43
Michigan	596.22	228.10	91.42	14.54	29.42	3.36	14.11	9.50	0.00	986.67
Ohio	429.23	289.20	60.13	16.89	41.73	4.05	14.98	12.56	11.77	880.55
Wisconsin	201.92	79.80	29.36	8.15	14.27	1.86	3.84	6.74	5.15	351.10
<b>Plains</b>	<b>501.06</b>	<b>310.80</b>	<b>87.61</b>	<b>31.01</b>	<b>45.64</b>	<b>6.86</b>	<b>8.81</b>	<b>23.78</b>	<b>17.75</b>	<b>1,033.32</b>
Iowa	65.32	53.40	9.30	5.10	5.46	1.11	1.79	0.96	2.81	145.24
Kansas	57.33	41.30	13.98	3.51	5.87	0.95	0.61	3.57	4.02	131.13
Minnesota	206.79	91.90	24.81	6.88	14.93	1.57	1.45	9.53	4.39	362.26
Missouri	124.73	75.40	32.81	9.26	11.15	1.91	3.90	5.02	4.71	268.89
Nebraska	29.00	31.80	5.57	3.06	5.90	0.66	0.59	3.56	1.77	81.90
North Dakota	9.21	7.80	2.31	1.43	1.26	0.31	0.21	0.73	0.00	23.24
South Dakota	8.68	9.20	1.20	1.78	1.08	0.34	0.28	0.42	0.07	23.04



**Table 3-2 continued**  
**Total State Spending on Federal Matching Programs for Children, 1992**  
(in Millions of Dollars)

	AFDC	Medicaid	Foster care	MCHBG	Child Support	Child Welfare	Adoption	AFDC Child care	At-risk Child care	TOTAL
<b>Southeast</b>	<b>\$1,196.57</b>	<b>\$1,253.50</b>	<b>\$143.50</b>	<b>\$112.31</b>	<b>\$131.89</b>	<b>\$23.24</b>	<b>\$20.01</b>	<b>\$60.81</b>	<b>\$37.22</b>	<b>\$2,979.05</b>
Alabama	33.46	39.70	3.58	9.29	10.47	1.79	0.84	2.01	2.42	103.56
Arkansas	20.24	39.60	3.91	5.53	4.11	1.08	0.34	0.50	0.16	75.46
Florida	379.02	360.30	36.27	13.15	25.77	3.89	6.25	13.71	16.43	854.79
Georgia	187.70	136.70	20.66	12.33	13.69	2.55	1.45	10.40	5.01	390.49
Kentucky	74.47	76.70	23.37	8.94	9.88	1.61	1.59	3.24	1.47	201.26
Louisiana	56.62	101.00	15.59	10.20	10.03	2.10	4.12	2.18	0.00	201.84
Mississippi	24.50	29.50	2.19	7.82	7.02	1.38	0.10	0.61	0.00	73.12
North Carolina	139.48	139.50	6.87	12.63	17.39	2.56	0.57	11.88	2.50	333.38
South Carolina	40.98	53.90	7.80	8.79	6.32	1.57	1.49	0.84	1.61	123.30
Tennessee	79.35	137.10	11.81	9.14	7.31	1.96	1.20	6.11	0.00	253.97
Virginia	130.76	107.40	8.91	9.54	15.92	1.94	1.98	8.40	7.63	292.48
West Virginia	29.98	32.10	2.55	4.96	3.98	0.81	0.10	0.93	0.00	75.40
<b>Southwest</b>	<b>428.46</b>	<b>466.80</b>	<b>70.49</b>	<b>36.04</b>	<b>49.42</b>	<b>10.79</b>	<b>7.47</b>	<b>24.37</b>	<b>17.98</b>	<b>1,111.82</b>
Arizona*	107.88	NA	12.53	4.39	8.68	1.46	1.23	3.62	5.50	145.28
New Mexico	33.01	26.10	4.21	3.07	2.61	0.76	0.88	0.73	0.56	71.93
Oklahoma	70.33	76.90	4.13	5.26	5.57	1.37	1.04	2.61	3.30	170.51
Texas	217.24	363.80	49.62	23.32	32.56	7.21	4.32	17.42	8.63	724.10
<b>Rocky Mountain</b>	<b>147.79</b>	<b>116.60</b>	<b>21.35</b>	<b>14.77</b>	<b>17.35</b>	<b>3.36</b>	<b>1.97</b>	<b>7.95</b>	<b>3.62</b>	<b>334.76</b>
Colorado	85.47	65.30	15.19	5.27	6.90	1.17	0.98	3.27	3.11	186.66
Idaho	10.78	10.80	1.01	2.40	2.45	0.52	0.21	0.36	0.10	28.63
Montana	16.50	12.10	1.39	1.76	1.82	0.37	0.33	0.83	0.00	35.11
Utah	25.18	19.90	2.87	4.44	5.45	1.05	0.39	2.56	0.22	62.05
Wyoming	9.86	8.50	0.90	0.89	0.74	0.23	0.06	0.93	0.20	22.30
<b>Far West</b>	<b>3,689.54</b>	<b>886.10</b>	<b>453.91</b>	<b>41.04</b>	<b>127.54</b>	<b>12.77</b>	<b>36.23</b>	<b>38.72</b>	<b>86.33</b>	<b>5,372.18</b>
Alaska	52.17	27.30	4.74	0.80	3.05	0.20	0.59	1.39	1.48	91.72
California	3 170.62	658.00	411.19	26.84	83.83	9.01	30.18	18.00	72.95	4 480.62
Hawaii	64.62	23.10	1.92	1.69	2.92	0.39	0.15	0.18	0.79	95.77
Nevada	25.15	29.40	2.13	0.97	3.51	0.39	0.24	0.81	0.90	63.50
Oregon	89.89	40.40	14.57	4.45	6.95	1.08	1.39	4.39	2.89	166.01
Washington	287.09	107.90	19.35	6.28	27.28	1.71	3.69	13.94	7.32	474.56

Source: Chapter 3 Appendix

\* Arizona's total spending does not include Medicaid spending since it does not have a Medicaid program. Since 1982 Arizona has received federal funds under

**Table 3-3**  
**State Spending on Federal Matching Programs for Children, Per Poor Child --1992**

	AFDC	Medicaid	Foster care	MCHBG	Child Support	Child Welfare	Adoption	AFDC Child Care	At-risk Child Care	TOTAL	Rank
<b>United States</b>	<b>\$814.12</b>	<b>\$449.69</b>	<b>\$146.01</b>	<b>\$28.69</b>	<b>\$47.96</b>	<b>\$6.44</b>	<b>\$13.81</b>	<b>\$23.35</b>	<b>\$19.60</b>	<b>\$1,549.67</b>	
<b>New England</b>	<b>1,652.77</b>	<b>837.28</b>	<b>171.89</b>	<b>40.98</b>	<b>79.88</b>	<b>7.32</b>	<b>32.57</b>	<b>73.96</b>	<b>26.78</b>	<b>2,923.43</b>	
Connecticut	2,046.14	1,050.79	148.58	37.45	96.66	6.49	24.24	64.46	35.02	3,509.82	2
Maine	808.92	441.67	68.93	45.30	58.45	8.06	23.81	7.60	2.40	1,465.16	20
Massachusetts	1,780.24	864.89	195.91	38.42	77.43	6.19	26.95	95.70	26.49	3,112.22	4
New Hampshire	1,037.91	958.27	227.12	53.94	83.13	12.00	21.92	77.62	54.49	2,526.41	7
Rhode Island	1,729.87	830.86	165.48	35.41	81.30	9.31	94.56	76.59	25.50	3,048.87	5
Vermont	1,454.07	462.96	249.07	67.67	81.58	12.10	67.85	55.25	24.59	2,475.15	8
<b>Mid-Atlantic</b>	<b>1,264.57</b>	<b>820.08</b>	<b>435.32</b>	<b>35.25</b>	<b>63.66</b>	<b>5.98</b>	<b>27.84</b>	<b>41.74</b>	<b>31.15</b>	<b>2,725.58</b>	
Delaware	1,071.63	838.18	63.52	73.44	146.90	11.46	18.33	207.66	37.45	2,468.57	10
Maryland	1,087.61	874.67	256.23	52.69	79.91	7.49	9.72	63.19	37.63	2,469.13	9
New Jersey	1,157.96	652.65	75.34	33.42	111.45	5.79	17.77	28.51	53.25	2,136.14	12
New York	1,479.76	923.88	660.49	30.33	49.01	4.64	42.64	45.30	19.56	3,255.60	3
Pennsylvania	937.60	675.15	243.69	38.95	57.68	8.17	8.93	27.01	40.47	2,037.64	13
<b>Great Lakes</b>	<b>839.90</b>	<b>489.23</b>	<b>121.63</b>	<b>30.39</b>	<b>52.14</b>	<b>7.07</b>	<b>19.56</b>	<b>17.62</b>	<b>13.14</b>	<b>1,590.68</b>	
Illinois	759.98	498.97	100.59	26.36	32.43	5.85	9.84	11.31	17.52	1,462.84	21
Indiana	332.56	478.08	58.20	31.31	21.29	7.69	10.09	6.64	0.65	946.53	32
Michigan	1,090.05	417.03	167.14	26.58	53.80	6.15	25.81	17.36	0.00	1,803.91	16
Ohio	869.77	586.02	121.85	34.23	84.57	8.21	30.34	25.45	23.85	1,784.30	17
Wisconsin	1,084.45	428.57	157.69	43.78	76.64	9.99	20.64	36.21	27.66	1,885.62	15
<b>Plains</b>	<b>621.91</b>	<b>385.77</b>	<b>108.74</b>	<b>38.49</b>	<b>56.65</b>	<b>8.51</b>	<b>10.94</b>	<b>29.51</b>	<b>22.04</b>	<b>1,282.56</b>	
Iowa	705.32	576.61	100.39	55.02	58.98	11.99	19.31	10.32	30.33	1,568.27	19
Kansas	545.56	393.00	133.01	33.44	55.83	9.06	5.76	33.94	38.21	1,247.80	26
Minnesota	931.91	414.14	111.81	30.99	67.30	7.07	6.54	42.94	19.79	1,632.49	18
Missouri	473.80	286.42	124.64	35.19	42.34	7.27	14.80	19.08	17.88	1,021.41	31
Nebraska	458.74	503.04	88.16	48.35	93.39	10.42	9.28	56.27	27.92	1,295.56	24
North Dakota	352.12	298.35	88.20	54.53	48.00	11.89	7.89	27.81	0.00	888.79	35
South Dakota	259.34	274.99	35.99	53.26	32.13	10.24	8.33	12.49	1.94	688.71	40

Table 3-3 continued  
 State Spending on Federal Matching Programs for Children, Per Poor Child --1992

	AFDC	Medicaid	Foster care	MCHBG	Child Support	Child Welfare	Adoption	AFDC Child Care	At-risk Child Care	TOTAL	Rank
<b>Southeast</b>	<b>\$321.23</b>	<b>\$336.52</b>	<b>\$38.52</b>	<b>\$30.15</b>	<b>\$35.41</b>	<b>\$6.24</b>	<b>\$5.37</b>	<b>\$16.32</b>	<b>\$9.99</b>	<b>\$799.76</b>	
Alabama	131.76	156.34	14.09	36.59	41.24	7.06	3.29	7.91	9.54	407.82	48
Arkansas	133.52	261.23	25.80	36.47	27.08	7.13	2.23	3.29	1.04	497.78	46
Florida	500.12	475.42	47.86	17.35	34.01	5.13	8.24	18.09	21.68	1127.89	29
Georgia	436.32	317.76	48.02	28.65	31.82	5.93	3.37	24.17	11.64	907.70	34
Kentucky	310.24	319.54	97.36	37.24	41.17	6.71	6.60	13.49	6.10	838.45	36
Louisiana	132.57	236.47	36.49	23.88	23.48	4.91	9.66	5.11	0.00	472.57	47
Mississippi	99.57	119.87	8.90	31.78	28.51	5.60	0.42	2.48	0.00	297.14	49
North Carolina	434.83	434.90	21.41	39.37	54.21	7.99	1.79	37.03	7.78	1039.31	30
South Carolina	172.79	227.24	32.88	37.05	26.65	6.60	6.27	3.55	6.80	519.84	44
Tennessee	244.93	423.20	36.45	28.20	22.57	6.04	3.70	18.87	0.00	783.96	37
Virginia	611.04	501.88	41.64	44.58	74.40	9.08	9.24	39.25	35.64	1366.75	23
West Virginia	245.35	262.68	20.88	40.61	32.53	6.63	0.79	7.57	0.00	617.02	41
<b>Southwest</b>	<b>242.00</b>	<b>303.09</b>	<b>39.81</b>	<b>20.35</b>	<b>27.91</b>	<b>6.09</b>	<b>4.22</b>	<b>13.77</b>	<b>10.16</b>	<b>667.40</b>	
Arizona*	468.33	NA	54.39	19.04	37.68	6.33	5.35	15.71	23.88	630.71	NA
New Mexico	262.65	207.65	33.53	24.44	20.75	6.01	6.99	5.78	4.43	572.25	43
Oklahoma	376.02	411.13	22.07	28.14	29.77	7.31	5.58	13.95	17.62	911.60	33
Texas	176.99	296.39	40.42	19.00	26.53	5.87	3.52	14.19	7.03	589.94	42
<b>Rocky Mountain</b>	<b>421.93</b>	<b>332.90</b>	<b>60.95</b>	<b>42.16</b>	<b>49.54</b>	<b>9.59</b>	<b>5.63</b>	<b>22.68</b>	<b>10.35</b>	<b>955.74</b>	
Colorado	576.83	440.72	102.52	35.60	46.54	7.92	6.63	22.06	21.00	1,259.82	25
Idaho	190.12	190.48	17.85	42.25	43.16	9.20	3.77	6.35	1.75	504.92	45
Montana	363.19	266.37	30.56	38.78	40.15	8.25	7.27	18.29	0.02	772.89	38
Utah	308.02	243.43	35.05	54.32	66.62	12.90	4.72	31.31	2.65	759.02	39
Wyoming	541.23	466.62	49.13	49.08	40.68	12.74	3.35	50.78	10.76	1,224.37	28
<b>Far West</b>	<b>1,585.07</b>	<b>380.68</b>	<b>195.00</b>	<b>17.63</b>	<b>54.79</b>	<b>5.49</b>	<b>15.57</b>	<b>16.63</b>	<b>37.09</b>	<b>2,307.96</b>	
Alaska	2,073.53	1,085.06	188.51	31.72	121.10	8.05	23.45	55.29	58.74	3,645.45	1
California	1,658.26	344.14	215.06	14.04	43.84	4.71	15.78	9.41	38.15	2,343.40	11
Hawaii	1,361.30	486.66	40.53	35.69	61.60	8.20	3.10	3.81	16.71	2,017.62	14
Nevada	492.75	576.04	41.79	19.02	68.73	7.56	4.77	15.93	17.59	1,244.19	27
Oregon	766.95	344.72	124.29	38.00	59.33	9.24	11.85	37.48	24.62	1,416.47	22
Washington	1,642.46	617.29	110.69	35.94	156.07	9.76	21.09	79.74	41.89	2,714.95	6

Source: Chapter 3, Appendix B

\* Arizona's total spending does not include Medicaid spending since it does not have a Medicaid program. Since 1982, Arizona has received federal funds under a demonstration waiver for an alternative medical assistance program for lower income people.

**Table 3-4**  
**State Spending on Federal Matching Programs for Children, Per \$100 of Personal Income - 1992**

	<b>AFDC</b>	<b>Medicaid</b>	<b>Foster care</b>	<b>MCHBG</b>	<b>Child Support</b>	<b>Child Welfare</b>	<b>Adoption</b>	<b>AFDC Child care</b>	<b>At-risk Child care</b>	<b>TOTAL</b>	<b>Rank</b>
<b>United States</b>	<b>\$0.22</b>	<b>\$0.10</b>	<b>\$0.04</b>	<b>\$0.01</b>	<b>\$0.01</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.01</b>	<b>\$0.01</b>	<b>\$0.40</b>	
<b>New England</b>	<b>0.25</b>	<b>0.13</b>	<b>0.03</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.00</b>	<b>0.45</b>	
Connecticut	0.23	0.12	0.02	0.00	0.01	0.00	0.00	0.01	0.00	0.39	12
Maine	0.21	0.12	0.02	0.01	0.02	0.00	0.01	0.00	0.00	0.39	13
Massachusetts	0.29	0.14	0.03	0.01	0.01	0.00	0.00	0.02	0.00	0.51	6
New Hampshire	0.12	0.11	0.03	0.01	0.01	0.00	0.00	0.01	0.01	0.29	25
Rhode Island	0.31	0.15	0.03	0.01	0.01	0.00	0.02	0.01	0.00	0.55	4
Vermont	0.26	0.08	0.05	0.01	0.01	0.00	0.01	0.01	0.00	0.45	7
<b>Mid-Atlantic</b>	<b>0.25</b>	<b>0.16</b>	<b>0.08</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.53</b>	
Delaware	0.15	0.12	0.01	0.01	0.02	0.00	0.00	0.03	0.01	0.35	18
Maryland	0.16	0.13	0.04	0.01	0.01	0.00	0.00	0.01	0.01	0.37	14
New Jersey	0.16	0.09	0.01	0.00	0.02	0.00	0.00	0.00	0.01	0.29	26
New York	0.35	0.22	0.16	0.01	0.01	0.00	0.01	0.01	0.00	0.77	1
Pennsylvania	0.18	0.13	0.05	0.01	0.01	0.00	0.00	0.01	0.01	0.40	10
<b>Great Lakes</b>	<b>0.21</b>	<b>0.12</b>	<b>0.03</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.40</b>	
Illinois	0.19	0.13	0.03	0.01	0.01	0.00	0.00	0.00	0.00	0.37	15
Indiana	0.09	0.13	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.26	35
Michigan	0.32	0.12	0.05	0.01	0.02	0.00	0.01	0.01	0.00	0.53	5
Ohio	0.21	0.14	0.03	0.01	0.02	0.00	0.01	0.01	0.01	0.42	9
Wisconsin	0.21	0.08	0.03	0.01	0.01	0.00	0.00	0.01	0.01	0.37	17
<b>Plains</b>	<b>0.15</b>	<b>0.09</b>	<b>0.03</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.30</b>	
Iowa	0.13	0.10	0.02	0.01	0.01	0.00	0.00	0.00	0.01	0.29	29
Kansas	0.12	0.09	0.03	0.01	0.01	0.00	0.00	0.01	0.01	0.27	32
Minnesota	0.23	0.10	0.03	0.01	0.02	0.00	0.00	0.01	0.00	0.40	11
Missouri	0.13	0.08	0.03	0.01	0.01	0.00	0.00	0.01	0.00	0.27	31
Nebraska	0.09	0.10	0.02	0.01	0.02	0.00	0.00	0.01	0.01	0.27	34
North Dakota	0.08	0.07	0.02	0.01	0.01	0.00	0.00	0.01	0.00	0.21	43
South Dakota	0.07	0.07	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.19	47

**Table 3-4 continued**  
**State Spending on Federal Matching Programs for Children, Per \$100 of Personal Income --1992**

	AFDC	Medicaid	Foster care	MCHBG	Child Support	Child Welfare	Adoption	AFDC Child care	At-risk Child care	TOTAL	Rank
<b>Southeast</b>	<b>\$0.11</b>	<b>\$0.11</b>	<b>\$0.01</b>	<b>\$0.01</b>	<b>\$0.01</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.01</b>	<b>\$0.00</b>	<b>\$0.27</b>	
Alabama	0.05	0.06	0.01	0.01	0.02	0.00	0.00	0.00	0.00	0.15	49
Arkansas	0.05	0.11	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.20	45
Florida	0.14	0.14	0.01	0.00	0.01	0.00	0.00	0.01	0.01	0.32	21
Georgia	0.15	0.11	0.02	0.01	0.01	0.00	0.00	0.01	0.00	0.31	22
Kentucky	0.12	0.12	0.04	0.01	0.02	0.00	0.00	0.01	0.00	0.33	19
Louisiana	0.08	0.15	0.02	0.02	0.01	0.00	0.01	0.00	0.00	0.30	24
Mississippi	0.07	0.08	0.01	0.02	0.02	0.00	0.00	0.00	0.00	0.20	46
North Carolina	0.11	0.11	0.01	0.01	0.01	0.00	0.00	0.01	0.00	0.27	30
South Carolina	0.07	0.09	0.01	0.02	0.01	0.00	0.00	0.00	0.00	0.21	44
Tennessee	0.09	0.15	0.01	0.01	0.01	0.00	0.00	0.01	0.00	0.29	28
Virginia	0.10	0.08	0.01	0.01	0.01	0.00	0.00	0.01	0.01	0.22	41
West Virginia	0.11	0.11	0.01	0.02	0.01	0.00	0.00	0.00	0.00	0.27	33
<b>Southwest</b>	<b>0.09</b>	<b>0.12</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.00</b>	<b>0.25</b>	
Arizona*	0.16	NA	0.02	0.01	0.01	0.00	0.00	0.01	0.01	0.22	NA
New Mexico	0.13	0.11	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.29	27
Oklahoma	0.13	0.15	0.01	0.01	0.01	0.00	0.00	0.00	0.01	0.32	20
Texas	0.07	0.11	0.02	0.01	0.01	0.00	0.00	0.01	0.00	0.22	39
<b>Rocky Mountain</b>	<b>0.11</b>	<b>0.08</b>	<b>0.02</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.00</b>	<b>0.24</b>	
Colorado	0.12	0.09	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.26	36
Idaho	0.06	0.06	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.16	48
Montana	0.12	0.09	0.01	0.01	0.01	0.00	0.00	0.01	0.00	0.26	37
Utah	0.09	0.07	0.01	0.02	0.02	0.00	0.00	0.01	0.00	0.22	40
Wyoming	0.11	0.10	0.01	0.01	0.01	0.00	0.00	0.01	0.00	0.25	38
<b>Far West</b>	<b>0.41</b>	<b>0.10</b>	<b>0.05</b>	<b>0.00</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.60</b>	
Alaska	0.40	0.21	0.04	0.01	0.02	0.00	0.00	0.01	0.01	0.70	2
California	0.48	0.10	0.06	0.00	0.01	0.00	0.00	0.00	0.01	0.67	3
Hawaii	0.25	0.09	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.37	16
Nevada	0.09	0.10	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.22	42
Oregon	0.16	0.07	0.03	0.01	0.01	0.00	0.00	0.01	0.01	0.30	23
Washington	0.26	0.10	0.02	0.01	0.02	0.00	0.00	0.01	0.01	0.43	8

Source: Chapter 3, Appendix B

\* Arizona's total spending does not include Medicaid spending since it does not have a Medicaid program. Since 1982, Arizona has received federal funds under a demonstration waiver for an alternative medical assistance program for lower income people.

**Table 3-5**  
**Total State Spending on Federal Matching Programs for Children**  
**(In millions of 1992 dollars)**

	<b>1985</b>	<b>% of Total</b>	<b>1992</b>	<b>% of Total</b>	<b>Percent Change in Spending (1985 -1992)</b>
AFDC	\$10,089	68.5	\$11,139	52.5	10.4
Medicaid for children	3,075	20.9	6,161	29.1	100.3
Foster Care	667	4.5	1,995	9.4	199.0
Maternal and Child Health	383	2.6	390	1.8	1.7
Child Support	322	2.2	652	3.1	102.3
AFDC Child Care	-	0	317	1.5	NA
At-risk Child Care	-	0	266	1.3	NA
Adoption	101	0.7	188	0.9	85.2
Child welfare	88	0.6	90	0.4	3.1
<b>TOTAL</b>	<b>\$14,726</b>	<b>100.0</b>	<b>\$21,197</b>	<b>100.0</b>	<b>43.9</b>

*Source:* Chapter 3, Appendix B

**Table 3-6**  
**State AFDC Spending Per Poor Child (in 1992\$)**

	Index		Index		% Change	% Change
	1985	1985	1992	1992	1985-92	Rank
<b>United States</b>	<b>\$772.86</b>	<b>100</b>	<b>\$814.12</b>	<b>100</b>	<b>5.3</b>	
<b>New England</b>	<b>1398.00</b>	<b>181</b>	<b>1652.77</b>	<b>203</b>	<b>18.2</b>	
Connecticut	1736.73	225	2046.14	251	17.8	19
Maine	727.48	94	808.92	99	11.2	26
Massachusetts	1606.74	208	1780.24	219	10.8	27
New Hampshire	680.78	88	1037.91	127	52.5	11
Rhode Island	1098.53	142	1729.87	212	57.5	10
Vermont	789.68	102	1454.07	179	84.1	2
<b>Mid-Atlantic</b>	<b>1144.76</b>	<b>148</b>	<b>1264.57</b>	<b>155</b>	<b>10.5</b>	
Delaware	768.47	99	1071.63	132	39.5	12
Maryland	619.81	80	1087.61	134	75.5	4
New Jersey	646.91	84	1157.96	142	79.0	3
New York	1486.29	192	1479.76	182	-0.4	35
Pennsylvania	939.07	122	937.60	115	-0.2	34
<b>Great Lakes</b>	<b>1045.94</b>	<b>135</b>	<b>839.90</b>	<b>103</b>	<b>-19.7</b>	
Illinois	921.35	119	759.98	93	-17.5	46
Indiana	346.94	45	332.56	41	-4.1	42
Michigan	1481.21	192	1090.05	134	-26.4	48
Ohio	892.74	116	869.77	107	-2.6	40
Wisconsin	1597.29	207	1084.45	133	-32.1	49
<b>Plains</b>	<b>655.36</b>	<b>85</b>	<b>621.91</b>	<b>76</b>	<b>-5.1</b>	
Iowa	686.13	89	705.32	87	2.8	31
Kansas	628.00	81	545.56	67	-13.1	45
Minnesota	1203.91	156	931.91	114	-22.6	47
Missouri	446.19	58	473.80	58	6.2	30
Nebraska	470.97	61	458.74	56	-2.6	41
North Dakota	348.83	45	352.12	43	0.9	33
South Dakota	224.15	29	259.34	32	15.7	22
<b>Southeast</b>	<b>234.74</b>	<b>30</b>	<b>321.23</b>	<b>39</b>	<b>36.8</b>	
Alabama	111.41	14	131.76	16	18.3	17
Arkansas	112.20	15	133.52	16	19.0	15
Florida	315.59	41	500.12	61	58.5	9
Georgia	267.96	35	436.32	54	62.8	7
Kentucky	265.59	34	310.24	38	16.8	20
Louisiana	240.52	31	132.57	16	-44.9	50
Mississippi	88.21	11	99.57	12	12.9	24
North Carolina	254.28	33	434.83	53	71.0	6
South Carolina	174.54	23	172.79	21	-1.0	37
Tennessee	140.28	18	244.93	30	74.6	5
Virginia	563.87	73	611.04	75	8.4	28
West Virginia	247.19	32	245.35	30	-0.7	36
<b>Southwest</b>	<b>195.68</b>	<b>25</b>	<b>242.00</b>	<b>30</b>	<b>23.7</b>	
Arizona	209.72	27	468.33	58	123.3	1
New Mexico	221.64	29	262.65	32	18.5	16
Oklahoma	399.76	52	376.02	46	-5.9	44
Texas	158.03	20	176.99	22	12.0	25
<b>Rocky Mountain</b>	<b>403.16</b>	<b>52</b>	<b>421.93</b>	<b>52</b>	<b>4.7</b>	
Colorado	586.05	76	576.83	71	-1.6	39
Idaho	186.01	24	190.12	23	2.2	32
Montana	384.01	50	363.19	45	-5.4	43
Utah	287.27	37	308.02	38	7.2	29
Wyoming	464.39	60	541.23	66	16.5	21
<b>Far West</b>	<b>1538.98</b>	<b>199</b>	<b>1585.07</b>	<b>195</b>	<b>3.0</b>	
Alaska	1545.59	200	2073.53	255	34.2	13
California	1678.55	217	1658.26	204	-1.2	38
Hawaii	1182.41	153	1361.30	167	15.1	23
Nevada	305.21	39	492.75	61	61.4	8
Oregon	596.83	77	766.95	94	28.5	14
Washington	1390.05	180	1642.46	202	18.2	18

Source: Chapter 3, Appendix B

**Table 3-7**  
**State AFDC Spending, Per \$100 of Personal Income**

	1985	Index	1992	Index	% Change 1985-92	Rank % Change
<b>United States</b>	<b>\$0.23</b>	<b>100</b>	<b>\$0.22</b>	<b>100</b>	<b>-3.9</b>	
<b>New England</b>	<b>0.21</b>	<b>95</b>	<b>0.25</b>	<b>117</b>	<b>18.3</b>	
Connecticut	0.21	92	0.23	104	9.5	17
Maine	0.18	80	0.21	98	17.9	14
Massachusetts	0.24	108	0.29	134	19.2	13
New Hampshire	0.07	29	0.12	56	83.5	2
Rhode Island	0.25	109	0.31	143	26.1	12
Vermont	0.20	90	0.26	121	28.9	11
<b>Mid Atlantic</b>	<b>0.26</b>	<b>116</b>	<b>0.25</b>	<b>113</b>	<b>-5.9</b>	
Delaware	0.17	75	0.15	70	-10.3	26
Maryland	0.09	42	0.16	76	75.1	4
New Jersey	0.11	48	0.16	73	47.1	7
New York	0.39	173	0.35	160	-11.1	27
Pennsylvania	0.24	104	0.18	84	-22.6	40
<b>Great Lakes</b>	<b>0.31</b>	<b>139</b>	<b>0.21</b>	<b>98</b>	<b>-32.0</b>	
Illinois	0.27	121	0.19	88	-29.8	45
Indiana	0.11	47	0.09	42	-14.1	35
Michigan	0.50	222	0.32	148	-36.0	47
Ohio	0.26	114	0.21	95	-20.3	39
Wisconsin	0.39	174	0.21	97	-46.3	50
<b>Plains</b>	<b>0.18</b>	<b>78</b>	<b>0.15</b>	<b>67</b>	<b>-17.2</b>	
Iowa	0.22	97	0.13	59	-41.8	49
Kansas	0.14	61	0.12	55	-13.8	34
Minnesota	0.26	115	0.23	104	-13.6	32
Missouri	0.13	57	0.13	58	-1.4	22
Nebraska	0.14	60	0.09	43	-30.9	46
North Dakota	0.10	45	0.08	39	-16.1	38
South Dakota	0.09	40	0.07	32	-22.9	41
<b>Southeast</b>	<b>0.09</b>	<b>41</b>	<b>0.11</b>	<b>50</b>	<b>18.5</b>	
Alabama	0.06	29	0.05	23	-24.1	42
Arkansas	0.06	27	0.05	25	-12.1	29
Florida	0.08	35	0.14	66	79.1	3
Georgia	0.11	47	0.15	69	40.6	9
Kentucky	0.12	52	0.12	56	1.7	20
Louisiana	0.13	59	0.08	38	-37.5	48
Mississippi	0.07	32	0.07	31	-8.5	25
North Carolina	0.08	38	0.11	53	34.9	10
South Carolina	0.08	36	0.07	32	-14.5	36
Tennessee	0.06	28	0.09	41	40.9	8
Virginia	0.11	50	0.10	45	-12.8	30
West Virginia	0.15	65	0.11	49	-27.2	43
<b>Southwest</b>	<b>0.07</b>	<b>31</b>	<b>0.09</b>	<b>42</b>	<b>28.1</b>	
Arizona	0.07	30	0.16	74	133.7	1
New Mexico	0.12	55	0.13	62	7.9	18
Oklahoma	0.13	57	0.13	61	4.2	19
Texas	0.06	25	0.07	31	16.1	15
<b>Rocky Mountain</b>	<b>0.12</b>	<b>52</b>	<b>0.11</b>	<b>49</b>	<b>-9.1</b>	
Colorado	0.12	54	0.12	55	-2.5	23
Idaho	0.09	38	0.06	28	-29.4	44
Montana	0.14	63	0.12	56	-14.6	37
Utah	0.10	46	0.09	41	-13.7	33
Wyoming	0.12	53	0.11	52	-6.6	24
<b>Far West</b>	<b>0.38</b>	<b>168</b>	<b>0.41</b>	<b>188</b>	<b>8.1</b>	
Alaska	0.24	107	0.40	183	64.3	6
California	0.42	188	0.48	219	11.9	16
Hawaii	0.28	125	0.25	115	-11.9	28
Nevada	0.05	23	0.09	40	66.1	5
Oregon	0.16	72	0.16	74	-1.0	21
Washington	0.30	134	0.26	121	-13.5	31

Source: Chapter 3, Appendix B



**Table 3-8**  
**State Medicaid Spending Per Poor Child (in 1992 Dollars)**

	Index		Index		% Change 1985-92	Rank % change
	1985	1985	1992	1992		
<b>United States</b>	<b>\$232.45</b>	<b>100</b>	<b>\$449.69</b>	<b>100</b>	<b>93.5</b>	
<b>New England</b>	<b>420.24</b>	<b>181</b>	<b>837.28</b>	<b>186</b>	<b>99.2</b>	
Connecticut	573.47	247	1050.79	234	83.2	36
Maine	203.92	88	441.67	98	116.6	28
Massachusetts	506.97	218	864.89	192	70.6	40
New Hampshire	309.82	133	958.27	213	209.3	16
Rhode Island	111.67	48	830.86	185	644.0	1
Vermont	152.53	66	462.96	103	203.5	18
<b>Mid-Atlantic</b>	<b>452.05</b>	<b>194</b>	<b>820.08</b>	<b>182</b>	<b>81.4</b>	
Delaware	267.54	115	838.18	186	213.3	15
Maryland	522.62	225	874.67	195	67.4	41
New Jersey	392.09	169	652.65	145	66.5	42
New York	514.33	221	923.88	205	79.6	37
Pennsylvania	359.41	155	675.15	150	87.8	35
<b>Great Lakes</b>	<b>285.84</b>	<b>123</b>	<b>489.23</b>	<b>109</b>	<b>71.2</b>	
Illinois	262.98	113	498.97	111	89.7	33
Indiana	163.54	70	478.08	106	192.3	19
Michigan	347.00	149	417.03	93	20.2	47
Ohio	341.96	147	586.02	130	71.4	39
Wisconsin	205.90	89	428.57	95	108.1	30
<b>Plains</b>	<b>227.71</b>	<b>98</b>	<b>385.77</b>	<b>86</b>	<b>69.4</b>	
Iowa	262.79	113	576.61	128	119.4	26
Kansas	296.56	128	393.00	87	32.5	45
Minnesota	368.12	158	414.14	92	12.5	48
Missouri	130.68	56	286.42	64	119.2	27
Nebraska	165.57	71	503.04	112	203.8	17
North Dakota	246.20	106	298.35	66	21.2	46
South Dakota	66.68	29	274.99	61	312.4	5
<b>Southeast</b>	<b>93.72</b>	<b>40</b>	<b>336.52</b>	<b>75</b>	<b>259.1</b>	
Alabama	40.48	17	156.34	35	286.2	8
Arkansas	90.47	39	261.23	58	188.8	20
Florida	98.97	43	475.42	106	380.4	4
Georgia	88.70	38	317.76	71	258.2	11
Kentucky	124.81	54	319.54	71	156.0	23
Louisiana	113.87	49	236.47	53	107.7	31
Mississippi	43.74	19	119.87	27	174.1	22
North Carolina	119.50	51	434.90	97	263.9	10
South Carolina	69.87	30	227.24	51	225.2	13
Tennessee	125.66	54	423.20	94	236.8	12
Virginia	92.98	40	501.88	112	439.7	2
West Virginia	109.83	47	262.68	58	139.2	24
<b>Southwest</b>	<b>91.08</b>	<b>35</b>	<b>303.09</b>	<b>59</b>	<b>233.0</b>	
Arizona*	NA	0	NA	0	NA	NA
New Mexico	72.51	31	207.65	46	186.4	21
Oklahoma	302.37	130	411.13	91	36.0	44
Texas	59.71	26	296.39	66	396.3	3
<b>Rocky Mountain</b>	<b>143.25</b>	<b>62</b>	<b>332.90</b>	<b>74</b>	<b>132.4</b>	
Colorado	186.55	80	440.72	98	136.3	25
Idaho	51.96	22	190.48	42	266.6	9
Montana	140.95	61	266.37	59	89.0	34
Utah	156.13	67	243.43	54	55.9	43
Wyoming	120.06	52	466.62	104	288.7	7
<b>Far West</b>	<b>300.16</b>	<b>129</b>	<b>380.68</b>	<b>85</b>	<b>26.8</b>	
Alaska	548.19	236	1085.06	241	97.9	32
California	319.01	137	344.14	77	7.9	49
Hawaii	278.88	120	486.66	108	74.5	38
Nevada	145.02	62	576.04	128	297.2	6
Oregon	109.96	47	344.72	77	213.5	14
Washington	286.47	123	617.29	137	115.5	29

Source: Chapter 3, Appendix B

\* Arizona's total spending does not include Medicaid spending since it does not have a Medicaid program. Since 1982, Arizona has received federal funds under a demonstration waiver for an alternative medical assistance program for lower income people.

**Table 3-9**  
**State Medicaid Spending on Children**  
**Per \$100 of Personal Income (in 1992\$)**

	1985	Index	1992	Index	% Change 1985-92	Rank % Change
<b>United States</b>	<b>\$0.68</b>	<b>100</b>	<b>\$0.10</b>	<b>100</b>	<b>52.5</b>	
<b>New England</b>	<b>0.64</b>	<b>94</b>	<b>0.13</b>	<b>123</b>	<b>99.4</b>	
Connecticut	0.68	100	0.12	112	70.3	32
Maine	0.51	74	0.12	111	129.7	21
Massachusetts	0.77	112	0.14	135	83.5	29
New Hampshire	0.30	44	0.11	107	272.3	6
Rhode Island	0.25	37	0.15	143	495.8	1
Vermont	0.39	58	0.08	80	112.5	26
<b>Mid Atlantic</b>	<b>1.03</b>	<b>151</b>	<b>0.16</b>	<b>153</b>	<b>54.6</b>	
Delaware	0.59	86	0.12	114	101.5	28
Maryland	0.79	116	0.13	127	67.0	33
New Jersey	0.66	96	0.09	86	36.8	41
New York	1.36	198	0.22	209	60.4	36
Pennsylvania	0.90	132	0.13	126	45.6	39
<b>Great Lakes</b>	<b>0.86</b>	<b>125</b>	<b>0.12</b>	<b>119</b>	<b>45.0</b>	
Illinois	0.78	114	0.13	121	61.5	35
Indiana	0.50	74	0.13	127	162.1	13
Michigan	1.18	172	0.12	118	4.5	48
Ohio	0.99	144	0.14	133	40.2	40
Wisconsin	0.51	74	0.08	80	64.6	34
<b>Plains</b>	<b>0.61</b>	<b>90</b>	<b>0.09</b>	<b>87</b>	<b>47.8</b>	
Iowa	0.84	123	0.10	100	24.2	46
Kansas	0.65	95	0.09	82	31.5	43
Minnesota	0.80	117	0.10	96	25.6	44
Missouri	0.38	55	0.08	73	103.5	27
Nebraska	0.48	70	0.10	99	115.6	24
North Dakota	0.71	104	0.07	69	0.7	49
South Dakota	0.27	40	0.07	72	174.9	11
<b>Southeast</b>	<b>\$0.37</b>	<b>54</b>	<b>0.11</b>	<b>110</b>	<b>210.9</b>	
Alabama	0.23	34	0.06	56	148.0	16
Arkansas	0.50	73	0.11	102	113.3	25
Florida	0.25	37	0.14	130	442.8	2
Georgia	0.35	52	0.11	105	209.3	8
Kentucky	0.56	82	0.12	119	122.8	22
Louisiana	0.63	92	0.15	143	135.6	19
Mississippi	0.36	53	0.08	77	122.2	23
North Carolina	0.40	58	0.11	110	187.0	9
South Carolina	0.33	48	0.09	89	180.8	10
Tennessee	0.57	83	0.15	148	171.7	12
Virginia	0.19	27	0.08	77	334.3	4
West Virginia	0.65	95	0.11	110	75.4	30
<b>Southwest</b>	<b>0.34</b>	<b>49</b>	<b>0.12</b>	<b>111</b>	<b>245.6</b>	
Arizona*	NA	0	NA	0	NA	50
New Mexico	0.41	60	0.11	102	160.7	14
Oklahoma	0.97	141	0.15	140	50.6	38
Texas	0.22	32	0.11	107	414.5	3
<b>Rocky Mountain</b>	<b>0.41</b>	<b>61</b>	<b>0.08</b>	<b>80</b>	<b>101.8</b>	
Colorado	0.39	57	0.09	88	134.1	20
Idaho	0.24	35	0.06	58	153.1	15
Montana	0.53	77	0.09	86	70.6	31
Utah	0.56	83	0.07	68	25.5	45
Wyoming	0.31	45	0.10	93	211.6	7
<b>Far West</b>	<b>0.74</b>	<b>108</b>	<b>0.10</b>	<b>94</b>	<b>33.1</b>	
Alaska	0.86	126	0.21	200	142.4	17
California	0.81	118	0.10	94	22.1	47
Hawaii	0.67	97	0.09	85	33.6	42
Nevada	0.25	36	0.10	96	308.6	5
Oregon	0.30	44	0.07	70	141.4	18
Washington	0.62	91	0.10	94	57.8	37

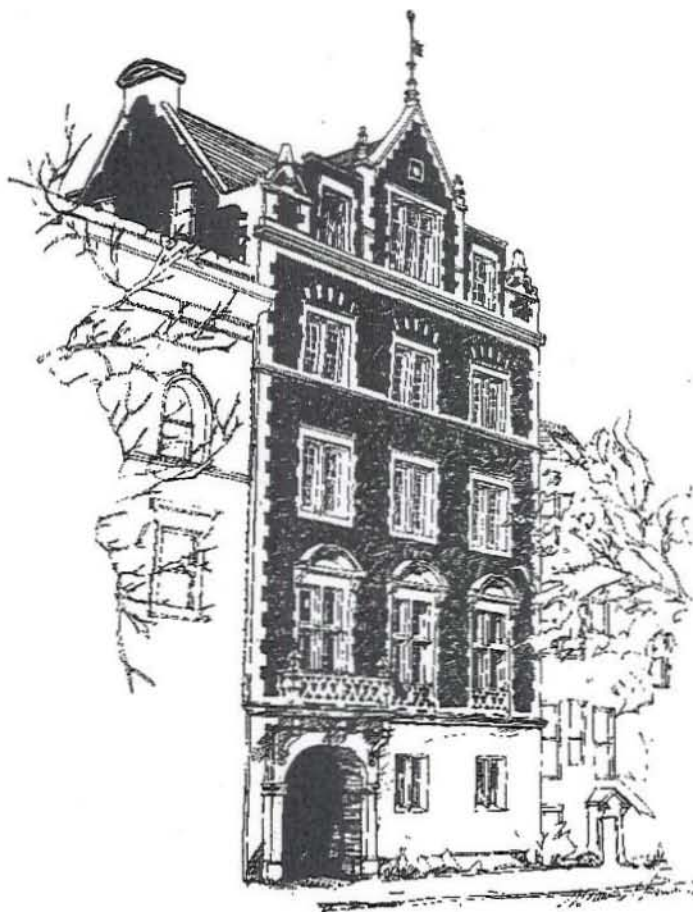
Source: Chapter 3, Appendix B

\* Arizona's total spending does not include Medicaid spending since it does not have a Medicaid program. Since 1982, Arizona has received federal fund under a demonstration waiver for an alternative medical assistance program for lower income people.

**Table 4-1**  
**Projected Increases and Decreases in the Population of Children, 1995-2000**  
**(Percentage Change)**

	Ages 0 - 4	Ages 5 - 19	Ages 0 - 19
<b>United States</b>	-3.7 %	8.0 %	4.9 %
<b>New England</b>			
Connecticut	-11.7	6.8	1.7
Maine	-8.9	0.4	-1.8
Massachusetts	-13.2	6.7	1.3
New Hampshire	-10.1	5.5	1.6
Rhode Island	-13.0	5.2	0.4
Vermont	-5.0	5.7	3.1
<b>Mid Atlantic</b>			
Delaware	-3.7	10.3	6.5
Maryland	-4.9	12.7	7.7
New Jersey	-8.3	10.2	5.1
New York	-9.1	6.3	2.1
Pennsylvania	-7.5	5.4	2.1
<b>Great Lakes</b>			
Illinois	-5.4	6.5	3.3
Indiana	-3.1	5.8	3.5
Michigan	-4.8	5.4	2.7
Ohio	-5.6	4.0	1.5
Wisconsin	-3.0	4.4	2.6
<b>Plains</b>			
Iowa	-2.6	1.4	0.5
Kansas	0.5	5.5	4.2
Minnesota	-3.9	4.6	2.6
Missouri	-5.0	3.9	1.6
Nebraska	-1.7	3.5	2.2
North Dakota	-7.0	-0.7	-2.1
South Dakota	0.0	4.5	3.4
<b>Southeast</b>			
Alabama	-0.9	7.9	5.6
Arkansas	-4.0	5.0	2.8
Florida	-4.6	10.2	6.3
Georgia	-1.8	10.5	7.2
Kentucky	-2.2	3.4	2.0
Louisiana	-2.8	2.0	0.8
Mississippi	-4.3	2.5	0.8
North Carolina	-4.3	10.5	6.6
South Carolina	-4.2	7.1	4.1
Tennessee	-3.6	7.4	4.7
Virginia	-4.5	10.6	6.5
West Virginia	-4.4	-1.1	-1.8
<b>Southwest</b>			
Arizona	-2.4	12.8	8.7
New Mexico	1.4	11.9	9.1
Oklahoma	-4.3	4.0	2.0
Texas	0.3	8.8	6.5
<b>Rocky Mountain</b>			
Colorado	1.1	10.7	8.2
Idaho	9.8	8.6	8.9
Montana	3.3	5.6	5.0
Utah	9.4	5.6	6.6
Wyoming	8.3	4.2	5.2
<b>Far West</b>			
Alaska	4.8	13.5	11.0
California	-2.3	13.8	9.0
Hawaii	5.0	12.8	10.5
Nevada	6.3	15.4	12.9
Oregon	3.1	9.7	8.0
Washington	2.2	12.6	10.0

Source: Paul Campbell, *Population Projections for States, by Age, Sex, Race and Hispanic Origin 1993-2000*: Report P25-1111 (Washington, D.C.: U.S. Government Printing Office, 1994), pp. 24, 26, and 28.



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