STATE FISCAL BRIEF

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New Census Data Offer Glimpse of States' Early Responses to the Fiscal Crisis

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Highlights

- Fiscal year 2003 offered states their first opportunity to effect significant policy responses to the fiscal crisis that hit them hard in 2002. New data from the U.S. Bureau of the Census suggest that many states raised fees and charges to offset declines in tax revenues, reduced and may have deferred capital spending, and limited expenditures on most other programs while spending on Medicaid continued to surge. Even though some states enacted tax increases, overall net tax revenue (in real per capita terms) declined by 1.4 percent in 2003, following a 7.5 percent decline in 2002. States raised public college tuition rates and other fees and charges to help offset this decline, contributing to an overall 2.4 percent increase in fee and charge revenue.

- Spending on "medical vendor payments" — essentially Medicaid — was up 7.4 percent in real per capita terms (adjusted for inflation and population growth), which was enough to drive overall real per capita state government spending 0.9 percent higher than in 2002, despite slight declines in other areas. This suggests that Medicaid spending may have "crowded out" other state expenditures.

- Capital spending declined 3.8 percent in real per capita terms, which may reflect choices by states to defer some capital projects to later years.

- Half or more of the states reduced real per capita spending on elementary and secondary education, corrections, or natural resources. Expenditure reductions were slightly more common in Far West, Mountain, and Southwestern states, but there was no strong regional pattern.

- Spending reductions may have been large relative to perceived needs, but in most cases real per capita reductions were not large relative to the actual level of spending, averaging only 0.2 percent of spending in 2002 for non-capital, non-Medicaid spending.

States' Policy Responses to the Fiscal Crisis Began in Earnest in 2003

As the economy slowed in 2001, state tax revenue growth came to a standstill and revenue then plunged by 7.5 percent in fiscal year 2002 (adjusted for inflation and population growth).[1] Because tax revenue did not fall sharply until late in the 2002 fiscal year, as states were preparing and debating budgets for 2003, most states' policy responses to the emerging crisis did not begin in earnest until fiscal year 2003.

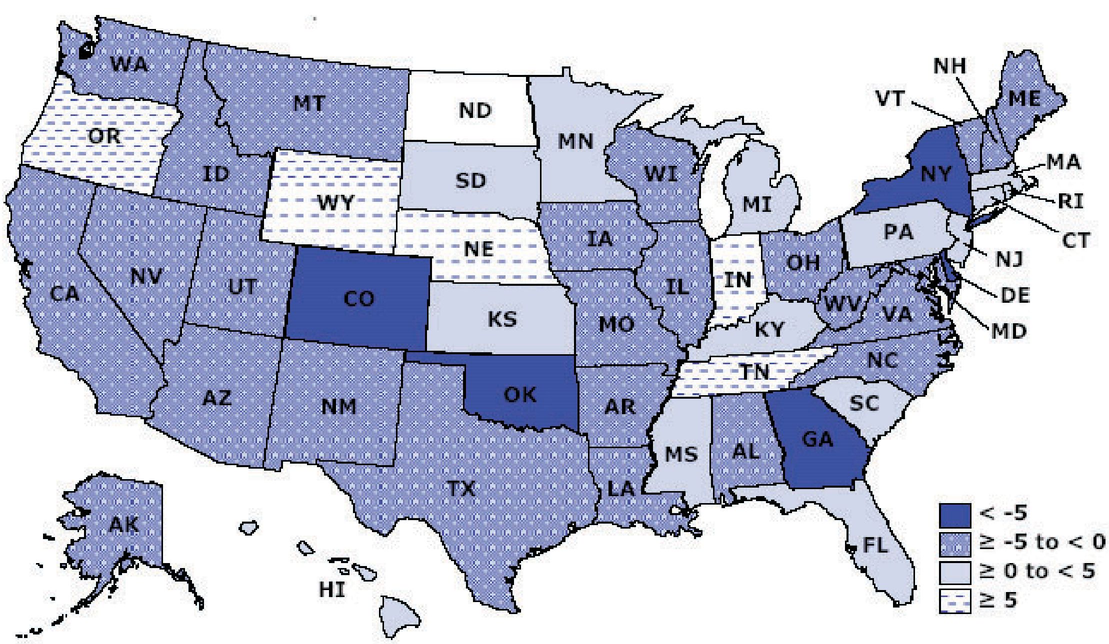
The U.S. Bureau of the Census recently released data on state government finances for fiscal year 2003, offering the first comprehensive look at how state government finances changed during the early stages of the fiscal crisis.[2],[3] This brief examines state revenue and spending changes from 2002. Unless otherwise noted the data are placed in "real per capita" terms — adjusted for inflation and population growth.[4]

Tax Revenue Was Down, But Fees and Federal Grants Were Up

Following the sharp 7.5 percent decline in 2002, real per capita state tax revenue fell again in 2003 by 1.4 percent. The decline would have been greater but for legislated increases that averaged 1.5 percent of revenue. Tax revenue declined in 30 states (see Exhibit 1). The largest increases in tax revenue occurred in the handful of states where the economy or revenue structure was not hit hard in the crisis (as in Wyoming, which relies heavily on resource-based taxation), or that enacted tax increases (as in Indiana and Tennessee), or both. See Table 1 at the end of this brief for state-specific data.

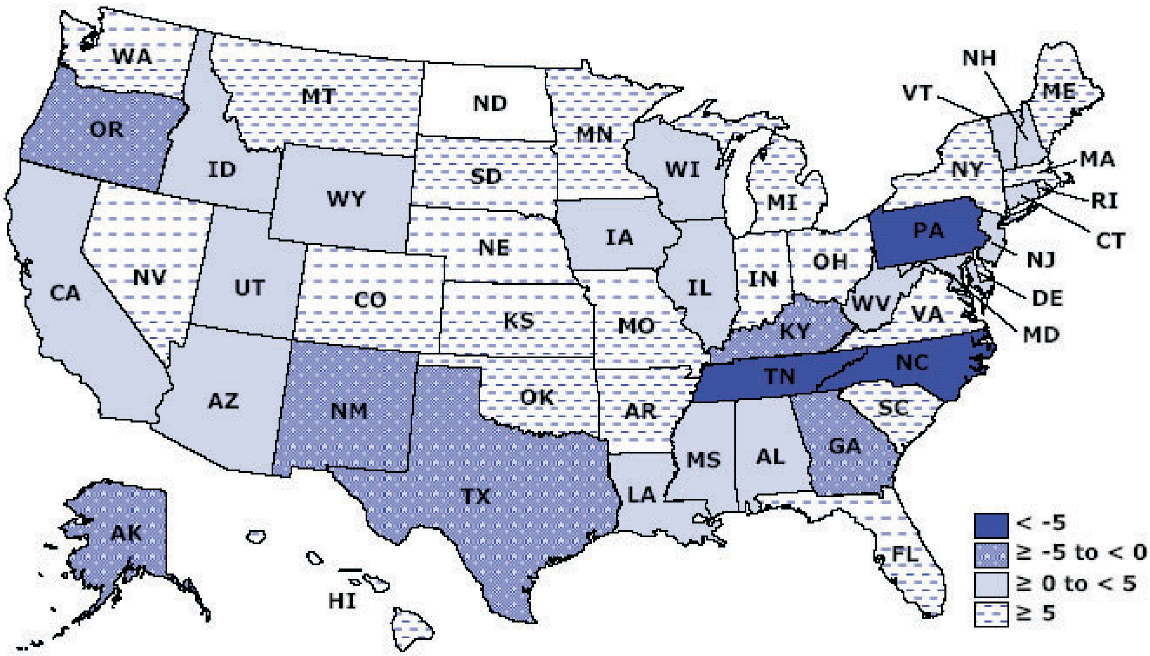
Partially offsetting the decline in taxes, revenue from fees and charges increased 2.4 percent in real per capita terms (the median state increased fees and charges by 4.5 percent.) The increases occurred in 40 states, and were a little more common in the north than in the south (Exhibit 2 and Table 2). Twenty-five states recorded increases in real per capita fee and charge revenue while tax revenue declined. This continued a

Exhibit 1
Percent Change in Real Per Capita State Tax Revenue: 2002 to 2003



Source: Rockefeller Institute analysis of data from U.S. Bureau of the Census and Bureau of Economic Analysis.
Note: North Dakota excluded due to data inconsistencies.

Exhibit 2
Percent Change in Real Per Capita State Revenue from Fees and Charges: 2002 to 2003



Source: Rockefeller Institute analysis of data from U.S. Bureau of the Census and Bureau of Economic Analysis.
Note: North Dakota excluded due to data inconsistencies.

longer-term trend of greater reliance on fees and charges: between 1980 and 2003, real per capita revenue from fees and charges rose 543 percent, increasing from 9.8 percent of state governments' own-source revenue to 14.2 percent.

Some increases in fees and charges may have reflected intentional policies to shift responsibility for services from society at large (i.e., taxpayers) to those who benefit more directly (even if society also benefits). This was true particularly in higher education, where cuts in state support for public universities and colleges were large and widespread, as were tuition increases. States have a history of cutting support for higher education more sharply than other functions of government in recessions, and of using recessions as an opportunity to raise tuition sharply.[5]

Largely as a result of increases in fees and charges, state revenue from their own sources (taxes, fees and charges, and miscellaneous non-tax revenue) fared better than tax revenue alone, but was still down 0.7 percent from 2002.

States also receive revenue from the federal government equal to almost half their own-source revenue on average. Approximately 40 percent of this is reimbursement for Medicaid expenditures, the federal-state health care program for the poor and medically needy. In fiscal year 2003 real per capita revenue from the federal government increased 3.9 percent, driven by reimbursement for rapidly growing Medicaid costs. This increase was enough to lift overall state "general revenue" growth into positive territory (+0.6 percent) despite the decline in own-source revenue.[6] Of course, this is a double-edged sword, as federal reimbursement climbed only because state spending for Medicaid increased.

Overall Spending Increased, But Cuts Lurked Beneath the Surface

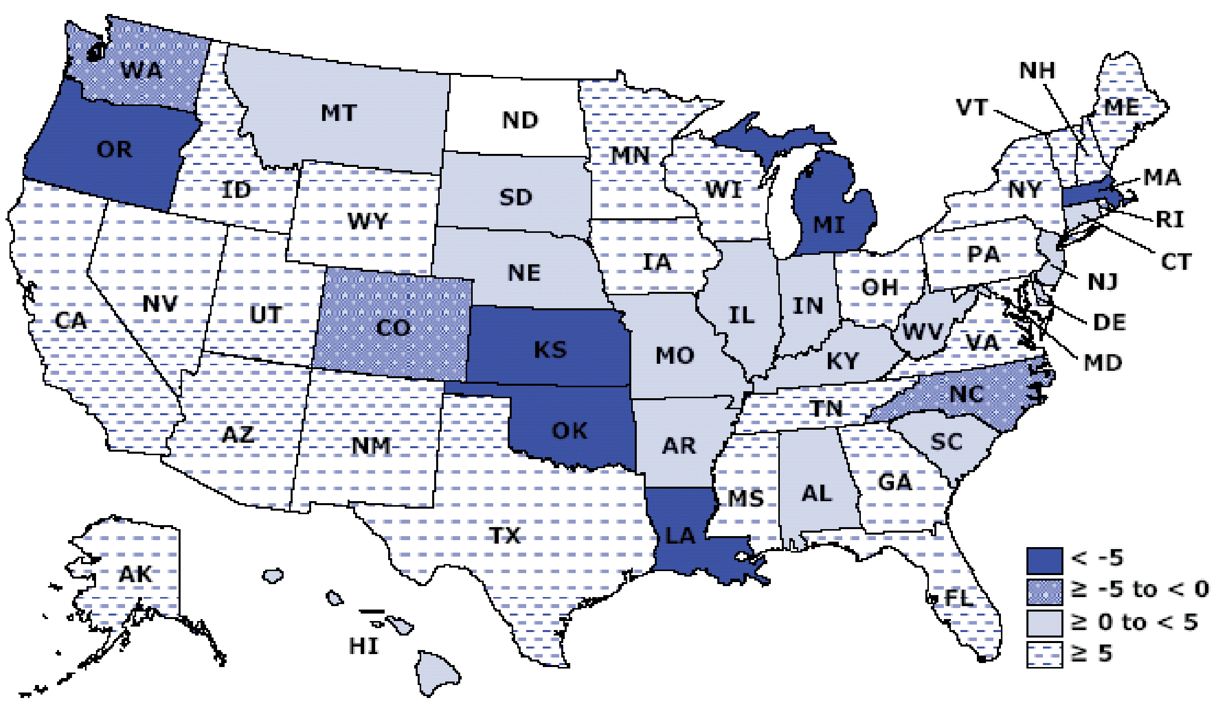
State general expenditures — a broad measure of spending — increased 4.9 percent in nominal terms between 2002 and 2003.[7] Even after adjusting for inflation and population growth, real per capita expenditures were up 0.9 percent, which may seem surprising given the severity of the tax revenue decline.

The increase in general expenditures was driven in large part by rapid growth in the cost of Medicaid, an entitlement program. The most important reasons for this were (1) rising enrollment particularly for families, due to actions by the states to expand coverage during the years prior to the recession and to the economic downturn, and (2) spending per enrollee that increased slightly faster than overall inflation.[8] The Census Bureau measure closest in concept to Medicaid, known as "medical vendor payments," increased 7.4 percent in real per capita terms — significant growth for a large program in any environment, particularly when tax revenue is falling. These payments increased in 40 states, and increased by more than 5 percent in 25 states. (See Exhibit 3 and Table 3.[9]) Recent projections from analysts at the Center for Medicare and Medicaid Services that Medicaid spending will grow 5.4 percentage points faster annually between 2006 and 2014 than the sum of population growth plus general price inflation suggest that Medicaid will place continued pressure on state finances in coming years.[10]

Growth in Medicaid obscured reductions in other spending areas. Working in the other direction, states have cut capital spending sharply during the last several recessions, presumably in part to garner savings that can help protect operating budgets. Many of these cuts may reflect deferrals rather than cancelled projects, meaning that capital spending may rebound sharply after the crisis is over. While it is dangerous to read too much into year-to-year changes in capital spending because it is volatile due to the "lumpiness" of construction projects, states certainly reduced capital spending in 2003: overall real per capita spending on capital declined 3.8 percent, spending declined in 16 of the 18 largest categories, and was down by more than 10 percent for corrections, general financial administration, housing and community development, judicial purposes, libraries, natural resources, parks, sewers, and solid waste.

To provide a clearer picture of how states changed their underlying spending in 2003, Table 4 removes medical vendor payments and consolidates capital spending into a single category, excluding it from spending in individual functional categories. Overall spending excluding these two items declined 0.2 percent (adjusted for inflation and population growth), and non-capital spending declined in several individual categories, including corrections, health, hospitals,

Exhibit 3
Percent Change in Real Per Capita State Medical Vendor Payments: 2002 to 2003



Source: Rockefeller Institute analysis of data from U.S. Bureau of the Census and Bureau of Economic Analysis.
Note: North Dakota excluded due to data inconsistencies.

judicial purposes, and the "all other" category. In some cases the nationwide percentage change was affected significantly by one or two large states that were different from most others, and in these cases the median change, which might be thought of as the change in the "typical" state, was different from the nationwide average and so the exhibit presents the median as well. For example, although real per capita spending on elementary and secondary education was up in the nation as a whole due to increases in large states, education spending actually declined in a majority of states. (The relationships were reversed for spending on health and hospitals.)

Table 4 shows that many states did reduce spending in 2003, particularly in corrections, which declined in 33 states, and in the "all other category," which declined in 32 states. This catchall category includes financial administration, parks, sewerage, solid waste, and many smaller spending areas. Spending on parks, sewerage, and solid waste all declined, as did spending in several other smaller areas.

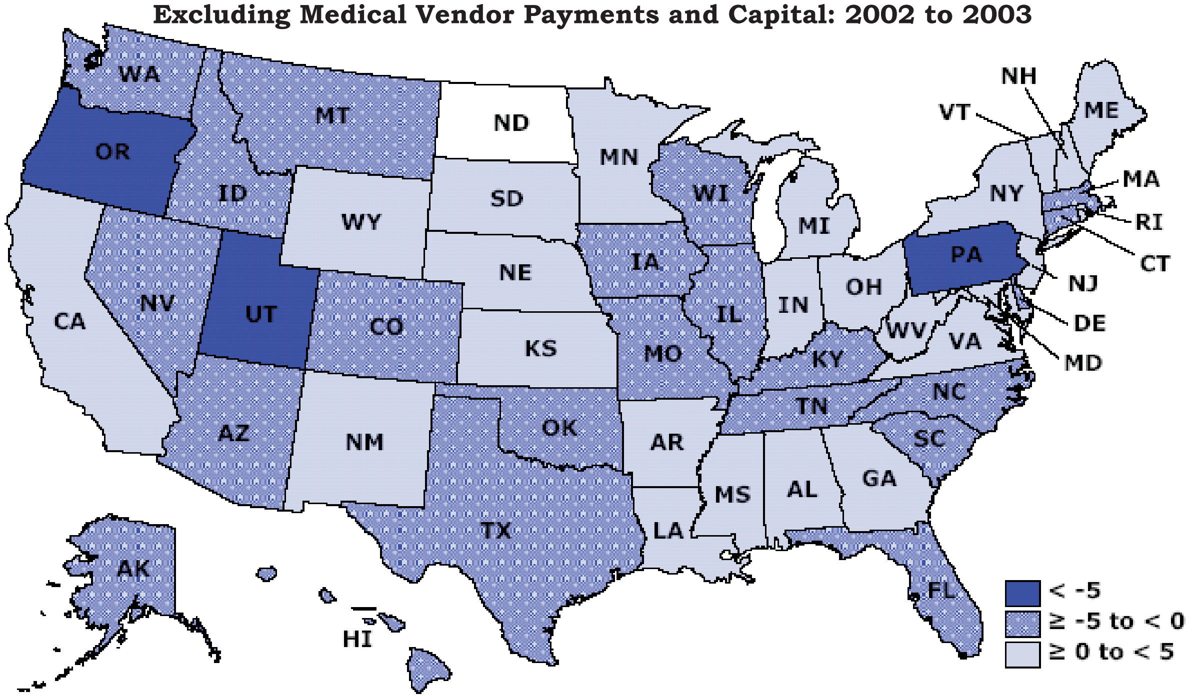
The numbers in Table 4 reflect total non-capital spending by states and include payments and purchases they make directly as well as transfers they make to local governments. The typical state reduced transfers to local government: 28 states reduced real per capita state aid for elementary and secondary education with a median reduction of 1.1 percent, and 27 reduced real per capita non-education aid with a median reduction of 0.4 percent. Relatively deep cuts in non-education aid were common, with 18 states reducing this aid by 5 percent or more.[11]

Exhibit 4 shows the regional pattern of change in general expenditures excluding medical vendor payments and capital spending (the fourth row of Table 4). (See Table 5 at the end of this brief for state-specific data.[12]) Spending reductions tended to be most common in the Far West, Mountain, and Southwestern states, and less prevalent elsewhere, but there were many exceptions to this general tendency.

Recent Medicaid Growth Continues Longer-term Trends

The growth of Medicaid (and "medical vendor payments," the closest Census Bureau analog) has far exceeded growth in other areas of state budgets for many years now. Table 6 shows spending by major

Exhibit 4
Percent Change in Real Per Capita Expenditures Excluding Medical Vendor Payments and Capital: 2002 to 2003



Source: Rockefeller Institute analysis of data from U.S. Bureau of the Census and Bureau of Economic Analysis.
Note: North Dakota excluded due to data inconsistencies.

Table 4
Change in real per capita state government expenditures
Fiscal year 2002 to fiscal year 2003

	Amount per capita constant 2004 $					
	2002	**2003**	**$ Change**	**% Change**	**Median % Change**	**Number of states with declines**
Total general expenditures	$3,897.3	$3,930.5	$33.2	0.9	(0.0)	25
Medical vendor payments	666.6	716.0	49.4	7.4	5.1	9
Capital expenditures	297.6	286.3	(11.3)	(3.8)	(1.3)	27
General expenditures, excluding medical vendor payments and capital	$2,933.1	$2,928.3	($4.9)	(0.2)	(0.6)	25
Elementary and secondary education	777.5	793.4	15.9	2.0	(1.0)	27
Higher education	436.4	436.8	0.3	0.1	1.0	21
Welfare, other than medical vendor payments	340.6	344.7	4.1	1.2	1.1	21
Health, other than welfare-related	173.7	166.8	(7.0)	(4.0)	0.4	22
Corrections	130.2	127.1	(3.1)	(2.4)	(1.6)	33
Hospitals	126.9	123.0	(3.9)	(3.1)	0.9	23
Highways	122.5	124.8	2.3	1.9	2.5	21
Natural resources	52.7	53.0	0.4	0.7	(1.7)	26
Judiciary	52.2	50.9	(1.4)	(2.6)	0.0	24
Police	35.6	35.5	(0.1)	(0.2)	1.3	22
Housing and community development	19.0	24.8	5.8	30.4	6.9	20
All other	665.7	647.5	(18.3)	(2.7)	(2.8)	32

Source: Rockefeller Institute analysis of government finance and population data from the U.S. Bureau of the Census. Amounts adjusted for inflation using state and local government chain-weighted price index from Bureau of Economic Analysis.
Notes: (1) Numbers in parentheses are negative; 2) North Dakota excluded due to data inconsistencies.

Table 6
Longer-term Trends in State Government General Expenditures

	Category as share of total general expenditures By fiscal year 1988	1993	1998	2003	Growth in real per capita expenditures 1988 to 2003
Total general expenditure	100.0%	100.0%	100.0%	100.0%	49.3%
Elementary and secondary education	21.2%	19.6%	20.8%	20.2%	42.7%
Medical vendor payments	9.9%	15.7%	15.9%	18.2%	174.4%
Higher education	13.3%	12.4%	12.4%	12.5%	40.6%
All other general expenditures	55.6%	52.2%	50.9%	49.0%	31.6%

Source: Rockefeller Institute analysis of government finance and population data from the U.S. Bureau of the Census. Amounts adjusted for inflation using state and local government chain-weighted price index from Bureau of Economic Analysis.
Notes: (1) North Dakota excluded due to data inconsistencies; (2) "Growth" column is computed from information not shown in the table.

category as a share of total general expenditures at 5-year intervals from 1988 through 2003. Over the entire period medical vendor payments grew 174 percent after adjusting for inflation and population growth, far outstripping growth in other areas and increasing from 9.9 percent of expenditures to 18.2 percent. Medical vendor payments increased as a relative priority in each 5-year period (but only slightly between 1993 and 1998, when its growth slowed considerably).

Other areas of state budgets increased considerably in real per capita terms but declined as relative priorities — especially areas other than elementary and secondary education and higher education.

Conclusions

The crisis began with an extremely sharp fall in 2002 tax revenue followed by an additional drop in 2003. Many states reduced spending in 2003 in many areas of their budgets, but overall cuts in most cases were not large relative to the level of spending, even if they were large relative to expectations or needs. While this may be surprising, it is not unusual. Real per capita state spending rose considerably during the period surrounding the 1990-91 recession, and fell only briefly and modestly during the crisis after the 1980-82 recessions. This may reflect the willingness of taxpayers to support services and the ability of state policymakers and financial managers to use reserve funds, nonrecurring resources, and capital spending deferrals, fees, and other actions to cushion the initial effects of a large tax revenue decline.

Fiscal year 2003 was just the first step in states' multi-year response to the fiscal crisis, and their responses are continuing even now. Information from state budget offices and other sources suggests states have made further cuts and that the conclusion could be different when data for 2004 and later are available.

Notes

1 Unless otherwise noted, all references to years in this brief are to state fiscal years.

2 Data on state finances from the National Association of State Budget Officers and from other sources have provided useful information on the crisis and state policy responses, but Census Bureau data are the first data that are collected on a consistent basis across states and years.

3 Ordinarily Census Bureau data also would include information on local government finances in each state, but local government finance data for 2001 and 2003 have fallen victim to federal budget cuts, making it difficult to understand how states have altered state-local fiscal relations in response to the crisis. The Census Bureau expects to publish local government finance data again in 2004 and annually thereafter.

4 The data are adjusted for inflation using the Bureau of Economic Analysis's state and local government chain weighted price index.

5 For a discussion of the cyclical treatment of higher education by states, see Kane, T.J. & Orszag, P.R. (2003). *Funding Restrictions at Public Universities: Effects and Policy Implications.* Brookings Institution Working Paper, September 2003; and Kane, T.J., Orszag, P.R. & Gunter, D.L. (2003), *State Fiscal Constraints and Higher Education Spending: The Role of Medicaid and the Business Cycle*. The Urban-Brookings Tax Policy Center, Discussion Paper No. 11, May 2004.

6 General revenue, as defined by the Census Bureau, is a broad measure that includes taxes, fees, and revenue from the federal government. It excludes the revenue of certain trust and business-like activities of government such as the activities of pension funds, unemployment insurance funds, public utilities, and state-run liquor stores.

7 General expenditures, as defined by the Census Bureau, include spending from federal funds and from state funds and include capital spending as well as operating spending. It is similar in concept to "all funds" expenditures included in reports from the National Association of State Budget Officers.

8 For an analysis of Medicaid spending growth, see Holahan, John and Ghosh Arunabh, "Understanding the Recent Growth in Medicaid Spending, 2000 to 2003," *Health Affairs Web Exclusive*, 26 January 2005.

9 Medical vendor payments in Utah in 2003 have been adjusted, in consultation with the Census Bureau, to correct an error in the underlying data. Revised data soon will be available on the Census Bureau website.

10 Heffler, Stephen, Sheila Smith, Sean Keehan, Christine Borger, M. Kent Clemens, and Christopher Truffer, "U.S. Health Spending Projections for 2004-14," *Health Affairs – Web Exclusive*, 23 February 2005.

11 Author's analysis of underlying Census data on intergovernmental transfers.

12 North Dakota is excluded from this analysis due to data anomalies that the Census Bureau is examining.

About The Nelson A. Rockefeller Institute of Government's Fiscal Studies Program

The Nelson A. Rockefeller Institute of Government, the public policy research arm of the State University of New York, was established in 1982. The Institute's Fiscal Studies Program was established in May 1990 in response to the growing importance of state governments in the American federal system. The Program conducts research on trends affecting all 50 states and serves as a national resource for public officials, the media, public affairs experts, researchers, and others. Donald J. Boyd, who has spent two decades analyzing state and local fiscal issues, is director of Fiscal Studies.

This report was written by Donald Boyd. Michael Cooper, the Institute's Director of Publications, did the layout and design of this report, with assistance from Michele Charbonneau. Barbara Stubblebine edited the report.

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Table 1

Percent Change in Real Per Capita State Tax Revenue: 2002 to 2003

State	Tax Revenue 2002	Tax Revenue 2003	Difference	% Change
United States	1,881	1,855	(26.7)	(1.4)
Alabama	1,457	1,390	(66.9)	(4.6)
Alaska	1,723	1,697	(26.0)	(1.5)
Arizona	1,600	1,551	(49.1)	(3.1)
Arkansas	1,941	1,845	(96.3)	(4.9)
California	2,252	2,197	(54.2)	(2.4)
Colorado	1,564	1,432	(131.5)	(8.4)
Connecticut	2,631	2,669	37.7	1.4
Delaware	2,732	2,549	(183.0)	(6.7)
Florida	1,550	1,571	20.7	1.3
Georgia	1,641	1,525	(116.6)	(7.1)
Hawaii	2,799	2,807	8.0	0.3
Idaho	1,719	1,694	(24.5)	(1.4)
Illinois	1,795	1,713	(82.0)	(4.6)
Indiana	1,665	1,768	103.5	6.2
Iowa	1,708	1,628	(79.4)	(4.6)
Kansas	1,780	1,792	12.2	0.7
Kentucky	1,960	1,975	14.1	0.7
Louisiana	1,647	1,615	(31.8)	(1.9)
Maine	2,042	2,018	(23.9)	(1.2)
Maryland	2,012	1,959	(52.6)	(2.6)
Massachusetts	2,318	2,363	45.2	2.0
Michigan	2,185	2,199	13.7	0.6
Minnesota	2,652	2,701	48.6	1.8
Mississippi	1,654	1,692	38.0	2.3
Missouri	1,547	1,475	(72.4)	(4.7)
Montana	1,592	1,585	(6.8)	(0.4)
Nebraska	1,741	1,882	141.4	8.1
Nevada	1,883	1,849	(34.3)	(1.8)
New Hampshire	1,507	1,491	(15.5)	(1.0)
New Jersey	2,155	2,256	101.7	4.7
New Mexico	1,980	1,888	(92.4)	(4.7)
New York	2,267	2,142	(124.8)	(5.5)
North Carolina	1,895	1,851	(44.1)	(2.3)
Ohio	1,768	1,757	(10.7)	(0.6)
Oklahoma	1,746	1,644	(102.4)	(5.9)
Oregon	1,486	1,571	84.7	5.7
Pennsylvania	1,800	1,826	26.0	1.4
Rhode Island	2,010	2,050	39.7	2.0
South Carolina	1,499	1,502	3.1	0.2
South Dakota	1,288	1,293	5.1	0.4
Tennessee	1,357	1,477	120.3	8.9
Texas	1,343	1,300	(43.1)	(3.2)
Utah	1,721	1,655	(65.7)	(3.8)
Vermont	2,477	2,454	(22.8)	(0.9)
Virginia	1,779	1,731	(47.8)	(2.7)
Washington	2,107	2,074	(33.6)	(1.6)
West Virginia	1,971	1,933	(38.5)	(2.0)
Wisconsin	2,185	2,157	(28.0)	(1.3)
Wyoming	2,215	2,367	152.2	6.9

Source: Rockefeller Institute analysis of data from U.S. Bureau of the Census and Bureau of Economic Analysis.
Notes: (1) Numbers in parentheses are negative; (2) North Dakota excluded due to data inconsistencies.

Table 2

Percent Change in Real Per Capita State Revenue from Fees and Charges: 2002 to 2003

State	Fees and Charges 2002	2003	Difference	% Change
United States	350	358	8.6	2.4
Alabama	512	535	23.7	4.6
Alaska	534	530	(4.5)	(0.8)
Arizona	175	176	1.8	1.0
Arkansas	437	501	63.7	14.6
California	332	332	0.7	0.2
Colorado	332	375	42.6	12.8
Connecticut	313	322	8.9	2.9
Delaware	783	824	41.0	5.2
Florida	179	196	16.8	9.4
Georgia	226	224	(1.9)	(0.8)
Hawaii	627	680	53.5	8.5
Idaho	290	298	7.8	2.7
Illinois	213	222	9.3	4.4
Indiana	373	396	22.8	6.1
Iowa	495	506	10.8	2.2
Kansas	248	289	41.8	16.9
Kentucky	399	391	(7.8)	(2.0)
Louisiana	497	512	15.8	3.2
Maine	340	367	27.0	7.9
Maryland	366	375	9.3	2.6
Massachusetts	291	332	40.8	14.0
Michigan	462	504	42.7	9.2
Minnesota	309	335	26.8	8.7
Mississippi	417	422	4.0	1.0
Missouri	256	292	35.7	14.0
Montana	427	457	29.7	6.9
Nebraska	325	350	25.5	7.8
Nevada	245	263	17.8	7.3
New Hampshire	402	415	13.0	3.2
New Jersey	433	446	13.1	3.0
New Mexico	380	363	(17.2)	(4.5)
New York	272	289	16.2	6.0
North Carolina	332	299	(33.0)	(9.9)
Ohio	363	386	23.1	6.4
Oklahoma	457	486	29.8	6.5
Oregon	541	540	(0.8)	(0.2)
Pennsylvania	513	444	(68.4)	(13.3)
Rhode Island	364	398	34.0	9.4
South Carolina	526	562	35.9	6.8
South Dakota	233	248	14.9	6.4
Tennessee	298	243	(55.2)	(18.5)
Texas	287	283	(4.1)	(1.4)
Utah	734	738	3.5	0.5
Vermont	528	544	15.4	2.9
Virginia	515	544	28.7	5.6
Washington	393	429	35.9	9.1
West Virginia	428	447	19.2	4.5
Wisconsin	439	444	5.0	1.1
Wyoming	226	236	9.9	4.4

Source: Rockefeller Institute analysis of data from U.S. Bureau of the Census and Bureau of Economic Analysis.
Notes: (1) Numbers in parentheses are negative; (2) North Dakota excluded due to data inconsistencies.

Table 3
Percent Change in Real Per Capita State Medical Vendor Payments: 2002 to 2003

	Medical Vendor Payments			
State	**2002**	**2003**	**Difference**	**% Change**
United States	667	716	49.4	7.4
Alabama	687	716	28.7	4.2
Alaska	1,088	1,229	141.2	13.0
Arizona	420	555	135.1	32.2
Arkansas	764	775	11.9	1.6
California	577	630	53.0	9.2
Colorado	375	371	(4.8)	(1.3)
Connecticut	741	757	15.9	2.2
Delaware	571	600	28.3	4.9
Florida	606	660	54.5	9.0
Georgia	594	715	121.5	20.5
Hawaii	596	618	22.2	3.7
Idaho	575	606	31.2	5.4
Illinois	445	449	3.9	0.9
Indiana	598	615	16.8	2.8
Iowa	613	645	31.2	5.1
Kansas	524	488	(35.6)	(6.8)
Kentucky	931	932	0.3	0.0
Louisiana	611	445	(166.0)	(27.2)
Maine	921	1,005	84.0	9.1
Maryland	611	654	42.8	7.0
Massachusetts	616	487	(129.2)	(21.0)
Michigan	553	494	(59.2)	(10.7)
Minnesota	923	1,043	119.3	12.9
Mississippi	946	1,021	74.6	7.9
Missouri	748	749	0.7	0.1
Montana	466	470	4.0	0.9
Nebraska	632	645	12.9	2.0
Nevada	362	412	50.2	13.9
New Hampshire	539	655	116.3	21.6
New Jersey	555	567	12.0	2.2
New Mexico	876	1,007	131.4	15.0
New York	1,183	1,376	192.9	16.3
North Carolina	665	649	(16.7)	(2.5)
Ohio	736	794	57.6	7.8
Oklahoma	732	694	(37.9)	(5.2)
Oregon	806	636	(169.3)	(21.0)
Pennsylvania	704	915	211.4	30.0
Rhode Island	1,104	1,197	92.8	8.4
South Carolina	868	894	26.2	3.0
South Dakota	552	561	8.7	1.6
Tennessee	868	939	70.9	8.2
Texas	552	653	101.5	18.4
Utah	493	525	32.1	6.5
Vermont	784	917	133.8	17.1
Virginia	452	490	38.2	8.4
Washington	681	662	(18.8)	(2.8)
West Virginia	930	963	32.7	3.5
Wisconsin	624	680	55.3	8.9
Wyoming	564	636	72.4	12.8

Source: Rockefeller Institute analysis of data from U.S. Bureau of the Census and Bureau of Economic Analysis.
Notes: (1) Numbers in parentheses are negative; (2) North Dakota excluded due to data inconsistencies.

Table 5

Percent Change in Real Per Capita State Expenditures Excluding Medical Vendor Payments and Capital: 2002 to 2003

State	Expenditures 2002	2003	Difference	% Change
United States	2,933	2,928	(4.8)	(0.2)
Alabama	2,606	2,650	43.6	1.7
Alaska	8,323	8,129	(193.3)	(2.3)
Arizona	2,456	2,347	(108.2)	(4.4)
Arkansas	2,830	2,856	25.3	0.9
California	3,845	4,006	160.7	4.2
Colorado	2,635	2,561	(74.1)	(2.8)
Connecticut	3,913	3,852	(60.5)	(1.5)
Delaware	4,210	4,135	(75.1)	(1.8)
Florida	1,976	1,958	(17.8)	(0.9)
Georgia	2,289	2,301	12.5	0.5
Hawaii	4,381	4,255	(126.2)	(2.9)
Idaho	2,621	2,509	(111.7)	(4.3)
Illinois	2,689	2,661	(28.4)	(1.1)
Indiana	2,499	2,501	2.1	0.1
Iowa	2,922	2,875	(46.6)	(1.6)
Kansas	2,704	2,723	19.2	0.7
Kentucky	2,684	2,664	(19.6)	(0.7)
Louisiana	2,749	2,777	27.7	1.0
Maine	3,193	3,250	57.1	1.8
Maryland	2,918	2,942	23.6	0.8
Massachusetts	3,324	3,270	(53.8)	(1.6)
Michigan	3,629	3,633	4.4	0.1
Minnesota	3,530	3,596	66.2	1.9
Mississippi	2,717	2,752	35.0	1.3
Missouri	2,292	2,230	(62.1)	(2.7)
Montana	3,239	3,206	(32.9)	(1.0)
Nebraska	2,662	2,672	10.4	0.4
Nevada	2,407	2,372	(34.7)	(1.4)
New Hampshire	2,535	2,575	39.6	1.6
New Jersey	3,022	3,076	53.6	1.8
New Mexico	3,843	3,849	6.3	0.2
New York	3,476	3,511	34.3	1.0
North Carolina	2,645	2,619	(26.5)	(1.0)
Ohio	2,711	2,720	9.0	0.3
Oklahoma	2,655	2,627	(27.7)	(1.0)
Oregon	3,238	3,019	(219.1)	(6.8)
Pennsylvania	2,842	2,591	(251.4)	(8.8)
Rhode Island	3,110	3,114	3.0	0.1
South Carolina	2,989	2,887	(102.5)	(3.4)
South Dakota	2,281	2,339	58.1	2.5
Tennessee	2,104	2,091	(13.1)	(0.6)
Texas	2,068	2,026	(41.7)	(2.0)
Utah	3,091	2,908	(183.5)	(5.9)
Vermont	4,257	4,469	211.9	5.0
Virginia	2,780	2,796	16.5	0.6
Washington	3,155	3,131	(24.1)	(0.8)
West Virginia	2,862	2,902	40.4	1.4
Wisconsin	3,324	3,298	(26.0)	(0.8)
Wyoming	4,106	4,161	54.9	1.3

Source: Rockefeller Institute analysis of data from U.S. Bureau of the Census and Bureau of Economic Analysis.

Notes: (1) Numbers in parentheses are negative; (2) North Dakota excluded due to data inconsistencies.