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RECESSION CONTINUES TO BATTER STATE BUDGETS; STATE RESPONSES COULD SLOW RECOVERY

By Elizabeth McNichol and Nicholas Johnson

The worst recession since the 1930s has caused the steepest decline in state tax receipts on record. As a result, even after making very deep cuts, states continue to face large budget gaps. New shortfalls have opened up in the budgets of at least 39 states for the current fiscal year (FY 2010, which began July 1 in most states). In addition, initial indications are that states will face shortfalls as big as or bigger than they faced this year in the upcoming 2011 fiscal year. States will continue to struggle to find the revenue needed to support critical public services for a number of years.

- **New gaps in 2010 budgets.** An increasing number of states are struggling to keep their 2010 budgets in balance as the mid-point of the fiscal year approaches. Because revenues have fallen short of projections, mid-year shortfalls have opened up in 39 states — some of which have already addressed them — totaling $34 billion or 6 percent of these budgets.

  These new shortfalls are in addition to the gaps states closed when adopting their fiscal year 2010 budgets earlier this year. Counting both initial and mid-year shortfalls, 48 states have addressed or still face such shortfalls in their budgets for fiscal year 2010, totaling $193 billion or 28 percent of state budgets — the largest gaps on record.

- **Additional large gaps for 2011.** States' fiscal problems will continue into the next fiscal year and likely beyond. Fiscal year 2011 gaps — both those still open and those already addressed — total $97 billion or 16 percent of budgets for the 39 states that have estimated the size of these gaps. These totals are likely to grow as revenues continue to deteriorate, and may well exceed $180 billion.

- **Combined gaps of $350 billion for 2010 and 2011.** These numbers suggest that when all is said and done, states will have dealt with a total budget shortfall of at least $350 billion for 2010 and 2011. (This includes both gaps already closed and gaps projected for the future.)

- **Role of federal assistance.** The federal assistance to states provided in the American Recovery and Reinvestment Act is lessening the extent to which states need to reduce services or raise taxes. But it now appears likely the federal assistance will end before state budget gaps have abated. The federal government could avert state actions such as deep additional budget cuts that would further harm the economy by phasing out assistance more gradually over the period during which state fiscal distress is expected to continue.

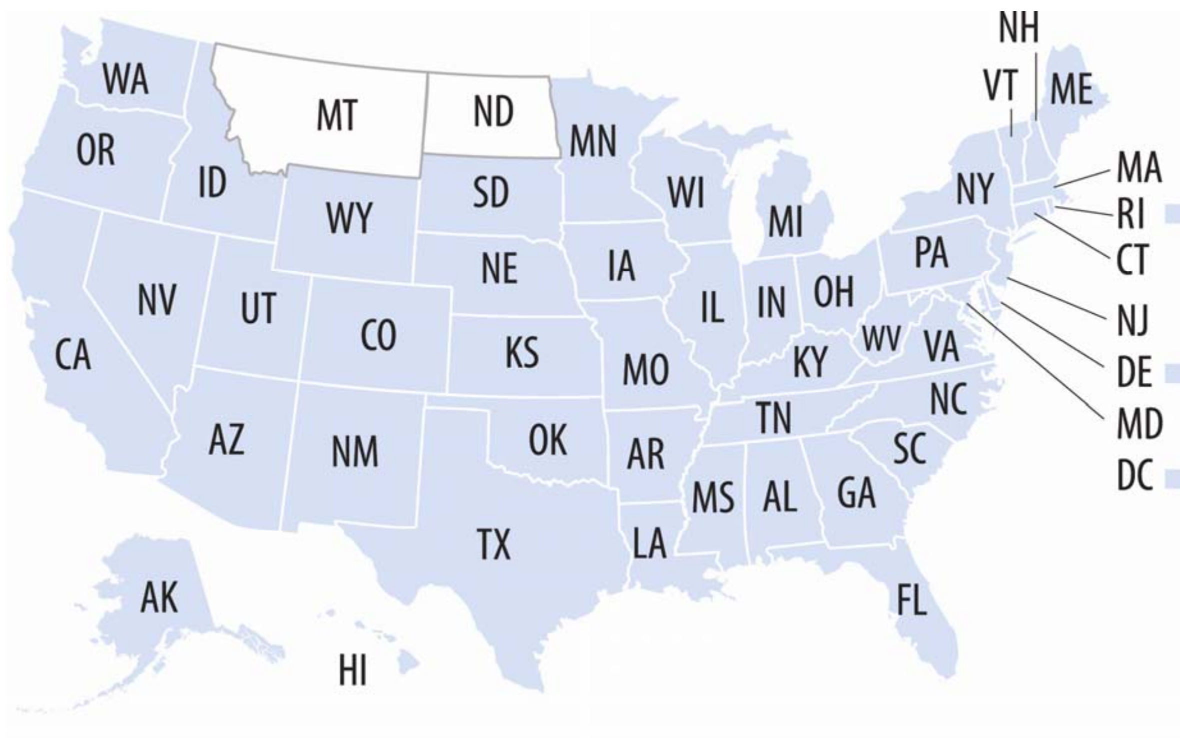
TABLE 1: STATES WITH PROJECTED MID-YEAR FY2010 BUDGET GAPS		
	Size of Gap	**Percent of FY2010 General Fund Budget**
Alabama	$401 million	5.5%
Arizona	$2.0 billion	20.5%
Arkansas	$107 million	2.4%
California	$6.3 billion	6.8%
Colorado	$561 million	7.5%
Connecticut	$549 million	3.1%
District of Columbia	$150 million	2.4%
Florida	$147 million	0.6%
Georgia	$1.2 billion	7.0%
Hawaii	$533 million	10.4%
Idaho	$151 million	6.0%
Illinois	$5.0 billion	14.3%
Indiana	$309 million	2.2%
Iowa	$415 million	7.0%
Kansas	$459 million	7.5%
Kentucky	$1.2 billion	12.9%
Maine	$209 million	3.5%
Maryland	$936 million	6.8%
Massachusetts	$600 million	2.1%
Minnesota	$209 million	1.4%
Mississippi	$370 million	7.4%
Missouri	$690 million	7.7%
Nebraska	$155 million	4.4%
Nevada	$67 million	2.2%
New Hampshire	$38 million	2.4%
New Jersey	$400 million	1.4%
New Mexico	$650 million	11.8%
New York	$3.2 billion	5.7%
Ohio	$296 million	1.1%
Oklahoma	$550 million	9.6%
Pennsylvania	$450 million	1.7%
Rhode Island	$400 million	13.0%
South Carolina	$439 million	7.6%
Tennessee	$96 million	0.9%
Utah	$279 million	5.5%
Vermont	$28 million	2.5%
Virginia	$1.8 billion	11.1%
Washington*	$2.6 billion	8.4%
West Virginia	$100 million	2.6%
Wyoming	$32 million	1.7%
Total	**$33.9 billion**	**6.1%**

Notes: For some states, a portion or all of these deficits have been closed.
Amount shown for Washington is for the two-year budget ending in FY2011.

State Budget Shortfalls in 2010 and 2011

States already have faced and addressed extraordinarily large shortfalls as they developed and implemented spending plans for fiscal year 2009 (which has now ended) and fiscal year 2010 (which is underway). Shortfalls are the extent to which states' revenues, hit hard by the recession, fall short

FIGURE 1
48 States Face Budget Shortfalls



Note: Includes states with shortfalls in fiscal 2010.

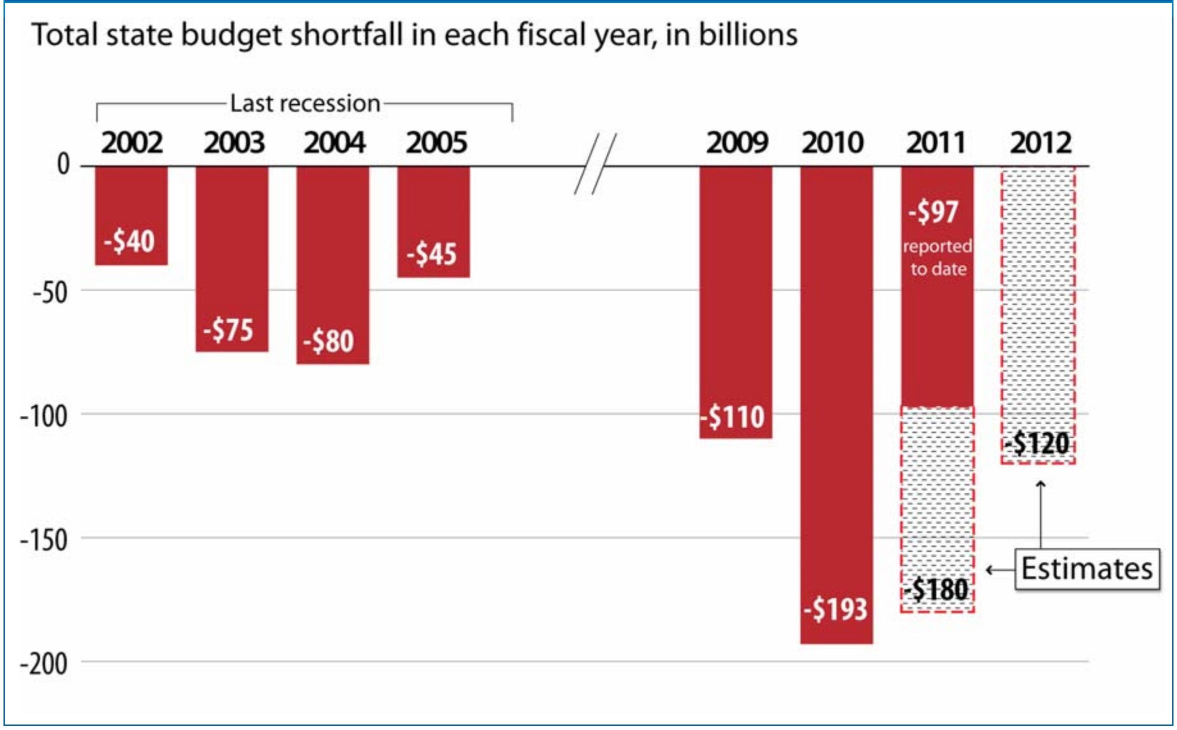
of the cost of providing services. Every state save Vermont has some sort of balanced-budget law. So the shortfalls for 2009 and most of the shortfalls for 2010 have already been closed through a combination of spending cuts, withdrawals from reserves, revenue increases, and use of federal stimulus dollars.

But in over half the states, new gaps have recently emerged for 2010, as revenues have fallen short of the projections on which the 2010 budgets were based (even though the projections themselves seemed pessimistic at the time). Already, 39 states have identified mid-year gaps — some but not all of which have already been addressed through spending cuts or other measures — totaling $34 billion or 6 percent of these budgets. Table 1 lists the states facing mid-year budget shortfalls.

These new shortfalls are in addition to the gaps states closed when adopting their fiscal year 2010 budgets earlier this year. Table 2 combines these new gaps with previously reported gaps for 2010 — the gaps that were addressed when states wrote their budgets for this year. In total, 48 states have addressed or still face shortfalls in their budgets for fiscal year 2010, totaling $193 billion or 28 percent of state budgets — the largest gaps on record. (Table 4 of this paper shows the 2009 budget gaps that were addressed, and Table 5 lists the sources of these shortfall estimates for each state.)

As we look ahead to 2011 and beyond, even as the economy appears to be moving in the direction of recovery, states' fiscal prospects remain extremely weak. Indeed, historical experience

FIGURE 2
How Bad Will It Get?



and current economic projections suggest 2011 will be worse than 2010. Figure 2 compares the size and duration of the shortfalls that occurred in the recession of the first part of this decade to shortfalls this time. In the early 2000s, as in the early 1990s and early 1980s, state fiscal problems lasted for several years after the recession ended. The same will undoubtedly be the case this time, since the current recession is more severe — deeper and longer — than the last one, and state fiscal problems have proven to be worse and are likely to remain so.

Unemployment, which peaked after the last recession at 6.3 percent, has already hit 10 percent, and many economists expect it to rise higher and remain at high levels throughout 2010 and beyond. Continued high unemployment will keep state income tax receipts at low levels and increase demand for Medicaid and other essential services that states provide. High unemployment and economic uncertainty, combined with households' diminished wealth due to fallen property values, will continue to depress consumption, thus sales tax receipts also will remain low. These factors suggest that state budget gaps will continue to be significantly larger than in the last recession, and last longer.

Taking all these factors into account, it is reasonable to expect that for 2011, shortfalls are likely to hit $180 billion.[1] Once employment is growing again, state budget problems will diminish but it is

[1] In general, the projected budget shortfalls reflect state fiscal conditions before deficit-closing actions are taken. States are using a combination of actions to close the deficits including use of federal stimulus funds, budget cuts, tax increases, and reserves. (For FY2011, however, some states projected the size of the deficit after use of federal stimulus funds. This would be reflected in the $82 billion in shortfalls reported to date for FY2011. The estimated total of $180 billion reflects the projected deficit before use of federal stimulus funds.)

TABLE 2: STATES WITH FY2010 BUDGET GAPS				
	FY2010 Before Budget Adoption	FY2010 Mid-Year Gap (from Table 1)	FY2010 Total	FY2010 Total – % of General Fund Budget
Alabama	$1.2 billion	$400 million	$1.6 billion	22.2%
Alaska	$1.3 billion	0	$1.3 billion	30.0%
Arizona	$3.2 billion	$2.0 billion	$5.2 billion	53.0%
Arkansas	$146 million	$107 million	$253 million	5.6%
California	$45.5 billion	$6.3 billion	$51.8 billion	56.2%
Colorado	$1.0 billion	$561 million	$1.6 billion	21.0%
Connecticut	$4.2 billion	$549 million	$4.7 billion	27.0%
Delaware	$557 million	0	$557 million	17.6%
District of Columbia	$650 million	$150 million	$800 million	12.7%
Florida	$5.9 billion	$147 million	$6.0 billion	23.3%
Georgia	$3.1 billion	$1.2 billion	$4.3 billion	24.9%
Hawaii	$682 million	$533 million	$1.2 billion	23.7%
Idaho	$411 million	$151 million	$562 million	22.4%
Illinois	$9.3 billion	$5.0 billion	$14.3 billion	40.9%
Indiana	$1.1 billion	$309 million	$1.4 billion	9.6%
Iowa	$779 million	$415 million	$1.2 billion	20.2%
Kansas	$1.4 billion	$459 million	$1.8 billion	30.0%
Kentucky	0	$1.2 billion	$1.2 billion	12.9%
Louisiana	$1.8 billion	0	$1.8 billion	21.6%
Maine	$640 million	$209 million	$849 million	26.9%
Maryland	$1.9 billion	$936 million	$2.8 billion	20.4%
Massachusetts	$5.0 billion	$600 million	$5.6 billion	20.0%
Michigan	$2.8 billion	0	$2.8 billion	12.4%
Minnesota	$3.2 billion	$209 million	$3.4 billion	22.3%
Mississippi	$480 million	$370 million	$850 million	17.1%
Missouri	$780 million	$690 million	$1.5 billion	16.4%
Nebraska	$150 million	$155 million	$305 million	8.6%
Nevada	$1.2 billion	$67 million	$1.2 billion	40.0%
New Hampshire	$250 million	$38 million	$288 million	18.7%
New Jersey	$8.8 billion	$400 million	$9.2 billion	31.3%
New Mexico	$345 million	$650 million	$995 million	18.1%
New York	$17.9 billion	$3.2 billion	$21.0 billion	38.0%
North Carolina	$4.6 billion	0	$4.6 billion	21.9%
Ohio	$3.3 billion	$296 million	$3.6 billion	13.4%
Oklahoma	$777 million	$550 million	$1.3 million	23.2%
Oregon*	$4.2 billion	0	$4.2 billion	29.0%
Pennsylvania	$4.8 billion	$450 million	$5.2 billion	19.7%
Rhode Island	$590 million	$400 million	$990 million	32.2%
South Carolina	$725 million	$439 million	$1.2 billion	20.1%
South Dakota	$32 million	0	$32 million	2.9%
Tennessee	$1.0 billion	$96 million	$1.1 billion	10.7%
Texas	$3.5 billion	0	$3.5 billion	9.5%
Utah	$721 million	$279 million	$1.0 billion	19.8%
Vermont	$278 million	$28 million	$306 million	27.3%
Virginia	$1.8 billion	$1.8 billion	$3.6 billion	22.0%
Washington*	$3.4 billion	$2.6 billion	$6.0 billion	26.0%
West Virginia	$184 million	$100 million	$284 million	7.5%
Wisconsin	$3.2 billion	0	$3.2 billion	23.2%
Wyoming	0	$32 million	$32 million	1.7%
Total	**$158.5 billion**	**$34.1 billion**	**$192.6 billion**	**28.1%**

Notes**:** Some or all of the pre-budget shortfalls have already been addressed.
* **Oregon a**nd **Washington** have two-year budgets. For Oregon, the size of the combined shortfall before budget adoption for FY10 and FY11 is shown here. For Washington, the mid-year gap shown is the projected gap for the two years ending in FY11.

TABLE 3: STATES WITH PROJECTED FY2011 GAPS				
	FY11 Shortfall (States with Biennial 09-11 Budgets)	Current FY11 Gap Projected?	Total Shortfall Amount	Total Shortfall Percent of FY10 Budget
Alabama	0	Yes	DK	
Alaska	0	$677 million	$677 million	15.3%
Arizona	0	$2.5 billion	$2.5 billion	25.7%
California	0	$14.4 billion	$14.4 billion	14.6%
Colorado	0	$1.8 billion	$1.8 billion	24.1%
Connecticut	$4.4 billion	$287 million	$4.7 billion	26.7%
Florida	0	$4.7 billion	$4.7 billion	18.1%
Georgia	0	$1.0 billion	$1.0 billion	5.8%
Hawaii	0	$529 million	$529 million	10.3%
Illinois	0	$12.8 billion	$12.8 billion	34.3%
Indiana	0	$316 million	$316 million	2.2%
Iowa	0	$1.1 billion	$1.1 billion	18.1%
Kansas	0	$264 million	$264 million	4.3%
Kentucky	0	$598 million	$598 million	6.2%
Maine*	$765 million	$174 million	$940 million	31.4%
Maryland	0	$2.0 billion	$2.0 billion	14.5%
Massachusetts	0	$2.2 billion	$2.2 billion	8.0%
Michigan	0	$2.7 billion	$2.7 billion	11.9%
Minnesota	$2.8 billion	$1.2 billion	$4.0 billion	26.4%
Mississippi	0	$716 million	$716 million	14.4%
Nebraska	$150 million	$179 million	$329 million	9.3%
Nevada	$1.3 billion	0	$1.3 billion	43.4%
New Hampshire	$250 million	0	$250 million	16.2%
New Jersey	0	$8.0 billion	$8.0 billion	27.2%
New Mexico	0	$318 million	$318 million	5.8%
New York	0	$6.8 billion	$6.8 billion	12.3%
North Carolina	$4.4 billion	0	$4.4 billion	21.0%
Ohio	$2.5 billion	$637 million	$3.2 billion	11.8%
Oklahoma	0	$725 million	$725 million	12.7%
Oregon	Yes	0		See Table 2
Pennsylvania	0	$4.1 billion	$4.1 billion	15.4%
Rhode Island	0	$197 million	$197 million	6.4%
South Carolina	0	$450 million	$450 million	7.8%
Tennessee	0	$1.0 billion	$1.0 billion	9.6%
Utah	0	$700 million	$700 million	13.9%
Vermont	0	$182 million	$182 million	16.3%
Virginia	0	$1.3 billion	$1.3 billion	8.0%
Washington*	$2.1 billion	Yes*	$2.1 billion	13.3%
West Virginia	0	$100 million	$100 million	2.6%
Wisconsin	$3.4 billion	0	$3.4 billion	24.6%
Wyoming	0	$147 million	$147 million	8.0%
States Total	**$22.0 billion**	**$74.8 billion**	**$96.9 billion**	**16.1%**

Note: Maine and Washington have two-year budgets. See Table 2 for gap information. An entry of "DK" means that an estimate of the size of the projected gap in that state is not yet available.

likely that states will face shortfalls of at least $120 billion in fiscal 2012. This means that after taking into account the federal Recovery Act dollars that are likely to remain available for fiscal year 2011 (approximately $40 billion), states will still have to close shortfalls of some $260 billion for fiscal years 2011 and 2012 combined.

Initial projections from the states, although incomplete, are consistent with this outlook. Table 3 lists the shortfalls that many states are already projecting for 2011. A total of 41 states face or have already addressed shortfalls for fiscal year 2011. This total includes at least 30 of the states that prepare budgets annually that have already looked ahead and anticipate deficits for fiscal year 2011. In addition, 11 states that operate on a two-year budget cycle (known as a biennial budget) have already adopted budgets for 2011 that addressed shortfalls totaling at least $22 billion. In total, fiscal year 2011 gaps — both those still open and those already addressed — total $97 billion or 16 percent of budgets for the 38 states that have estimated the size of these gaps. This figure is based in many states on revenue projections that are months old, and it is reasonable to expect that it will grow.

Of course, a faster-than-expected recovery could reduce the size of those shortfalls. But several factors could make it particularly difficult for states to recover from the current fiscal situation. Housing markets might be slow to fully recover; their decline already has depressed consumption and sales tax revenue as people refrain from buying furniture, appliances, construction materials, and the like. This also would depress property tax revenues, increasing the likelihood that local governments will look to states to help address the squeeze on local and education budgets. And as the employment situation continues to be weak, income tax revenues will continue to lag and there will be further downward pressure on sales tax revenues as consumers are reluctant or unable to spend.

Some states have not been affected by the economic downturn, but the number is dwindling. Mineral-rich states — such as New Mexico, Alaska, and Montana — saw revenue growth in the beginning of the recession as a result of high oil prices. More recently, however, the decline in oil prices has affected revenues in these states. The economies of a handful of other states have so far been less affected by the national economic problems. Only two states, Montana and North Dakota, have not reported budget shortfalls, but the recession has dampened those states' surpluses, which were largely mineral-driven as well.

The Consequences of Shortfalls

In states facing budget gaps, the consequences are severe in many cases — for residents as well as the economy. As the 2009 fiscal year ended and states planned for 2010, budget difficulties have led at least 43 states to reduce services to their residents, including some of their most vulnerable families and individuals.[2] Over 30 states have raised taxes to at least some degree, in some cases quite significantly.

[2] For more detailed information see "An Update on State Budget Cuts," http://www.cbpp.org/cms/?fa=view&id=1214.

States Are Closing Mid-Year Gaps

About 24 states have taken actions to close their mid-year gaps. They are Alabama, Arizona, Arkansas, Colorado, Connecticut, Georgia, Hawaii, Idaho, Indiana, Iowa, Kansas, Maryland, Massachusetts, Mississippi, Missouri, Nebraska, New Jersey, New Mexico, New York, Ohio, Oklahoma, South Carolina, Vermont, and Virginia for part of its deficit. The District of Columbia also has acted. The majority of these actions were taken by governors, using their power to make cuts to maintain budget balance. A few were enacted by legislatures.

At least three of these states, Alabama, Georgia, and Mississippi, have cut K-12 education funding. Idaho and New Mexico have cut higher education. Colorado and Indiana have cut Medicaid provider rates. Massachusetts' governor has announced cuts to TANF, school transportation, child care, and mental health services, and has proposed some additional revenues. Mid-year gaps were closed in part with employee layoffs and furloughs in Georgia, Hawaii, Iowa, Maryland, Missouri, New Mexico, and Virginia.

About four states have proposals pending for various types of cuts or tax increases. They are Colorado, Connecticut, Virginia for part of its deficit, and Washington. The pending cuts include a significant cut in aid to local governments in Connecticut.

Most of the remaining states are waiting to deal with their 2010 deficits in the context of their fiscal year 2011 budget proposals that currently are being prepared (which governors will send to legislatures between December and February).

If revenue declines persist as expected in many states, additional spending and service cuts are likely. Already 20 states have taken actions to close mid-year budget shortfalls. The majority of the actions taken so far were spending cuts made by governors using their power to maintain budget balance. See the box on page 8 for more details. Budget cuts often are more severe later in a state fiscal crisis, after largely depleted reserves are no longer an option for closing deficits.

Expenditure cuts are problematic policies during an economic downturn because they reduce overall demand and can make the downturn deeper. When states cut spending, they lay off employees, cancel contracts with vendors, eliminate or lower payments to businesses and nonprofit organizations that provide direct services, and cut benefit payments to individuals. In all of these circumstances, the companies and organizations that would have received government payments have less money to spend on salaries and supplies, and individuals who would have received salaries or benefits have less money for consumption. This directly removes demand from the economy.

Tax increases also remove demand from the economy by reducing the amount of money people have to spend — though to the extent these increases are on upper-income residents, that effect is minimized because much of the money comes from savings and so does not diminish economic activity. At the state level, a balanced approach to closing deficits — raising taxes along with enacting budget cuts — is needed to close state budget gaps in order to maintain important services while minimizing harmful effects on the economy.

The Role of Federal Assistance

Federal assistance is lessening the extent to which states need to take pro-cyclical actions that further harm the economy. The American Recovery and Reinvestment Act enacted in February includes substantial assistance for states. The amount in ARRA to help states maintain current activities is about $135 billion to $140 billion over a roughly 2 ½-year period — or between 30 percent and 40 percent of projected state shortfalls. Most of this money is in the form of increased Medicaid funding and a "State Fiscal Stabilization Fund." (There are also other streams of funding in the economic recovery act flowing through states to local governments or individuals, but these will not address state budget shortfalls.) This money has reduced the extent of state spending cuts and state tax and fee increases.

But it now appears likely the federal assistance will end before state budget gaps have abated. The Medicaid funds are scheduled to expire in December 2010, which is just halfway through the 2011 fiscal year in most states.[3] States will have drawn down most of their State Fiscal Stabilization Fund allocations by then as well. So even though the 2011 budget gaps may well be larger than those for 2010, there will be less federal money available to close them. States are likely to respond with spending cuts and tax increases even larger than those that have already been enacted. Such measures in most states will take effect with the 2011 fiscal year — that is, in July 2010, thereby reducing aggregate demand and weakening the economy at a critical moment in its recovery.

A possibility would be for the federal government to reduce state budget gaps — and hence avert some spending cuts and/or tax increases — by extending the Medicaid funds over the period during which state fiscal conditions are expected to still be problematic, rather than cutting them off in December 2010. The federal government could also provide additional assistance to states for education through the State Fiscal Stabilization Fund. Ideally, such action would be taken relatively soon, so that it can be factored into states' budget decisions for fiscal year 2011.

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[3] Most states operate on a July-June fiscal year; the exceptions are New York (April-May), Texas (September-August), and Alabama and Michigan (October-September).

TABLE 4: SIZE OF TOTAL FY2009 BUDGET GAPS				
	Gap Before Budget Was Adopted	Additional Mid-Year Gap	Total	Total Gap as Percent of FY2009 General Fund
Alabama		$1.1 billion	$1.1 billion	12.7%
Alaska		$360 million	$360 million	6.8%
Arizona[1]	$1.9 billion	$1.8 billion	$3.7 billion	36.8%
Arkansas	$107 million		$107 million	2.4%
California	$22.2 billion	$14.9 billion	$37.1 billion	36.7%
Colorado		$1.1 billion	$1.1 billion	14.2%
Connecticut	$150 million	$2.5 billion	$2.7 billion	15.5%
Delaware	$217 million	$226 million	$443 million	12.2%
District of Columbia	$96 million	$583 million	$679 million	10.8%
Florida	$3.4 billion	$2.3 billion	$5.7 billion	22.2%
Georgia[1]	$245 million	$2.2 billion	$2.4 billion	11.5%
Hawaii		$417 million	$417 million	7.3%
Idaho		$452 million	$452 million	15.3%
Illinois	$1.8 billion	$2.5 billion	$4.3 billion	15.1%
Indiana		$1.2 billion	$1.2 billion	9.1%
Iowa	$350 million	$134 million	$484 million	7.6%
Kansas		$186 million	$186 million	2.9%
Kentucky	$266 million	$456 million	$722 million	7.8%
Louisiana		$341 million	$341 million	3.7%
Maine	$124 million	$140 million	$265 million	8.6%
Maryland	$808 million	$691 million	$1.5 billion	10.0%
Massachusetts	$1.2 billion	$4.0 billion	$5.2 billion	18.5%
Michigan	$472 million	$1.5 billion	$2.0 billion	8.5%
Minnesota	$935 million	$654 million	$ 1.6 billion	9.2%
Mississippi[1]	$90 million	$363 million	$453 million	8.9%
Missouri		$542 million	$542 million	6.0%
Nevada	$898 million	$561 million	$1.6 billion	19.9%
New Hampshire	$200 million	$50 million	$250 million	8.0%
New Jersey[1]	$2.5 billion	$3.6 billion	$6.1 billion	18.8%
New Mexico		$454 million	$454 million	7.5%
New York	$4.9 billion	$2.5 billion	$7.4 billion	13.2%
North Carolina		$3.2 billion	$3.2 billion	14.9%
Ohio[1]	$733 million	$1.9 billion	$2.6 billion	9.4%
Oklahoma	$114 million		$114 million	1.7%
Oregon		$442 million	$442 million	6.6%
Pennsylvania		$3.2 billion	$3.2 billion	11.3%
Rhode Island	$430 million	$442 million	$872 million	26.6%
South Carolina	$250 million	$871 million	$1.1 billion	16.3%
South Dakota		$27 million	$27 million	2.2%
Tennessee[1]	$468 million	$1.0 billion	$1.5 billion	13.4%
Utah		$620 million	$620 million	10.4%
Vermont	$59 million	$82 million	$141 million	11.6%
Virginia	$1.2 billion	$1.1 billion	$2.3 billion	13.8%
Washington		$1.3 billion	$1.3 billion	8.5%
Wisconsin	$652 million	$1.0 billion	$1.7 billion	11.7%
Wyoming		$119 million	$119 million	6.8%
TOTAL	**$46.8 billion**	**$63.1 billion**	**$109.9 billion**	**15.2%**

[1]Only the low end of the estimated FY09 gap for these states — ones that provided a range of estimates — is shown in this table. For more detail see *29 States Faced Total Budget Shortfall of At Least $48 billion in 2009* available at http://www.cbpp.org/1-15-08sfp.htm.
Note: In most cases these shortfalls have already been addressed.

TABLE 5 – SOURCE OF GAP ESTIMATES	
State	**Source**
Alabama	Governor's Office/ Arise Policy Project
Alaska	Legislative Finance Division Overview of proposed budget
Arizona	Joint Legislative Budget Committee, Financial Advisory Committee
Arkansas	Governor's proposed budget, Dept of Finance and Administration
California	Governor's budget, Legislative Analysts Office, Dept of Finance, Controller
Colorado	Colorado Fiscal Policy Institute/Bell Policy Center/Colorado Children's Campaign/ CO Legislative Council
Connecticut	Connecticut Voices for Children analysis of Office of Fiscal Analysis data/ Comptroller
Delaware	Governor's proposed budget
District of Columbia	Chief Financial Officer
Florida	Revised revenue projections
Georgia	State budget, Georgia State University/ FY11: Georgia Budget and Policy Institute
Hawaii	Council on Revenues forecast/ Governor's Office
Idaho	Legislative summary of adopted budget/ Governor's budget office
Illinois	State budget/Voices for Illinois Children analysis
Indiana	State Budget Committee
Iowa	Fiscal Services Division/Revenue Estimating Conference
Kansas	State Budget and Legislative Research Department
Kentucky	Consensus Forecasting Group/Governor's office
Louisiana	Revenue Estimating Conference /Commissioner of Administration
Maine	Revenue Forecasting Committee/Office of Fiscal and Program Review
Maryland	Department of Legislative Services/ State Board of Rev Estimates
Massachusetts	Governor's Office/ FY11 MA Budget & Policy Center
Michigan	Consensus Revenue Forecast, Michigan League for Human Services
Minnesota	Management and Budget forecast
Missouri	Governor's budget office and Missouri Budget Project
Mississippi	Governor's office
Nebraska	Governor's office/Tax Rate Review Committee
Nevada	Division of Budget and Planning/Board of Examiners and May Economic Forum
New Hampshire	Budget Director/Press reports of revenue shortfalls
New Jersey	Governor's office, New Jersey Policy Perspective
New Mexico	Consensus Revenue Estimate, New Mexico Voices for Children,
New York	Division of Budget
North Carolina	North Carolina Fiscal Research Division
Ohio	Office of Budget and Management
Oklahoma	State Tax Commission projections/Oklahoma Policy Institute
Oregon	Joint Committee on Ways and Means
Pennsylvania	Governor's office/ Budget Director
Rhode Island	Press reports of Revenue Estimating Conference/House Fiscal Advisory Staff
South Carolina	State Budget and Control Board and revised revenue projections
South Dakota	Governor's proposed budget
Tennessee	Press reports of State Funding Board meeting
Texas	Center on Public Policy Priorities analysis of Legislative Budget Board, Comptroller and HHS Commission data.
Utah	Governor's proposed budget, Legislative Fiscal Analyst, press reports
Vermont	State budget office and Joint Fiscal Committee
Virginia	House Appropriations/Governor's office
Washington	Governor's Budget/Washington Budget and Policy Center
West Virginia	Department of Revenue/Governor's budget
Wisconsin	Legislative Fiscal Bureau
Wyoming	Consensus Revenue Estimating Group

For source information for the original shortfall estimates, see *29 States Faced Total Budget Shortfall of At Least $48 billion in 2009* available at http://www.cbpp.org/1-15-08sfp.htm.