

Appendix 1: State Spending and Revenue Profiles

Alabama

From 2002 to 2008, Alabama's spending increased the most in the parks and recreation (117%), hospitals (62%), corrections (58%), and education (56%) categories. The increase in corrections spending was the fifth-highest in the nation in terms of percentage. The spending categories that saw the least growth were welfare (+11%), highways (+9%), and health (-3%). The state's overall general spending increase of 37% put it in the middle of the states, ranking 22nd highest.

Alabama's total revenue growth of 23% ranked 46th for the period. Corporate income taxes were the fastest growing tax revenue category, increasing 63%, although that was less than the growth of the vast majority of states (ranking 41st highest). By contrast, the 52% increase in personal income tax revenue ranked 19th-highest in the nation.

<i>Spending</i> (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	331,476	48	525,281	43	+5	58%	5
Education	6,811,434	15	10,658,472	8	+7	56%	7
Government Administration	415,209	44	576,755	38	+6	39%	23
Health	718,443	24	699,309	31	-7	-3%	44
Highways	1,255,800	36	1,373,098	36	0	9%	33
Hospitals	1,118,262	4	1,808,175	3	+1	62%	17
Interest on Debt	241,867	43	328,836	45	-2	36%	27
Natural Resources	230,519	34	309,369	32	+2	34%	17
Parks and Recreation	23,155	48	50,268	43	+5	117%	7
Police Protection	128,801	37	182,955	33	+4	42%	17
Public Welfare	4,110,058	27	4,582,199	44	-17	11%	50
Salaries and Wages	3,115,437	21	4,194,385	19	+2	35%	21
Direct Expenditures	12,064,764	29	15,449,791	31	-2	28%	42
General Expenditures	16,160,326	32	22,170,605	31	+1	37%	22
Total Expenditures	17,996,418	33	24,892,739	33	0	38%	22

<i>Taxes</i> (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	2,030,694	37	3,077,553	37	0	52%	19
General Sales Tax ²	1,748,235	43	2,287,288	43	0	31%	26
Corporate Income Tax ³	322,636	21	524,808	37	-16	63%	41
Total Taxes	6,509,765	47	9,070,530	42	+5	39%	35
Total Revenue	14,942,192	39	18,353,637	48	-9	23%	46

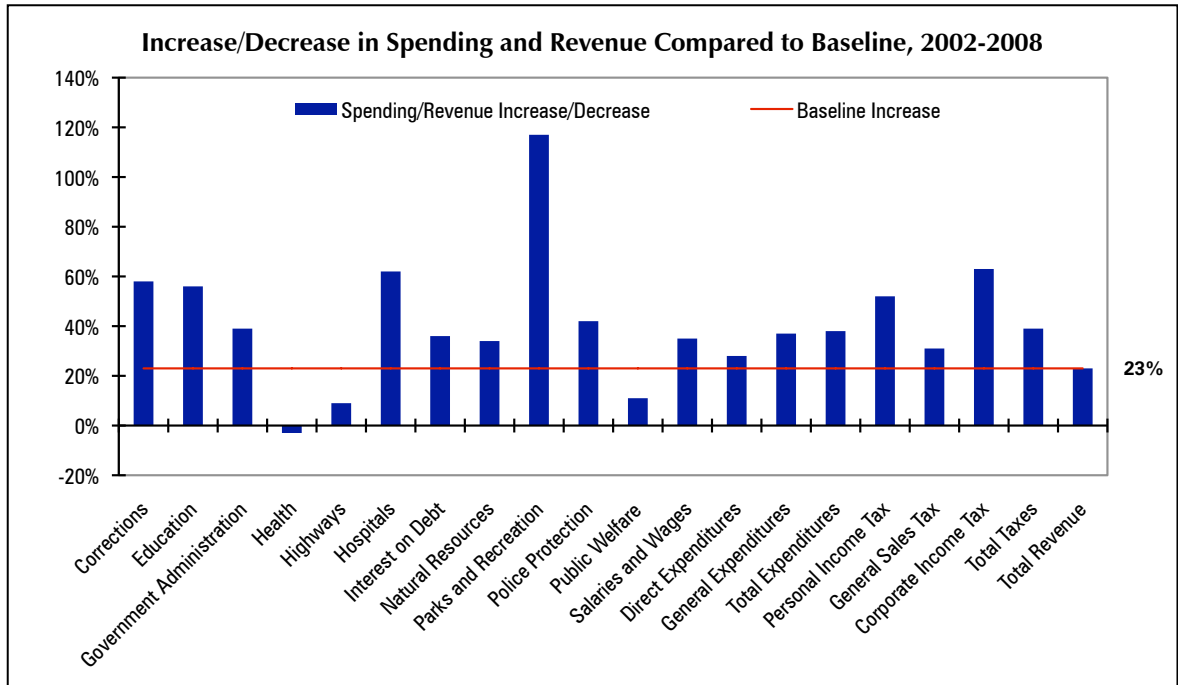
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Alabama’s population increased by 3%. This yields a “baseline” growth of 23% for the period. The figure below compares the difference in Alabama’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Alaska

From 2002 to 2008, Alaska's spending increased the most in the highways (91%), parks and recreation (79%), health (74%), and administration (58%) categories. The increase in highways spending was the second-highest in the nation in terms of percentage. The spending categories that saw the least growth were debt service (12%), hospitals (7%), and police (6%). The state's overall general spending increase of 36% put it slightly above the average of all states (23rd). Alaska's per-capita spending ranked at or near the top in all categories except for hospitals and parks and recreation, surely due to the state's sparse population and unique geography.

Alaska's total tax revenue growth of 673% and total overall revenue growth of 219% were the highest in the nation for the period. On a per-capita basis, Alaska's total revenue ranked first in both 2002 and 2008, but total taxes jumped from 32nd in 2002 all the way to first in 2008.

Corporate income tax revenue grew 265%, the fourth-greatest growth rate in the nation, although this is mitigated, in part, by the lack of personal income taxes or general sales taxes in the state.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	173,844	1	243,961	1	0	40%	16
Education	1,566,815	1	2,165,387	2	-1	38%	31
Government Administration	364,837	1	574,841	1	0	58%	11
Health	160,168	9	279,028	4	+5	74%	7
Highways	687,407	1	1,315,648	1	0	91%	2
Hospitals	32,869	39	35,054	40	-1	7%	36
Interest on Debt	275,884	1	310,066	2	-1	12%	39
Natural Resources	240,427	1	284,520	2	-1	18%	27
Parks and Recreation	9,625	32	17,274	20	+12	79%	14
Police Protection	77,758	1	82,585	3	-2	6%	41
Public Welfare	1,150,533	2	1,477,255	2	0	28%	38
Salaries and Wages	1,097,282	1	1,515,581	2	-1	38%	16
Direct Expenditures	5,646,660	1	7,660,896	1	0	36%	27
General Expenditures	6,702,256	1	9,148,545	1	0	36%	23
Total Expenditures	7,402,469	1	10,115,914	1	0	37%	26
Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	0	N/A	0	N/A	N/A	N/A	N/A
General Sales Tax ²	0	N/A	0	N/A	N/A	N/A	N/A
Corporate Income Tax ³	269,273	1	981,673	1	0	265%	4
Total Taxes	1,089,504	32	8,424,714	1	+31	673%	1
Total Revenue	5,018,805	1	16,027,757	1	0	219%	1

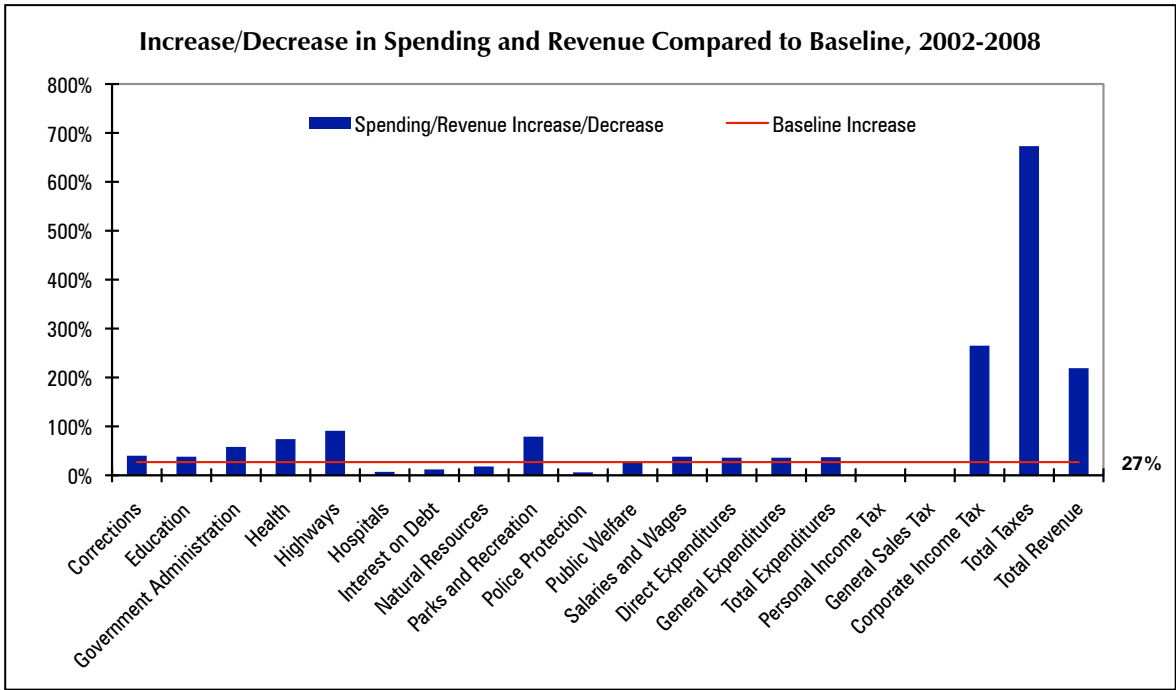
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Alaska’s population increased by 7%. This yields a “baseline” growth of 27% for the period. The figure below compares the difference in Alaska’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Arizona

From 2002 to 2008, Arizona's spending increased the most in the debt service (164%), parks and recreation (112%), welfare (98%), and health (77%) categories. These increases each ranked among the top eight in the nation in terms of percentage. The spending categories that saw the least growth were corrections (+39%), salaries and wages (+32%), and hospitals (-3%). The state's overall general and total spending increases of 65% each ranked third-highest among the states, and its 76% increase in direct spending, over which the legislature has the most control, was the second-highest in the country.

Arizona's total tax revenue growth of 62% ranked seventh-greatest for the period, and its total overall revenue growth of 60% ranked 12th. Corporate income taxes were the fastest growing tax revenue category, increasing 127% and ranking 20th-highest. Personal income tax revenue also saw significant growth, increasing 63% and ranking ninth-highest.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	734,167	19	1,023,683	25	-6	39%	17
Education	6,326,736	43	9,408,525	46	-3	49%	14
Government Administration	522,310	40	767,263	41	-1	47%	17
Health	913,302	21	1,620,620	12	+9	77%	5
Highways	1,679,641	28	2,367,086	26	+2	41%	12
Hospitals	73,430	49	71,539	49	0	-3%	40
Interest on Debt	185,777	50	490,912	43	+7	164%	2
Natural Resources	203,588	44	321,173	41	+3	58%	7
Parks and Recreation	62,661	36	132,563	28	+8	112%	8
Police Protection	166,831	32	273,533	27	+5	64%	9
Public Welfare	3,998,137	41	7,927,027	30	+11	98%	3
Salaries and Wages	2,539,720	45	3,343,240	49	-4	32%	27
Direct Expenditures	9,832,069	49	17,327,014	46	+3	76%	2
General Expenditures	16,734,370	47	27,568,941	41	+6	65%	3
Total Expenditures	18,606,630	47	30,778,930	42	+5	65%	3

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	2,090,645	39	3,408,576	40	-1	63%	9
General Sales Tax ²	4,283,681	9	6,433,468	9	0	50%	7
Corporate Income Tax ³	346,280	28	784,511	33	-5	127%	20
Total Taxes	8,477,321	40	13,705,901	39	+1	62%	7
Total Revenue	17,297,726	44	27,697,541	43	+1	60%	12

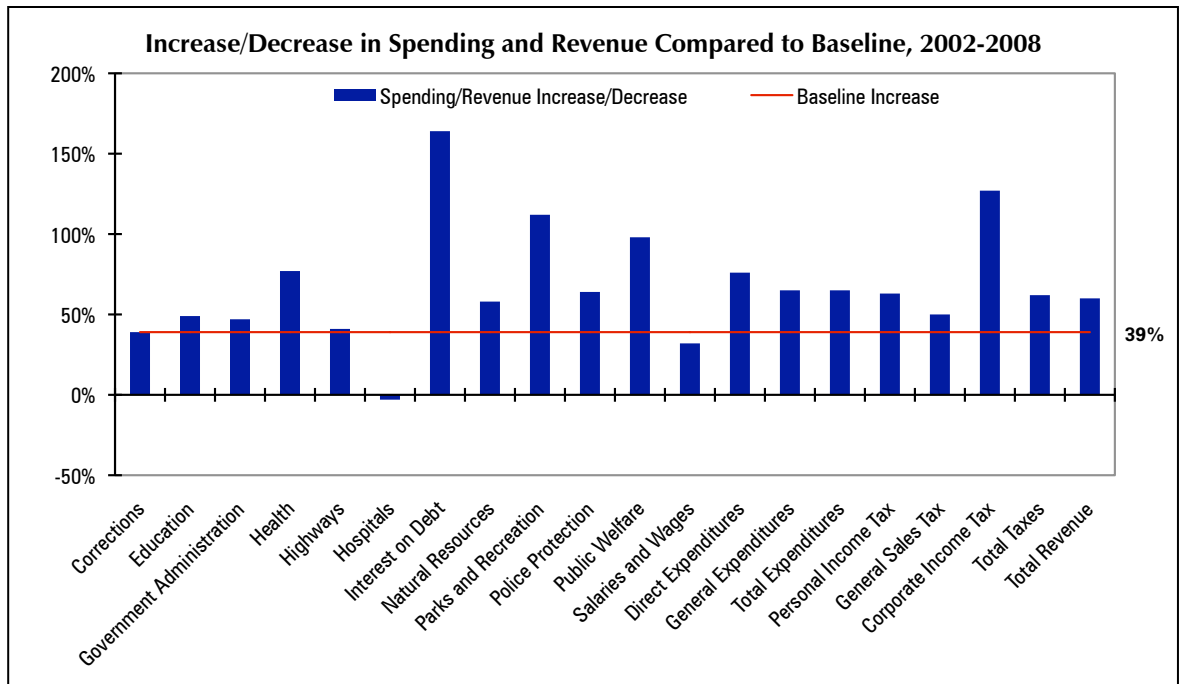
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Arizona’s population increased by 19%. This yields a “baseline” growth of 39% for the period. The figure below compares the difference in Arizona’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Arkansas

From 2002 to 2008, Arkansas's spending increased the most in the hospitals (78%), welfare (46%), education (44%), and administration (44%) categories. The increase in hospitals spending ranked 10th in the nation in terms of percentage. The state saw spending decline during the period in three spending categories, including health (-7%), highways (-15%), and parks and recreation (-39%). The state's overall general spending increase of 35% put it in the middle of the states, ranking 27th-highest.

Arkansas's total revenue growth of 47% put it in the middle of the states, ranking 22nd for the period. Corporate income taxes were the fastest growing tax revenue category, increasing 94% and ranking 33rd-highest. Relative to other states, Arkansas saw greater growth in personal income tax and general sales tax, increasing 55% (16th) and 44% (15th), respectively.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	284,600	36	361,537	36	0	27%	25
Education	4,375,237	11	6,311,833	9	+2	44%	19
Government Administration	411,078	26	591,373	23	+3	44%	21
Health	268,398	40	249,653	49	-9	-7%	45
Highways	1,078,784	14	915,510	36	-22	-15%	47
Hospitals	454,503	13	810,637	12	+1	78%	10
Interest on Debt	138,389	44	193,767	46	-2	40%	24
Natural Resources	234,315	17	249,560	25	-8	7%	38
Parks and Recreation	76,783	15	46,533	33	-18	-39%	44
Police Protection	71,768	38	81,440	44	-6	13%	35
Public Welfare	2,577,745	23	3,771,732	23	0	46%	23
Salaries and Wages	1,755,130	24	1,855,064	39	-15	6%	45
Direct Expenditures	7,562,945	22	9,962,544	26	-4	32%	37
General Expenditures	10,634,159	25	14,354,884	24	+1	35%	27
Total Expenditures	11,550,140	30	15,655,753	30	0	36%	28
Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	1,513,221	34	2,344,876	29	+5	55%	16
General Sales Tax ²	1,946,770	13	2,807,943	10	+3	44%	15
Corporate Income Tax ³	176,874	27	342,529	35	-8	94%	33
Total Taxes	5,176,050	20	7,530,504	19	+1	45%	23
Total Revenue	10,247,487	30	15,106,880	27	+3	47%	22

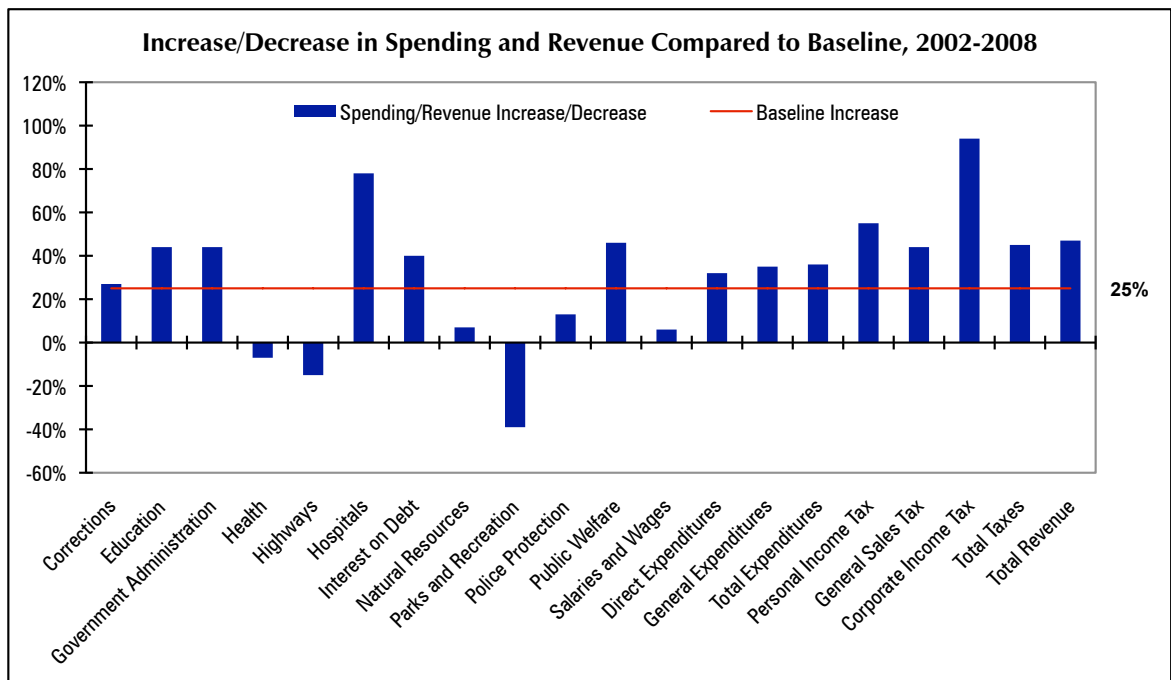
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Arkansas’s population increased by 5%. This yields a “baseline” growth of 25% for the period. The figure below compares the difference in Arkansas’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



California

From 2002 to 2008, California's spending increased the most in the debt service (66%), corrections (58%), and hospitals (58%) categories. The increases in corrections and highway spending were each the seventh-highest in the nation in terms of percentage. The state's per-capita spending on corrections, health, natural resources and welfare each rank among the top 10 in the nation. The spending categories that saw the least growth were health (+23%), police (+19%), and parks and recreation (-49%). The reduction in parks and recreation spending was the fourth-highest in the nation. The state's overall general spending increase of 32% put it slightly below the state average, ranking 34th highest, yet the 38% increase in direct spending, the category over which the legislature has the most control, was slightly higher than the state average (24th).

California's total tax revenue growth of 51% ranked 14th for the period, and its total overall revenue growth of 33% ranked 40th. Corporate income taxes were the fastest growing tax revenue category, increasing 122% and ranking 23rd-highest. Relative to other states, California saw its greatest revenue growth in personal income taxes, increasing 69% and ranking sixth highest.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	5,596,427	12	8,829,940	5	+7	58%	7
Education	53,610,067	13	73,276,865	19	-6	37%	35
Government Administration	6,933,060	14	8,838,202	15	-1	27%	30
Health	9,714,786	8	11,992,534	9	-1	23%	33
Highways	7,898,554	48	12,173,649	34	+14	54%	7
Hospitals	4,356,641	21	6,888,770	22	-1	58%	18
Interest on Debt	3,404,946	30	5,650,752	24	+6	66%	14
Natural Resources	3,184,490	15	4,885,087	7	+8	53%	10
Parks and Recreation	949,480	17	483,692	39	-22	-49%	47
Police Protection	1,376,082	23	1,642,063	24	-1	19%	32
Public Welfare	42,965,482	7	60,191,685	10	-3	40%	26
Salaries and Wages	19,938,389	36	27,788,543	32	+4	39%	14
Direct Expenditures	83,548,067	40	115,138,857	38	+2	38%	24
General Expenditures	158,235,437	11	208,782,657	15	-4	32%	34
Total Expenditures	184,927,602	11	246,683,951	13	-2	33%	30

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	33,046,665	6	55,745,970	4	+2	69%	6
General Sales Tax ²	23,816,406	17	31,972,874	18	-1	34%	22
Corporate Income Tax ³	5,333,036	5	11,849,097	6	-1	122%	23
Total Taxes	77,755,376	8	117,361,976	12	-4	51%	14
Total Revenue	151,245,388	15	201,069,818	24	-9	33%	40

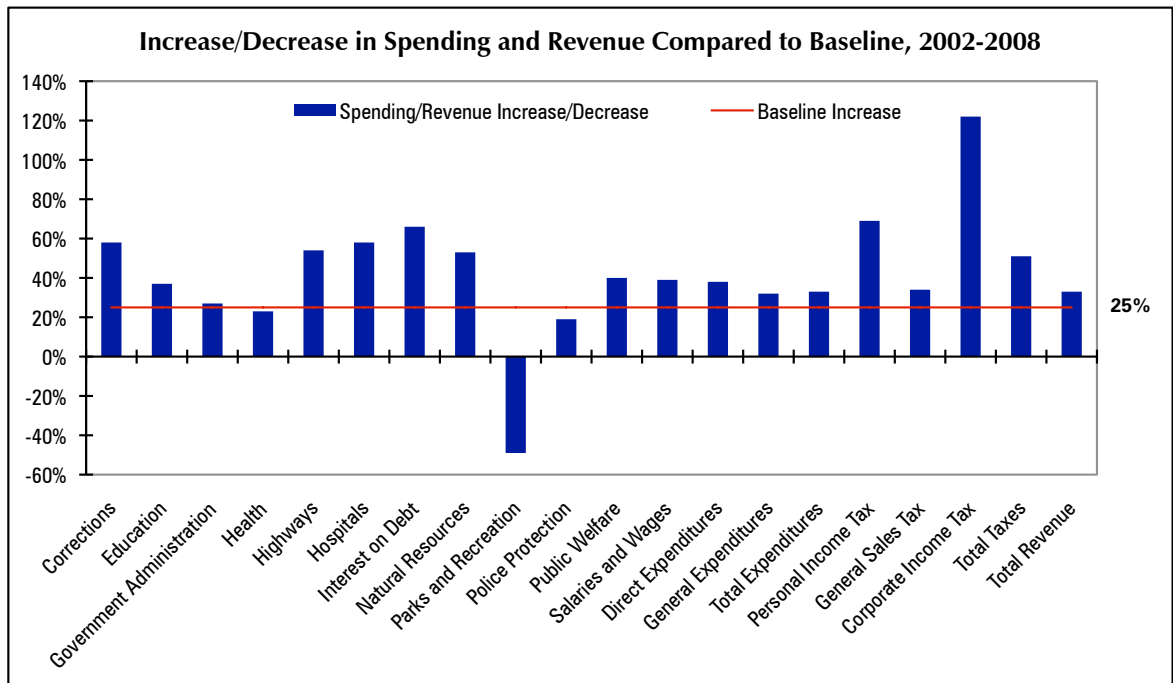
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One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and California’s population increased by 5%. This yields a “baseline” growth of 25% for the period. The figure below compares the difference in California’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Colorado

From 2002 to 2008, Colorado's spending increased the most in the debt service (135%), administration (106%), hospitals (73%), and natural resources (67%) categories. The increase in administration spending was the greatest in the nation in terms of percentage, and the increases in debt service and natural resources spending each ranked in the top five in the nation (fifth and fourth, respectively). The spending categories that saw the least growth were parks and recreation (+14%), health (+2%), and highways (-10%). The decline in highways spending was the fifth-highest in the nation. The state's overall general spending increase of 31% was a bit below the state average, ranking 36th highest. The increase in direct spending, over which the legislature has the most control, was even more restrained, growing 25%, compared to the state average of 38%, ranking 45th. On a per-capita basis, the state's spending remained among the lowest in the nation, ranking 46th in general spending in 2008.

Colorado's total revenue growth of 113% ranked third-highest for the period. Corporate income taxes were the fastest growing tax revenue category, increasing 148%, higher than most states (ranking 14th).

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	734,457	11	996,266	8	+3	36%	21
Education	5,798,172	33	7,985,963	40	-7	38%	33
Government Administration	422,050	42	869,746	29	+13	106%	1
Health	792,620	17	809,170	27	-10	2%	41
Highways	1,421,381	26	1,281,596	44	-18	-10%	46
Hospitals	253,652	36	437,822	29	+7	73%	12
Interest on Debt	352,320	33	827,293	21	+12	135%	5
Natural Resources	193,235	41	323,226	33	+8	67%	4
Parks and Recreation	69,307	30	79,099	35	-5	14%	27
Police Protection	103,053	44	140,723	45	-1	37%	22
Public Welfare	3,131,520	46	4,557,057	47	-1	46%	24
Salaries and Wages	2,765,058	31	3,553,624	35	-4	29%	32
Direct Expenditures	10,500,583	44	13,108,348	48	-4	25%	45
General Expenditures	14,795,822	44	19,341,732	46	-2	31%	36
Total Expenditures	17,324,984	39	22,856,848	43	-4	32%	33

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	3,475,760	15	5,067,981	17	-2	46%	25
General Sales Tax ²	1,901,972	42	2,312,731	45	-3	22%	34
Corporate Income Tax ³	205,217	39	507,986	38	+1	148%	14
Total Taxes	6,923,171	41	9,624,636	41	0	39%	36
Total Revenue	12,478,045	50	26,521,512	25	+25	113%	3

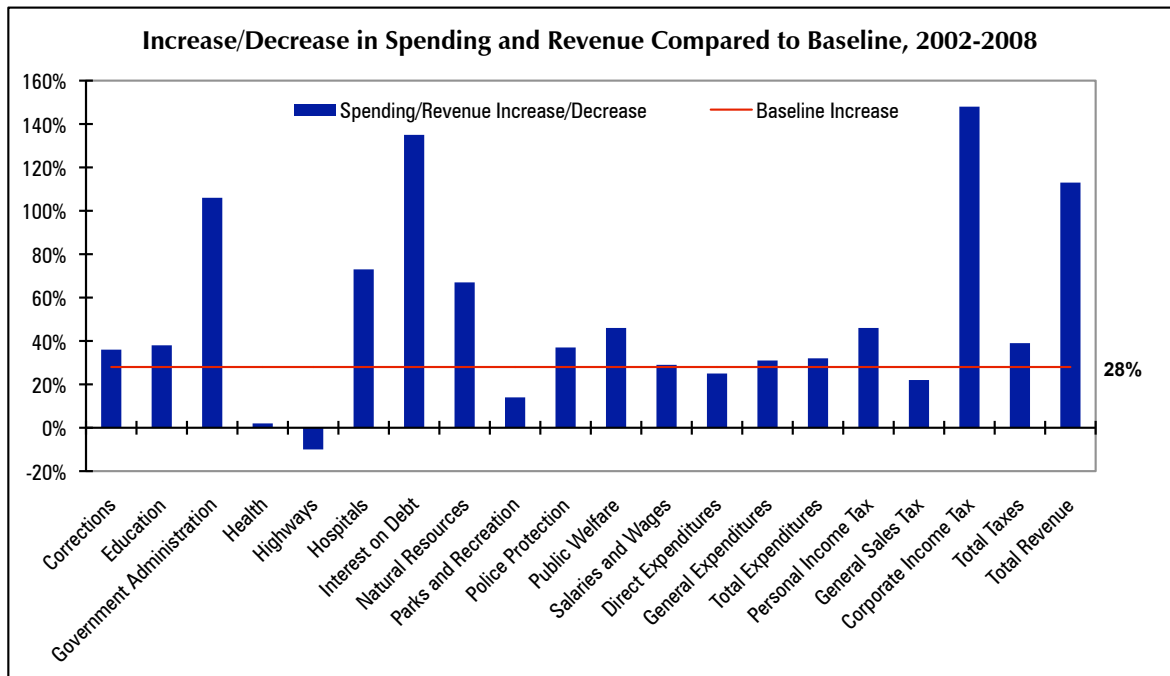
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Connecticut

From 2002 to 2008, Connecticut's spending increased the most in the welfare (56%), health (52%), salaries and wages (35%), and police (32%) categories. The increase in health spending was the 13th-highest in the nation in terms of percentage. Spending fell during the period in three categories: highways (-7%), natural resources (-36%), and parks and recreation (-59%). Relative to other states, the declines in parks and recreation and natural resources spending were the second-highest in the nation, and the state's 22% increase in education spending ranked 48th. The state's overall general spending increase of 14% was the second-lowest of all states, and its 15% increase in direct expenditures, the aggregate spending category over which the legislature has the most control, was the lowest in the nation. Despite modest increases in spending on corrections, government administration, hospitals, interest on debt, and salaries and wages, Connecticut's per capita spending in each of these categories remained among the top seven in the nation in 2008.

Connecticut's total overall revenue growth of 23% ranked 44th for the period, although its total tax revenue growth of 48% put it above the median (18th). Corporate income taxes were the fastest growing tax revenue category, increasing 257%, fifth-highest in the nation. General sales tax revenue was held flat, but personal income tax revenue increased 90%, second-highest in the nation, and was the highest per capita in the nation by 2008.

<i>Spending</i> (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	637,897	4	723,346	6	-2	13%	43
Education	4,785,884	24	5,850,358	34	-10	22%	48
Government Administration	913,121	5	1,116,120	7	-2	22%	34
Health	592,071	19	901,164	11	+8	52%	13
Highways	851,493	42	795,191	48	-6	-7%	45
Hospitals	1,354,754	1	1,395,751	2	-1	3%	39
Interest on Debt	1,137,938	4	1,265,952	4	0	11%	41
Natural Resources	193,955	32	123,842	45	-13	-36%	49
Parks and Recreation	146,497	6	60,090	32	-26	-59%	49
Police Protection	164,226	14	216,795	11	+3	32%	24
Public Welfare	3,599,348	16	5,621,038	11	+5	56%	16
Salaries and Wages	3,182,095	6	4,287,819	5	+1	35%	20
Direct Expenditures	13,801,510	4	15,826,426	12	-8	15%	50
General Expenditures	17,536,472	6	20,057,458	13	-7	14%	49
Total Expenditures	20,117,270	5	23,528,530	12	-7	17%	48

<i>Taxes</i> (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	3,685,244	4	7,000,225	1	+3	90%	2
General Sales Tax ²	3,043,971	5	3,178,903	13	-8	4%	45
Corporate Income Tax ³	149,454	41	534,201	20	+21	257%	5
Total Taxes	9,032,787	4	13,367,631	5	-1	48%	18
Total Revenue	16,993,167	7	20,929,756	15	-8	23%	44

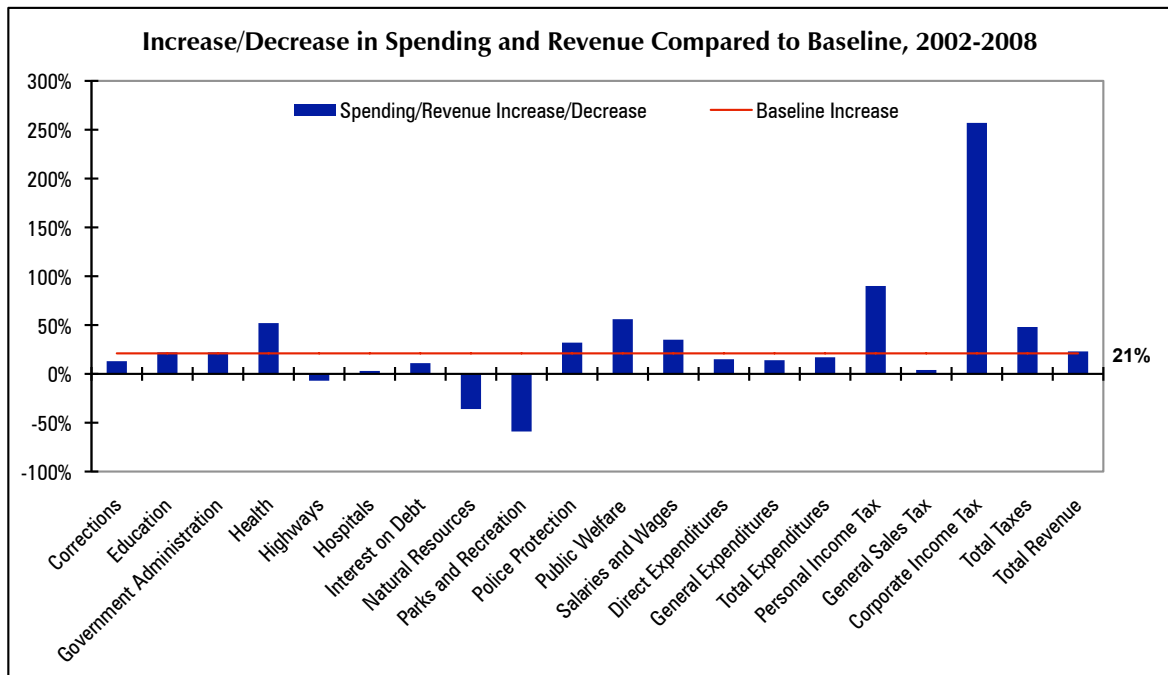
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Connecticut’s population increased by 1%. This yields a “baseline” growth of 21% for the period. The figure below compares the difference in Connecticut’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Delaware

From 2002 to 2008, Delaware's spending increased the most in the salaries and wages (111%), welfare (106%), police (60%), and education (58%) categories. The increases in these categories were each among the top 10 in the nation in terms of percentage. The spending categories that saw the least growth were debt service (+6%), parks and recreation (+5%), and hospitals (-7%). The state's overall general spending increase of 55% ranked fifth-highest. The state's high per-capita spending in nearly all categories, with the exception of hospitals, is likely due, in part, to its small size.

Delaware's total revenue growth of 42% ranked 31st for the period. Despite lacking a general sales tax, personal income tax growth was a modest 40% (30th-highest) and corporate income tax

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	202,270	2	280,710	2	0	39%	19
Education	1,433,753	7	2,263,320	5	+2	58%	6
Government Administration	349,326	2	483,562	2	0	38%	24
Health	260,745	2	393,259	3	-1	51%	14
Highways	369,702	10	496,382	5	+5	34%	15
Hospitals	68,578	27	63,435	35	-8	-7%	43
Interest on Debt	255,396	5	269,560	6	-1	6%	45
Natural Resources	69,728	18	94,329	15	+3	35%	16
Parks and Recreation	52,147	1	54,763	3	-2	5%	31
Police Protection	70,807	2	113,596	1	+1	60%	10
Public Welfare	702,892	31	1,451,463	9	+22	106%	2
Salaries and Wages	1,073,747	3	2,267,018	1	+2	111%	2
Direct Expenditures	3,408,548	3	5,389,391	3	0	58%	4
General Expenditures	4,231,092	4	6,561,474	4	0	55%	5
Total Expenditures	4,644,236	6	7,151,941	3	+3	54%	5
Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	716,647	10	1,006,859	13	-3	40%	30
General Sales Tax ²	0	N/A	0	N/A	N/A	N/A	N/A
Corporate Income Tax ³	251,643	2	308,676	3	-1	23%	44
Total Taxes	2,173,600	2	2,930,955	10	-8	35%	42
Total Revenue	4,682,495	2	6,658,241	6	-4	42%	31

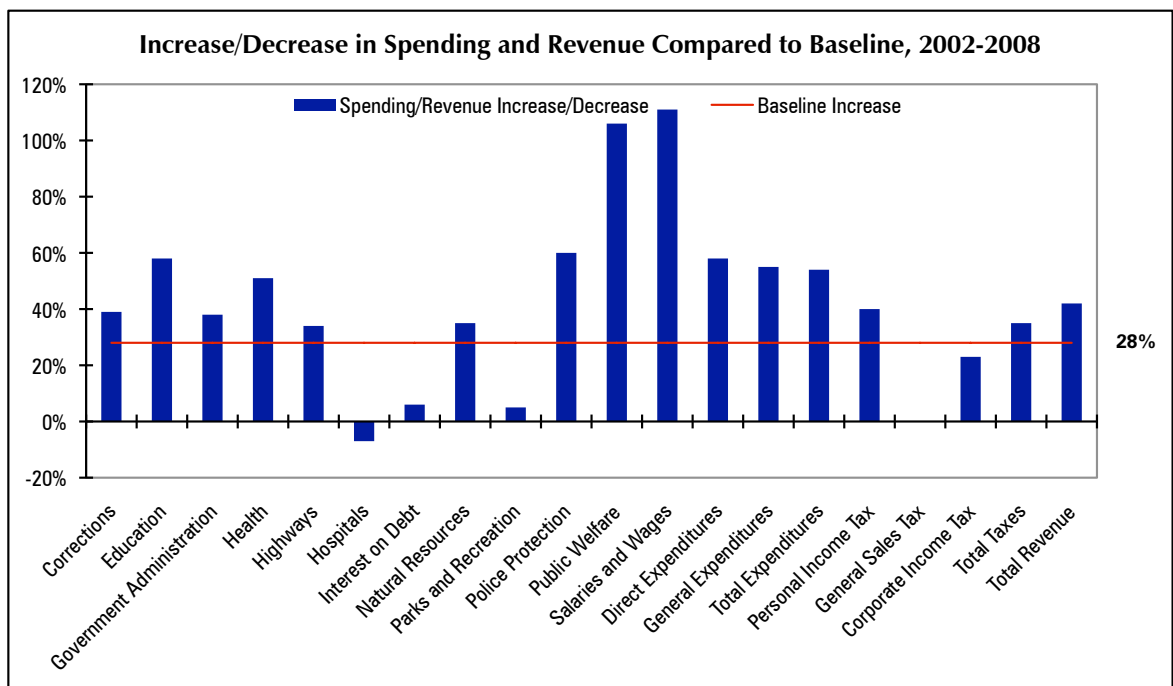
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Delaware’s population increased by 8%. This yields a “baseline” growth of 28% for the period. The figure below compares the difference in Delaware’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Florida

From 2002 to 2008, Florida's spending increased the most in the hospitals (361%), administration (54%), debt service (53%), and welfare (52%) categories. The increase in hospitals spending was the second-greatest in the nation in terms of percentage. The spending categories that saw the least growth were corrections (26%), police (7%), and parks and recreation (6%). The state's overall general spending increase of 46% ranked 11th-highest, and its total spending growth of 48% was the sixth-largest.

Florida's total overall revenue growth of 43% ranked 29th for the period, and its total tax revenue growth of 41% ranked 30th. Corporate income taxes were the fastest growing tax revenue category, increasing 81%, although that still placed it in the bottom third of states (ranking 35th-highest). General sales tax revenue grew 49%, eighth-highest in the nation. Florida did not have a personal income tax.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	2,199,630	20	2,770,179	26	-6	26%	27
Education	15,643,056	50	23,192,406	50	0	48%	16
Government Administration	1,932,140	35	2,982,756	32	+3	54%	12
Health	2,667,466	25	3,600,529	22	+3	35%	23
Highways	4,825,770	35	7,163,763	23	+12	48%	9
Hospitals	180,226	50	831,028	43	+7	361%	2
Interest on Debt	1,051,981	42	1,604,312	40	+2	53%	18
Natural Resources	1,397,333	19	1,833,040	17	+2	31%	18
Parks and Recreation	184,632	38	195,516	44	-6	6%	30
Police Protection	425,266	41	453,620	47	-6	7%	40
Public Welfare	11,878,904	44	18,063,299	43	+1	52%	18
Salaries and Wages	6,490,375	48	8,637,026	50	-2	33%	22
Direct Expenditures	33,237,774	48	49,452,759	45	+3	49%	7
General Expenditures	47,291,632	49	69,155,854	47	+2	46%	11
Total Expenditures	51,838,351	50	76,972,938	48	+2	48%	6

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	0	N/A	0	N/A	N/A	N/A	N/A
General Sales Tax ²	14,408,709	6	21,518,100	5	+1	49%	8
Corporate Income Tax ³	1,218,864	20	2,208,600	34	-14	81%	35
Total Taxes	25,352,237	43	35,849,998	40	+3	41%	30
Total Revenue	48,489,136	48	69,229,431	49	-1	43%	29

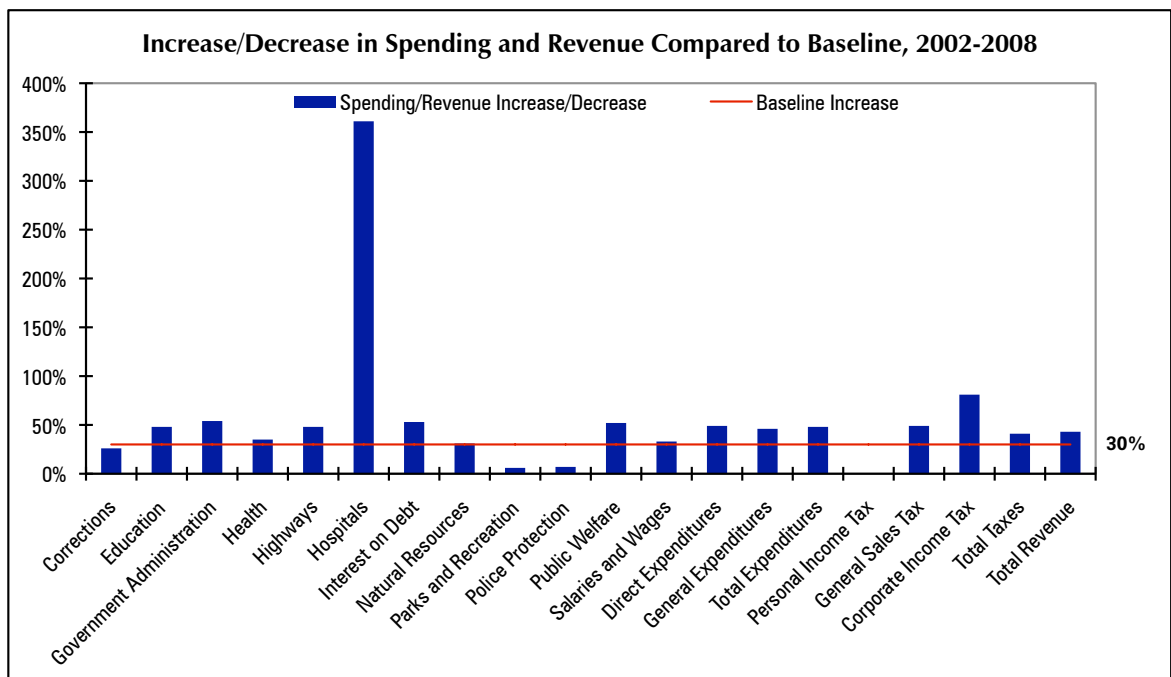
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Florida’s population increased by 10%. This yields a “baseline” growth of 30% for the period. The figure below compares the difference in Florida’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Georgia

From 2002 to 2008, Georgia's spending increased the most in the health (56%), debt service (38%), and education (33%) categories. The increase in health spending was the 11th-greatest in the nation in terms of percentage. The spending categories that saw the least growth were police (+17%), highways (+14%) and natural resources (-4%). The state's overall general spending increase of 27% was the sixth-lowest in the nation for the period.

Georgia's total overall revenue growth of 66% ranked in the top third of states, at 10th-highest, for the period, although its total tax revenue growth ranked toward the bottom, at 32% (43rd). Corporate income taxes were the fastest growing tax revenue category, increasing 66%, although that was less than the growth of the vast majority of states (ranking 39th-highest).

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	1,271,639	14	1,571,961	22	-8	24%	34
Education	12,154,631	22	16,179,676	35	-13	33%	39
Government Administration	680,850	47	815,307	49	-2	20%	35
Health	808,960	42	1,258,721	35	+7	56%	11
Highways	2,004,684	45	2,287,471	46	-1	14%	29
Hospitals	634,079	30	805,443	31	-1	27%	30
Interest on Debt	433,247	45	598,122	47	-2	38%	25
Natural Resources	539,051	29	516,792	37	-8	-4%	44
Parks and Recreation	163,060	26	209,191	24	+2	28%	24
Police Protection	272,130	30	317,358	40	-10	17%	34
Public Welfare	7,825,282	28	9,644,769	42	-14	23%	45
Salaries and Wages	3,951,121	46	5,008,399	48	-2	27%	34
Direct Expenditures	19,821,110	45	25,749,530	47	-2	30%	40
General Expenditures	28,465,937	42	36,164,925	48	-6	27%	45
Total Expenditures	31,352,991	42	41,165,128	46	-4	31%	35
Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	6,487,638	17	8,845,476	23	-6	36%	34
General Sales Tax ²	4,833,521	30	5,796,653	37	-7	20%	37
Corporate Income Tax ³	568,080	25	943,042	41	-16	66%	39
Total Taxes	13,772,147	38	18,183,117	45	-7	32%	43
Total Revenue	24,846,501	47	41,266,892	44	+3	66%	10

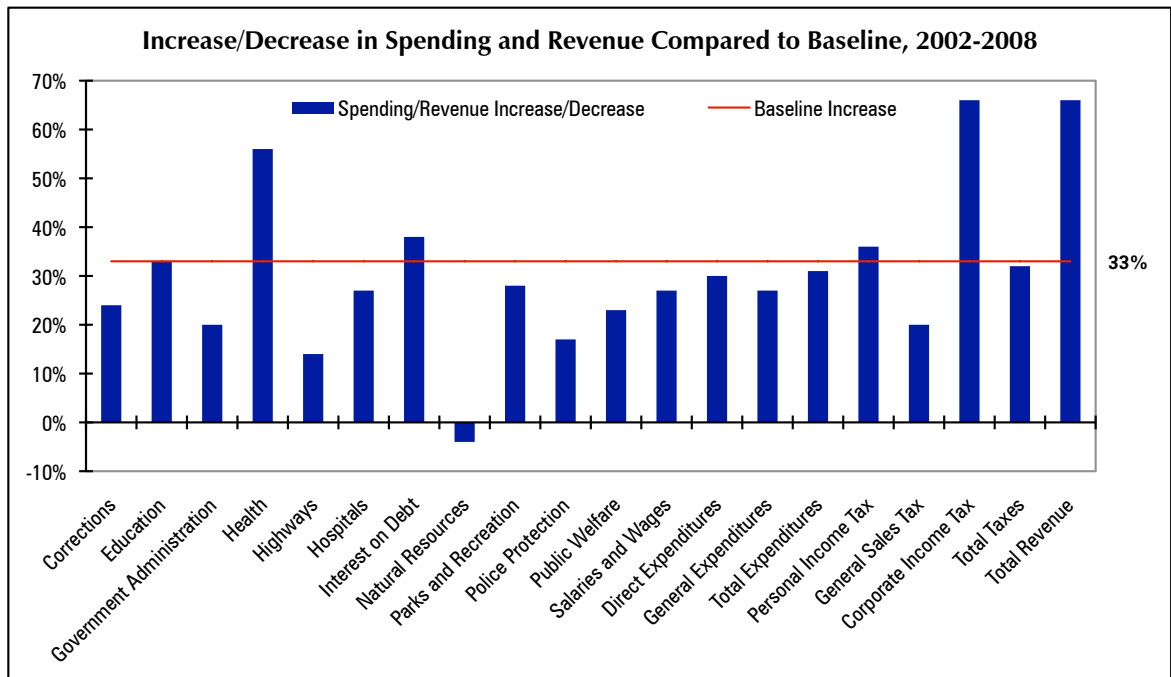
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Georgia’s population increased by 13%. This yields a “baseline” growth of 33% for the period. The figure below compares the difference in Georgia’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Hawaii

From 2002 to 2008, Hawaii's spending increased the most in the hospitals (187%), highways (73%), and parks and recreation (59%) categories. The increase in hospitals spending was the third-highest in the nation in terms of percentage, and grew from 19th-highest in terms of per-capita spending in 2002 to third-highest in 2008. The increase in highways spending was the fourth-greatest in the nation. The state ranked in the top five in per capita spending in seven of the 12 spending categories, and last in police, largely due to its unique island geography and relatively small population. The spending categories that saw the least growth were administration (+29%), natural resources (+16%) and debt service (-5%). The state's overall general spending increase of 43% put it in the top half of states, ranking 13th-highest.

Hawaii's total overall revenue growth of 58% ranked 14th for the period, and its total tax revenue growth of 50% ranked 15th. Corporate income taxes were the fastest growing tax revenue category, increasing 100%, although that still placed it in the bottom half of states (ranking 28th-highest). By contrast, the 62% increase in general sales tax revenue ranked 3rd-highest in the nation. Hawaii's general sales tax per capita ranked the highest in the nation in both 2002 and 2008.

<i>Spending</i> (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	157,286	25	219,070	20	+5	39%	18
Education	2,257,402	6	3,393,565	4	+2	50%	12
Government Administration	376,034	4	486,718	3	+1	29%	27
Health	453,500	1	677,693	2	-1	49%	15
Highways	235,699	49	407,711	37	+12	73%	4
Hospitals	184,789	19	531,055	1	+18	187%	3
Interest on Debt	462,296	3	441,026	5	-2	-5%	48
Natural Resources	98,076	20	113,560	23	-3	16%	30
Parks and Recreation	49,595	8	78,920	4	+4	59%	18
Police Protection	9,228	50	13,808	50	0	50%	15
Public Welfare	1,125,980	29	1,563,961	31	-2	39%	29
Salaries and Wages	1,733,613	2	2,563,142	3	-1	48%	10
Direct Expenditures	6,553,219	2	9,429,236	2	0	44%	12
General Expenditures	6,683,606	2	9,567,007	5	-3	43%	13
Total Expenditures	7,445,512	3	10,533,869	4	-1	41%	16

<i>Taxes</i> (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	1,111,590	9	1,544,835	10	-1	39%	31
General Sales Tax ²	1,612,333	1	2,619,595	1	0	62%	3
Corporate Income Tax ³	52,640	42	105,294	43	-1	100%	28
Total Taxes	3,420,671	1	5,147,569	4	+3	50%	15
Total Revenue	5,868,714	9	9,298,617	8	+1	58%	14

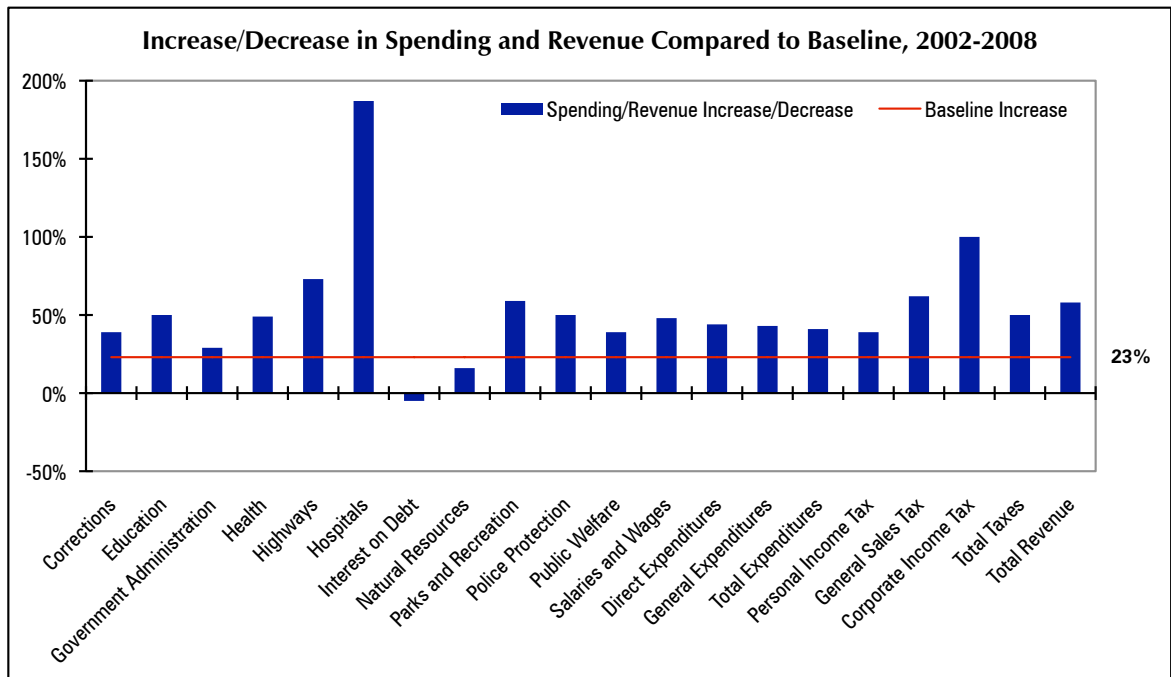
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Hawaii’s population increased by 3%. This yields a “baseline” growth of 23% for the period. The figure below compares the difference in Hawaii’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Idaho

From 2002 to 2008, Idaho's spending increased the most in the administration (62%), welfare (61%), and education (52%) categories. The spending categories that saw the least growth were debt service (15%), police (12%), hospitals (4%), and parks and recreation (1%). Idaho's spending growth ranked among the top 20 states in six of the 12 spending categories. The state's overall general spending increase of 47% placed among the greatest of the states, ranking eighth highest.

Idaho's total overall revenue growth of 58% ranked 15th-highest for the period, and its total tax revenue growth of 61% ranked eighth. Corporate income taxes were the fastest growing tax revenue category, increasing 148% and ranking 13th-highest, although its personal income tax and general sales tax revenues grew even faster relative to other states. The state's personal income tax revenue rose 71% (fifth), and its general sales tax revenue increased 69%, the highest rate in the nation.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	171,684	24	244,504	24	0	42%	13
Education	1,829,520	29	2,774,669	27	+2	52%	10
Government Administration	221,628	21	360,140	16	+5	62%	8
Health	112,840	47	150,626	45	+2	33%	25
Highways	499,916	16	696,062	13	+3	39%	13
Hospitals	45,326	47	47,310	47	0	4%	38
Interest on Debt	141,541	25	162,233	37	-12	15%	36
Natural Resources	164,520	6	213,597	6	0	30%	19
Parks and Recreation	40,872	14	41,137	18	-4	1%	33
Police Protection	45,973	26	51,314	39	-13	12%	37
Public Welfare	1,003,118	40	1,614,703	39	+1	61%	11
Salaries and Wages	850,004	29	1,040,874	37	-8	22%	36
Direct Expenditures	3,217,628	38	4,769,082	39	-1	48%	8
General Expenditures	4,624,686	38	6,806,589	38	0	47%	8
Total Expenditures	5,234,047	37	7,675,083	37	0	47%	7

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	842,375	26	1,438,518	22	+4	71%	5
General Sales Tax ²	795,384	27	1,347,327	16	+11	69%	1
Corporate Income Tax ³	76,769	33	190,194	32	+1	148%	13
Total Taxes	2,271,075	34	3,651,917	28	+6	61%	8
Total Revenue	4,487,672	38	7,107,284	37	+1	58%	15

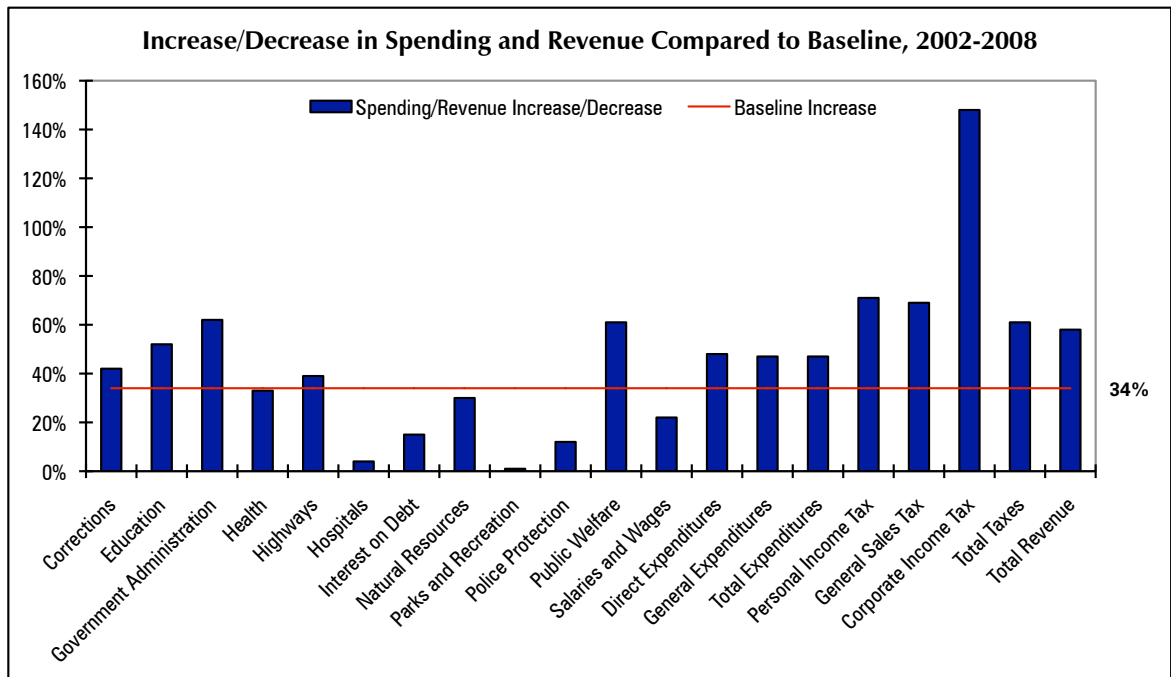
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Idaho’s population increased by 14%. This yields a “baseline” growth of 34% for the period. The figure below compares the difference in Idaho’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Illinois

From 2002 to 2008, Illinois's spending increased the most in the salaries and wages (59%), welfare (57%) and debt service (55%) categories. Illinois saw spending decline during the period in five categories, including corrections (-8%), administration (-8%), health (-9%), parks and recreation (-38%), and natural resources (-40%). The decreases in corrections and natural resources spending were the largest in the nation, and the 16% increase in education spending was the second-lowest for the period. On a per-capita basis, Illinois's spending ranked at or near the bottom in the nation in four categories: administration (47th), corrections (48th), education (49th) and natural resources (50th). The state's overall general spending increase of 27% put it among the slowest-growing states, ranking 44th-highest, although its 34% increase in direct spending, over which the legislature has the most control, grew somewhat faster, ranking 31st-highest.

Illinois's total overall revenue growth of 42% ranked near the middle of states for the period (30th), and its total sales tax revenue growth of 42% ranked 29th. Corporate income taxes were the fastest growing tax revenue category, increasing 125%, placing Illinois slightly higher than the middle of the pack (ranking 21st-highest among the states).

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	1,359,318	34	1,244,230	48	-14	-8%	50
Education	14,098,492	45	16,342,627	49	-4	16%	49
Government Administration	1,319,877	37	1,216,329	47	-10	-8%	46
Health	2,573,875	14	2,336,890	23	-9	-9%	46
Highways	3,655,570	34	4,510,194	29	+5	23%	23
Hospitals	922,299	32	1,004,573	32	0	9%	35
Interest on Debt	1,846,927	14	2,867,051	11	+3	55%	16
Natural Resources	454,399	45	272,110	50	-5	-40%	50
Parks and Recreation	443,212	12	276,560	25	-13	-38%	43
Police Protection	392,153	31	437,448	38	-7	12%	38
Public Welfare	10,940,019	32	17,167,067	20	+12	57%	14
Salaries and Wages	5,332,743	47	8,486,416	38	+9	59%	7
Direct Expenditures	29,587,191	42	39,560,213	41	+1	34%	31
General Expenditures	42,678,167	39	54,310,201	43	-4	27%	44
Total Expenditures	49,131,377	36	63,368,160	39	-3	29%	42

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	7,471,385	29	10,320,239	31	-2	38%	32
General Sales Tax ²	6,591,337	35	7,935,417	34	+1	20%	36
Corporate Income Tax ³	1,383,823	11	3,115,604	10	+1	125%	21
Total Taxes	22,474,774	24	31,891,497	26	-2	42%	29
Total Revenue	41,094,791	42	58,524,149	40	+2	42%	30

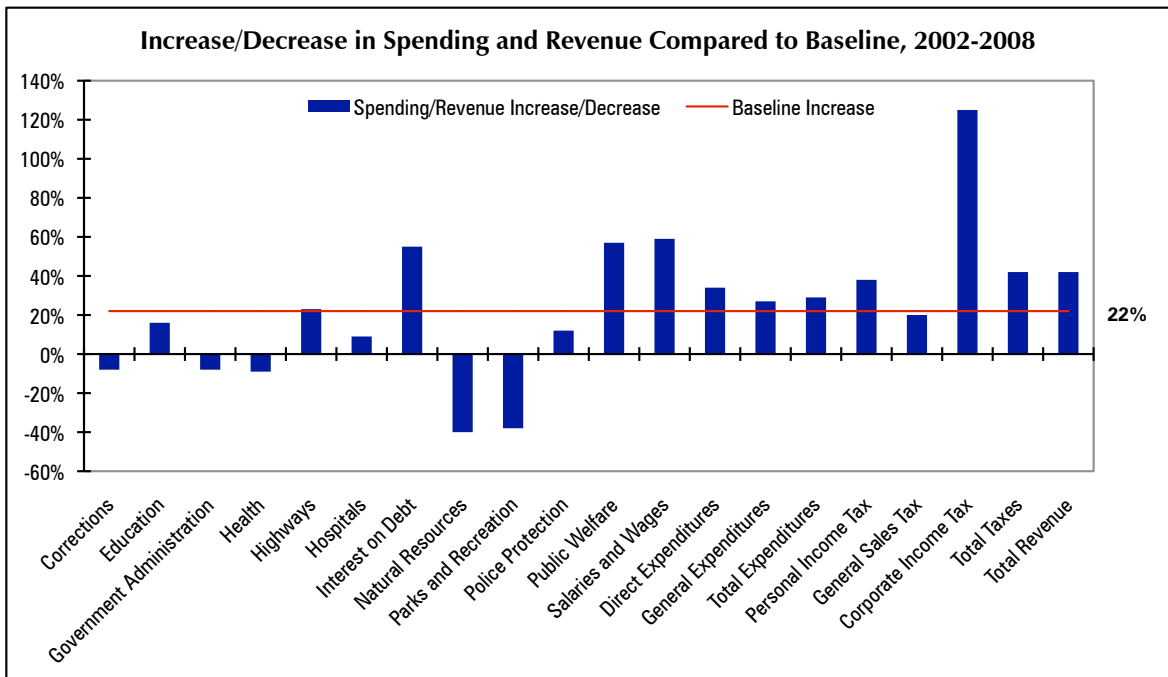
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Illinois’s population increased by 2%. This yields a “baseline” growth of 22% for the period. The figure below compares the difference in Illinois’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Indiana

From 2002 to 2008, Indiana's spending increased the most in the debt service (143%), welfare (57%), and parks and recreation (51%) categories. The increase in debt service spending was the fourth-highest in the nation in terms of percentage. The spending categories that saw the least growth were corrections (+6%), natural resources (+3%), administration (-17%), and hospitals (-26%). The decline in administration spending was the second-greatest in the nation. The state's overall general spending increase of 38% put it slightly above the state average, ranking 21st-highest, and its 46% increase in direct spending, over which the legislature has the most control, was 10th-highest. One per-capita basis, Indiana ranked 25th or lower in all 12 spending categories in 2008.

Indiana's total overall revenue growth of 45% ranked 25th for the period, and its total tax revenue growth of 46% ranked 22nd. While most states saw the greatest increase in tax revenues in the corporate income tax category, Indiana's corporate income tax revenue grew only 28% (42nd-highest), while its general sales tax revenue increased 51% (sixth).

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	640,711	38	676,633	45	-7	6%	48
Education	7,930,896	34	10,616,678	36	-2	34%	37
Government Administration	767,851	33	638,989	46	-13	-17%	49
Health	557,640	44	627,263	46	-2	12%	37
Highways	1,569,976	41	1,996,582	39	+2	27%	20
Hospitals	268,447	42	198,120	46	-4	-26%	47
Interest on Debt	397,443	40	967,653	25	+15	143%	4
Natural Resources	285,590	37	293,931	42	-5	3%	42
Parks and Recreation	47,645	45	71,753	42	+3	51%	20
Police Protection	200,006	29	254,012	30	-1	27%	26
Public Welfare	5,124,522	34	8,034,079	27	+7	57%	15
Salaries and Wages	3,125,020	43	3,742,390	45	-2	20%	37
Direct Expenditures	14,027,938	46	20,448,300	35	+11	46%	10
General Expenditures	20,584,712	41	28,417,734	39	+2	38%	21
Total Expenditures	22,205,168	45	30,783,257	40	+5	39%	21

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	3,540,819	30	4,837,524	33	-3	37%	33
General Sales Tax ²	3,798,490	24	5,738,829	14	+10	51%	6
Corporate Income Tax ³	709,412	10	909,494	22	-12	28%	42
Total Taxes	10,200,590	35	14,916,295	33	+2	46%	22
Total Revenue	20,116,042	41	29,114,836	38	+3	45%	25

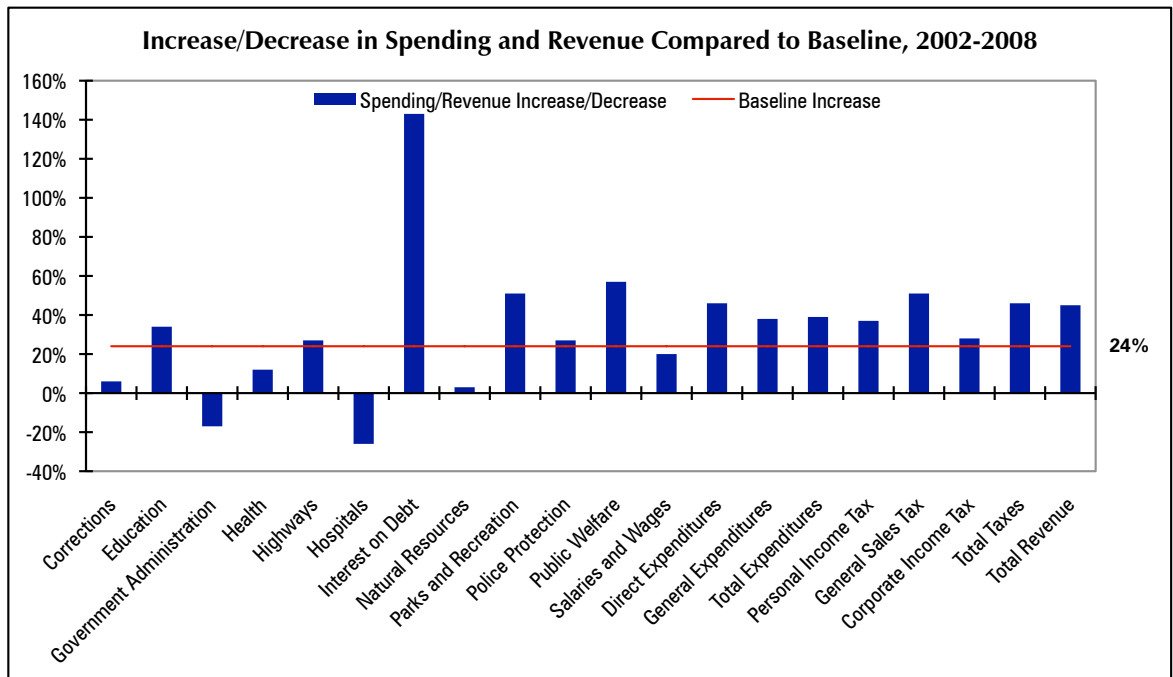
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Indiana’s population increased by 4%. This yields a “baseline” growth of 24% for the period. The figure below compares the difference in Indiana’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Iowa

From 2002 to 2008, Iowa's spending increased the most in the debt service (218%), parks and recreation (140%), hospitals (51%) and welfare (49%) categories. The increase in debt service spending was the highest in the nation in terms of percentage, and the increase in parks and recreation spending was the fourth-highest. The spending categories that saw the least growth were health (+3%), highways (+2), corrections (+1%), and salaries and wages (-4%). The slight increase in corrections spending ranked 49th in the nation, and the decrease in salaries and wages spending was the second-greatest in the nation. The state's overall general spending increase of 30% ranked 37th-highest.

Iowa's total overall revenue growth of 43% ranked 27th for the period, and its total tax revenue growth of 38% ranked 39th. Corporate income taxes were the fastest growing tax revenue category, increasing 293% and ranking third-highest. By contrast, general sales tax revenue increased only 5%, ranked 44th.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	288,666	42	291,406	47	-5	1%	49
Education	4,576,530	12	5,790,799	22	-10	27%	46
Government Administration	497,392	19	554,993	27	-8	12%	41
Health	233,740	49	240,951	50	-1	3%	40
Highways	1,360,300	9	1,381,730	12	-3	2%	42
Hospitals	724,555	5	1,092,682	7	-2	51%	20
Interest on Debt	123,134	47	391,988	29	+18	218%	1
Natural Resources	267,444	14	288,799	21	-7	8%	36
Parks and Recreation	25,468	43	61,112	29	+14	140%	4
Police Protection	86,461	34	96,991	41	-7	12%	36
Public Welfare	2,617,128	30	3,904,781	24	+6	49%	22
Salaries and Wages	2,402,008	12	2,301,969	30	-18	-4%	49
Direct Expenditures	8,109,027	25	10,687,341	24	+1	32%	36
General Expenditures	11,435,526	26	14,830,301	27	-1	30%	37
Total Expenditures	12,720,752	28	16,522,737	29	-1	30%	40

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	1,769,347	28	2,848,393	20	+8	61%	11
General Sales Tax ²	1,747,016	25	1,840,862	35	-10	5%	44
Corporate Income Tax ³	88,310	45	347,248	36	+9	293%	3
Total Taxes	5,006,251	31	6,892,026	37	-6	38%	39
Total Revenue	11,130,351	29	15,939,920	26	+3	43%	27

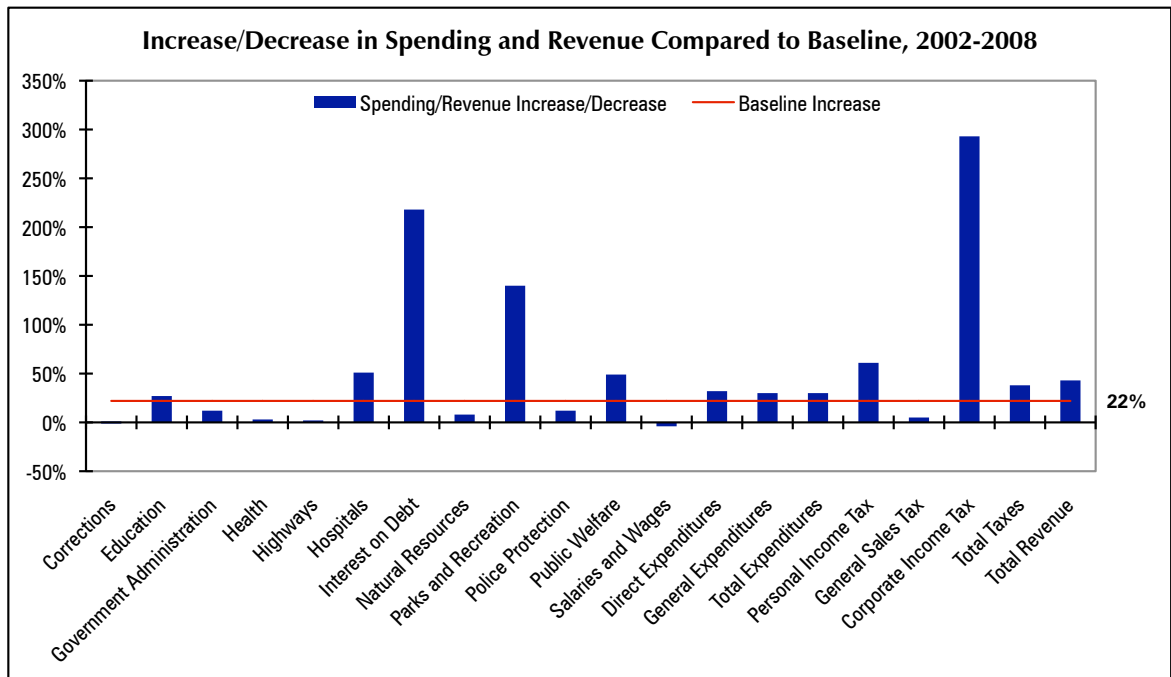
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Iowa’s population increased by 2%. This yields a “baseline” growth of 22% for the period. The figure below compares the difference in Iowa’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Kansas

From 2002 to 2008, Kansas's spending increased the most in the hospitals (833%), parks and recreation (585%), debt service (164%), and salaries and wages (99%) categories. The increases in hospitals and parks and recreation spending were each the greatest in the nation in terms of percentage, and the increases in debt service and salaries and wages spending each ranked among the top three. The spending categories that saw the least growth were highways (+7%), administration (-9%) and health (-50%). The decrease in health spending was the second-greatest in the nation, and the decline in administration spending was the third-highest. On a per-capita basis, spending on hospitals rose from 44th in the nation in 2002 to eighth in 2008, while health spending fell from 15th to 48th during the period. The state's overall general spending increase of 42% put it slightly above the state average, ranking 19th-highest.

Kansas's total overall revenue growth of 40% ranked 34th for the period, while its total tax revenue growth of 49% was 17th. Corporate income taxes were the fastest growing tax revenue category, increasing 333% and ranking the second-highest growth rate in the nation.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	326,372	29	361,648	34	-5	11%	46
Education	3,987,803	19	5,750,358	15	+4	44%	20
Government Administration	502,328	17	459,166	31	-14	-9%	48
Health	503,625	15	252,179	48	-33	-50%	49
Highways	1,130,728	13	1,213,980	18	-5	7%	36
Hospitals	104,270	44	973,004	8	+36	833%	1
Interest on Debt	126,813	46	334,469	32	+14	164%	3
Natural Resources	179,368	28	205,394	28	0	15%	32
Parks and Recreation	5,416	50	37,074	38	+12	585%	1
Police Protection	63,403	43	110,231	32	+11	74%	4
Public Welfare	1,986,407	42	3,167,907	38	+4	59%	12
Salaries and Wages	1,598,382	34	3,174,710	11	+23	99%	3
Direct Expenditures	6,645,909	34	9,431,027	30	+4	42%	19
General Expenditures	9,617,322	35	13,645,502	29	+6	42%	19
Total Expenditures	10,591,633	35	14,968,811	32	+3	41%	18
Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	1,854,848	20	2,944,851	15	+5	59%	13
General Sales Tax ²	1,799,485	20	2,264,747	23	-3	26%	30
Corporate Income Tax ³	121,931	40	528,011	12	+28	333%	2
Total Taxes	4,808,361	25	7,159,748	22	+3	49%	17
Total Revenue	9,694,312	35	13,541,510	32	+3	40%	34

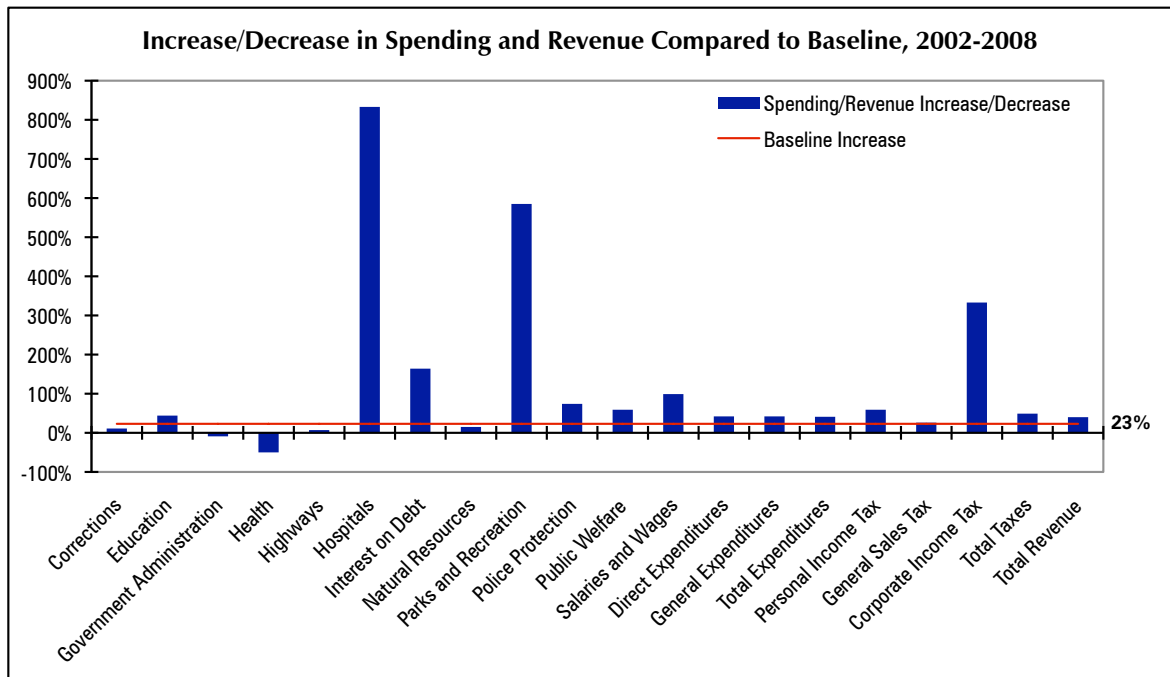
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Kansas’s population increased by 3%. This yields a “baseline” growth of 23% for the period. The figure below compares the difference in Kansas’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Kentucky

From 2002 to 2008, Kentucky's spending increased the most in the hospitals (123%) and education (49%) categories. The increase in hospitals spending was the fourth-highest in the nation in terms of percentage. The spending categories that saw the least growth were health (+18%), debt service (+12%), police (+2%), and parks and recreation (-20%). The state's overall general spending increase of 36% was slightly below the state average, ranking 24th-highest.

Kentucky's total overall revenue growth of 28% ranked 43rd for the period, and its total tax revenue growth of 26% ranked 47th. Corporate income taxes were the fastest growing tax revenue category, increasing 77% and ranking 37th-highest in the nation. Personal income tax and general sales tax revenue each saw modest growth, increasing 30% (39th) and 24% (31st), respectively.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	435,206	35	527,311	39	-4	21%	38
Education	5,870,554	21	8,718,692	16	+5	49%	15
Government Administration	682,808	20	840,386	25	-5	23%	32
Health	530,081	28	626,189	32	-4	18%	34
Highways	1,730,952	12	2,241,275	9	+3	29%	18
Hospitals	493,083	23	1,100,758	14	+9	123%	4
Interest on Debt	449,740	23	503,054	34	-11	12%	40
Natural Resources	310,703	24	373,489	24	0	20%	24
Parks and Recreation	150,157	11	120,502	15	-4	-20%	41
Police Protection	189,524	16	193,185	23	-7	2%	45
Public Welfare	4,796,130	12	6,198,814	14	-2	29%	36
Salaries and Wages	2,933,671	20	3,737,072	22	-2	27%	33
Direct Expenditures	12,773,091	14	17,662,081	15	-1	38%	23
General Expenditures	16,394,058	22	22,363,052	21	+1	36%	24
Total Expenditures	18,424,584	24	25,421,531	22	+2	38%	23
Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	2,678,330	24	3,483,138	30	-6	30%	39
General Sales Tax ²	2,312,224	31	2,875,836	31	0	24%	31
Corporate Income Tax ³	302,129	19	533,630	31	-12	77%	37
Total Taxes	7,974,690	19	10,056,293	31	-12	26%	47
Total Revenue	16,072,899	21	20,581,938	33	-12	28%	43

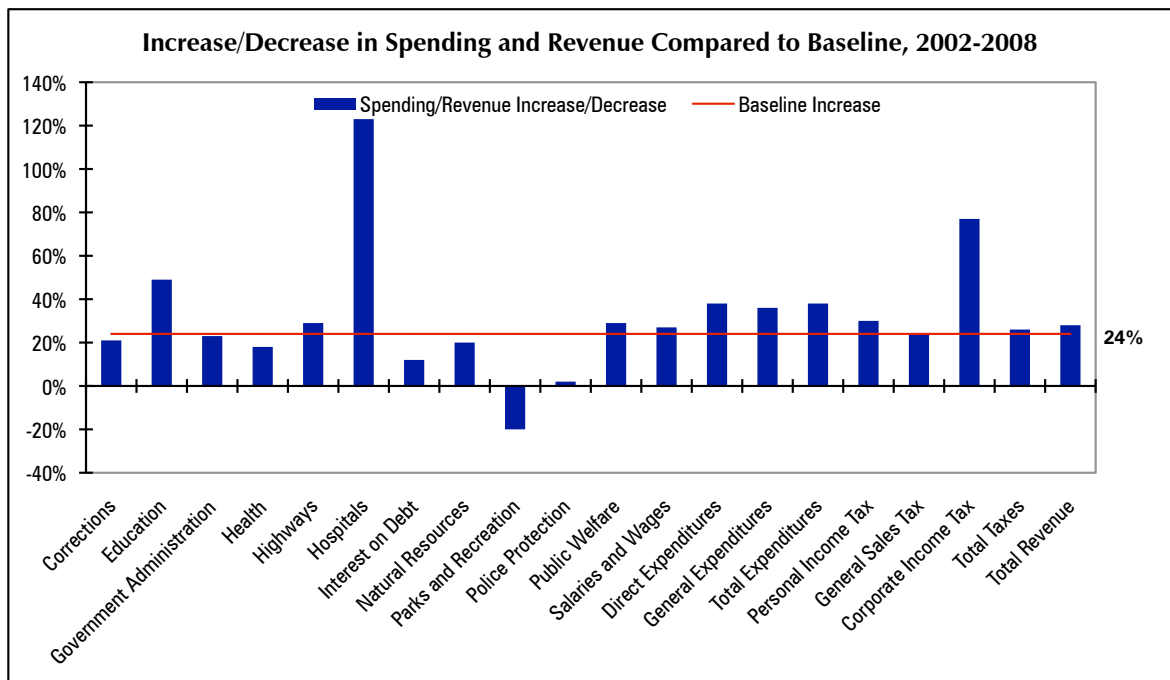
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Kentucky’s population increased by 4%. This yields a “baseline” growth of 24% for the period. The figure below compares the difference in Kentucky’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Louisiana

From 2002 to 2008, Louisiana's spending increased the most in the highways (103%), welfare (89%), debt service (79%), parks and recreation (76%), and natural resources (74%) categories. The increase in highways spending was the highest in the nation in terms of percentage. The spending categories that saw the least growth were corrections (+23%), salaries and wages (+15%), and hospitals (-31%). The decrease in hospitals spending was the third-greatest in the nation, although, on a per-capita basis, the state's spending was still in the upper half of all states (17th) in 2008. The state's overall general spending increase of 89% and direct spending increase of 105% were each the highest in the nation.

Louisiana's total revenue growth of 68% ranked eighth for the period, and its total tax revenue growth of 50% ranked 16th. Corporate income taxes were the fastest growing tax revenue category, increasing 166% and ranking 10th-highest. The state's 77% increase in personal income tax revenue was the fourth-largest in the nation.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	627,743	17	773,076	17	0	23%	35
Education	6,047,120	31	9,083,468	14	+17	50%	13
Government Administration	577,908	32	929,882	21	+11	61%	9
Health	444,648	39	640,753	33	+6	44%	20
Highways	1,052,837	44	2,132,077	11	+33	103%	1
Hospitals	1,489,729	3	1,021,434	17	-14	-31%	48
Interest on Debt	505,717	21	903,661	13	+8	79%	11
Natural Resources	332,754	26	579,131	8	+18	74%	3
Parks and Recreation	211,102	4	371,160	1	+3	76%	15
Police Protection	250,114	8	349,563	6	+2	40%	20
Public Welfare	3,080,895	47	5,828,886	22	+25	89%	4
Salaries and Wages	3,709,689	11	4,262,552	15	-4	15%	41
Direct Expenditures	11,668,103	30	23,960,421	4	+26	105%	1
General Expenditures	15,836,393	36	29,983,212	7	+29	89%	1
Total Expenditures	17,993,401	32	33,003,929	8	+24	83%	1

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	1,788,733	38	3,169,686	35	+3	77%	4
General Sales Tax ²	2,326,873	36	3,459,383	25	+11	49%	10
Corporate Income Tax ³	264,419	32	703,196	18	+14	166%	10
Total Taxes	7,356,936	37	11,003,870	24	+13	50%	16
Total Revenue	18,093,632	20	30,307,726	9	+11	68%	8

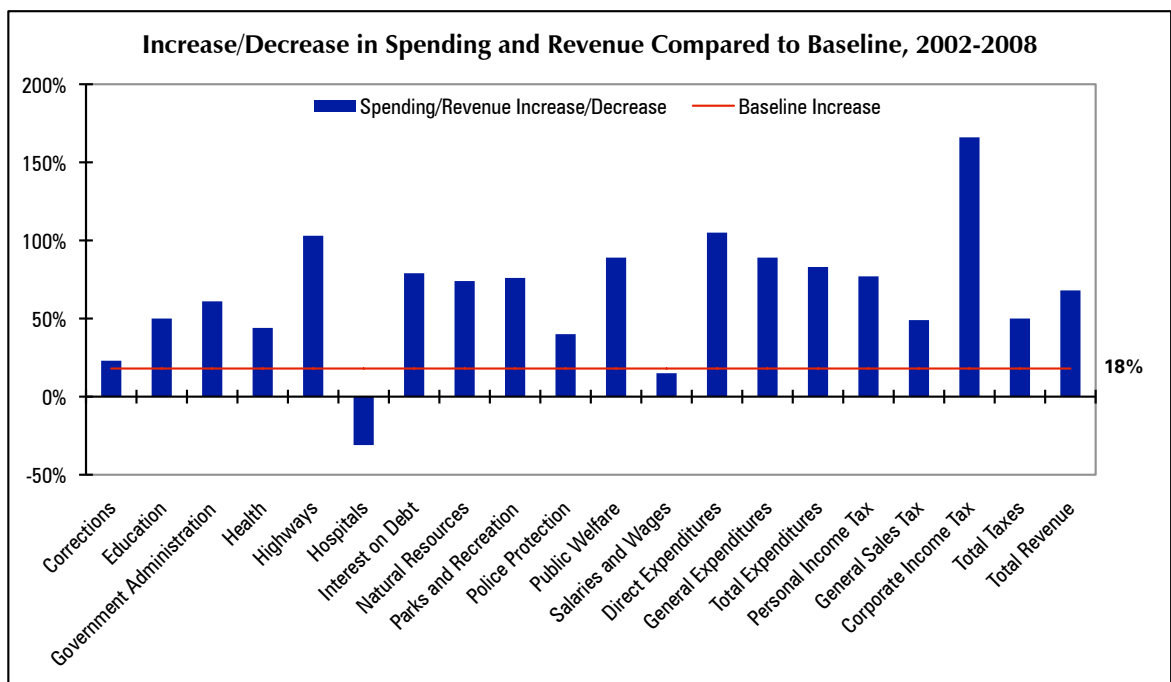
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Louisiana’s population decreased by 2%. This yields a “baseline” growth of 18% for the period. The figure below compares the difference in Louisiana’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Maine

From 2002 to 2008, Maine's spending increased the most in the welfare (38%), corrections (34%), education (34%) and health (34%) categories. The spending categories that saw the least growth were debt service (+8%), highways (+4%), parks and recreation (-3%), and salaries and wages (-5%). The decrease in salaries and wages spending was the largest in the nation. The state's overall general spending increase of 31% put it in the bottom half of the states, ranking 35th-highest.

Maine's total overall revenue growth of 39% ranked 36th for the period, and its total tax revenue growth of 40% ranked 34th. Corporate income taxes were the fastest growing tax revenue category, increasing 138% and ranking 17th-highest.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	105,580	47	141,982	44	+3	34%	22
Education	1,505,432	44	2,018,539	44	0	34%	36
Government Administration	255,334	15	325,779	13	+2	28%	29
Health	366,293	6	491,007	5	+1	34%	24
Highways	462,147	20	479,580	25	-5	4%	37
Hospitals	46,493	45	56,286	44	+1	21%	32
Interest on Debt	238,184	10	257,910	15	-5	8%	42
Natural Resources	149,602	7	167,216	9	-2	12%	34
Parks and Recreation	11,540	42	11,159	46	-4	-3%	36
Police Protection	60,455	15	72,231	15	0	19%	31
Public Welfare	1,801,953	4	2,492,721	6	-2	38%	30
Salaries and Wages	798,047	30	760,447	47	-17	-5%	50
Direct Expenditures	4,660,562	7	6,113,709	11	-4	31%	38
General Expenditures	5,670,144	14	7,449,178	16	-2	31%	35
Total Expenditures	6,264,883	20	8,175,152	18	+2	30%	37
Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	1,072,810	13	1,448,273	14	-1	35%	36
General Sales Tax ²	836,134	22	1,071,653	22	0	28%	29
Corporate Income Tax ³	77,366	31	184,515	23	+8	138%	17
Total Taxes	2,626,830	14	3,681,614	14	0	40%	34
Total Revenue	5,451,423	17	7,551,956	17	0	39%	36

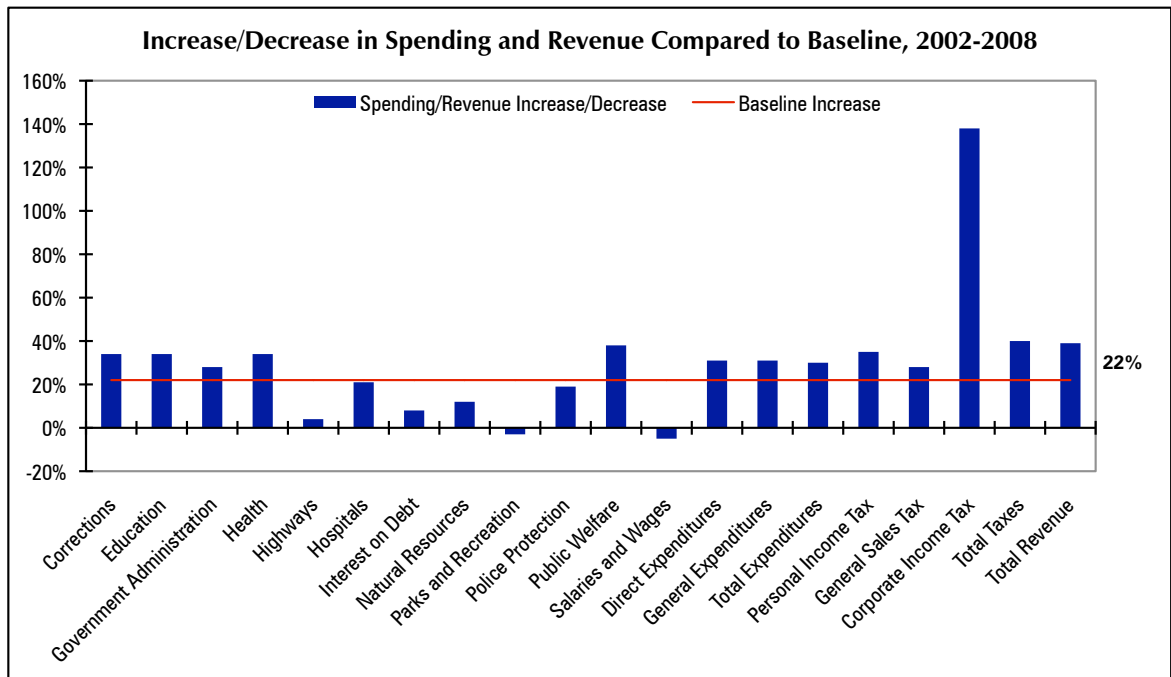
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Comparison to Baseline Growth

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Maryland

From 2002 to 2008, Maryland's spending increased the most in the education (59%), welfare (54%), and highways (53%) categories. The increase in education spending was the fourth-largest in terms of percentage. The spending categories that saw the least growth were salaries and wages (19%), natural resources (18%), police (5%), and parks and recreation (0%). The state's overall general spending increase of 46% ranked ninth-highest, although its 41% increase in direct spending, over which the legislature has the most control, was a bit more modest, ranking 20th.

Maryland's total overall revenue growth of 37% ranked 38th for the period, and its total tax revenue growth of 45% ranked 24th. Corporate income taxes were the fastest growing tax revenue category, increasing 105% and ranking 26th-highest. The state's personal income tax revenue growth of 48% and its general sales tax revenue growth of 39% also ranked near the median, at 23rd and 20th, respectively.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	1,059,972	3	1,366,211	4	-1	29%	23
Education	6,891,617	36	10,991,254	20	+16	59%	4
Government Administration	844,086	24	1,243,982	19	+5	47%	16
Health	1,341,846	10	1,958,191	7	+3	46%	16
Highways	1,642,654	30	2,510,419	16	+14	53%	8
Hospitals	400,821	31	541,820	27	+4	35%	27
Interest on Debt	710,689	20	1,046,312	18	+2	47%	19
Natural Resources	478,073	16	562,098	18	-2	18%	29
Parks and Recreation	268,944	3	269,711	7	-4	0%	34
Police Protection	387,251	6	405,655	7	-1	5%	42
Public Welfare	4,625,705	33	7,118,659	26	+7	54%	17
Salaries and Wages	3,974,484	19	4,724,830	24	-5	19%	38
Direct Expenditures	15,468,925	21	21,819,005	18	+3	41%	20
General Expenditures	20,704,431	29	30,328,008	19	+10	46%	9
Total Expenditures	23,317,261	29	34,029,818	21	+8	46%	10

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	4,704,368	12	6,940,134	9	+3	48%	23
General Sales Tax ²	2,690,434	38	3,748,933	32	+6	39%	20
Corporate Income Tax ³	359,420	26	735,324	29	-3	105%	26
Total Taxes	10,821,276	16	15,713,987	15	+1	45%	24
Total Revenue	20,787,889	26	28,422,851	30	-4	37%	38

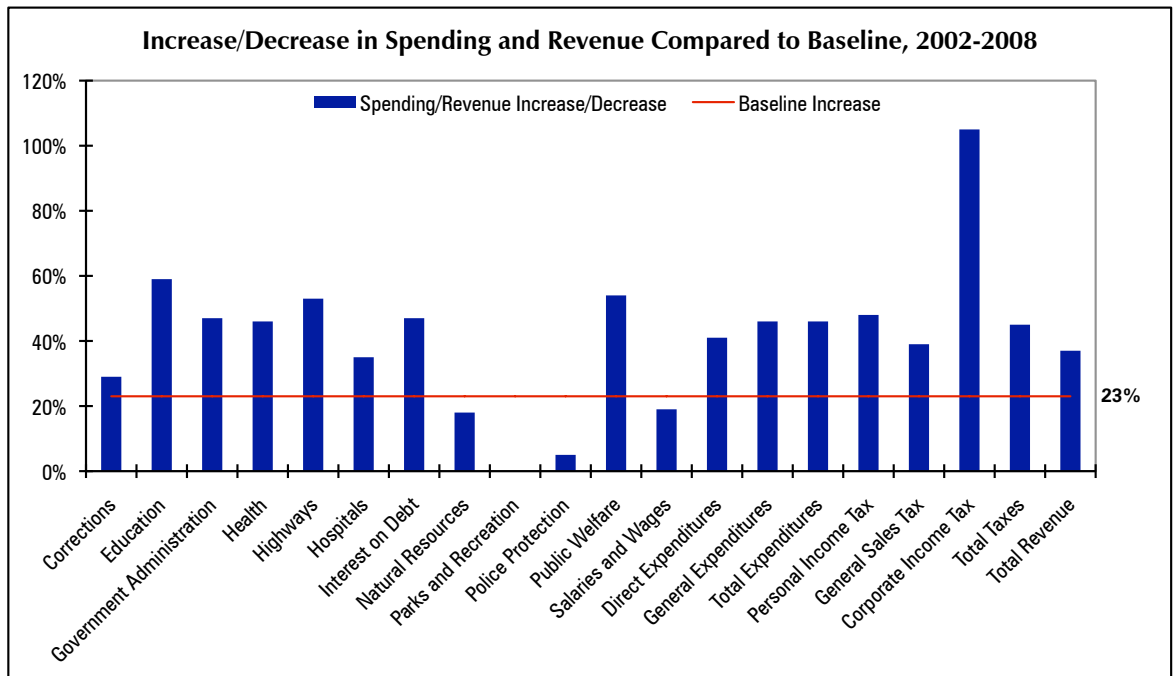
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Maryland’s population increased by 3%. This yields a “baseline” growth of 23% for the period. The figure below compares the difference in Maryland’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Massachusetts

From 2002 to 2008, Massachusetts's spending increased the most in the welfare (112%), education (63%) and police (57%) categories. The increase in welfare spending was the largest in the nation in terms of percentage, and the increase in education spending was the second-largest.

Massachusetts saw spending decline in four categories: hospitals (-9%), parks and recreation (-10%), highways (-18%) and health (-44%). The decreases in health and highways spending were each the third-greatest in the nation. The state's overall general spending increase of 42% ranked 18th highest.

Massachusetts's total revenue growth of 93% ranked fifth for the period, and its total tax revenue growth of 48% ranked 20th. Corporate income taxes were the fastest growing tax revenue category, increasing 168% and ranking ninth highest. Personal income tax revenue also saw significant growth of 58% (14th), although general sales tax revenue increased only 11% (42nd).

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	1,070,950	9	1,332,960	7	+2	24%	31
Education	6,553,103	49	10,714,000	37	+12	63%	2
Government Administration	1,277,967	13	1,666,967	11	+2	30%	26
Health	1,908,195	3	1,068,262	26	-23	-44%	48
Highways	2,743,702	11	2,245,666	30	-19	-18%	48
Hospitals	513,301	28	466,869	36	-8	-9%	44
Interest on Debt	2,687,146	2	3,627,100	1	+1	35%	29
Natural Resources	287,026	39	338,037	40	-1	18%	28
Parks and Recreation	263,913	7	238,203	11	-4	-10%	38
Police Protection	362,699	7	569,777	5	+2	57%	12
Public Welfare	5,987,846	25	12,682,783	5	+20	112%	1
Salaries and Wages	4,294,159	22	5,010,065	29	-7	17%	40
Direct Expenditures	22,186,862	10	31,146,311	9	+1	40%	22
General Expenditures	28,470,834	12	40,398,126	9	+3	42%	18
Total Expenditures	32,847,974	13	45,634,948	10	+3	39%	20

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	7,912,934	2	12,496,142	2	0	58%	14
General Sales Tax ²	3,695,874	28	4,098,089	33	-5	11%	42
Corporate Income Tax ³	812,257	7	2,179,956	4	+3	168%	9
Total Taxes	14,822,592	6	21,908,599	9	-3	48%	20
Total Revenue	26,885,248	18	51,759,773	4	+14	93%	5

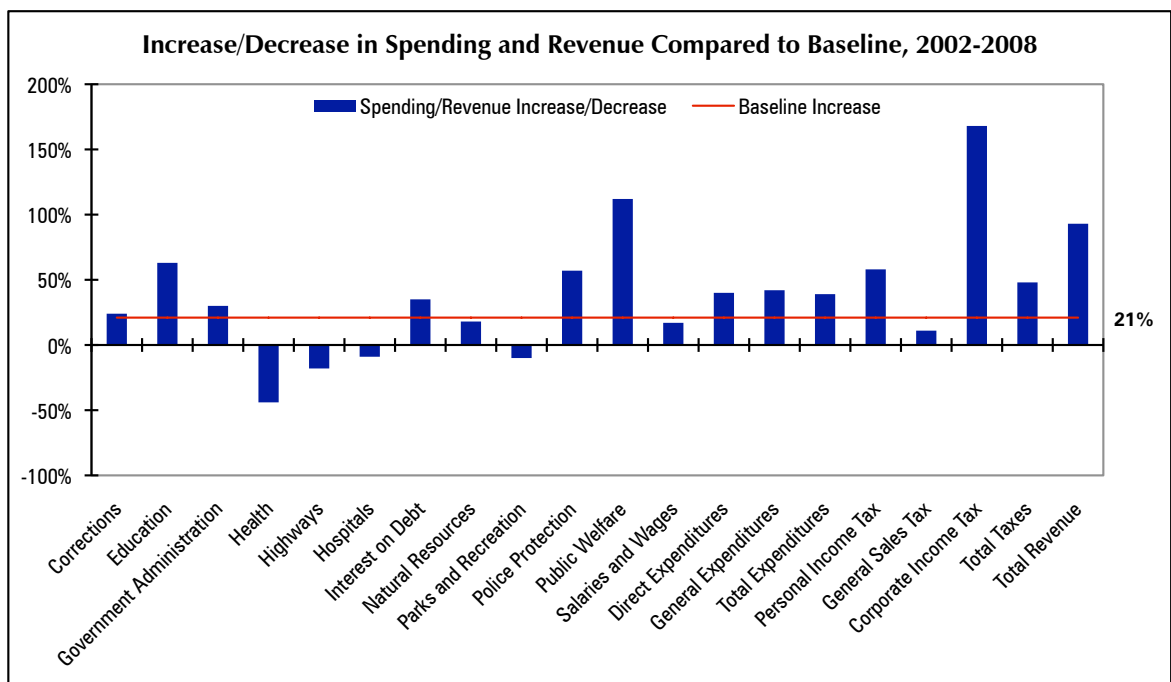
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Massachusetts’s population increased by 1%. This yields a “baseline” growth of 21% for the period. The figure below compares the difference in Massachusetts’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Michigan

From 2002 to 2008, Michigan's spending increased the most in the hospitals (41%) and welfare (41%) categories. The state saw spending fall in four categories: salaries and wages (-1%), natural resources (-28%), parks and recreation (-55%), and health (-58%). All ranked among the bottom three states in terms of spending growth. In addition, the 15% increase in education spending during the period was the smallest in the nation. The most dramatic change, compared to other states, was in the health category, which went from the fourth-highest spending per capita in 2002 to 40th in 2008. The state's overall general spending increase of 14% was the lowest in the nation.

Michigan was the only state in the country to see its total revenue decline during the period (-4%), and its total tax revenue growth of 13% also ranked last in the nation. While corporate income taxes were the fastest growing tax revenue category in most states, they actually fell 14% in Michigan (ranking it last of the 46 states that collected a corporate income tax). Personal income tax revenue increased 17% (smallest of the 43 states that collected an individual income tax), and general sales tax revenue saw a slight gain of 6%, ranking 43rd of the 45 states that collected a general sales tax. Despite the declines, general sales tax and corporate income tax revenue per capita remained among the upper half of states (21st and 14th, respectively) in 2008.

<i>Spending</i> (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	1,690,175	8	1,863,464	15	-7	10%	47
Education	19,132,555	3	21,962,651	11	-8	15%	50
Government Administration	932,106	43	1,073,964	45	-2	15%	37
Health	2,939,984	4	1,232,875	40	-36	-58%	50
Highways	2,716,985	38	2,763,775	42	-4	2%	41
Hospitals	1,630,410	14	2,299,233	18	-4	41%	24
Interest on Debt	1,063,637	24	1,309,650	28	-4	23%	32
Natural Resources	507,993	35	363,826	44	-9	-28%	48
Parks and Recreation	197,888	25	88,249	45	-20	-55%	48
Police Protection	336,613	27	346,258	37	-10	3%	44
Public Welfare	9,524,431	24	13,430,826	19	+5	41%	25
Salaries and Wages	6,038,060	32	5,974,110	43	-11	-1%	48
Direct Expenditures	24,760,355	33	30,312,437	43	-10	22%	48
General Expenditures	43,827,413	15	49,825,040	25	-10	14%	50
Total Expenditures	49,027,432	18	56,869,012	27	-9	16%	49

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	6,125,270	27	7,181,055	36	-9	17%	43
General Sales Tax ²	7,784,308	10	8,225,599	21	-11	6%	43
Corporate Income Tax ³	2,065,241	4	1,778,317	14	-10	-14%	46
Total Taxes	21,864,052	10	24,781,626	25	-15	13%	50
Total Revenue	43,935,634	14	42,259,206	45	-31	-4%	50

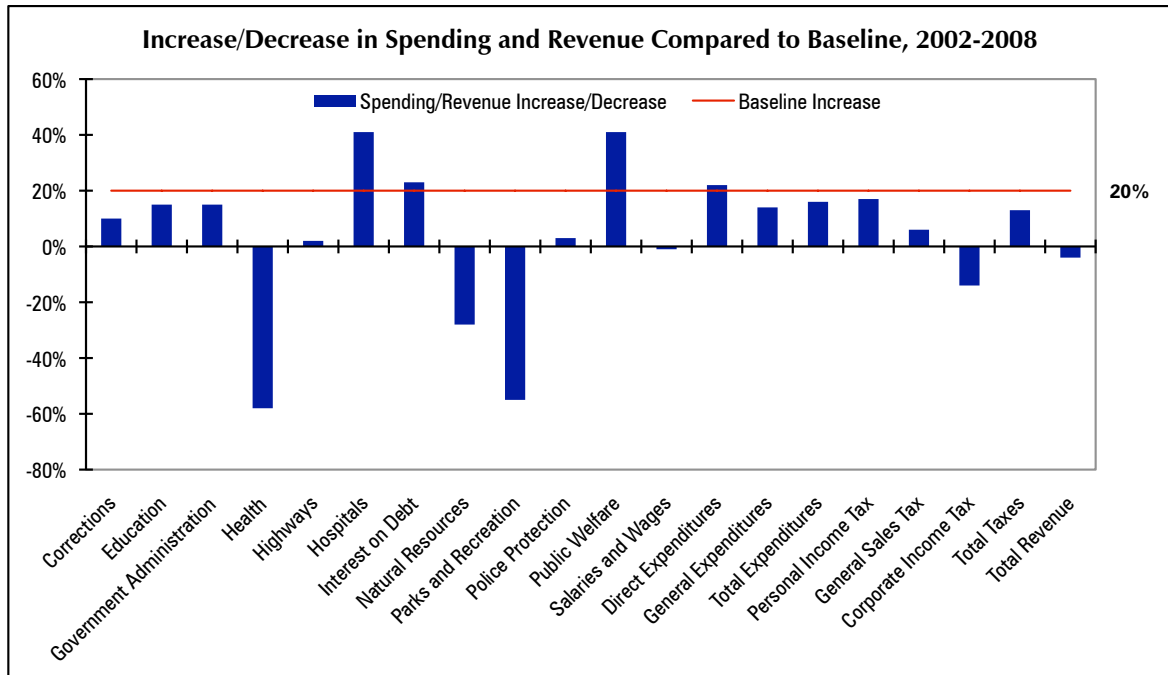
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Michigan’s population remained virtually unchanged. This yields a “baseline” growth of 20% for the period. The figure below compares the difference in Michigan’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Minnesota

From 2002 to 2008, Minnesota's spending increased the most in the hospitals (96%), police (70%), education (41%), and debt service (40%) categories. The spending categories that saw the least growth were corrections (+29%), administration (+28%), highways (+28%) and natural resources (-6%). The decrease in natural resources spending was the sixth-largest in the nation. The state's overall general spending increase of 29% put it in the bottom one-third of states, ranking 40th highest.

Minnesota's total overall revenue growth of 32% ranked 41st for the period, and its total tax revenue growth of 39% ranked 38th. Corporate income taxes were the fastest growing tax revenue category, increasing 95%, although that still placed it in the bottom half of states (ranking 31st highest).

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	417,273	46	536,760	46	0	29%	24
Education	8,819,706	8	12,424,773	7	+1	41%	25
Government Administration	672,031	31	857,460	30	+1	28%	28
Health	492,480	41	653,688	37	+4	33%	26
Highways	1,665,910	22	2,136,933	19	+3	28%	19
Hospitals	206,749	43	404,712	33	+10	96%	6
Interest on Debt	354,370	37	496,677	39	-2	40%	23
Natural Resources	542,161	9	511,888	19	-10	-6%	45
Parks and Recreation	140,020	16	192,704	10	+6	38%	23
Police Protection	202,552	21	343,342	9	+12	70%	6
Public Welfare	6,741,114	5	9,045,789	8	-3	34%	33
Salaries and Wages	3,775,469	17	4,924,638	17	0	30%	29
Direct Expenditures	15,206,462	17	19,066,463	22	-5	25%	44
General Expenditures	23,477,924	9	30,255,260	12	-3	29%	40
Total Expenditures	26,692,608	10	34,283,510	14	-4	28%	44

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	5,443,355	3	7,777,259	5	-2	43%	27
General Sales Tax ²	3,741,390	11	4,550,838	17	-6	22%	33
Corporate Income Tax ³	533,901	12	1,040,479	11	+1	95%	31
Total Taxes	13,224,036	3	18,320,891	8	-5	39%	38
Total Revenue	22,438,505	12	29,707,313	19	-7	32%	41

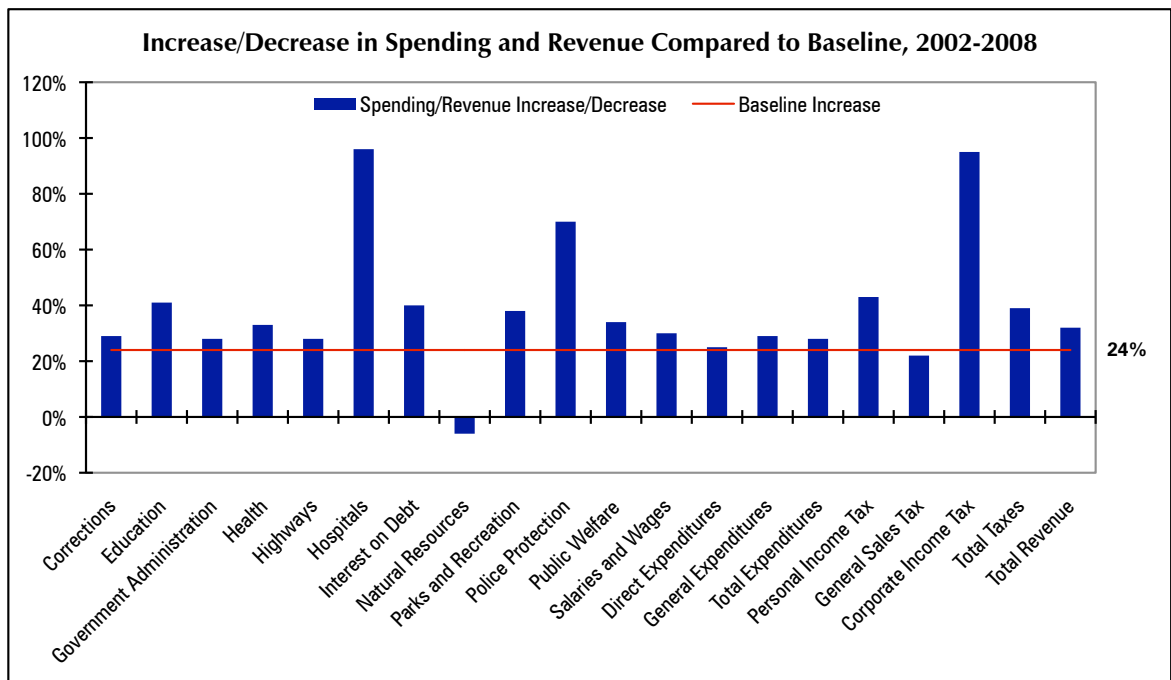
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Minnesota’s population increased by 4%. This yields a “baseline” growth of 24% for the period. The figure below compares the difference in Minnesota’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Mississippi

From 2002 to 2008, Mississippi's spending increased the most in the police (73%), administration (61%), natural resources (44%), and hospitals (43%) categories. The increase in police spending was the fifth-highest in the nation in terms of percentage. The spending categories that saw the least growth were welfare (29%), debt service (13%), and parks and recreation (7%). The state's overall general spending increase of 46% was among the upper one-third of states, ranking 10th-highest.

Mississippi's total overall revenue growth of 47% ranked 24th for the period, and its total tax revenue growth of 43% ranked 27th. Corporate income taxes were the fastest growing tax revenue category, increasing 96%, although that still placed it in the bottom half of states (ranking 30th highest). By contrast, the 57% increase in personal income tax revenue and 34% increase in general sales tax revenue each ranked in the upper half (15th and 23rd, respectively).

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	272,024	43	369,248	37	+6	36%	20
Education	3,922,172	28	5,471,275	25	+3	39%	27
Government Administration	203,766	49	327,410	44	+5	61%	10
Health	267,921	43	368,652	36	+7	38%	22
Highways	968,774	21	1,284,377	17	+4	33%	17
Hospitals	665,019	7	953,339	9	-2	43%	23
Interest on Debt	210,862	35	238,668	41	-6	13%	38
Natural Resources	198,375	27	285,285	20	+7	44%	14
Parks and Recreation	37,484	34	39,960	37	-3	7%	29
Police Protection	67,902	42	117,202	29	+13	73%	5
Public Welfare	3,412,798	10	4,405,435	13	-3	29%	37
Salaries and Wages	1,708,423	33	2,252,581	31	+2	32%	26
Direct Expenditures	8,005,175	23	11,665,118	17	+6	46%	11
General Expenditures	11,461,763	23	16,776,821	14	+9	46%	10
Total Expenditures	12,742,438	26	18,642,916	17	+9	46%	9

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	985,117	40	1,551,079	39	+1	57%	15
General Sales Tax ²	2,340,474	7	3,135,390	7	0	34%	23
Corporate Income Tax ³	195,814	22	384,643	26	-4	96%	30
Total Taxes	4,728,905	36	6,770,880	35	+1	43%	27
Total Revenue	11,052,453	23	16,278,166	23	0	47%	24

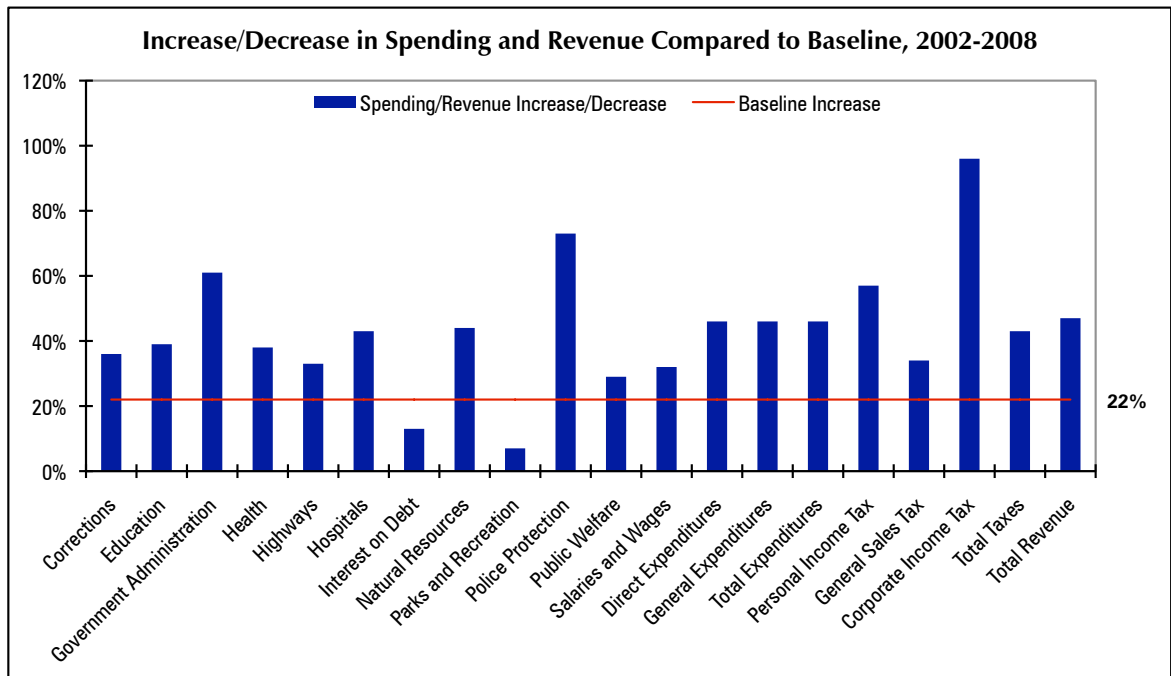
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Mississippi’s population increased by 2%. This yields a “baseline” growth of 22% for the period. The figure below compares the difference in Mississippi’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Missouri

From 2002 to 2008, Missouri's spending increased the most in the health (139%), debt service (84%), and hospitals (49%) categories. The increase in health spending was the second-greatest in the nation in terms of percentage. In terms of per capita spending, Missouri went from 46th in the nation in health spending in 2002 to 20th in 2008. The spending categories that saw the least growth were police (+1%), administration (-1%), and parks and recreation (-27%). Missouri ranked in the bottom ten states in spending growth in six of 12 categories. The state's overall general spending increase of 26% ranked 46th-highest.

Missouri's total overall revenue growth of 32% ranked 42nd for the period, and its total tax revenue growth rate of 26% ranked 48th. Personal income taxes were the fastest growing tax revenue category, increasing 42% and ranking 29th-highest. Corporate income tax revenue, the fastest growing tax revenue category in most other states, rose 28%, ranking 43rd.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	619,674	33	754,740	35	-2	22%	36
Education	6,717,220	41	8,604,958	45	-4	28%	44
Government Administration	547,846	39	541,561	48	-9	-1%	43
Health	485,805	46	1,163,167	20	+26	139%	2
Highways	1,871,062	23	2,034,235	31	-8	9%	35
Hospitals	888,708	16	1,322,145	20	-4	49%	21
Interest on Debt	567,965	27	1,045,801	19	+8	84%	9
Natural Resources	293,627	33	347,965	35	-2	19%	26
Parks and Recreation	50,672	41	37,236	49	-8	-27%	42
Police Protection	211,894	25	214,579	35	-10	1%	47
Public Welfare	5,496,624	21	6,231,774	40	-19	13%	48
Salaries and Wages	3,216,297	37	3,661,593	41	-4	14%	42
Direct Expenditures	13,634,499	37	17,982,716	42	-5	32%	34
General Expenditures	18,707,684	43	23,621,358	44	-1	26%	46
Total Expenditures	20,840,783	43	26,788,804	45	-2	29%	43

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	3,615,391	25	5,118,849	25	0	42%	29
General Sales Tax ²	2,854,718	37	3,228,274	41	-4	13%	41
Corporate Income Tax ³	300,459	36	384,010	46	-10	28%	43
Total Taxes	8,728,932	42	10,965,171	47	-5	26%	48
Total Revenue	19,085,356	37	25,243,465	42	-5	32%	42

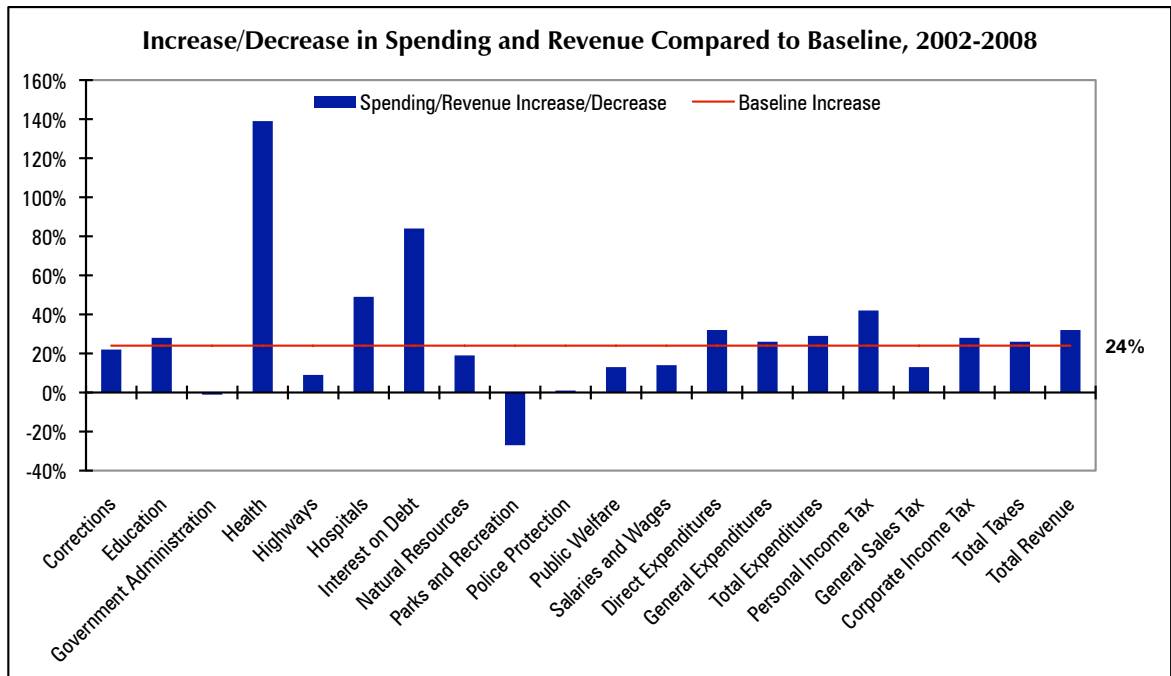
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Missouri’s population increased by 4%. This yields a “baseline” growth of 24% for the period. The figure below compares the difference in Missouri’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Montana

From 2002 to 2008, Montana's spending increased the most in the parks and recreation (131%), administration (66%) and corrections (58%) categories. The increase in parks and recreation spending was the fifth-greatest in the nation in terms of percentage. The spending categories that saw the least growth were health (+30%), police (+9%) and hospitals (-10%). The state's overall general spending increase of 43% placed it in the top one-third of states, ranking 12th-highest.

Montana's total overall revenue growth of 59% ranked 13th for the period, and its total tax revenue growth of 70% ranked fourth. Corporate income taxes were the fastest growing tax revenue category, increasing 137% and ranking 18th-highest. The 68% increase in personal income tax revenue ranked seventh. These high tax growth rates were due, in part, to the lack of a general sales tax in Montana.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	106,311	30	168,127	18	+12	58%	6
Education	1,289,328	23	1,839,799	23	0	43%	24
Government Administration	218,190	8	362,540	5	+3	66%	6
Health	253,857	7	329,501	8	-1	30%	30
Highways	452,804	7	617,439	4	+3	36%	14
Hospitals	50,060	38	44,955	41	-3	-10%	45
Interest on Debt	142,663	13	209,308	12	+1	47%	21
Natural Resources	182,521	3	279,698	3	0	53%	11
Parks and Recreation	6,468	46	14,950	36	+10	131%	5
Police Protection	43,257	13	47,166	17	-4	9%	39
Public Welfare	659,976	43	888,748	48	-5	35%	32
Salaries and Wages	672,507	18	879,718	18	0	31%	28
Direct Expenditures	2,873,857	13	4,104,857	13	0	43%	16
General Expenditures	3,784,702	19	5,423,506	17	+2	43%	12
Total Expenditures	4,265,076	22	6,137,669	16	+6	44%	13
Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	517,568	33	870,064	24	+9	68%	7
General Sales Tax ²	0	N/A	0	N/A	N/A	N/A	N/A
Corporate Income Tax ³	68,173	18	161,713	16	+2	137%	18
Total Taxes	1,442,731	39	2,457,929	23	+16	70%	4
Total Revenue	4,033,180	13	6,402,859	10	+3	59%	13

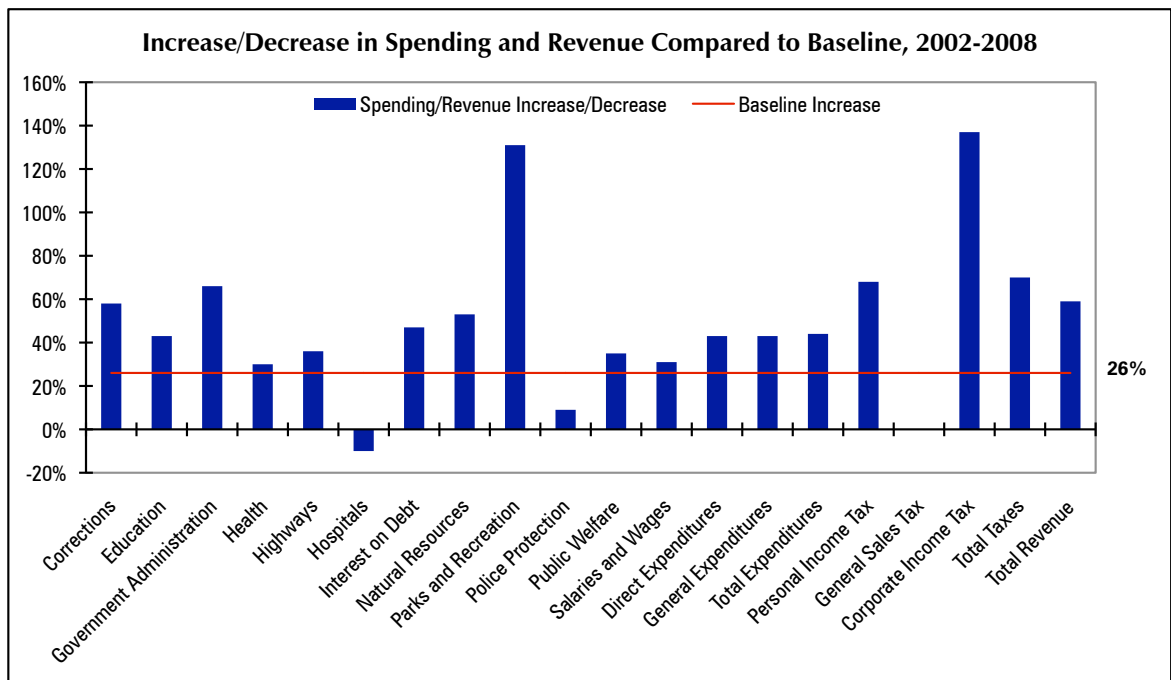
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Montana’s population increased by 6%. This yields a “baseline” growth of 26% for the period. The figure below compares the difference in Montana’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Nebraska

From 2002 to 2008, Nebraska's spending increased the most in the hospitals (40%), education (33%), police (27%) and welfare (26%) categories. The spending categories that saw the least growth were natural resources (+9%), debt service (-2%), and parks and recreation (-10%). The decrease in debt service spending was the fourth-highest in the nation in terms of percentage. The state's overall general spending increase of 29% ranked 38th-highest, although its 37% increase in direct spending, over which the legislature has the most control, was significantly greater, ranking 25th.

Nebraska's total revenue growth of 40% ranked 33rd for the period, and its total tax revenue growth of 41% ranked 31st. Corporate income taxes were the fastest growing tax revenue category, increasing 116%, ranking in the middle of all states (24th highest). The 50% increase in personal income tax revenue and 43% increase in general sales tax revenue also ranked among the top half of states (22nd and 17th, respectively).

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	176,533	40	219,278	40	0	24%	33
Education	2,191,323	35	2,909,668	38	-3	33%	40
Government Administration	164,848	41	204,921	43	-2	24%	31
Health	363,668	13	415,172	16	-3	14%	36
Highways	526,457	29	631,028	27	-1	20%	26
Hospitals	171,234	26	239,294	26	0	40%	25
Interest on Debt	109,795	41	107,999	48	-7	-2%	47
Natural Resources	165,308	12	180,968	16	-4	9%	35
Parks and Recreation	32,191	27	28,868	34	-7	-10%	39
Police Protection	66,750	24	84,698	19	+5	27%	27
Public Welfare	1,661,269	22	2,099,052	33	-11	26%	39
Salaries and Wages	1,835,657	4	2,076,389	8	-4	13%	43
Direct Expenditures	4,399,105	31	6,042,455	28	+3	37%	25
General Expenditures	6,219,242	33	8,024,395	37	-4	29%	38
Total Expenditures	6,536,970	40	8,443,129	41	-1	29%	41

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	1,153,444	21	1,726,145	19	+2	50%	22
General Sales Tax ²	1,069,185	23	1,534,134	19	+4	43%	17
Corporate Income Tax ³	107,628	29	232,852	28	+1	116%	24
Total Taxes	2,992,522	30	4,228,800	29	+1	41%	31
Total Revenue	6,001,930	36	8,387,599	35	+1	40%	33

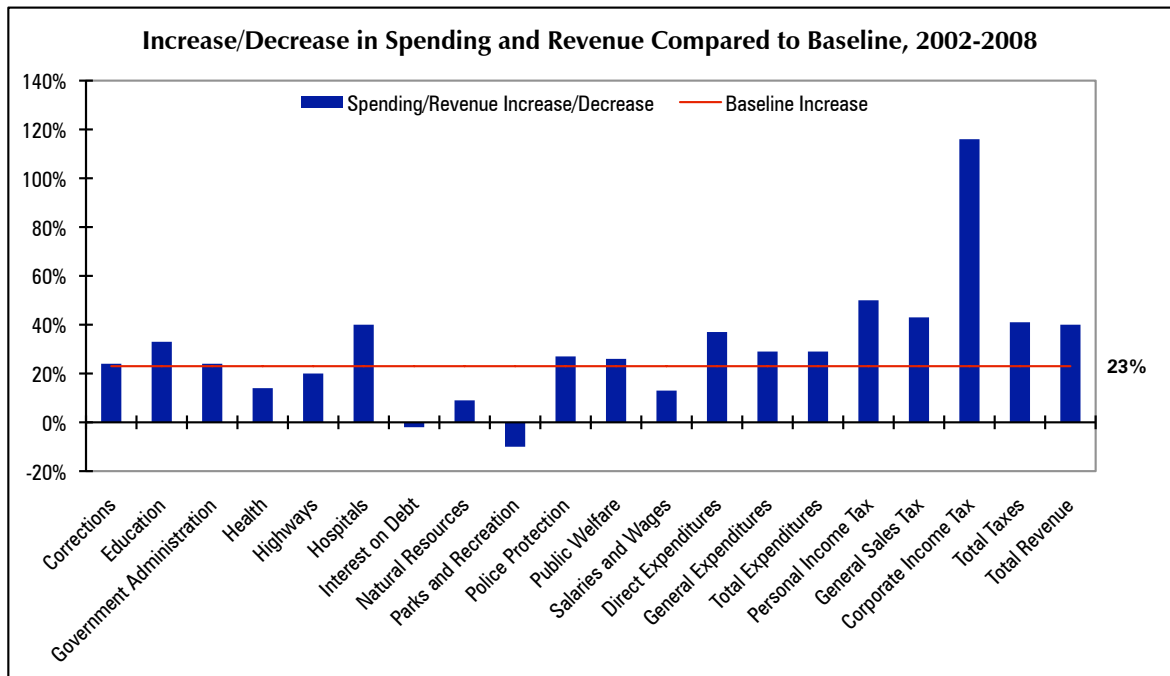
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Nebraska’s population increased by 3%. This yields a “baseline” growth of 23% for the period. The figure below compares the difference in Nebraska’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Nevada

From 2002 to 2008, Nevada's spending increased the most in the parks and recreation (172%), hospitals (77%), and police (66%) categories. The increase in parks and recreation spending was the second-highest in the nation in terms of percentage, and the increases in corrections and education spending (62% and 61%, respectively) each ranked third-greatest. The spending categories that saw the least growth were salaries and wages (+39%), debt service (+36%) and highways (-3%). The state's overall general spending increase of 48% was among the largest in the nation, ranking sixth-highest.

Nevada's total overall revenue growth of 52% ranked 20th for the period, and its total tax revenue growth of 55% ranked 11th. General sales tax revenue increased 49% (12th), and the state did not have a personal income tax or a corporate income tax.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	226,554	37	367,241	30	+7	62%	3
Education	2,523,220	42	4,069,362	41	+1	61%	3
Government Administration	198,158	45	300,560	42	+3	52%	14
Health	185,956	45	261,957	44	+1	41%	21
Highways	630,771	33	609,250	47	-14	-3%	43
Hospitals	131,858	34	234,044	28	+6	77%	11
Interest on Debt	149,556	39	203,422	42	-3	36%	26
Natural Resources	92,729	42	137,372	38	+4	48%	13
Parks and Recreation	17,053	44	46,373	31	+13	172%	2
Police Protection	63,671	35	105,594	28	+7	66%	8
Public Welfare	1,040,294	50	1,580,454	50	0	52%	19
Salaries and Wages	1,139,044	42	1,579,819	42	0	39%	15
Direct Expenditures	3,809,322	50	5,459,729	50	0	43%	14
General Expenditures	6,304,874	48	9,319,965	50	-2	48%	6
Total Expenditures	7,410,738	48	10,845,375	49	-1	46%	8
Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	0	N/A	0	N/A	N/A	N/A	N/A
General Sales Tax ²	2,070,013	3	3,077,433	4	-1	49%	12
Corporate Income Tax ³	0	N/A	0	N/A	N/A	N/A	N/A
Total Taxes	3,945,329	22	6,115,584	32	-10	55%	11
Total Revenue	6,888,159	45	10,438,720	47	-2	52%	20

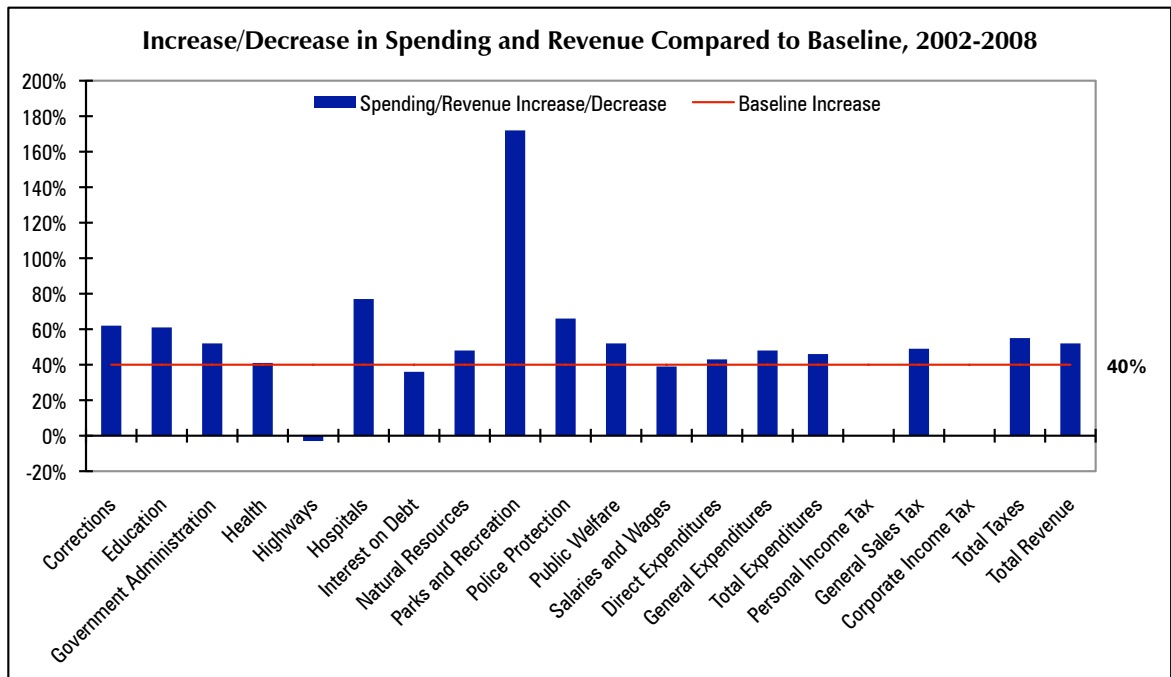
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Nevada’s population increased by 20%. This yields a “baseline” growth of 40% for the period. The figure below compares the difference in Nevada’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



New Hampshire

From 2002 to 2008, New Hampshire's spending increased the most in the parks and recreation (165%), natural resources (61%), and welfare (59%) categories. The increase in parks and recreation spending was the third-largest in the nation in terms of percentage. The spending categories that saw the least growth were debt service (18%), highways (17%) and health (7%). The state's overall general spending increase of 36% placed in the middle of states, ranking 25th-highest.

New Hampshire's total overall revenue growth of 36% ranked 39th for the period, and its total tax revenue growth of 19% ranked 49th. While corporate income taxes were the fastest growing tax revenue category in most states, in New Hampshire this was outpaced by personal income tax growth, which increased 65%, ranking eighth. Corporate income tax revenue grew 63% (40th). New Hampshire did not have a general sales tax.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	79,500	49	112,265	50	-1	41%	15
Education	1,530,290	38	2,019,883	43	-5	32%	41
Government Administration	194,141	25	237,721	28	-3	22%	33
Health	147,828	33	158,845	41	-8	7%	39
Highways	377,200	32	440,079	33	-1	17%	27
Hospitals	45,600	46	60,361	42	+4	32%	28
Interest on Debt	321,832	6	381,127	8	-2	18%	34
Natural Resources	42,571	47	68,642	39	+8	61%	5
Parks and Recreation	6,300	49	16,713	40	+9	165%	3
Police Protection	36,800	36	52,148	31	+5	42%	18
Public Welfare	974,600	38	1,544,997	34	+4	59%	13
Salaries and Wages	715,703	39	947,324	34	+5	32%	25
Direct Expenditures	2,998,045	43	4,220,470	34	+9	41%	21
General Expenditures	4,176,687	45	5,672,446	40	+5	36%	25
Total Expenditures	4,822,727	41	6,601,654	38	+3	37%	25

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	71,433	42	117,936	42	0	65%	8
General Sales Tax ²	0	N/A	0	N/A	N/A	N/A	N/A
Corporate Income Tax ³	377,313	3	614,794	2	+1	63%	40
Total Taxes	1,897,021	44	2,257,977	49	-5	19%	49
Total Revenue	4,636,375	34	6,291,580	34	0	36%	39

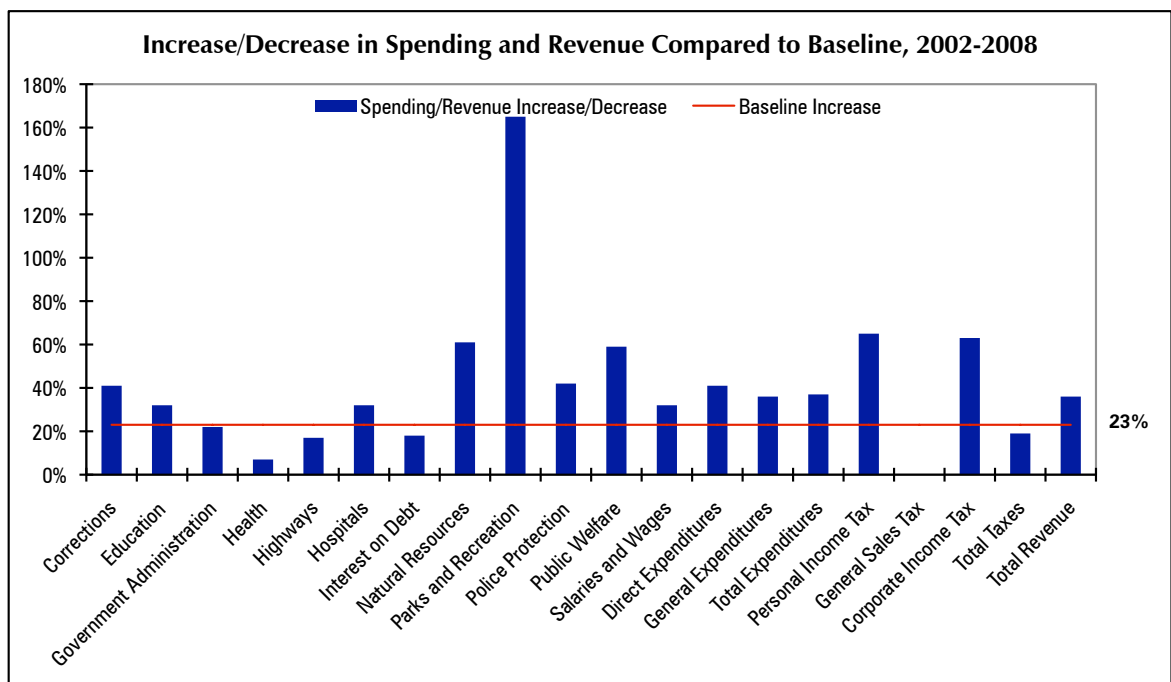
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and New Hampshire’s population increased by 3%. This yields a “baseline” growth of 23% for the period. The figure below compares the difference in New Hampshire’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



New Jersey

From 2002 to 2008, New Jersey's spending increased the most in the salaries and wages (389%), welfare (85%), and debt service (71%) categories. The increase in salaries and wages spending was the largest in the nation in terms of percentage, and the spending per capita increased from last in the nation in 2002 to ninth in 2008. New Jersey's spending growth ranked among the top 25 states in 10 of 12 categories. The spending categories that saw the least growth were corrections (+25%), highways (+21%), and parks and recreation (-3%). The state's overall general spending increase of 42% ranked 17th-highest, and the 52% increase in direct spending, over which the legislature has the most control, was among the highest in the nation (sixth).

New Jersey's total overall revenue growth of 68% ranked seventh for the period, and its total tax revenue growth of 67% ranked sixth. Corporate income taxes were the fastest growing tax revenue category, increasing 156% (11th), and were the fifth highest per capita in 2008. The 84% increase in personal income tax revenue was the third-highest in the nation.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	1,193,432	18	1,496,976	19	-1	25%	29
Education	10,243,518	39	15,432,044	31	+8	51%	11
Government Administration	1,359,144	23	1,861,067	20	+3	37%	25
Health	919,358	35	1,327,893	29	+6	44%	18
Highways	2,256,707	40	2,736,419	38	+2	21%	25
Hospitals	1,342,955	15	2,062,211	16	-1	54%	19
Interest on Debt	1,198,998	16	2,053,045	10	+6	71%	13
Natural Resources	431,832	36	613,651	29	+7	42%	15
Parks and Recreation	515,824	2	502,611	5	-3	-3%	35
Police Protection	347,190	19	510,798	13	+6	47%	16
Public Welfare	6,703,300	36	12,420,936	15	+21	85%	5
Salaries and Wages	2,024,907	50	9,891,720	9	+41	389%	1
Direct Expenditures	23,615,617	26	35,882,870	16	+10	52%	6
General Expenditures	32,935,974	27	46,810,441	18	+9	42%	17
Total Expenditures	41,987,647	17	58,539,173	11	+6	39%	19

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	6,836,992	14	12,605,545	6	+8	84%	3
General Sales Tax ²	5,996,839	14	8,915,515	8	+6	49%	11
Corporate Income Tax ³	1,101,296	6	2,819,906	5	+1	156%	11
Total Taxes	18,328,814	12	30,616,510	7	+5	67%	6
Total Revenue	32,709,241	27	55,046,270	13	+14	68%	7

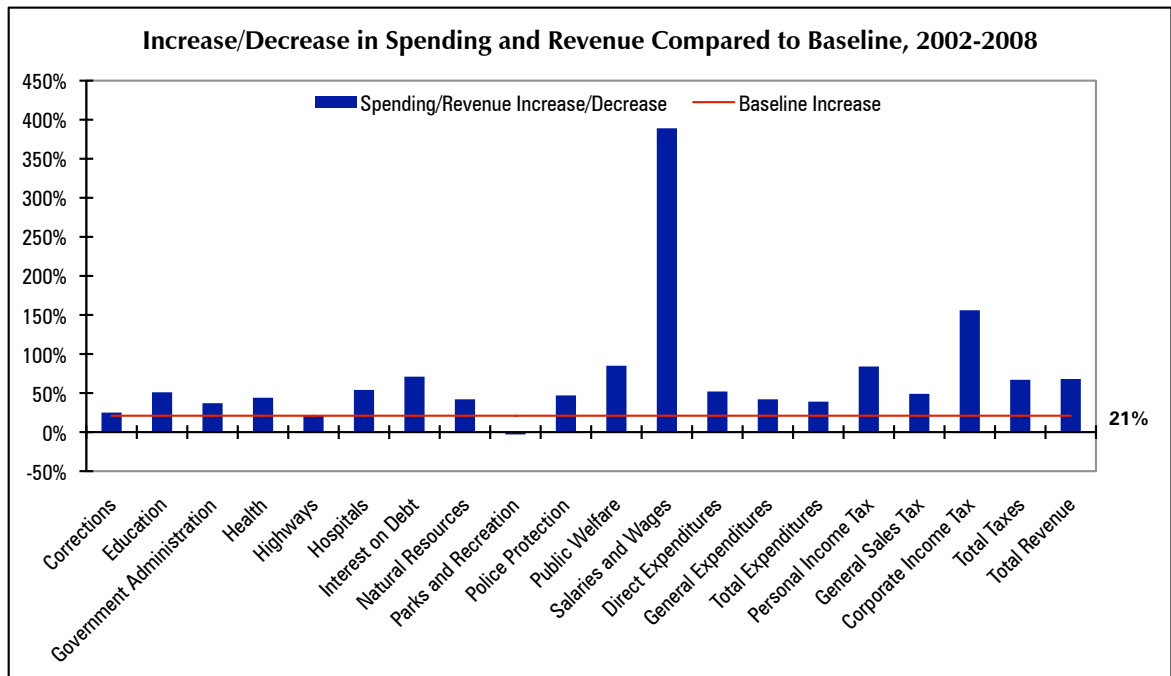
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and New Jersey’s population increased by 1%. This yields a “baseline” growth of 21% for the period. The figure below compares the difference in New Jersey’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



New Mexico

From 2002 to 2008, New Mexico's spending increased the most in the debt service (104%), hospitals (88%), parks and recreation (84%), and welfare (75%) categories. Spending growth ranked in the top 20 states in 10 of 12 categories. The spending categories that saw the least growth were health (+44%), education (+43%), salaries and wages (+43%), and highways (-5%). The state's overall general spending increase of 56% was among the highest in the nation, ranking fourth.

New Mexico's total revenue growth of 47% ranked 23rd for the period, and its total tax revenue growth of 56% ranked 10th. Corporate income taxes were the fastest growing tax revenue category, increasing 185%, among the greatest in the nation (ranking eighth). By contrast, the 23% increase in personal income tax revenue ranked 40th.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	241,454	21	376,627	13	+8	56%	8
Education	3,514,151	4	5,024,928	6	-2	43%	22
Government Administration	349,026	16	528,382	9	+7	51%	15
Health	340,031	16	490,852	13	+3	44%	19
Highways	938,380	6	895,994	14	-8	-5%	44
Hospitals	399,073	9	749,990	4	+5	88%	8
Interest on Debt	192,180	26	392,772	14	+12	104%	6
Natural Resources	138,367	25	221,810	14	+11	60%	6
Parks and Recreation	49,804	18	91,671	8	+10	84%	13
Police Protection	88,817	12	140,759	8	+4	58%	11
Public Welfare	2,028,295	14	3,558,863	7	+7	75%	6
Salaries and Wages	1,579,540	9	2,256,305	10	-1	43%	13
Direct Expenditures	6,445,177	9	10,064,457	7	+2	56%	5
General Expenditures	9,213,597	8	14,412,908	6	+2	56%	4
Total Expenditures	10,083,987	8	15,793,049	7	+1	57%	4
Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	982,891	36	1,213,522	38	-2	23%	40
General Sales Tax ²	1,337,321	12	1,949,768	11	+1	46%	14
Corporate Income Tax ³	124,327	23	354,588	13	+10	185%	8
Total Taxes	3,628,055	18	5,645,649	13	+5	56%	10
Total Revenue	8,746,253	10	12,892,523	11	-1	47%	23

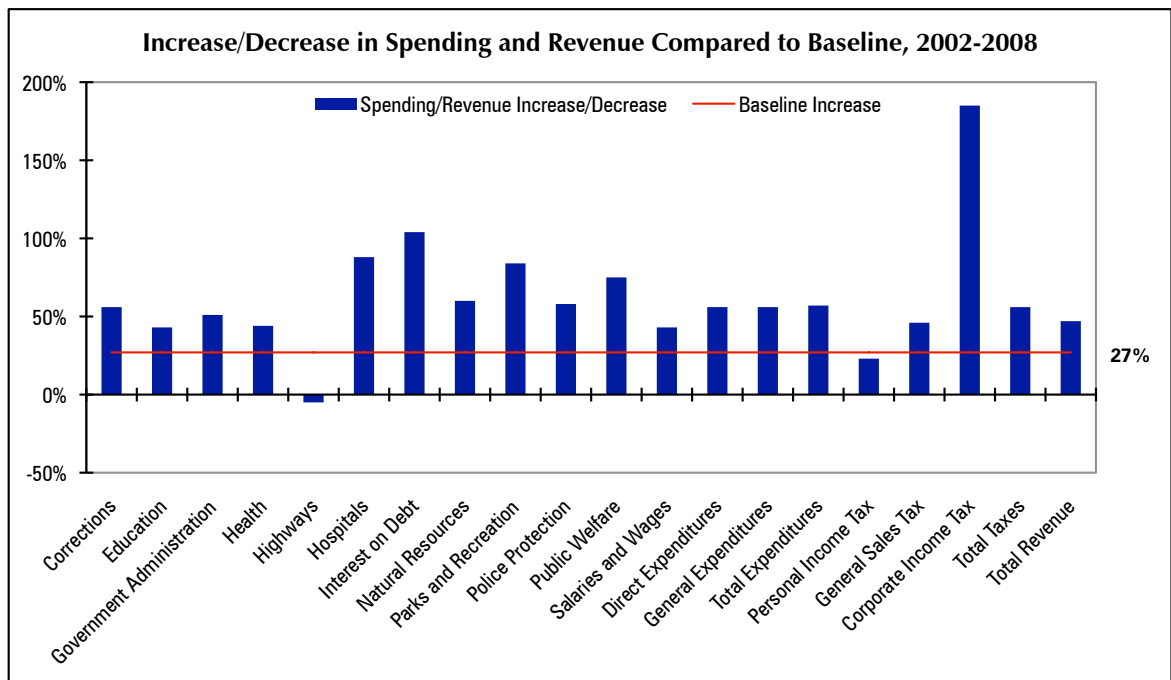
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and New Mexico’s population increased by 7%. This yields a “baseline” growth of 27% for the period. The figure below compares the difference in New Mexico’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



New York

From 2002 to 2008, New York's spending increased the most in the education (56%), natural resources (56%) and police (54%) categories. The spending categories that saw the least growth were welfare (29%), salaries and wages (29%), corrections (26%) and debt service (4%). The state's overall general spending increase of 33% was a little lower than the state average, ranking 33rd-highest.

New York's total overall revenue growth of 41% ranked 32nd for the period, and its total tax revenue growth of 51% ranked 13th. Corporate income taxes were the fastest growing tax revenue category, increasing 123% and ranking 22nd-highest. Personal income taxes grew 43% (26th) and remained among the highest per capita (third) in the nation.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	2,492,277	22	3,135,187	23	-1	26%	28
Education	25,562,251	32	39,764,174	17	+15	56%	8
Government Administration	4,080,248	10	5,875,815	8	+2	44%	20
Health	5,444,260	5	7,088,181	6	-1	30%	29
Highways	3,295,118	50	4,380,808	49	+1	33%	16
Hospitals	3,393,257	12	4,896,242	15	-3	44%	22
Interest on Debt	3,647,059	9	3,789,714	16	-7	4%	46
Natural Resources	351,875	50	547,896	48	+2	56%	8
Parks and Recreation	460,646	21	583,040	14	+7	27%	25
Police Protection	623,391	28	958,637	16	+12	54%	13
Public Welfare	34,598,240	1	44,763,366	1	0	29%	35
Salaries and Wages	12,635,975	23	16,348,779	23	0	29%	30
Direct Expenditures	57,546,715	20	75,400,805	19	+1	31%	39
General Expenditures	96,528,968	7	128,221,439	8	-1	33%	33
Total Expenditures	119,198,996	2	157,397,509	6	-4	32%	32

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	25,573,667	1	36,563,948	3	-2	43%	26
General Sales Tax ²	8,607,718	40	11,294,737	38	+2	31%	24
Corporate Income Tax ³	2,257,935	9	5,037,830	8	+1	123%	22
Total Taxes	43,262,137	7	65,370,654	11	-4	51%	13
Total Revenue	104,533,614	4	147,340,334	7	-3	41%	32

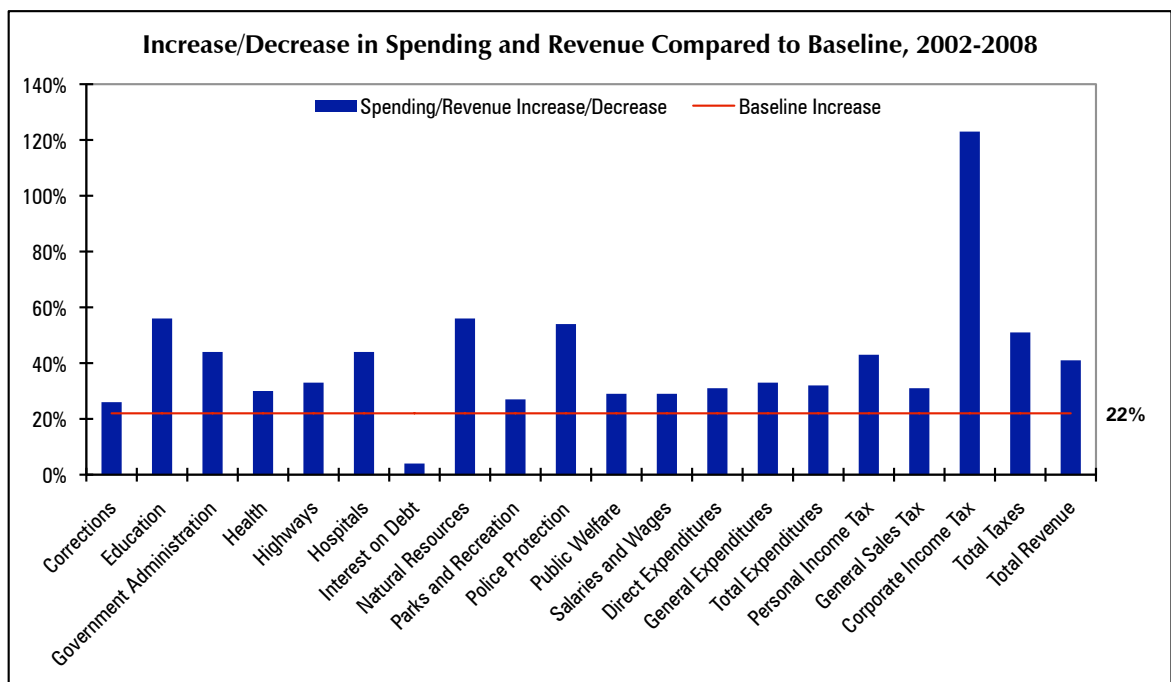
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and New York’s population increased by 2%. This yields a “baseline” growth of 22% for the period. The figure below compares the difference in New York’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



North Carolina

From 2002 to 2008, North Carolina's spending increased the most in the parks and recreation (121%), health (78%), welfare (70%), police (69%), and salaries and wages (53%) categories. Each of these increases ranked among the top 10 of states in terms of percentage. The spending categories that saw the least growth were debt service (16%), hospitals (13%), and natural resources (4%). The state's overall general spending increase of 43% ranked 15th-highest.

North Carolina's total overall revenue growth of 63% ranked 11th for the period, and its total tax revenue growth of 47% ranked 21st. Corporate income taxes were the fastest growing tax revenue category, increasing 81% and ranking 36th-highest.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	923,487	32	1,324,484	29	+3	43%	12
Education	11,956,287	20	17,438,492	24	-4	46%	18
Government Administration	816,862	38	1,177,769	36	+2	44%	19
Health	930,114	34	1,653,975	24	+10	78%	4
Highways	2,629,038	25	3,253,678	28	-3	24%	22
Hospitals	1,289,041	17	1,460,906	24	-7	13%	33
Interest on Debt	582,690	38	676,360	44	-6	16%	35
Natural Resources	654,624	21	679,216	27	-6	4%	40
Parks and Recreation	126,277	31	278,930	13	+18	121%	6
Police Protection	336,111	20	567,801	12	+8	69%	7
Public Welfare	6,845,986	35	11,652,949	25	+10	70%	9
Salaries and Wages	5,292,930	28	8,084,597	21	+7	53%	9
Direct Expenditures	20,086,505	36	28,742,510	40	-4	43%	15
General Expenditures	29,537,271	34	42,107,428	36	-2	43%	15
Total Expenditures	33,123,528	34	46,994,653	36	-2	42%	15

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	7,265,242	11	10,993,927	11	0	51%	20
General Sales Tax ²	3,740,715	39	5,269,929	40	-1	41%	18
Corporate Income Tax ³	668,124	16	1,206,412	27	-11	81%	36
Total Taxes	15,537,366	21	22,781,202	27	-6	47%	21
Total Revenue	31,523,608	28	51,421,057	21	+7	63%	11

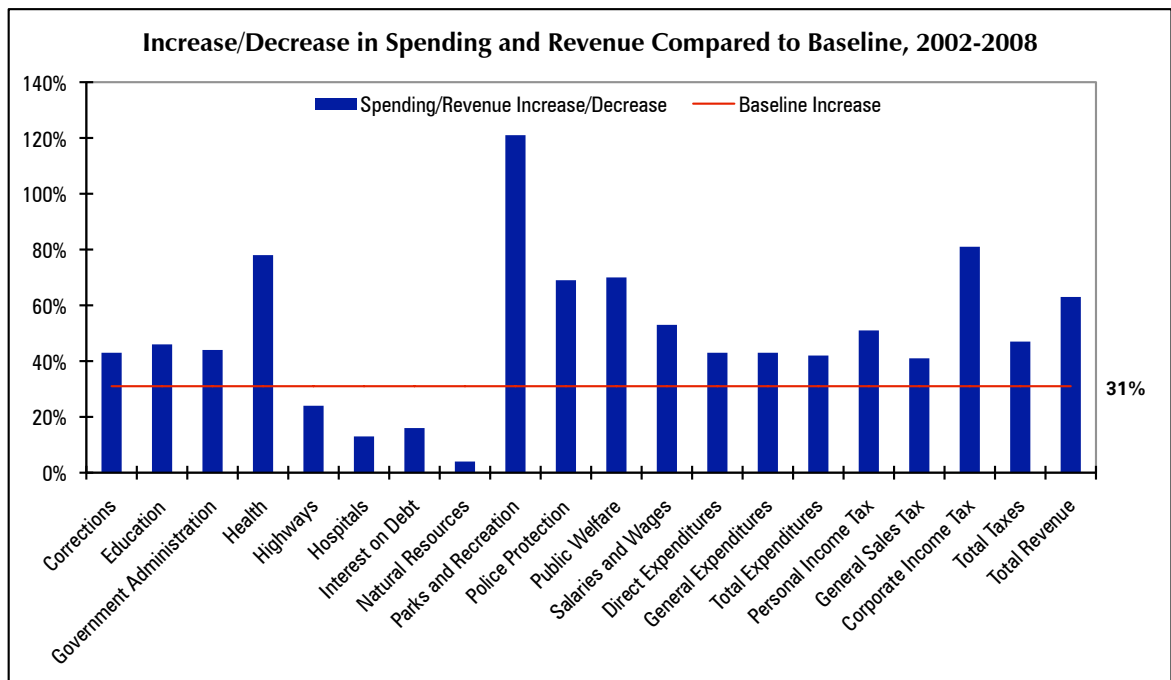
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and North Carolina’s population increased by 11%. This yields a “baseline” growth of 31% for the period. The figure below compares the difference in North Carolina’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



North Dakota

From 2002 to 2008, North Dakota's spending increased the most in the police (101%), debt service (90%), and parks and recreation (89%) categories. The increase in police spending was the largest in the nation in terms of percentage. The spending categories that saw the least growth were welfare (+23%), highways (+22%), administration (+18%) and hospitals (-63%). The decrease in hospitals spending was the second-greatest in the nation. The state's overall general spending increase of 35% was about the same as the state average, ranking 29th highest.

North Dakota's total overall revenue growth of 66% ranked ninth for the period, and its total tax revenue growth of 107% was the second-highest in the nation. Corporate income taxes were the fastest growing tax revenue category, increasing 224% and ranking seventh-highest. The 59% increase in personal income tax revenue and 58% growth in general sales tax revenue each ranked in the top quartile of states (12th and fourth, respectively).

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	38,522	50	61,368	49	+1	59%	4
Education	942,956	17	1,325,310	13	+4	41%	26
Government Administration	104,385	22	122,952	26	-4	18%	36
Health	50,333	50	64,749	43	+7	29%	31
Highways	376,668	3	458,616	3	0	22%	24
Hospitals	44,311	33	16,426	48	-15	-63%	49
Interest on Debt	86,602	17	164,425	9	+8	90%	7
Natural Resources	111,226	4	166,129	4	0	49%	12
Parks and Recreation	13,638	23	25,730	9	+14	89%	11
Police Protection	13,903	47	27,949	26	+21	101%	1
Public Welfare	627,303	20	773,278	32	-12	23%	44
Salaries and Wages	518,629	13	816,227	4	+9	57%	8
Direct Expenditures	2,227,165	8	2,984,497	10	-2	34%	30
General Expenditures	2,812,686	13	3,789,848	11	+2	35%	29
Total Expenditures	3,020,393	21	4,125,920	15	+6	37%	27

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	199,590	41	317,249	41	0	59%	12
General Sales Tax ²	335,613	34	530,078	20	+14	58%	4
Corporate Income Tax ³	49,990	17	161,925	9	+8	224%	7
Total Taxes	1,117,299	27	2,312,056	6	+21	107%	2
Total Revenue	3,016,825	8	5,018,609	5	+3	66%	9

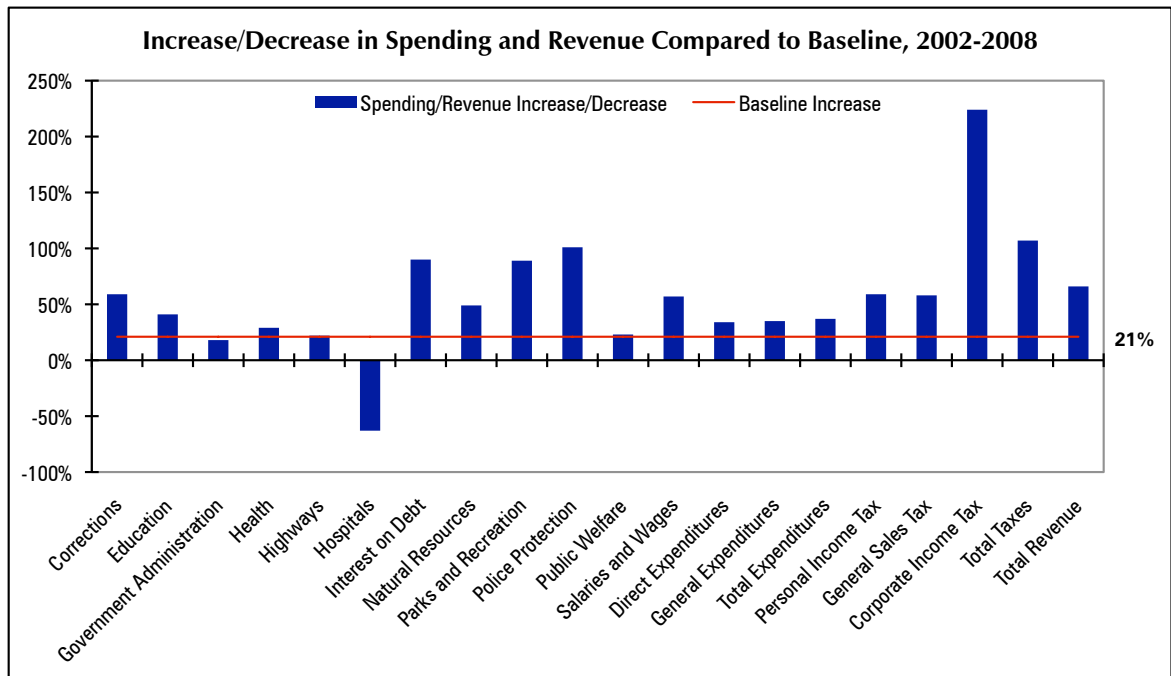
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and North Dakota’s population increased by 1%. This yields a “baseline” growth of 21% for the period. The figure below compares the difference in North Dakota’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Ohio

From 2002 to 2008, Ohio's spending increased the most in the hospitals (65%), welfare (40%) and health (33%) categories. The spending categories that saw the least growth were police (+3%), highways (+2%), natural resources (-7%) and administration (-8%). Spending growth ranked in the bottom 10 states in five of 12 categories (corrections, education, administration, natural resources and police). The state's overall general spending increase of 29% also ranked in the bottom 10 (41st).

Ohio's total overall revenue growth of 50% ranked 21st for the period, and its total tax revenue growth of 31% ranked 44th. While corporate income taxes were the fastest growing tax revenue category in most states, revenue actually declined 1% in Ohio, ranking 45th of the 46 states that collected corporate income taxes. The 18% increase in personal income taxes ranked 42nd of the 43 states that collected personal income taxes. (In both cases, the state ranked above only Michigan.) General sales taxes were the fastest growing tax revenue category, increasing 23% and ranking 32nd highest.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	1,440,803	26	1,668,729	28	-2	16%	41
Education	15,625,913	27	20,120,162	32	-5	29%	43
Government Administration	1,961,432	18	1,797,276	34	-16	-8%	47
Health	1,862,440	23	2,470,691	17	+6	33%	27
Highways	3,138,661	37	3,215,512	41	-4	2%	39
Hospitals	1,265,901	24	2,089,571	23	+1	65%	16
Interest on Debt	1,134,954	28	1,440,693	31	-3	27%	31
Natural Resources	389,217	46	362,226	47	-1	-7%	46
Parks and Recreation	114,814	40	136,211	41	-1	19%	26
Police Protection	256,546	46	264,055	49	-3	3%	43
Public Welfare	11,504,467	19	16,113,757	17	+2	40%	27
Salaries and Wages	6,095,515	41	7,883,170	36	+5	29%	31
Direct Expenditures	27,309,907	39	36,475,341	37	+2	34%	32
General Expenditures	42,361,985	30	54,580,967	32	-2	29%	41
Total Expenditures	53,473,400	23	67,788,590	24	-1	27%	45

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	8,335,554	18	9,847,506	26	-8	18%	42
General Sales Tax ²	6,391,475	32	7,865,674	29	+3	23%	32
Corporate Income Tax ³	761,050	24	754,633	45	-21	-1%	45
Total Taxes	20,130,415	26	26,373,813	36	-10	31%	44
Total Revenue	43,787,987	24	65,860,064	18	+6	50%	21

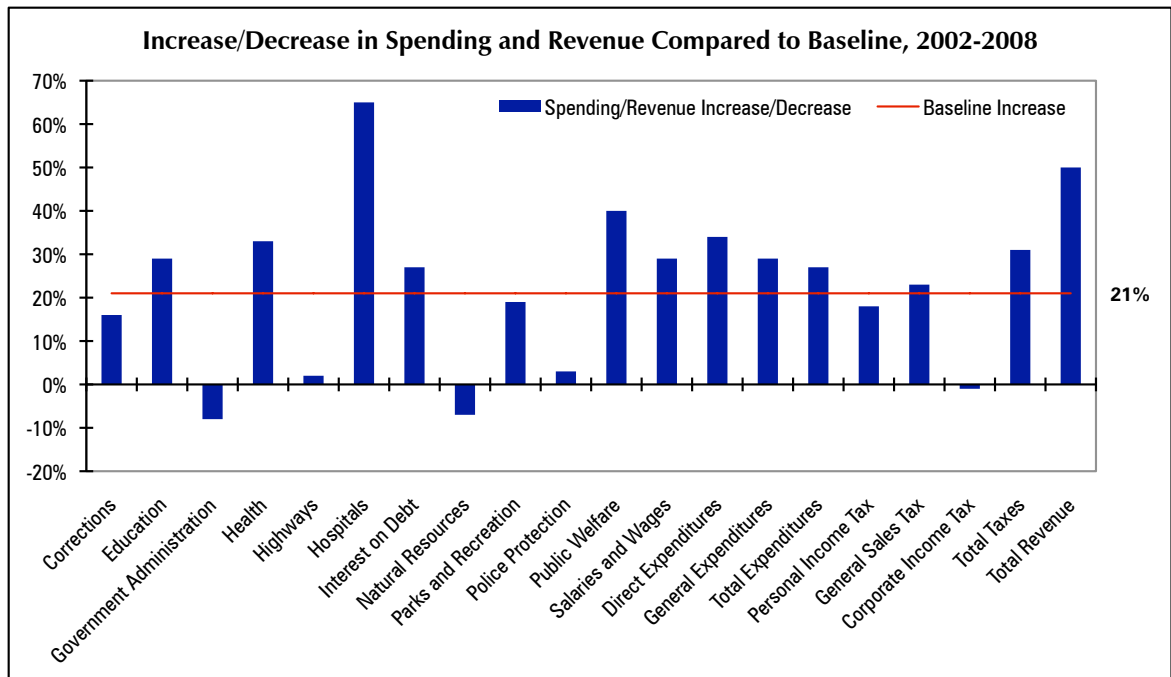
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Ohio’s population increased by 1%. This yields a “baseline” growth of 21% for the period. The figure below compares the difference in Ohio’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Oklahoma

From 2002 to 2008, Oklahoma's spending increased the most in the debt service (79%), police (76%) and health (75%) categories. The increase in police spending was the third-highest in the nation in terms of percentage. The spending categories that saw the least growth were corrections (18%), administration (12%), natural resources (6%), and salaries and wages (1%). The state's overall general spending increase of 33% ranked slightly below the state average, ranking 30th-highest.

Oklahoma's total revenue growth of 43% ranked 26th for the period, and its total tax revenue growth of 40% ranked 33rd. Corporate income taxes were the fastest growing tax revenue category, increasing 107% and ranking 25th-highest.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	520,912	13	616,933	21	-8	18%	39
Education	5,268,719	16	7,046,621	21	-5	34%	38
Government Administration	480,895	28	539,815	35	-7	12%	39
Health	445,552	29	780,680	18	+11	75%	6
Highways	1,263,088	19	1,472,367	21	-2	17%	28
Hospitals	172,039	41	227,554	38	+3	32%	29
Interest on Debt	258,281	34	461,086	30	+4	79%	12
Natural Resources	202,183	30	215,089	34	-4	6%	39
Parks and Recreation	72,160	24	99,929	16	+8	38%	22
Police Protection	91,636	40	161,213	25	+15	76%	3
Public Welfare	3,202,402	26	4,821,034	21	+5	51%	21
Salaries and Wages	2,940,522	10	2,976,703	25	-15	1%	47
Direct Expenditures	9,527,099	27	12,817,199	25	+2	35%	29
General Expenditures	12,904,144	31	17,208,905	34	-3	33%	30
Total Expenditures	14,727,332	31	19,517,639	31	0	33%	31
Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	2,286,110	23	2,787,445	32	-9	22%	41
General Sales Tax ²	1,529,465	41	2,096,220	39	+2	37%	21
Corporate Income Tax ³	173,701	37	360,065	40	-3	107%	25
Total Taxes	6,052,680	29	8,484,227	34	-5	40%	33
Total Revenue	13,133,991	31	18,810,187	29	+2	43%	26

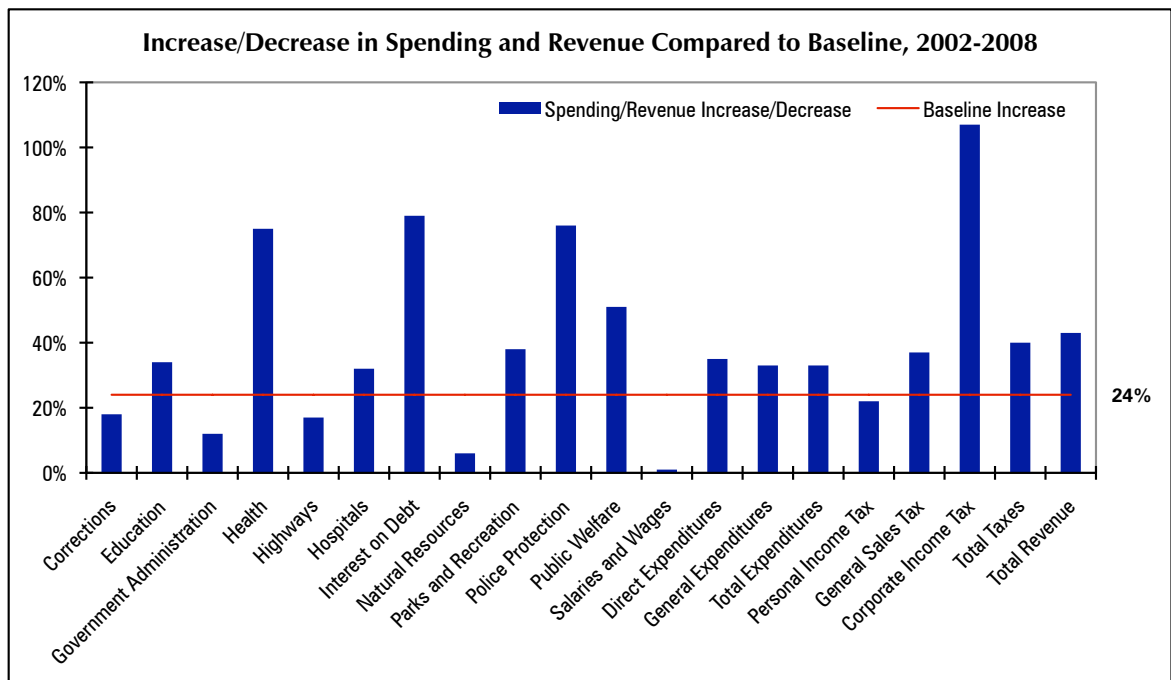
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Oklahoma’s population increased by 4%. This yields a “baseline” growth of 24% for the period. The figure below compares the difference in Oklahoma’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Oregon

From 2002 to 2008, Oregon's spending increased the most in the parks and recreation (98%), highways (87%) and debt service (80%) categories. The increase in highways spending was the third-largest in the nation in terms of percentage. Oregon saw spending decline in three categories, including administration (-1%), hospitals (-3%) and health (-30%). The 12% growth rate for welfare spending was the second-lowest of all the states. The state's overall general spending increase of 21% was among the smallest in the nation, ranking 47th-highest.

Oregon's total overall revenue growth of 16% ranked 49th for the period, and its total tax revenue growth of 41% ranked 32nd. Corporate income taxes were the fastest growing tax revenue category, increasing 143% and ranking 16th highest. Personal income tax revenue grew a relatively modest 35% (35th) but remained among the highest per capita in the nation in 2008 (7th), down slightly from fifth in 2002. Oregon did not have a general sales tax.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	616,568	6	720,504	12	-6	17%	40
Education	5,207,933	18	6,768,386	30	-12	30%	42
Government Administration	901,671	6	888,704	17	-11	-1%	44
Health	580,917	22	407,430	42	-20	-30%	47
Highways	817,455	46	1,528,591	22	+24	87%	3
Hospitals	1,190,151	2	1,154,493	10	-8	-3%	41
Interest on Debt	250,533	36	450,490	33	+3	80%	10
Natural Resources	329,956	13	424,465	13	0	29%	21
Parks and Recreation	52,244	33	103,461	17	+16	98%	9
Police Protection	171,170	11	173,661	22	-11	1%	46
Public Welfare	3,856,484	13	4,311,257	37	-24	12%	49
Salaries and Wages	2,685,408	15	3,901,453	14	+1	45%	11
Direct Expenditures	10,671,448	16	12,435,083	32	-16	17%	49
General Expenditures	14,884,121	17	18,076,076	30	-13	21%	47
Total Expenditures	18,029,157	14	22,386,883	23	-9	24%	46

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	3,674,962	5	4,968,791	7	-2	35%	35
General Sales Tax ²	0	N/A	0	N/A	N/A	N/A	N/A
Corporate Income Tax ³	196,257	34	477,113	30	+4	143%	16
Total Taxes	5,163,687	46	7,278,717	43	+3	41%	32
Total Revenue	14,815,282	16	17,138,166	41	-25	16%	49

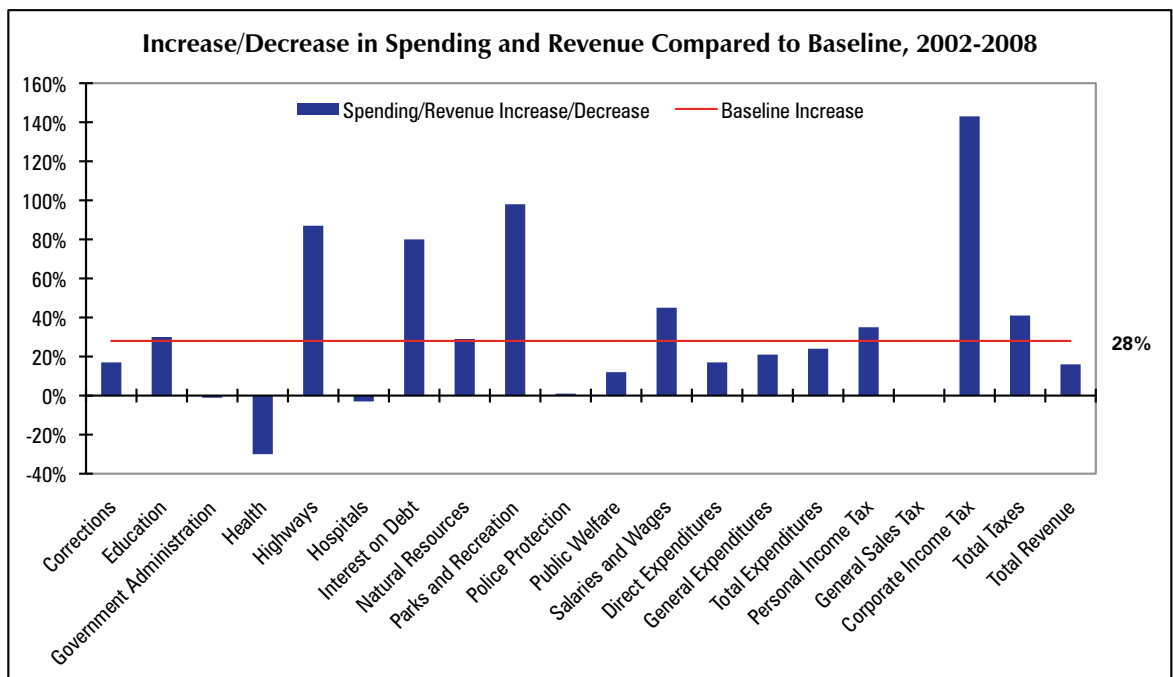
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Oregon’s population increased by 8%. This yields a “baseline” growth of 28% for the period. The figure below compares the difference in Oregon’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Pennsylvania

From 2002 to 2008, Pennsylvania's spending increased the most in the debt service (85%), administration (78%), and parks and recreation (74%) categories. The increase in administration spending was the fourth-largest in the nation in terms of percentage. The spending categories that saw the least growth were salaries and wages (+17%), corrections (+15%), health (-2%) and police (-10%). The decrease in police spending was the second-biggest in the nation, although Pennsylvania's police expenditures were still the 10th-highest per capita in 2008. The state's overall general spending increase of 29% ranked 39th-highest, and the increase in direct spending, over which the legislature has the most control, was an even more modest 24% (46th).

Pennsylvania's total revenue growth of 55% ranked 17th for the period, and its total tax revenue growth of 45% ranked 25th. Corporate income taxes were the fastest growing tax revenue category, increasing 83%, although that was less than the growth of most states (ranking 34th-highest). By contrast, the 55% increase in personal income tax revenue ranked 17th-highest in the nation.

<i>Spending</i> (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	1,521,611	27	1,744,264	31	-4	15%	42
Education	13,775,297	46	19,199,292	42	+4	39%	29
Government Administration	1,406,324	36	2,508,325	24	+12	78%	4
Health	1,917,062	26	1,871,255	30	-4	-2%	43
Highways	4,566,041	17	6,570,331	8	+9	44%	11
Hospitals	2,233,567	11	2,821,303	19	-8	26%	31
Interest on Debt	1,073,026	31	1,984,366	22	+9	85%	8
Natural Resources	554,723	38	666,752	36	+2	20%	25
Parks and Recreation	149,121	35	259,267	27	+8	74%	16
Police Protection	906,273	5	816,191	10	-5	-10%	49
Public Welfare	15,118,232	8	19,032,829	12	-4	26%	40
Salaries and Wages	6,651,302	40	7,802,801	40	0	17%	39
Direct Expenditures	34,359,680	24	42,725,796	27	-3	24%	46
General Expenditures	47,147,270	28	60,791,234	28	0	29%	39
Total Expenditures	55,170,768	25	71,940,224	26	-1	30%	38

<i>Taxes</i> (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	6,734,729	35	10,408,439	28	+7	55%	17
General Sales Tax ²	7,330,422	26	8,873,309	28	-2	21%	35
Corporate Income Tax ³	1,198,438	13	2,191,420	15	-2	83%	34
Total Taxes	22,135,537	23	32,123,740	21	+2	45%	25
Total Revenue	46,164,524	32	71,492,127	16	+16	55%	17

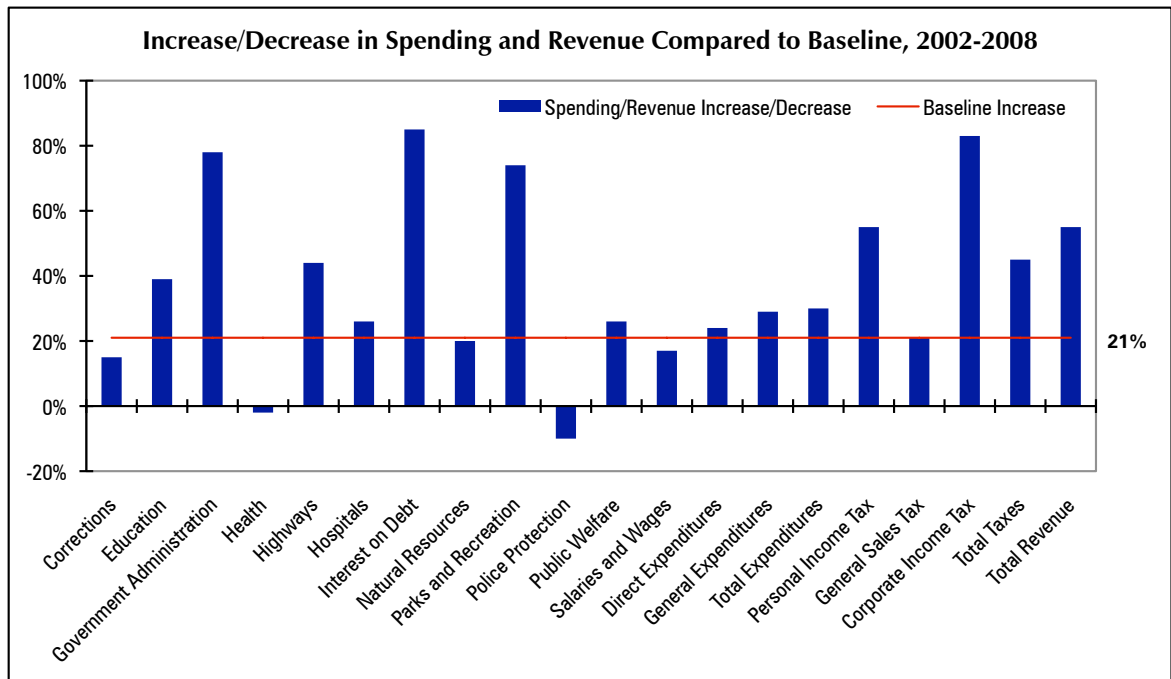
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Pennsylvania’s population increased by 1%. This yields a “baseline” growth of 21% for the period. The figure below compares the difference in Pennsylvania’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Rhode Island

From 2002 to 2008, Rhode Island's spending increased the most in the debt service (64%), administration (40%) and welfare (32%) categories. Rhode Island reduced spending in five categories, including health (0%—rounded), natural resources (-11%), highways (-22%), hospitals (-23%), and parks and recreation (-70%). The decreases in parks and recreation and highways spending each ranked the largest in the nation in terms of percentage, and Rhode Island's spending growth was among the bottom 10 states in seven of 12 categories. The state's overall general spending increase of 29% ranked 42nd-highest.

Rhode Island's total revenue growth of 37% ranked 37th for the period, and its total tax revenue growth of 30% ranked 45th. Corporate income taxes were the fastest growing tax revenue category, increasing a staggering 416%, easily the biggest rise in the nation. On a per capita basis, Rhode Island's corporate income taxes skyrocketed from among the lowest in the country (46th) in 2002 to 24th in 2008. The 33% increase in personal income tax revenue and 16% increase in general sales tax revenue, by contrast, were much more modest, each ranking 38th highest.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	157,531	15	199,394	14	+1	27%	26
Education	1,343,682	37	1,792,825	39	-2	27%	45
Government Administration	259,607	7	362,174	6	+1	40%	22
Health	181,541	20	180,822	25	-5	0%	42
Highways	259,542	43	201,869	50	-7	-22%	50
Hospitals	113,599	25	87,528	30	-5	-23%	46
Interest on Debt	256,511	7	419,869	3	+4	64%	15
Natural Resources	46,840	40	41,480	43	-3	-11%	47
Parks and Recreation	25,362	22	7,664	47	-25	-70%	50
Police Protection	47,946	17	57,953	14	+3	21%	30
Public Welfare	1,690,087	3	2,230,969	3	0	32%	34
Salaries and Wages	1,022,339	5	1,093,981	13	-8	7%	44
Direct Expenditures	4,093,577	6	5,174,660	8	-2	26%	43
General Expenditures	4,842,611	10	6,228,442	10	0	29%	42
Total Expenditures	5,766,687	9	7,495,870	9	0	30%	39
Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	823,521	16	1,091,705	16	0	33%	38
General Sales Tax ²	731,597	16	846,870	24	-8	16%	38
Corporate Income Tax ³	28,273	46	145,866	24	+22	416%	1
Total Taxes	2,127,609	15	2,761,356	20	-5	30%	45
Total Revenue	4,891,253	11	6,691,311	12	-1	37%	37

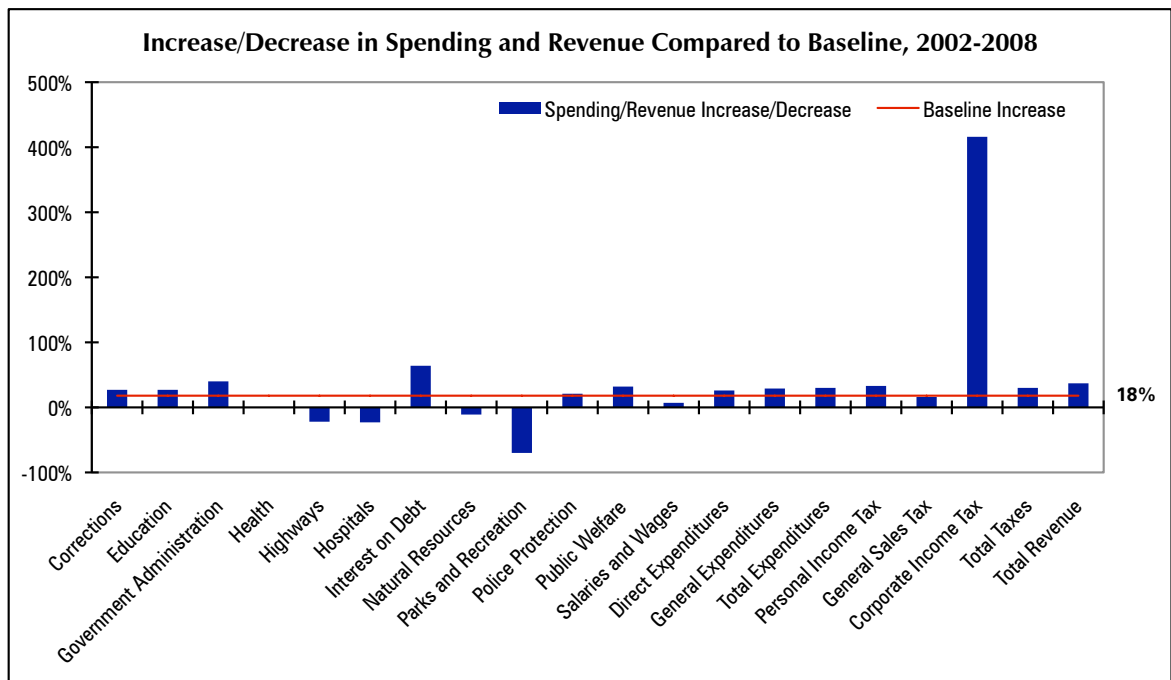
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Rhode Island’s population decreased by 2%. This yields a “baseline” growth of 18% for the period. The figure below compares the difference in Rhode Island’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



South Carolina

From 2002 to 2008, South Carolina's spending increased the most in the administration (95%), hospitals (86%), and parks and recreation (85%) categories. The increase in administration spending was the third-largest in the nation in terms of percentage. South Carolina reduced spending in three categories, including police (-6%), debt service (-9%) and highways (-21%). Each of these declines ranked among the bottom three in the country. The state's overall general spending increase of 35% was about the same as the state average, ranking 28th-highest.

South Carolina's total overall revenue growth of 39% ranked 35th for the period, and its total tax revenue growth of 39% ranked 37th. Corporate income taxes were the fastest growing tax revenue category, increasing 100% and ranking 27th-highest.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	424,031	39	514,479	42	-3	21%	37
Education	5,656,159	26	8,151,202	28	-2	44%	21
Government Administration	561,369	29	1,094,646	14	+15	95%	3
Health	721,138	18	1,051,239	15	+3	46%	17
Highways	1,348,549	24	1,064,541	45	-21	-21%	49
Hospitals	904,894	8	1,684,779	5	+3	86%	9
Interest on Debt	652,074	11	590,974	27	-16	-9%	49
Natural Resources	231,871	31	299,956	31	0	29%	20
Parks and Recreation	65,008	29	120,343	19	+10	85%	12
Police Protection	221,406	9	208,518	21	-12	-6%	48
Public Welfare	4,373,330	15	5,477,881	29	-14	25%	42
Salaries and Wages	2,643,426	26	3,639,952	26	0	38%	17
Direct Expenditures	12,807,304	15	17,269,097	20	-5	35%	28
General Expenditures	17,048,314	20	22,988,332	23	-3	35%	28
Total Expenditures	20,009,040	19	27,593,614	19	0	38%	24
Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	2,349,195	32	3,339,935	34	-2	42%	28
General Sales Tax ²	2,335,170	29	3,051,608	30	-1	31%	27
Corporate Income Tax ³	159,837	44	320,378	44	0	100%	27
Total Taxes	6,087,792	45	8,455,463	44	+1	39%	37
Total Revenue	16,996,797	19	23,595,393	28	-9	39%	35

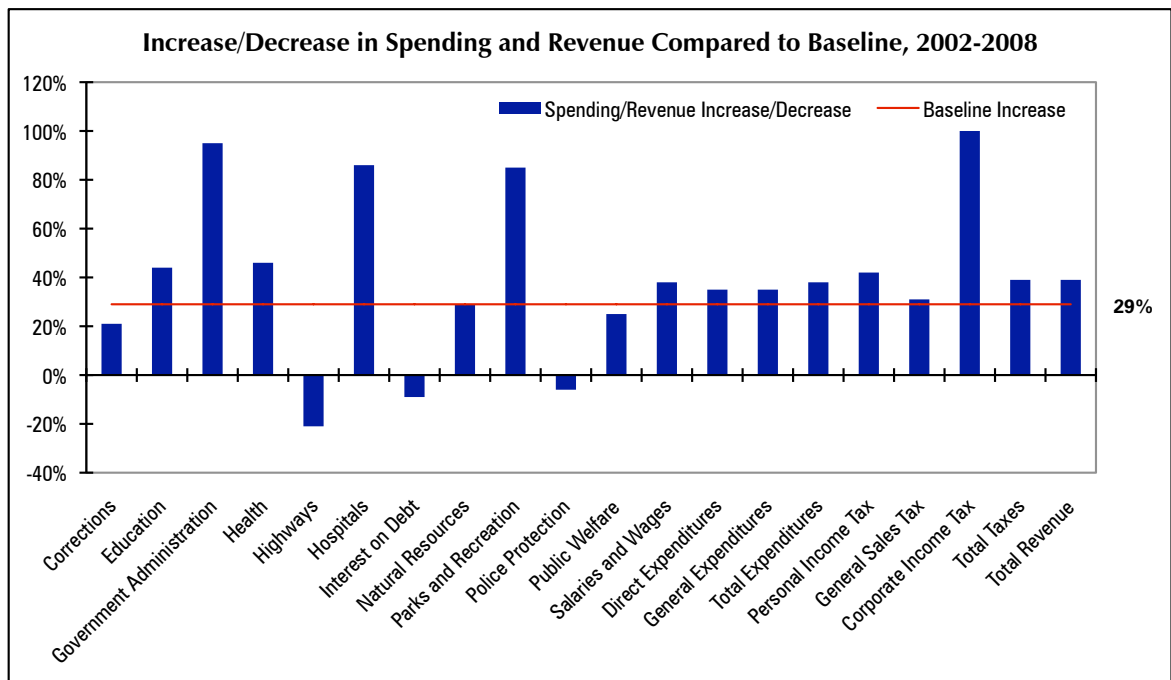
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and South Carolina’s population increased by 9%. This yields a “baseline” growth of 29% for the period. The figure below compares the difference in South Carolina’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



South Dakota

From 2002 to 2008, South Dakota's spending increased the most in the salaries and wages (89%), administration (64%) and health (55%) categories. The increase in salaries and wages spending was the fourth-largest in the nation in terms of percentage. The spending categories that saw the least growth were natural resources (26%), debt service (13%) and highways (2%). The state's overall general spending increase of 33% was slightly below the state average, ranking 31st-highest.

South Dakota's total overall revenue growth of 16% ranked 48th for the period, and its total tax revenue growth of 35% ranked 41st. The state's total overall revenue and total tax revenue were the smallest per capita in the nation in 2008. Corporate income taxes were the fastest growing tax revenue category, increasing 72%, although that was less than the growth of the vast majority of states (ranking 38th-highest). By contrast, the 40% increase in general sales tax revenue ranked 19th-highest in the nation. South Dakota had no personal income tax.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	74,880	41	110,268	32	+9	47%	10
Education	798,769	48	1,103,636	47	+1	38%	32
Government Administration	103,417	30	169,363	22	+8	64%	7
Health	81,294	36	126,093	28	+8	55%	12
Highways	420,346	4	429,629	7	-3	2%	40
Hospitals	44,001	35	60,769	34	+1	38%	26
Interest on Debt	120,082	12	136,008	20	-8	13%	37
Natural Resources	98,029	5	123,365	5	0	26%	22
Parks and Recreation	26,193	13	42,124	6	+7	61%	17
Police Protection	22,400	33	31,514	34	-1	41%	19
Public Welfare	592,754	37	811,709	41	-4	37%	31
Salaries and Wages	445,460	35	843,292	12	+23	89%	4
Direct Expenditures	2,047,865	28	2,720,277	29	-1	33%	33
General Expenditures	2,554,212	40	3,400,145	42	-2	33%	31
Total Expenditures	2,771,705	44	3,698,335	44	0	33%	29

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	0	N/A	0	N/A	N/A	N/A	N/A
General Sales Tax ²	523,001	15	732,438	12	+3	40%	19
Corporate Income Tax ³	40,547	35	69,879	42	-7	72%	38
Total Taxes	976,596	50	1,321,368	50	0	35%	41
Total Revenue	2,500,028	40	2,910,381	50	-10	16%	48

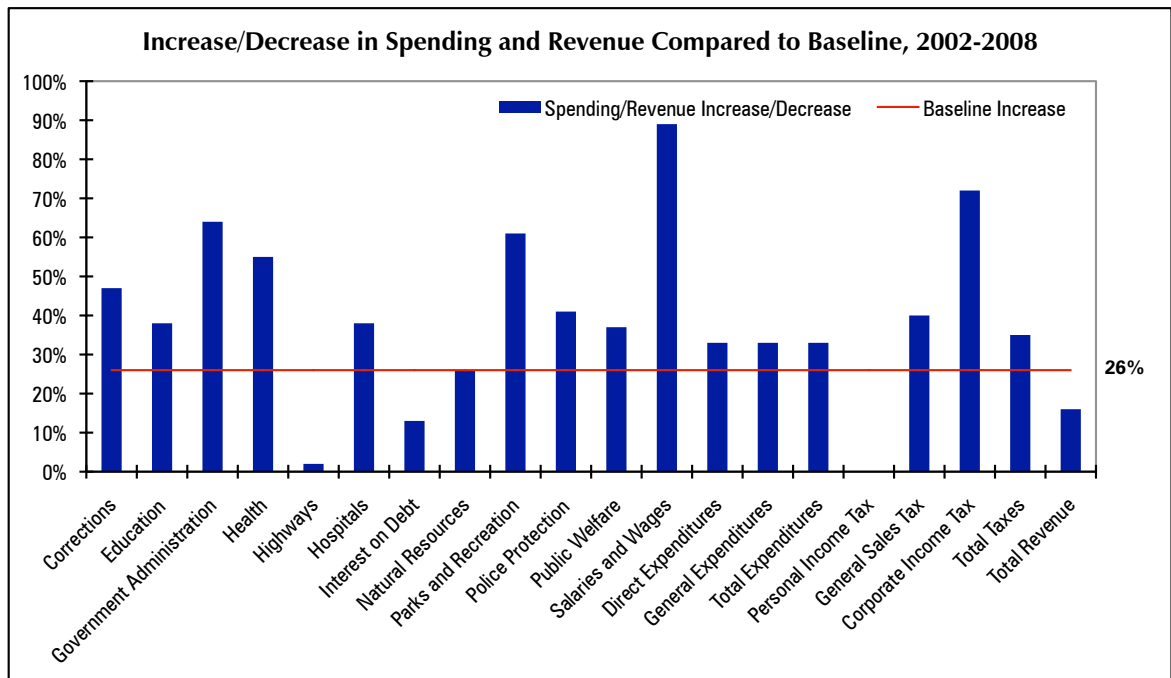
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and South Dakota’s population increased by 6%. This yields a “baseline” growth of 26% for the period. The figure below compares the difference in South Dakota’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Tennessee

From 2002 to 2008, Tennessee's spending increased the most in the natural resources (95%), administration (72%) and health (60%) categories. The increase in natural resources spending was the largest in the nation in terms of percentage. The spending categories that saw the least growth were highways (+9%), debt service (+8%) and hospitals (-7%). Tennessee's per capita debt service spending was the lowest in the nation in 2008. The state's overall general spending increase of 33% was slightly below the state average, ranking 32nd-highest.

Tennessee's total overall revenue growth of 43% ranked 28th for the period, and its total tax revenue growth of 48% ranked 19th. Corporate income taxes were the fastest growing tax revenue category, increasing 100% (29th), although Tennessee's personal income tax and general sales tax revenues grew more relative to other states. The 99% increase in personal sales tax revenue was the biggest in the nation, and the 46% rise in general sales tax revenue ranked 13th.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	529,747	45	768,711	38	+7	45%	11
Education	6,094,892	47	8,479,938	48	-1	39%	30
Government Administration	459,698	48	788,765	37	+11	72%	5
Health	800,515	27	1,282,165	19	+8	60%	9
Highways	1,533,906	39	1,668,715	43	-4	9%	34
Hospitals	436,774	29	407,688	37	-8	-7%	42
Interest on Debt	198,272	49	214,413	50	-1	8%	43
Natural Resources	234,901	43	458,161	26	+17	95%	1
Parks and Recreation	105,004	28	148,163	22	+6	41%	21
Police Protection	131,690	45	156,050	46	-1	18%	33
Public Welfare	6,896,284	9	8,664,226	18	-9	26%	41
Salaries and Wages	2,783,821	44	3,695,776	44	0	33%	23
Direct Expenditures	14,011,419	35	18,048,403	44	-9	29%	41
General Expenditures	18,489,355	46	24,565,001	45	+1	33%	32
Total Expenditures	20,029,048	46	26,403,221	47	-1	32%	34

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	146,293	43	290,986	43	0	99%	1
General Sales Tax ²	4,674,896	8	6,832,948	6	+2	46%	13
Corporate Income Tax ³	502,977	14	1,005,880	17	-3	100%	29
Total Taxes	7,797,681	48	11,538,430	46	+2	48%	19
Total Revenue	17,951,931	46	25,699,084	46	0	43%	28

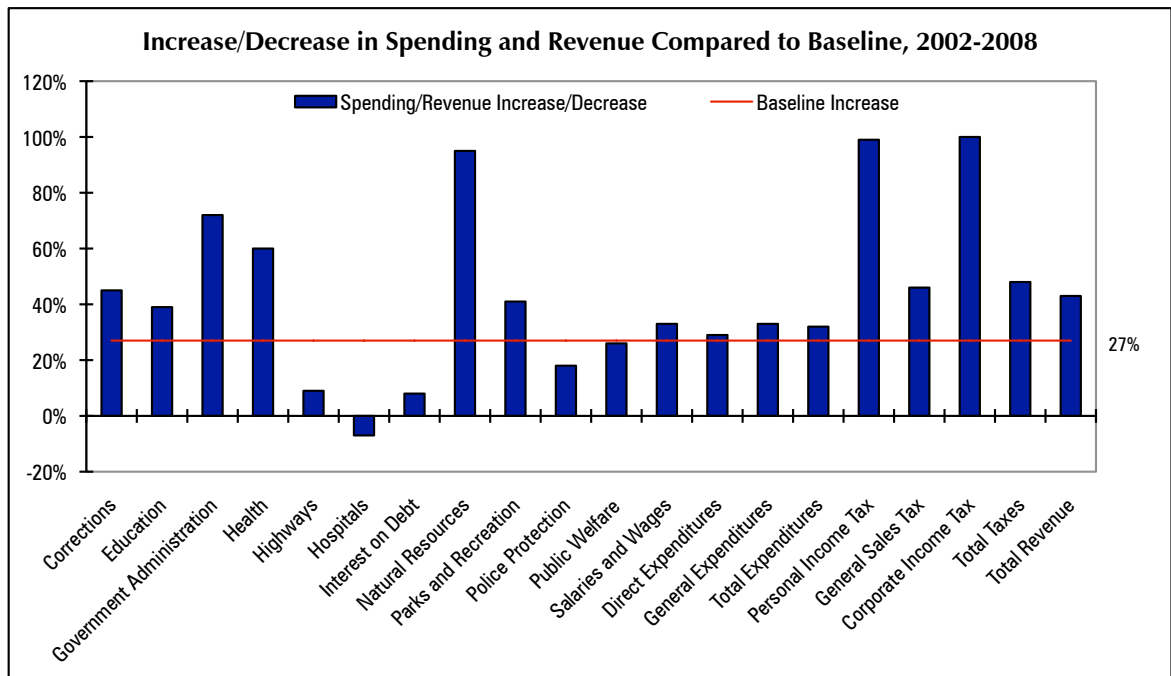
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Tennessee’s population increased by 7%. This yields a “baseline” growth of 27% for the period. The figure below compares the difference in Tennessee’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Texas

From 2002 to 2008, Texas's spending increased the most in the police (82%), salaries and wages (72%), education (58%) and highways (57%) categories. The increase in police spending was the second-largest in the nation in terms of percentage, and the rise in education, highways, and salaries and wages each ranked among the top six states. The spending categories that saw the least growth were corrections (13%), hospitals (10%), and parks and recreation (4%). The state's overall general spending increase of 47% was among the biggest in the nation, ranking seventh-highest.

Texas's total overall revenue growth of 97% ranked fourth for the period, and its total tax revenue growth of 56% ranked ninth. On a per capita basis, total taxes remained among the lowest in the nation (48th) in 2008, but total revenue jumped from 49th in 2002 to 31st in 2008. General sales tax revenue increased 49%, ranking ninth. Texas did not have a personal income tax or a corporate income tax.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	3,157,124	16	3,565,217	27	-11	13%	44
Education	25,763,230	40	40,672,485	33	-7	58%	5
Government Administration	1,363,113	50	1,563,297	50	0	15%	38
Health	1,818,755	48	2,248,068	47	+1	24%	32
Highways	5,026,554	47	7,915,817	35	+12	57%	6
Hospitals	3,238,451	20	3,570,780	25	-5	10%	34
Interest on Debt	904,260	48	1,189,733	49	-1	32%	30
Natural Resources	687,014	48	839,527	46	+2	22%	23
Parks and Recreation	125,784	47	130,316	50	-3	4%	32
Police Protection	395,399	49	720,014	43	+6	82%	2
Public Welfare	15,270,585	45	23,048,973	45	0	51%	20
Salaries and Wages	8,212,409	49	14,102,858	46	+3	72%	5
Direct Expenditures	44,851,986	47	64,487,306	49	-2	44%	13
General Expenditures	61,532,766	50	90,576,780	49	+1	47%	7
Total Expenditures	70,036,258	49	100,938,886	50	-1	44%	12

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	0	N/A	0	N/A	N/A	N/A	N/A
General Sales Tax ²	14,559,504	19	21,668,972	15	+4	49%	9
Corporate Income Tax ³	0	N/A	0	N/A	N/A	N/A	N/A
Total Taxes	28,662,395	49	44,675,953	48	+1	56%	9
Total Revenue	60,386,905	49	119,140,582	31	+18	97%	4

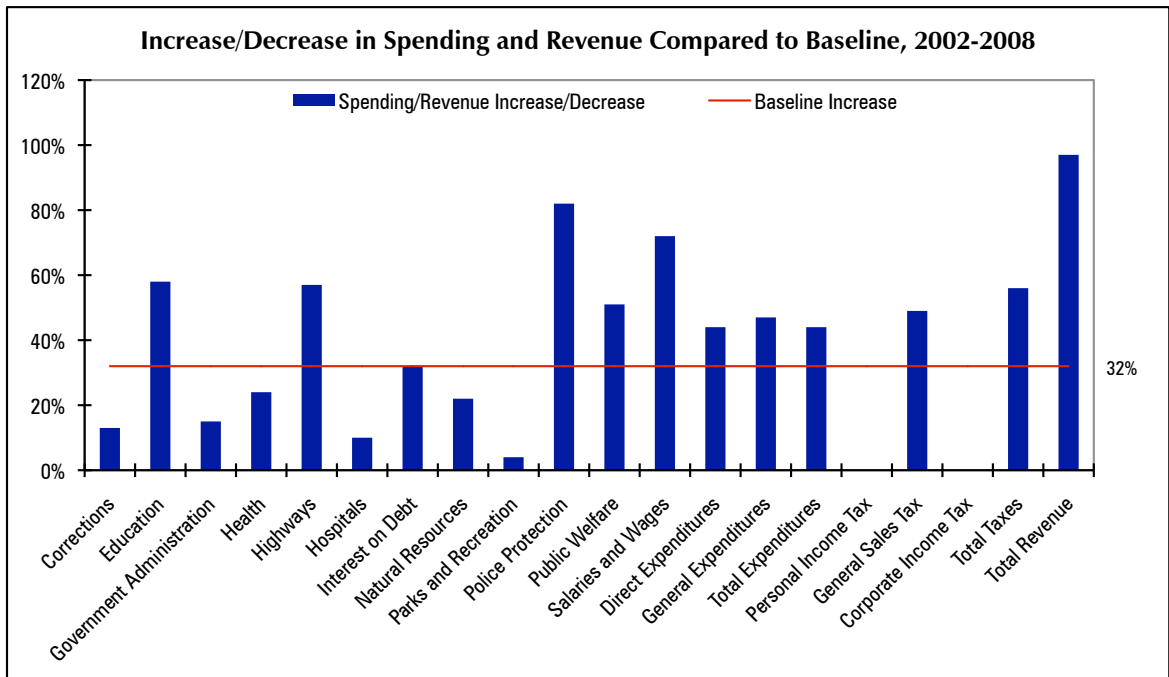
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Texas’s population increased by 12%. This yields a “baseline” growth of 32% for the period. The figure below compares the difference in Texas’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Utah

From 2002 to 2008, Utah's spending increased the most in the hospitals (67%), salaries and wages (63%), and health (60%) categories. The spending categories that saw the least growth were parks and recreation (10%) and natural resources (4%). On a per capita basis, Utah's welfare spending remained among the lowest in the nation (49th) in 2008. The state's overall general spending increase of 42% was a bit above the state average, ranking 20th-highest.

Utah's total overall revenue growth of 80% ranked sixth for the period, and its total tax revenue growth of 51% ranked 12th. Corporate income taxes were the fastest growing tax revenue category, increasing 256%, one of the biggest rises in the nation (ranking sixth-highest). Personal income tax revenue also grew significantly at 62%, ranking 10th.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	267,607	31	332,828	41	-10	24%	32
Education	4,327,496	5	6,036,050	10	-5	39%	28
Government Administration	463,112	12	712,868	10	+2	54%	13
Health	239,515	37	383,324	34	+3	60%	10
Highways	856,014	18	1,061,364	24	-6	24%	21
Hospitals	493,631	10	823,297	11	-1	67%	14
Interest on Debt	187,591	32	275,837	38	-6	47%	20
Natural Resources	178,944	23	185,613	30	-7	4%	41
Parks and Recreation	59,692	19	65,910	21	-2	10%	28
Police Protection	103,937	18	129,182	20	-2	24%	29
Public Welfare	1,580,580	48	2,203,414	49	-1	39%	28
Salaries and Wages	1,500,634	25	2,449,264	20	+5	63%	6
Direct Expenditures	6,971,654	19	9,916,600	23	-4	42%	17
General Expenditures	9,142,538	24	12,966,773	33	-9	42%	20
Total Expenditures	10,107,055	27	14,293,669	34	-7	41%	17
Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	1,605,310	19	2,593,129	21	-2	62%	10
General Sales Tax ²	1,500,278	21	1,964,119	27	-6	31%	25
Corporate Income Tax ³	110,989	38	394,638	21	+17	256%	6
Total Taxes	3,925,382	33	5,944,879	38	-5	51%	12
Total Revenue	8,467,827	33	15,243,424	22	+11	80%	6

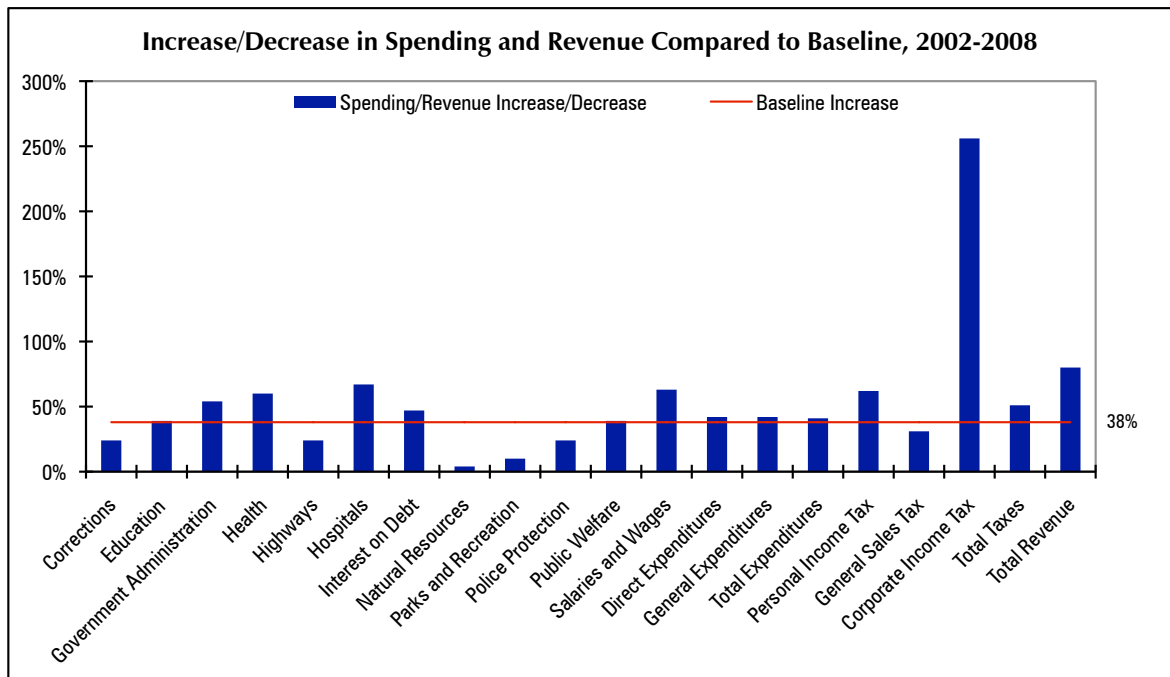
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Utah’s population increased by 18%. This yields a “baseline” growth of 38% for the period. The figure below compares the difference in Utah’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Vermont

From 2002 to 2008, Vermont's spending increased the most in the health (131%), hospitals (112%), and welfare (64%) categories. The increases in health and hospitals spending each ranked among the top five in the nation in terms of percentage. Vermont had the highest per capita spending on education and the second-highest per capita spending on police in the country in 2008. The spending categories that saw the least growth were highways (+10%), natural resources (+8%), parks and recreation (-4%), and administration (-19%). The decrease in administration spending was the biggest in the nation, although it still ranked 12th on a per capita basis in 2008 (down from third-highest in 2002). The state's overall general spending increase of 43% ranked 14th-highest.

Vermont's total overall revenue growth of 58% ranked 16th for the period, and its total tax revenue growth of 68% was the fifth-highest. Corporate income taxes were the fastest growing tax revenue category, increasing 127% and ranking 19th. The 58% increase in general sales tax revenue was the fifth-largest in the nation.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	79,771	23	120,328	10	+13	51%	9
Education	1,340,246	2	2,062,824	1	+1	54%	9
Government Administration	192,407	3	156,325	12	-9	-19%	50
Health	72,310	31	167,140	10	+21	131%	3
Highways	296,473	8	324,868	10	-2	10%	32
Hospitals	9,469	48	20,092	45	+3	112%	5
Interest on Debt	134,013	8	181,054	7	+1	35%	28
Natural Resources	68,102	8	73,300	10	-2	8%	37
Parks and Recreation	15,008	20	14,370	23	-3	-4%	37
Police Protection	50,868	3	77,177	2	+1	52%	14
Public Welfare	766,092	6	1,253,623	4	-2	64%	10
Salaries and Wages	544,324	7	733,895	7	0	35%	19
Direct Expenditures	2,372,150	5	3,366,430	5	0	42%	18
General Expenditures	3,291,008	3	4,707,185	3	0	43%	14
Total Expenditures	3,511,510	7	5,070,156	5	+2	44%	11

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	407,835	22	623,019	18	+4	53%	18
General Sales Tax ²	214,746	45	338,941	42	+3	58%	5
Corporate Income Tax ³	37,306	30	84,783	25	+5	127%	19
Total Taxes	1,518,479	5	2,544,163	2	+3	68%	5
Total Revenue	3,259,608	5	5,148,584	3	+2	58%	16

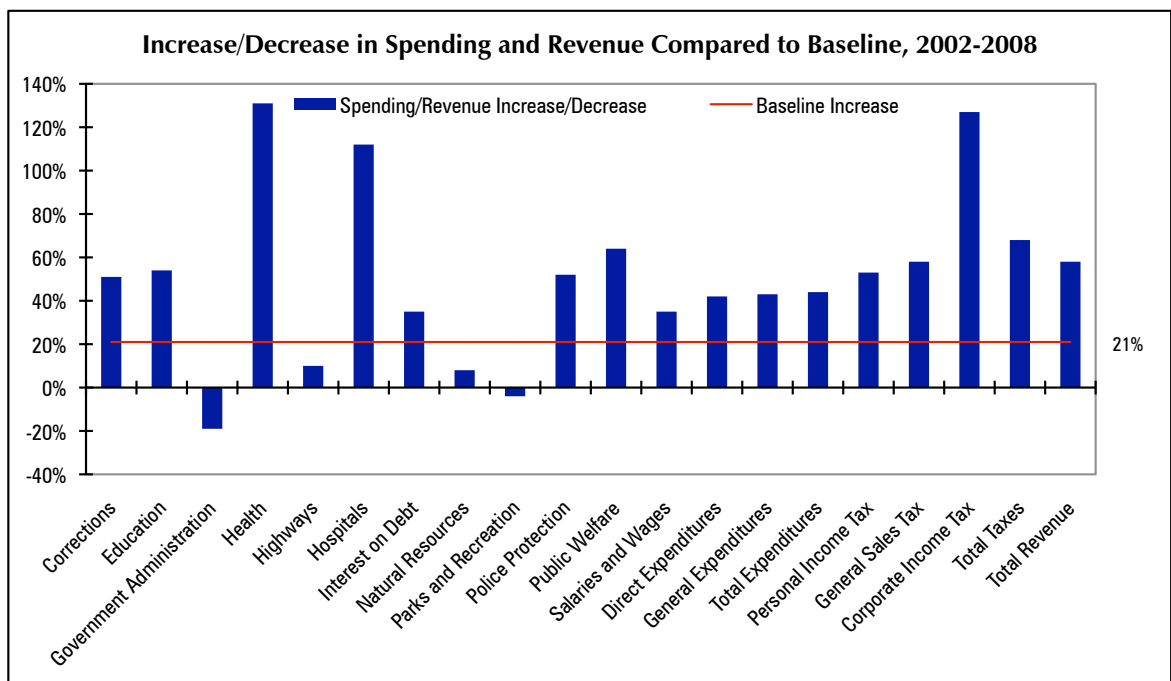
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Vermont’s population increased by 1%. This yields a “baseline” growth of 21% for the period. The figure below compares the difference in Vermont’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Virginia

From 2002 to 2008, Virginia's spending increased the most in the parks and recreation (94%), welfare (75%) and hospitals (66%) categories. The spending categories that saw the least growth were natural resources (15%), administration (12%) and highways (11%). Virginia's per capita natural resources spending remained among the lowest in the nation (49th) in 2008. The state's overall general spending increase of 43% ranked 16th-highest, and its 48% increase in direct spending, over which the legislature has the most control, was even greater, ranking ninth.

Virginia's total overall revenue growth of 54% ranked 19th for the period, and its total tax revenue growth of 44% ranked 26th. Corporate income taxes were the fastest growing tax revenue category, increasing 155% and ranking 12th-highest. Personal income tax revenue increased 51% (21st), and was the eighth-highest per capita in 2008.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	1,243,090	7	1,547,571	9	-2	24%	30
Education	9,848,113	30	14,053,415	29	+1	43%	23
Government Administration	1,099,124	27	1,233,436	33	-6	12%	40
Health	726,489	38	958,002	39	-1	32%	28
Highways	2,822,839	15	3,146,902	20	-5	11%	30
Hospitals	1,718,084	6	2,849,911	6	0	66%	15
Interest on Debt	721,485	29	882,679	36	-7	22%	33
Natural Resources	185,871	49	214,336	49	0	15%	31
Parks and Recreation	76,498	39	148,721	30	+9	94%	10
Police Protection	547,206	4	689,989	4	0	26%	28
Public Welfare	4,199,553	49	7,354,674	46	+3	75%	8
Salaries and Wages	4,682,335	27	6,214,596	27	0	33%	24
Direct Expenditures	17,176,535	41	25,363,397	33	+8	48%	9
General Expenditures	25,545,848	37	36,415,455	35	+2	43%	16
Total Expenditures	28,044,327	38	39,879,609	35	+3	42%	14
Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	6,710,771	7	10,114,833	8	-1	51%	21
General Sales Tax ²	2,799,526	44	3,656,789	44	0	31%	28
Corporate Income Tax ³	308,554	43	787,229	39	+4	155%	12
Total Taxes	12,781,149	28	18,408,276	30	-2	44%	26
Total Revenue	23,576,891	43	36,233,002	36	+7	54%	19

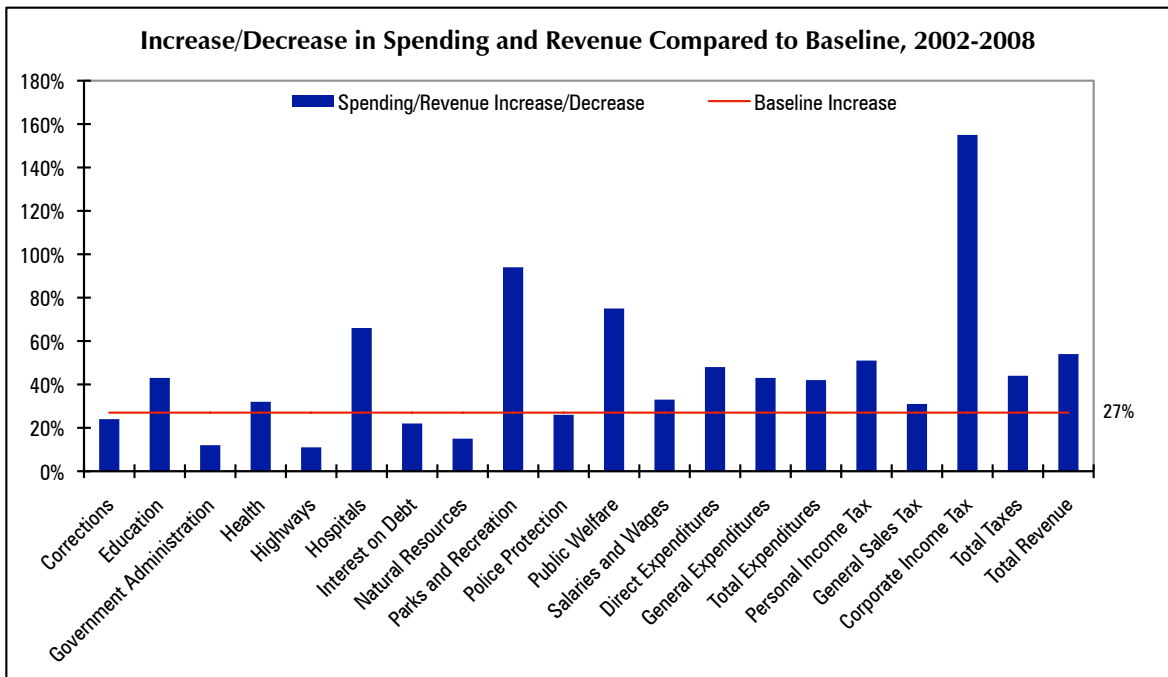
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Virginia’s population increased by 7%. This yields a “baseline” growth of 27% for the period. The figure below compares the difference in Virginia’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Washington

From 2002 to 2008, Washington's spending increased the most in the hospitals (90%), corrections (64%) and highways (63%) categories. The increase in corrections spending was the second-largest in the nation in terms of percentage. The spending categories that saw the least growth were welfare (+23%), health (+15%), and parks and recreation (-41%). The decrease in parks and recreation spending was the sixth-biggest in the nation. The state's overall general spending increase of 35% was about the same as the state average, ranking 26th-highest.

Washington's total overall revenue growth of 54% ranked 18th for the period, and its total tax revenue growth of 42% ranked 28th. General sales tax revenue increased 44%, ranking 16th-highest. Washington did not have a personal income tax or a corporate income tax.

<i>Spending</i> (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	735,214	28	1,205,895	16	+12	64%	2
Education	10,298,100	10	14,109,473	12	-2	37%	34
Government Administration	541,929	46	785,458	39	+7	45%	18
Health	1,396,500	11	1,605,753	14	-3	15%	35
Highways	1,795,486	31	2,924,464	15	+16	63%	5
Hospitals	916,540	18	1,743,784	13	+5	90%	7
Interest on Debt	673,936	22	1,039,159	23	-1	54%	17
Natural Resources	650,231	10	738,520	12	-2	14%	33
Parks and Recreation	235,314	9	139,378	26	-17	-41%	45
Police Protection	241,022	22	319,335	18	+4	32%	23
Public Welfare	6,174,456	17	7,612,755	35	-18	23%	43
Salaries and Wages	4,946,594	14	6,254,115	16	-2	26%	35
Direct Expenditures	18,353,961	18	24,948,203	21	-3	36%	26
General Expenditures	25,160,311	21	34,091,969	22	-1	35%	26
Total Expenditures	30,378,008	15	39,689,815	20	-5	31%	36

<i>Taxes</i> (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	0	N/A	0	N/A	N/A	N/A	N/A
General Sales Tax ²	7,904,003	2	11,344,622	2	0	44%	16
Corporate Income Tax ³	0	N/A	0	N/A	N/A	N/A	N/A
Total Taxes	12,628,567	13	17,944,925	16	-3	42%	28
Total Revenue	23,813,123	22	36,644,997	20	+2	54%	18

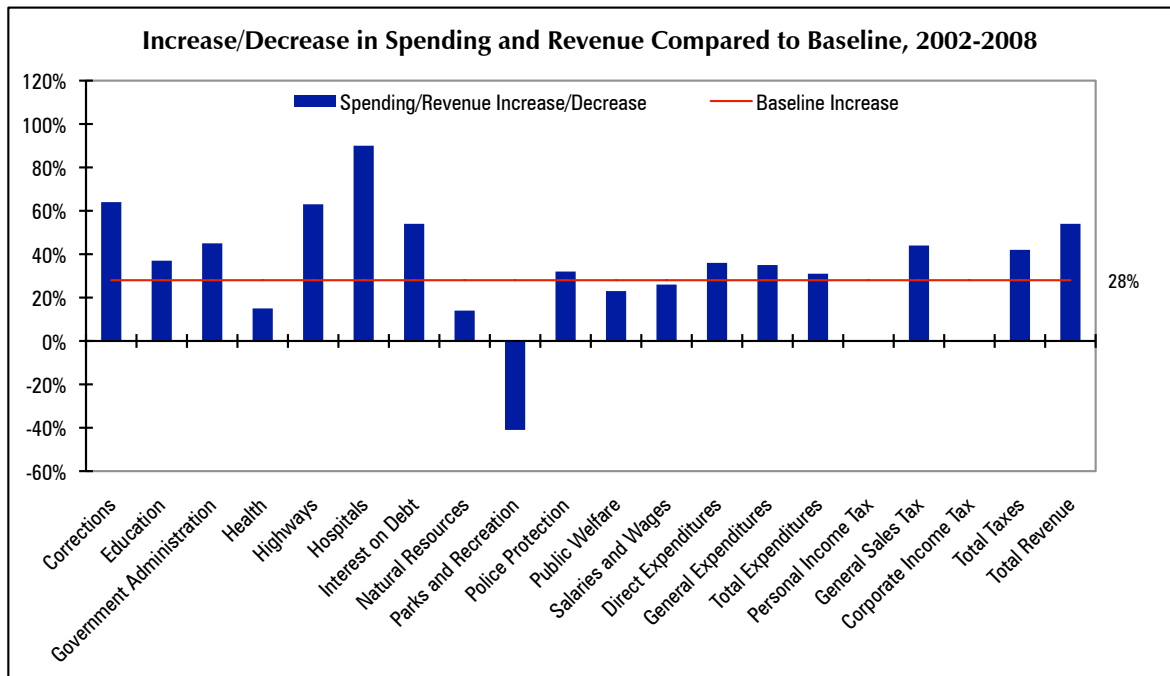
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Washington’s population increased by 8%. This yields a “baseline” growth of 28% for the period. The figure below compares the difference in Washington’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



West Virginia

From 2002 to 2008, West Virginia's spending increased the most in the health (70%), education (47%) and corrections (42%) categories. West Virginia reduced spending in three categories: natural resources (-3%), administration (-4%), and parks and recreation (-16%). Spending growth ranked in the bottom quartile of states in eight of 12 categories. The state's overall general spending increase of 28% was among the smallest in the nation, ranking 43rd-highest, and its total spending increase of only 8% was the lowest in the country.

West Virginia's overall total revenue growth of 19% ranked 47th for the period, and its total tax revenue growth of 37% ranked 40th. Corporate income taxes were the fastest growing tax revenue category, increasing 145% and ranking 15th. West Virginia's corporate tax revenue was the seventh-highest per capita in 2008.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	170,305	44	241,996	33	+11	42%	14
Education	2,495,321	25	3,676,900	18	+7	47%	17
Government Administration	429,462	9	412,403	18	-9	-4%	45
Health	209,521	32	356,647	21	+11	70%	8
Highways	986,477	5	1,015,587	6	-1	3%	38
Hospitals	101,720	37	106,482	39	-2	5%	37
Interest on Debt	237,521	19	255,121	26	-7	7%	44
Natural Resources	175,910	11	170,496	22	-11	-3%	43
Parks and Recreation	68,248	10	57,347	12	-2	-16%	40
Police Protection	47,790	39	65,468	36	+3	37%	21
Public Welfare	2,135,874	11	2,565,426	16	-5	20%	46
Salaries and Wages	1,368,243	16	1,441,006	28	-12	5%	46
Direct Expenditures	6,106,601	11	7,549,935	14	-3	24%	47
General Expenditures	7,560,308	18	9,681,035	20	-2	28%	43
Total Expenditures	9,409,434	12	10,139,699	28	-16	8%	50

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	1,034,665	31	1,518,746	27	+4	47%	24
General Sales Tax ²	962,756	33	1,109,822	36	-3	15%	40
Corporate Income Tax ³	220,158	8	538,839	7	+1	145%	15
Total Taxes	3,551,756	17	4,879,151	17	0	37%	40
Total Revenue	9,130,217	6	10,853,751	14	-8	19%	47

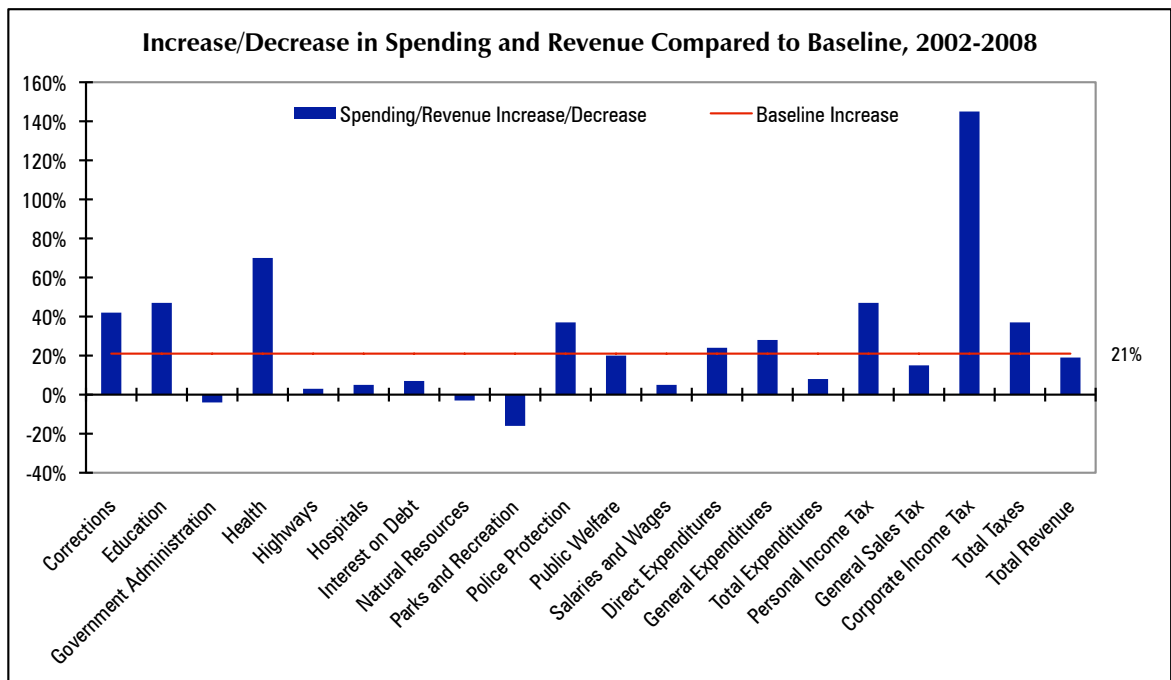
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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and West Virginia’s population increased by 1%. This yields a “baseline” growth of 21% for the period. The figure below compares the difference in West Virginia’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Wisconsin

From 2002 to 2008, Wisconsin's spending increased the most in the hospitals (68%), natural resources (54%) and debt service (44%) categories. The spending categories that saw the least growth were corrections (+12%), highways (+11%), health (+10%), administration (+6%), and parks and recreation (-42%). The 24% increase in education spending and 18% increase in welfare spending each ranked the fourth-smallest in the country. Wisconsin's per capita parks and recreation spending fell from 37th in the nation in 2002 to 48th in 2008, and its per capita police spending remained 48th in 2008. By contrast, per capita natural resources spending jumped from 22nd in 2003 to 11th in 2008. The state's overall general spending increase of 21% was among the lowest in the country, ranking 48th-highest, although the 32% increase in direct spending, over which the legislature has the most control, was significantly higher, ranking 35th.

Wisconsin's total overall revenue growth of 23% ranked 45th for the period, and its total tax revenue growth of 28% ranked 46th. Corporate income taxes were the fastest growing tax revenue category, increasing 94%, although that was less than the growth of most states (ranking 32nd-highest).

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	965,801	5	1,084,127	11	-6	12%	45
Education	8,299,045	14	10,329,906	26	-12	24%	47
Government Administration	633,302	34	673,364	40	-6	6%	42
Health	637,922	30	703,266	38	-8	10%	38
Highways	1,716,735	27	1,901,463	32	-5	11%	31
Hospitals	657,460	22	1,106,220	21	+1	68%	13
Interest on Debt	736,856	18	1,060,901	17	+1	44%	22
Natural Resources	420,295	22	646,438	11	+11	54%	9
Parks and Recreation	61,972	37	35,926	48	-11	-42%	46
Police Protection	102,421	48	132,283	48	0	29%	25
Public Welfare	5,514,657	18	6,524,417	36	-18	18%	47
Salaries and Wages	3,066,228	38	4,203,579	33	+5	37%	18
Direct Expenditures	13,595,800	32	17,926,796	36	-4	32%	35
General Expenditures	23,118,991	16	28,019,994	26	-10	21%	48
Total Expenditures	26,749,270	16	32,649,254	25	-9	22%	47

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	4,973,615	8	6,640,528	12	-4	34%	37
General Sales Tax ²	3,695,796	18	4,268,068	26	-8	15%	39
Corporate Income Tax ³	445,016	15	863,088	19	-4	94%	32
Total Taxes	11,813,831	11	15,088,662	18	-7	28%	46
Total Revenue	20,874,265	25	25,643,589	39	-14	23%	45

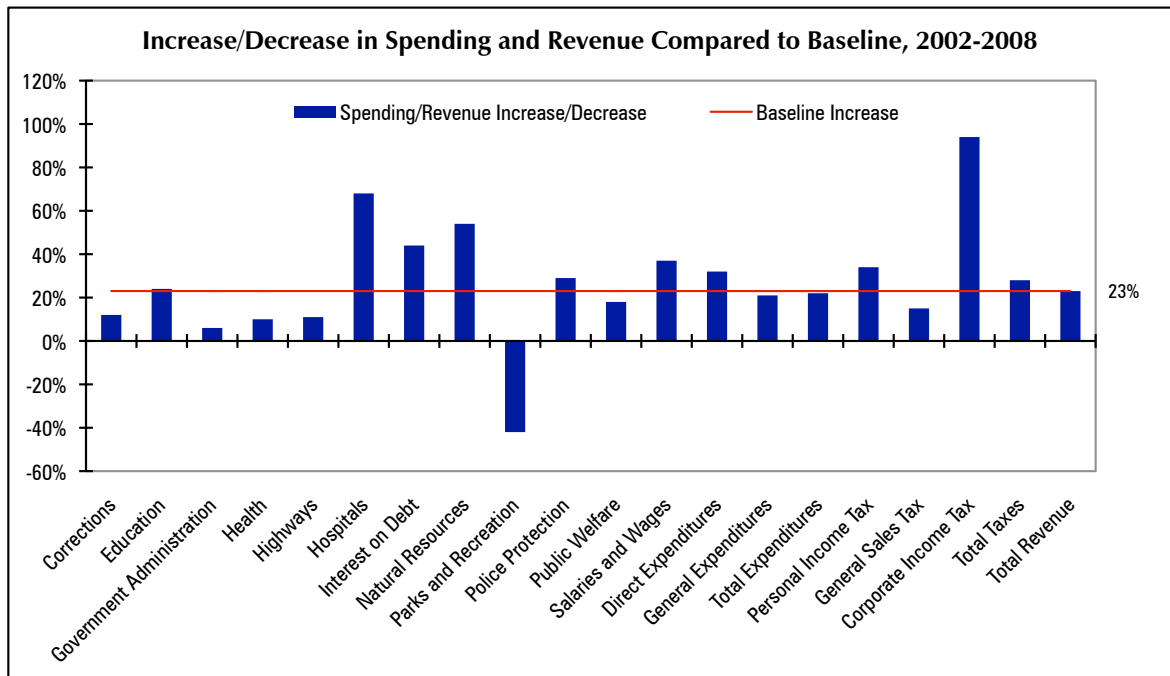
¹ Personal income tax per capita rankings are out of 43 since seven states do not collect personal income taxes.

² General sales tax per capita rankings are out of 45 since five states do not collect general sales taxes.

³ Corporate income tax per capita rankings are out of 46 since four states do not collect corporate income taxes.

Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Wisconsin’s population increased by 3%. This yields a “baseline” growth of 23% for the period. The figure below compares the difference in Wisconsin’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.



Wyoming

From 2002 to 2008, Wyoming's spending increased the most in the health (148%), administration (100%), corrections (98%) and natural resources (94%) categories. The increases in health, corrections and education (78%) spending were each the largest in the nation in terms of percentage, and the rise in administration and natural resources spending each ranked second-highest. Wyoming reduced spending in three categories, including debt service (-14%), police (-38%), and hospitals (-91%). These declines were the biggest in the country in their respective categories. The state's overall general spending increase of 75% was second-highest in the nation. Wyoming's per capita spending ranked in the top six states in eight of 12 categories, and last in hospitals.

Wyoming's total overall revenue growth of 134% ranked second for the period, and its total tax revenue growth of 98% ranked third. The 67% increase in general sales tax revenue was the second-highest in the nation. Per capita total overall revenue, total tax revenue, and general sales tax revenue each ranked in the top three in the country (second, third, and third, respectively). Wyoming did not have a personal income tax or a corporate income tax.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	83,268	10	164,617	3	+7	98%	1
Education	865,530	9	1,537,792	3	+6	78%	1
Government Administration	100,346	11	200,990	4	+7	100%	2
Health	113,368	12	281,247	1	+11	148%	1
Highways	356,733	2	521,164	2	0	46%	10
Hospitals	25,465	40	2,384	50	-10	-91%	50
Interest on Debt	72,324	15	61,973	35	-20	-14%	50
Natural Resources	159,625	2	310,037	1	+1	94%	2
Parks and Recreation	21,640	5	34,369	2	+3	59%	19
Police Protection	25,386	10	15,862	42	-32	-38%	50
Public Welfare	374,206	39	656,176	28	+11	75%	7
Salaries and Wages	439,434	8	633,251	6	+2	44%	12
Direct Expenditures	1,634,332	12	2,795,276	6	+6	71%	3
General Expenditures	2,608,940	5	4,564,285	2	+3	75%	2
Total Expenditures	2,948,182	4	5,081,586	2	+2	72%	2

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	0	N/A	0	N/A	N/A	N/A	N/A
General Sales Tax ²	445,479	4	744,371	3	+1	67%	2
Corporate Income Tax ³	0	N/A	0	N/A	N/A	N/A	N/A
Total Taxes	1,094,402	9	2,168,016	3	+6	98%	3
Total Revenue	2,769,606	3	6,481,408	2	+1	134%	2

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Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Wyoming’s population increased by 7%. This yields a “baseline” growth of 27% for the period. The figure below compares the difference in Wyoming’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.

