

Survey of 50 States Concerning State Budget Information - Dated 10-12-01

State	Budget Action
Alabama	Tax receipts fell slightly for the year leading up to the Sept. 11 attacks, but revenue officials say their impact on the trend toward recession won't be known until November at the earliest.
Alaska	The state's most recent budget forecast, delivered in May, projected a \$640 million shortfall, a number almost wholly tied to oil prices. Deputy Revenue Commissioner Larry Persily said the state is prepared to make any necessary withdrawals from the state's \$2.85 billion savings account.
Arizona	Anticipating a budget deficit climbing as high as \$1.6 billion over the next two years, Gov. Jane Hull (R) ordered four percent cuts before the Sept. 11 attacks. Now she says they won't be enough. Lawmakers will gather Nov. 13 to consider revisions.
Arkansas	At most, the Sept. 11 attacks aggravated an already slumping revenue flow, but a \$30 million dip in September receipts could prompt more than \$65 million in budget cuts later this year. Gov. Mike Huckabee (R) has indicated that the cuts may even deflate plans to raise teacher salaries by \$3,000.
California	With revenue estimates already running \$1.1 billion below projections, Gov. Gray Davis (D) is considering 10 percent spending cuts for all agencies. New legislative budget estimates delivered Monday (10/15) predict a shortfall \$9.5 billion beyond whatever costs the state incurs while buying electricity in the coming year.
Colorado	Once thought likelier than most to weather the economic downturn well, Colorado revenue forecasts show a \$352 million drop. A \$390 million package of construction and road-building cuts now awaits Republican Gov. Bill Owens' signature.
Connecticut	Fears of a shortfall - estimates jumped from \$91 million to \$300 million last week (10/10) have prompted \$88 million in cuts to date, with reductions to mental health and transportation most prominent. Gov. John Rowland (R), who sees a direct link between terrorist attacks and his state's problems, and lawmakers have discussed a probable special November budget session.
Delaware	Delaware revenue forecasters met shortly after Sept. 11 and revised their estimates down \$10 million for the current fiscal year based on pre-attack numbers. The board will hold a special meeting later this month to assess the impact of the attacks and Gov. Ruth Ann Minner (D) has already asked agency heads to flatline requests for the upcoming budget.
Florida	Gov. Jeb Bush (R) has ordered lawmakers to convene Oct. 22 for a special budget cutting session. House leaders have discussed a 7.5 percent comprehensive cut, but a popular \$1.7 billion package of tax breaks could be trimmed to the bone as a potential \$1.5 billion shortfall looms.
Georgia	With revenues down 6.3 percent for the fiscal quarter that ended Sept. 30, Gov. Roy Barnes (D) has charged state agency heads with determining where they could afford to comply with a 2.5 percent across-the-board spending cut.

Barnes also ordered a five percent reduction for next year.

Hawaii	With interest in tourism and warm beaches seriously dampened, Gov. Ben Cayetano (D) has proposed a \$1 billion economic stimulus plan drawing from the state's rainy day and hurricane relief funds as well as a new bond issue.
Idaho	Gov. Dirk Kempthorne (R) ordered a two percent freeze in August. Budget analysts have pitched that month's 2.1 percent growth estimate. Kempthorne says cuts don't yet appear necessary, but he hasn't taken them off the table.
Illinois	State officials hope a hiring freeze, coupled with curtailed spending on travel and new equipment, will save \$50 million as they ponder across-the-board cuts as high as two percent.
Indiana	Noting revenue estimates had fallen \$124 million short of the mark in the two months before the attacks, Gov. Frank O'Bannon (D) froze wages and capital projects. O'Bannon's efforts to axe \$21 million in Medicaid reimbursements this year, originally scheduled to take effect at the end of last month, are tied up in court. Layoffs are possible.
Iowa	Gov. Tom Vilsack (D) announced a 4.3% across the board reduction in lieu of the \$108 million of selective cuts he had announced earlier in the year. The total of his actions is \$200 million. Lawmakers expect a special session to discuss details within the month.
Kansas	The legislature will likely take up Republican Gov. Bill Graves' proposal for a tax hike to fill a \$100 million hole. Budget director Duane Goossen says the hole could be bigger than that and is likely to keep growing.
Kentucky	With revenue estimates off another \$170 million through 2003, officials expect Gov. Paul Patton to trim another \$200 million from his proposed budget before the legislature meets in January. The Patton administration has already drawn \$120 million from the rainy day fund and may not do so again without legislative approval.
Louisiana	The state collected \$352 million more than expected last year, allowing Gov. Mike Foster (R) to talk last month about paying down the state's debt and building Louisiana's rainy day fund.
Maine	Maine Gov. Angus King (I) has ordered a round of modest measures - reduced travel, heat and light conservation, and a hiring freeze - intended to save the state \$10 million as tax receipts fell nearly \$34 million short of projections.
Maryland	Top lawmakers have asked Gov. Parris Glendening to put the brakes on state spending now that generous revenue growth estimates delivered earlier this year have shrunk. Deficits in the state's Medicaid and mental health programs totaling \$187 million are eating up last year's unexpected revenues. Glendening aides say new security measures may force cuts in other programs.
Massachusetts	News of a \$293 million plunge in Massachusetts' first quarter revenues hit as lawmakers continue to craft the budget for the fiscal year that began July 1. Proposed revisions may shave off as much as \$400 million from the original \$22.9 billion target.

Michigan	State budget director Don Gilmer says his staff are shaping plans to deal with a "big hole" in the state budget by the end of the month. Working proposals would trim three percent from public education and five percent from general fund allocations to all other agencies.
Minnesota	Collections were down 3.4 percent from July through September. Finance officials warn Minnesota's \$650M multi-year reserve could be used up quickly, but say the revenue drop is not related to the Sept. 11 attacks.
Mississippi	Lawmakers are predicting severe cuts as the state tries to work its way out from underneath a \$124.6 Medicaid deficit and another \$21 million lost to problems in the corrections system.
Missouri	No cuts have come since Sept. 11, but Gov. Bob Holden (D) kicked off the year with a round of budget cuts that touched virtually every agency.
Montana	Montana's revenue estimates remain relatively healthy, but heavy reliance upon the state's emergency fund during this summers' forest fire means Gov. Judy Martz and state lawmakers have to watch the situation closely.
Nebraska	Revenues dropped in all but one of the months leading up to the Sept. 11 attacks, but Gov. Mike Johanns (R) said the tragedy cleared any doubt of the need for a special budget session, now scheduled to begin Oct. 25. Even September's report, showing \$20 million more in collections than expected failed to change his mind. Johanns estimates Legislature may have to cut as much as \$150 million to \$175 million (3%-5%) from Nebraska's \$5.5 billion budget.
Nevada	Immediately after the attacks, Gov. Kenny Guinn (R) announced a temporary hiring freeze, put new spending on programs and construction on hold and asked all employees to drop plans for unnecessary travel. Budget officials say they're unlikely to consider further action until up-to-date gambling receipts arrive in mid-November.
New Hampshire	Autumn tourism has shown signs of a strong rebound, but Gov. Jeanne Shaheen (D) has asked agencies to prepare spending plans reflecting a one percent cut in case it becomes necessary.
New Jersey	State treasury officials say they won't be able to assess the impact of the Sept. 11 attacks upon state finances until November, but revenue reports issued earlier this month showed collections for July and August \$32 million higher than expected.
New Mexico	Gov. Gary Johnson (R) reiterated his long-standing call for zero budget growth and an income tax cut despite pre-attack figures showing revenue likely to be down \$78 million for the year. He has asked agency heads to make personnel decisions more judiciously.
New York	Lawmakers approved billions of dollars in relief funding for New York City immediately after the Sept. 11 attacks, shutting the door on additions to the "baseline budget" passed in August. The extent of damage done to the state and the city is yet unclear, but estimates of lost state revenue range as high as \$9 billion over the next two years. Gov. George Pataki and Mayor Rudy Giuliani have asked Congress and the Bush administration for another \$54 billion in recovery aid.

North Carolina	Two weeks after the attacks, freshman Gov. Mike Easley (D) signed a \$14.5 billion budget replete with cuts to a variety of state programs, including early education, and a \$1 billion sales and income tax hike. Earlier this week (10/10), Easley asked agencies to cut their budgets by four percent.
North Dakota	State budget director Rod Backman says North Dakota's agriculture, tourism and resource-based economy is "somewhat insulated from the rest of the national economy." Nonetheless, the state has called for new revenue forecasts and Backman expects the picture to be clearer by December.
Ohio	Already struggling to reconcile tight finances with a perpetually controversial school funding problem, Gov. Bob Taft sounded the budget cut alarm even before the Sept. 11 attacks. With a \$600 million hole threatening to grow in the middle of the state's \$45 billion budget, most state agencies expect an executive order asking them to cut budgets by six percent in mid-October.
Oklahoma	The governor's office says nothing is likely to happen without legislative action and more time to assess the attacks' impact. The current special session may include consideration of a Thanksgiving sales tax holiday to encourage economic activity at the start of the Christmas shopping season.
Oregon	Warning that the state's \$300 million deficit may more than double before his successor begins work on the next budget, Gov. John Kitzhaber (D) asked all state agencies to withhold two percent - more than \$240 million - from general fund and lottery allocations.
Pennsylvania	In one of his last acts before leaving office to take over the newly created federal Office of Homeland Security, then-Gov. Tom Ridge (R) opted for a \$200 million spending freeze as a way of reducing the potential need for more drastic cuts later. His successor, Gov. Mark Schweiker (R), is now talking about tapping into the state's \$1.1 billion rainy day fund.
Rhode Island	Disputing the dire picture painted last week by legislative leaders who spoke of a recession aggravated by the terrorist attacks and a possible three-percent revenue drop, Gov. Lincoln Almond nonetheless asked his budget staff this week (10/15) for money-saving suggestions.
South Carolina	Lawmakers are working on a fresh round of budget cuts - at least 1.5 percent across-the-board - scheduled for later this month, a move that could mean additional layoffs of state employees. Belt-tightening during preparation of the current budget had already cut overall spending \$500 million from last year.
South Dakota	Officials say it is still too early to calculate attacks' impact, but hinted at the possibility of tapping state reserves.
Tennessee	Gov. Don Sundquist announced \$54 million in budget cuts one week after the Sept. 11 attacks. It was the second reduction in as many months from an already sore budget. Lawmakers are seeking ways to trim their own administrative expenses, with a deficit as large as \$300 million appearing to loom at

year's end. Tennessee's well of tobacco settlement cash has dried up and lawmakers are loathe enough to make further agency cuts that they may once again take up the volatile issue of a tax increase.

Texas	Comptroller Carole Keeton Rylander says budget cuts are unlikely as she adheres to predictions of conservative revenue growth through 2003.
Utah	Legislators have challenged Republican Gov. Mike Leavitt's plan to dip into the state's rainy day fund without their go-ahead. His solution to the state's \$177 million budget gap includes \$93 million in spending cuts. A Leavitt spokesperson said that although "there's no question that the tourism industry and consumer confidence has been impacted by the attacks" the new measures are more a response to a general slowdown that required cuts in FY2001 and earlier this year as well.
Vermont	A one percent spending reduction - about \$8 million - at the end of September is likely to be followed by another.
Virginia	While departing Gov. Jim Gilmore (R) worked to resuscitate travel at Washington, D.C.'s Reagan National Airport and provide support for idled workers and their families, Virginia's messy fiscal picture worsened. Operating without a legislatively approved budget for the first time in state history, Virginia's \$52 million deficit may grow to \$500 million by the end of the year, a trend virtually assured to kill Gilmore's pet phaseout of the annual tax on car ownership.
Washington	With \$200 million in capital projects on hold, Gov. Gary Locke is searching for ways to plug a \$1 billion hole in Washington's \$22.8 billion budget without touching funds for public schools and colleges.
West Virginia	At the end of September, Gov. Bob Wise cited the state's modest surplus as a reason to maintain budgeted spending and watch trends vigilantly. Reports of rebounding autumn tourism offer fresh reassurance to state officials.
Wisconsin	The Sept. 11 attacks came less than two weeks after Gov. Scott McCallum (R) completed work to his satisfaction on a budget that cut most state agencies' spending by five percent. By Sept. 21, McCallum was warning of the possibility of further cuts.
Wyoming	Reports of collections exceeding estimates by \$63 million have prevented talk of budget adjustments in the wake of the terrorist attacks.