

FISCAL FACT

Where Do State and Local Governments Concentrate Their Spending?

By Gerald Prante

Newly released Census data highlight the different spending priorities of state and local governments. By presenting the data here as percentages of total spending, we reveal government priorities whether their combined state and local budgets are comparatively large or small.

Spending is shown for nine specific functional categories and a miscellaneous catch-all: K-12 Education, Higher Education, Public Welfare, Hospitals and Health, Transportation, Public Safety, Environment and Housing, Government Administration, Interest on Debt, and Other.

Tables 1-9 below are “top ten” tables, showing the 10 states that devote the largest share of their total spending to each of these categories. The percentages for all 50 states and the District of Columbia are presented in Table 10. The tables are compiled using the most recent state and local finance data from the Census Bureau for fiscal year 2007 (July 1, 2006 through June 30, 2007 in most states).

Combined state-local data is best for interstate comparison because what some states accomplish with local spending is accomplished in other states with state-level programs.

Table 1
Which Ten States Concentrate Their Spending on K-12 Education?

State	Percentage of Total Spending
New Jersey	31.8%
New Hampshire	28.6%
Texas	28.0%
Connecticut	27.7%
Michigan	27.2%
Virginia	26.9%
Georgia	26.8%
Arkansas	26.0%
Vermont	25.2%
Maryland	25.2%
US average	23.9%

Source: Tax Foundation calculations based on data from Census Bureau’s government finance data for state and local governments during fiscal year 2007.

Table 2
Which Ten States Concentrate Their Spending on Higher Education?

State	Percentage of Total Spending
Utah	15.5%
North Dakota	15.4%
North Carolina	14.2%
Vermont	13.7%
Iowa	13.2%
Alabama	13.2%
Kansas	13.0%
Oklahoma	12.6%
Arkansas	12.3%
New Mexico	12.2%
US average	9.1%

Source: Tax Foundation calculations based on data from Census Bureau's government finance data for state and local governments during fiscal year 2007.

Table 3
Which Ten States Concentrate Their Spending on Public Welfare?

State	Percentage of Total Spending
Maine	24.3%
Rhode Island	23.7%
Minnesota	22.8%
Vermont	22.7%
Pennsylvania	21.7%
Massachusetts	21.7%
New York	21.6%
Arkansas	21.4%
Kentucky	21.2%
Tennessee	20.8%
US average	16.8%

Note: Medicaid spending split between Public Welfare and Health & Hospitals.

Source: Tax Foundation calculations based on data from Census Bureau's government finance data for state and local governments during fiscal year 2007.

Table 4
Which Ten States Concentrate Their Spending on Health and Hospitals?

State	Percentage of Total Spending
South Carolina	15.9%
Wyoming	15.2%
Alabama	14.7%
Mississippi	13.6%
North Carolina	12.9%
Tennessee	12.2%
Iowa	12.1%
Washington	11.6%
Georgia	10.6%
Missouri	10.5%
US average	8.4%

Note: Medicaid spending split between Public Welfare and Health & Hospitals.

Source: Tax Foundation calculations based on data from Census Bureau's government finance data for state and local governments during fiscal year 2007.

Table 5
Which Ten States Concentrate Their Spending on Transportation?

State	Percentage of Total Spending
South Dakota	15.8%
Alaska	15.6%
North Dakota	14.2%
Montana	12.2%
Nevada	12.2%
Georgia	11.5%
Wyoming	10.8%
Idaho	9.7%
Kentucky	9.6%
Washington	9.5%
US average	7.6%

Source: Tax Foundation calculations based on data from Census Bureau's government finance data for state and local governments during fiscal year 2007.

Table 6
Which Ten States Concentrate Their Spending on Public Safety?

State	Percentage of Total Spending
Nevada	13.6%
Arizona	12.2%
California	12.0%
Florida	11.2%
Maryland	10.5%
Oregon	10.4%
Colorado	10.0%
Rhode Island	9.8%
Virginia	9.7%
Illinois	9.0%
US average	9.1%

Source: Tax Foundation calculations based on data from Census Bureau's government finance data for state and local governments during fiscal year 2007.

Table 7
Which Ten States Concentrate Their Spending on Environment/Housing?

State	Percentage of Total Spending
Louisiana	15.1%
Florida	11.1%
Washington	9.7%
Hawaii	9.6%
South Dakota	9.3%
California	9.3%
Oregon	9.1%
Arizona	9.1%
Colorado	9.0%
Maryland	8.9%
US average	7.7%

Source: Tax Foundation calculations based on data from Census Bureau's government finance data for state and local governments during fiscal year 2007.

Table 8
Which Ten States Concentrate Their Spending on Government Administration?

State	Percentage of Total Spending
Delaware	8.6%
Nevada	7.8%
Utah	7.8%
Montana	7.4%
Alaska	7.1%
West Virginia	7.0%
Rhode Island	6.9%
Colorado	6.9%
California	6.7%
Oregon	6.6%
US average	5.3%

Source: Tax Foundation calculations based on data from Census Bureau's government finance data for state and local governments during fiscal year 2007.

Table 9
Which Ten States Concentrate Their Spending on Interest on Their Debt?

State	Percentage of Total Spending
Massachusetts	7.4%
Hawaii	5.6%
New Hampshire	5.5%
Rhode Island	5.3%
Illinois	5.3%
Texas	5.1%
Connecticut	5.1%
Colorado	5.1%
Kentucky	4.9%
Pennsylvania	4.9%
US average	4.1%

Source: Tax Foundation calculations based on data from Census Bureau's government finance data for state and local governments during fiscal year 2007.

Table 10
State-Local Spending by Category, by State
Percentage of Total Spending in Fiscal Year 2007

State	K-12 Educ.	Higher Educ.	Public Welfare	Hospitals & Health	Transp.	Public Safety	Envir./ Housing	Govt. Admin.	Debt Interest	Other
U.S.	23.9%	9.1%	16.8%	8.4%	7.6%	9.1%	7.7%	5.3%	4.1%	7.9%
Ala.	23.4%	13.2%	15.4%	14.7%	7.6%	7.7%	5.1%	4.4%	3.1%	5.3%
Alaska	18.5%	6.1%	13.8%	3.6%	15.6%	6.2%	7.9%	7.1%	4.3%	17.0%
Ariz.	21.7%	10.0%	16.7%	6.9%	8.4%	12.2%	9.1%	6.1%	3.5%	5.4%
Ark.	26.0%	12.3%	21.4%	6.9%	7.4%	7.2%	5.6%	5.2%	2.7%	5.2%
Calif.	21.8%	8.6%	14.6%	9.3%	5.8%	12.0%	9.3%	6.7%	4.1%	7.8%
Colo.	22.9%	10.6%	11.2%	8.4%	8.5%	10.0%	9.0%	6.9%	5.1%	7.5%
Conn.	27.7%	7.3%	16.2%	6.7%	4.5%	7.5%	6.2%	5.8%	5.1%	13.0%
Del.	21.7%	11.2%	17.0%	5.5%	7.0%	8.9%	8.2%	8.6%	4.1%	7.8%
Fla.	22.6%	6.3%	14.0%	8.2%	9.3%	11.2%	11.1%	6.1%	3.5%	7.7%
Ga.	26.8%	7.6%	14.6%	10.6%	11.5%	8.7%	7.1%	5.0%	2.1%	6.0%
Hawaii	20.0%	9.5%	13.9%	9.8%	7.6%	6.3%	9.6%	6.1%	5.6%	11.5%
Idaho	21.6%	10.5%	16.9%	10.0%	9.7%	8.9%	8.1%	6.3%	2.4%	5.7%
Ill.	23.9%	8.5%	15.8%	5.6%	9.1%	9.0%	7.9%	5.0%	5.3%	10.0%
Ind.	24.0%	11.0%	16.8%	8.8%	6.8%	6.7%	6.2%	4.6%	4.1%	10.9%
Iowa	23.0%	13.2%	16.6%	12.1%	9.3%	6.1%	5.4%	4.2%	3.0%	7.1%
Kans.	24.2%	13.0%	16.0%	6.9%	9.3%	7.4%	5.3%	5.0%	4.4%	8.6%
Ky.	22.1%	11.2%	21.2%	7.7%	9.6%	6.7%	5.3%	4.6%	4.9%	6.7%
La.	19.2%	7.9%	14.0%	10.1%	7.7%	8.4%	15.1%	5.2%	4.1%	8.2%
Maine	22.0%	7.6%	24.3%	6.1%	8.0%	6.2%	7.3%	5.1%	3.5%	9.9%
Md.	25.2%	10.2%	16.4%	4.8%	7.7%	10.5%	8.9%	5.5%	3.6%	7.2%
Mass.	22.5%	6.9%	21.7%	4.4%	5.3%	8.1%	7.2%	4.7%	7.4%	11.7%
Mich.	27.2%	12.1%	15.6%	9.0%	6.3%	8.5%	6.5%	4.5%	4.2%	5.9%
Minn.	22.8%	9.0%	22.8%	6.4%	8.9%	6.9%	7.7%	4.9%	3.9%	6.6%
Miss.	18.6%	10.5%	18.2%	13.6%	9.1%	5.9%	4.6%	3.7%	2.1%	13.8%
Mo.	24.6%	9.1%	15.7%	10.5%	9.0%	8.0%	6.5%	4.6%	4.8%	7.2%

(Table 10 continued)

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State-Local Spending by Category, by State
Percentage of Total Spending in Fiscal Year 2007

State	K-12 Educ.	Higher Educ.	Public Welfare	Hospitals & Health	Transp.	Public Safety	Envir./ Housing	Govt. Admin.	Debt Interest	Other
U.S.	23.9%	9.1%	16.8%	8.4%	7.6%	9.1%	7.7%	5.3%	4.1%	7.9%
Mont.	21.8%	11.5%	12.8%	6.5%	12.2%	8.0%	8.4%	7.4%	3.6%	7.8%
Nebr.	24.6%	12.1%	16.5%	9.7%	9.0%	7.6%	6.6%	4.2%	2.2%	7.5%
Nev.	24.1%	8.1%	10.8%	7.3%	12.2%	13.6%	8.1%	7.8%	4.2%	3.8%
N.H.	28.6%	9.1%	17.5%	2.2%	8.8%	8.2%	6.6%	5.5%	5.5%	7.8%
N.J.	31.8%	6.4%	15.8%	4.8%	4.9%	8.7%	6.5%	4.6%	4.5%	11.9%
N.M.	20.2%	12.2%	20.0%	7.8%	8.8%	8.6%	6.2%	5.8%	3.1%	7.2%
N.Y.	23.6%	5.4%	21.6%	8.4%	5.8%	8.4%	6.9%	4.7%	4.7%	10.5%
N.C.	21.4%	14.2%	16.3%	12.9%	6.7%	8.2%	7.6%	3.9%	2.6%	6.1%
N.D.	21.0%	15.4%	15.7%	2.2%	14.2%	5.5%	7.8%	5.1%	4.4%	8.8%
Ohio	24.5%	8.9%	20.2%	8.3%	6.2%	7.7%	7.6%	5.9%	4.0%	6.8%
Okla.	24.1%	12.6%	19.4%	7.4%	8.8%	8.4%	5.7%	5.3%	2.9%	5.4%
Ore.	20.7%	11.4%	14.4%	8.3%	8.7%	10.4%	9.1%	6.6%	4.3%	6.0%
Pa.	24.6%	7.3%	21.7%	6.4%	8.3%	7.3%	6.5%	5.4%	4.9%	7.7%
R.I.	24.3%	6.6%	23.7%	2.8%	6.0%	9.8%	6.0%	6.9%	5.3%	8.6%
S.C.	24.3%	9.6%	17.2%	15.9%	5.3%	6.8%	5.4%	5.8%	3.8%	5.9%
S.D.	21.7%	9.5%	15.5%	4.6%	15.8%	7.1%	9.3%	5.8%	3.5%	7.2%
Tenn.	21.5%	8.5%	20.8%	12.2%	7.3%	8.6%	6.5%	4.8%	2.8%	7.0%
Tex.	28.0%	11.2%	13.7%	8.8%	9.3%	8.6%	5.8%	3.8%	5.1%	5.7%
Utah	21.2%	15.5%	13.0%	7.7%	8.1%	8.3%	8.5%	7.8%	3.0%	7.0%
Vt.	25.2%	13.7%	22.7%	3.2%	9.0%	6.0%	6.0%	4.6%	3.7%	6.0%
Va.	26.9%	11.3%	14.2%	8.0%	8.6%	9.7%	6.9%	5.4%	3.3%	5.5%
Wash.	20.7%	10.3%	14.1%	11.6%	9.5%	9.0%	9.7%	4.4%	4.1%	6.6%
W.Va.	23.2%	11.7%	20.1%	5.3%	9.4%	6.0%	6.3%	7.0%	2.8%	8.2%
Wis.	23.8%	12.0%	18.2%	6.7%	8.6%	8.9%	7.1%	4.3%	4.4%	6.1%
Wyo.	23.1%	9.0%	10.3%	15.2%	10.8%	7.5%	8.2%	6.5%	1.8%	7.6%
D.C.	16.8%	1.5%	25.5%	6.3%	1.2%	11.7%	16.0%	6.2%	4.4%	10.4%

Source: Tax Foundation calculations based on data from Census Bureau's government finance data for state and local governments during fiscal year 2007.