Making a Judgment of Accountability:
An Analysis of Budgets & Structural Balance Utilizing State CAFR's

by

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ABSTRACT

Budgeting is a key financial management tool utilized by governments. It provides a prospective view of revenues and expenditures for a particular time period. An adopted budget allows the governmental entity, the public and other stakeholders to gauge whether these resources were received and spent as predicted. Thus, budgets are a tool for demonstrating accountability in order to compare to actuality, and in order to comply with balanced budget requirement policies, as applicable.

Accountability offers greater transparency and openness in government affairs. One of the most utilized forms of accountability for all states is that of financial reporting through the Comprehensive Annual Financial Report (CAFR). The CAFR is guided by the Governmental Accounting Standards Board (GASB), which provides the recommended standard for state and local government financial reporting. Financial reporting facilitates accountability by allowing for a retrospective examination of revenues and expenditures. In terms of assessing accountability, GASB has recommended two types of analysis: 1) whether current year revenues were sufficient to cover current year expenditures (structural balance), and 2) whether legally adopted budget projections were achieved. To undertake this analysis, accountability has two parts: 1) the need for information, and 2) the assessment of information to make a judgment. With the implementation of GASB Statement No. 34, state and local governments were required to include their “original” adopted budget in their financial

report, which was significant to meeting the first part of accountability – the need for information.

This study addressed the second part of accountability by making an introspective judgment of accountability as it relates to budgeting and structural balance for the 50 states. By analyzing four components of accountability: *probity and legality*, *process*, *performance*, and *policy*, this research examined whether states met revenue and expenditure projections, whether states budgeted structural balance, and whether states effectuated structural balance. These results were applied to an accountability achievement scale. Overall, this project demonstrated that even though processes are in place to enhance information to assess accountability, those processes have not resulted in providing all of the information necessary to make an adequate judgment of accountability.

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CHAPTER 1

INTRODUCTION

Budgeting is a key financial management tool utilized by governments. It allows entities to project revenues and expenditures for a particular time period. This projection not only forecasts resources, but also ensures what will be spent is affordable. An adopted budget allows the governmental entity, the public and other stakeholders to gauge whether these resources were received and spent as predicted, either on a functional level – how funds are spent, or on an overall balancing level – affording funds that are spent. Thus, a budget is a tool for demonstrating accountability. However, budgets alone do not equal accountability. In other words, tools alone do not equate to or achieve accountability. These tools must be used to make an examination and give an account. The budget as a tool becomes one means to achieving the goal of assessing accountability.

Budgeting aspects differ for different levels of government. Whereas the federal government does not have to adopt a balanced budget,[1] most state and local governments have some type of requirement that a balanced budget must be adopted. This requirement for state and local governments makes it more imperative that budget

[1] Attempts have been made to require this for the federal government due to rising federal deficit levels and the national debt as a whole. The Gramm-Rudman-Hollings Balanced Budget and Emergency Deficit Control Act of 1985 and the Budget and Emergency Deficit Control Reaffirmation Act of 1987 were two such efforts.

projections demonstrate accountability – in that they are achieved. A required balanced budget indicates that the public expects to hold these governments accountable for what they have done.

Accountability and the Financial Reporting Environment

Accountability can take on many forms and many meanings. In general, accountability has an overall positive connotation for government in a democratic society. It offers greater transparency and openness in government affairs, whether it is administrative, political, or financial. Because accountability can have many different meanings, it is important to focus the definition for this research. Dubnick refers to the 'core' idea of accountability as those actions that 'give account.'[2] Thus, accountability gives an account for actions that have already occurred.

Dubnick further states that account-giving can be given in various ways, including various *reporting* mechanisms. "Perhaps the most developed (and still widely accepted) form of reporting-as-account-giving is financial reporting and the range of accounting mechanisms that have become institutionalized through legal requirements and professional standards." One major example of financial reporting is the Comprehensive Annual Financial Report (CAFR) issued by all states and some local governments. The CAFR was first promulgated by the National Council for Government Accounting (NCGA) as the recommended standard for state and local government financial reporting. The successor organization to the NCGA, the Governmental Accounting Standards Board

[2] Melvin Dubnick, "Accountability and the Promise of Performance: In Search of Mechanisms," *Public Performance & Management Review* 28, no. 3 (March 2005): 376-417.

(GASB), continues to emphasize the underlying role of accountability in financial reporting through the CAFR.

Today, the GASB is the standard setting body for state and local governments' financial reporting. In its Concepts Statement No. 1, *Objectives of Financial Reporting*, the GASB states that "accountability is the cornerstone of all financial reporting in government." The board elaborated:

> Governmental accountability is based on the belief that the citizenry has a "right to know," a right to receive openly declared facts that may lead to public debate by the citizens and their elected representatives. Financial reporting plays a major role in fulfilling government's duty to be publicly accountable in a democratic society.[3]

According to Mead, Concepts Statement No. 1 "is a well-stated and concise yet thorough description of the nature of the citizen-government accountability relationship."[4] Figure 1 presents two aspects of how financial reporting should provide and demonstrate accountability. To enable readers who want to assess government's accountability, financial reporting should supply at least two types of information:

Figure 1 Partial Excerpt from GASB Concepts Statement No. 1

77. FINANCIAL REPORTING SHOULD ASSIST IN FULFULLING GOVERNMENT'S DUTY TO BE PUBLICLY ACCOUNTABLE AND SHOULD ENABLE USERS TO ASSESS THAT ACCOUNTABILITY.

A. FINANCIAL REPORTING SHOULD PROVIDE INFORMATION TO DETERMINE <u>WHETHER CURRENT-YEAR REVENUES WERE SUFFICIENT TO PAY FOR CURRENT-YEAR SERVICES</u>.

B. FINANCIAL REPORTING SHOULD DEMONSTRATE <u>WHETHER RESOURCES WERE OBTAINED AND USED IN ACCORDANCE WITH THE ENTITY'S LEGALLY ADOPTED BUDGET.</u>

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[3] Governmental Accounting Standards Board (GASB). *Objectives of Financial Reporting. Concepts Statement No. 1*. Stamford, Conn.: GASB, 1987.

[4] Dean Michael Mead, "The Role of GASB 34 in the Citizen-Government Accountability Relationship," *State and Local Government Review* 34, no. 1 (Winter 2002): 51-63.

1. Whether current year revenues were sufficient to cover current year expenditures (inter-period equity), and

2. Whether inflow and outflow resources (including revenues and expenditures) that were projected within a legally adopted budget were achieved.

The purpose of this study is to make an assessment of accountability related to these goals of financial reporting using the required budgetary information included in state government CAFR's.

GASB Statement No. 34

In June 1999, the GASB adopted Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.[5] This statement dramatically changed the requirements for financial reporting as it relates to state and local governments. In the introduction, Statement No. 34 outlines the overall objectives of the new reporting model:

1. The objective of this Statement is to enhance the understandability and usefulness of the general purpose financial reports of state and local governments to the citizenry, legislative and oversight bodies, and investors and creditors.

2. <u>Accountability is the paramount objective of governmental financial reporting</u>.[6]

Among other things, Statement No. 34 changed the budgetary reporting requirements. Pre-GASB Statement No. 34 budgetary standards required governments to report the "final" budget on a comparative basis with actual revenues and expenditures. This report format provided some information regarding budgetary accountability, but

[5] Governmental Accounting Standards Board (GASB). *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, *Statement No. 34*. Norwalk, Conn.: GASB, 1999.

[6] GASB (1999). Underline/emphasis by author.

also omitted other relevant information to assess budgetary accountability. In reality, the "final" budget was the "final amended" budget, which could closely align with actual revenues and expenditures after all amendments were approved. Even though most budget amendments can be justified, the amended budget can typically equal or approximate the actual fiscal year end results. If only the "final amended" budget is reported, the reader is missing some key information, such as determining how well actual results met "original" projections.

The budgetary reporting requirements of Statement No. 34 mandated governments to report the "original" budget in addition to the "final amended" budget for the respective reporting entities. The reader/user of the financial statements can have the heightened ability to follow the budget from the beginning to the end of the applicable fiscal year.[7] Again, the concern was that many governments may amend the budget at the end of the fiscal year, leaving the reader with no measure of accountability other than the government stayed within the "final amended" budget. As a result, GASB Statement No. 34's financial reporting requirement for governments to include the "original" and "final amended" budgets in the CAFR is another tool to demonstrate accountability. Some may argue that the public does not read financial statements, so accountability does not apply, but "democratic government is still obligated to report its financial affairs to the citizenry."[8]

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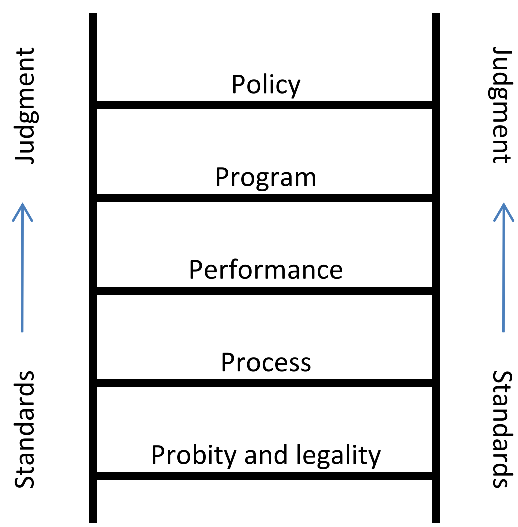
[7] Mead (2002).
[8] James L. Chan, "The Implications of GASB Statement No. 34 for Public Budgeting," *Public Budgeting & Finance*, 21, no. 3 (Fall 2001): 79-87.

Levels of Accountability

The primary objective for the issuance of GASB Statement No. 34 was to increase government's accountability to its citizenry and other constituents. Stewart summarized accountability in two parts: 1) the need for information to assess accountability and 2) assessing the information to make a judgment of accountability. As it relates to financial reporting, GASB Statement No. 34 addressed the former part of accountability by requiring the "original" adopted budget in the CAFR. This study addresses the second part of accountability.

Stewart further defined five levels of accountability, or a "ladder of accountability." Those levels, from lowest to highest, are *probity and legality*, *process*, *performance*, *program*, and *policy* as shown in Figure 2.[9]

Figure 2 Ladder of Accountability



These rungs can be applied to accountability via the financial reporting environment.

[9] J. D. Stewart, "The Role of Information in Public Accountability," in Anthony Hopwood and Cyril R. Tomkins, eds., *Issues in Public Sector Accounting*, Oxford, Eng.: Philip Allan, 1984: 13-34.

The first three levels of Stewart's ladder represent the two criteria of how financial reporting should provide and demonstrate accountability, according to GASB's Concepts Statement No. 1, which was previously discussed. To reiterate, these two criteria were: 1) projected resources were achieved, and 2) current year revenues were sufficient to cover current year expenditures, referred to as inter-period equity or structural balance. This paper will utilize these two terms interchangeably. From Stewart's ladder, the lowest level of accountability, *probity and legality*, assures that funds have been used properly and in accordance with the budget authorization in that projected resources were achieved. The second level, *process*, assures that adequate balancing procedures are used in the budget authorization, by determining if structural balance was budgeted. The third level, *performance*, measures accountability by whether adequate balancing results are realized, by determining if structural balance was achieved. The second and third levels determine whether states incorporate a structural balance philosophy in their budget and actual results. The fifth level of accountability on Stewart's ladder, *policy,* examines accountability as it relates to specific policies. For this research project, the policies to be analyzed are the balanced budget requirements adopted by states. Separately, this project will not examine the fourth level of accountability, *program*, which focuses on the establishment and achievement of goals. This particular level of accountability would be more oriented toward the <u>functional</u> perspective of budgetary theory. Thus, this study will evaluate the <u>balancing</u> perspective of budgetary theory by using both facets of accountability: the gathering of information for an assessment, as well as actually assessing the information to make a judgment of accountability.

Functional vs. Balancing Perspective of Budgeting

While the 50 states in themselves offer a natural research population, the fact that most all of them work within the guise of some balanced budget environment adds another dimension to an analysis of budget to actual financial statements within state CAFR's. Balanced budget requirements are part of state institutional environments, or comprise exogenous/external factors that affect the budget process. These institutional, external factors mold the budget process with an added impact other than that of the internal budget actors that Wildavsky first stressed as part of his incrementalist view of budgeting.[10] Although exogenous variables have been found to have some influence on the budget process, "institutional budget actors play the unquestioned predominant role in explaining state agency budget outcomes."[11] However, this role was predominant in explaining the functional results of budgets (specific agency outcomes), not the balancing results of budgets, which is another facet of budgetary research that must be examined. In other words, certain departments may get more resources depending on the governor and legislative preferences, but the overall level of funding is determined by the balancing act required of the budget process. When discussing incrementalism, Lance LeLoup voiced a similar viewpoint as follows:

> "The annual budget consists of a revenue as well as an expenditure side. Of critical importance to appropriation decisions are revenue estimates, taxation decisions, and decisions on approximate size of the deficit (or surplus) and most recently, expenditure ceilings. Based on these decisions, there is a certain maximum amount of change that can occur in a given year."[12]

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[10] Aaron Wildavsky, *The Politics of the Budgetary Process*, Boston, MA: Little, Brown, 1964.
[11] Jay Eungha Ryu, Cynthia J. Bowling, Chung-Lae Cho, and Deil S. Wright, "Exploring Explanations of State Agency Budgets: Institutional Budget Actors or Exogenous Environment? *Public Budgeting & Finance* 28, no. 3 (Fall 2008): 23-47 (44).
[12] Lance T. LeLoup, "The Myth of Incrementalism: Analytical Choices in Budgetary Theory", *Polity* 10, no. 4 (Summer 1978): 488-509 (499).

Although the functional budgetary decision making does have a place in budget theory, there are other facets of budgetary decision making that play a role on who gets what and why. Built in limits include a balancing constraint resulting from a balanced budget environment that must recognize revenue limitations.

The Micawber Principle

The balancing perspective within the budgetary environment for states emphasizes the relationship between revenues and expenditures. Wildavsky argued that it is not the level of difference that matters but the relationship between revenue and expenditures.[13] This is referred to as the Micawber principle.

The Micawber principle is derived from David Copperfield's character Wilkins Micawber. Basically it proposes that:

$$\text{Expenditures} < \text{Revenues} = \text{Financial Success}$$

Specifically, Micawber's quote was:

> "Annual income twenty pounds, annual expenditure nineteen nineteen six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery."[14]

The former, expenditures less than revenues results in "happiness", while the latter, expenditures more than revenues results in "misery." Micawber's character had been in debtor's prison and this concept was instituted to avoid debtor's prison in the future. Likewise, Wildavsky has applied the relationship of revenues and expenditures to

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[13] Aaron Wildavsky, *Budgeting and Governing*, New Brunswick, New Jersey: Transaction Publishers, 2001: (254).
[14] Charles Dickens, *David Copperfield*, London; New York: Penguin Books, 1996.

governments by stating that "the number of ways in which governments can manage spending in relation to their management of resources is quite limited," with the following possibilities:

1) Governments can manage neither their revenues nor their expenditures (NN);
2) Governments cannot manage their revenues but can their expenditures (NY);
3) Governments can manage their revenues but not their expenditures (YN);
4) Governments can manage both their revenues and expenditures (YY).[15]

By combining Wildavsky's "management" concept and the Micawber Principle with the analysis of the budget to actual statements, the relationship of revenues to expenditures exhibited by the states can be identified. This analysis will be conducted on both the "original" budget to actual data and the "final amended" budget to actual data to determine whether there are different results in the relationship between budgeted revenues and expenditures for the "original" budget as compared to the "final amended" budget.

Research Questions

This research will examine the relationship of GASB Statement 34's budgetary reporting requirements for state governments, which include both the "original" budget and "final amended" budget numbers, within the balanced budget environment that the states operate. The GASB emphasized the importance of the legally adopted annual budget with the following description describing what the budget is:

[15] Wildavsky (2001): 254.

a. an expression of public policy, whereby the citizens participate either directly or indirectly, through representatives or advocacy groups;

b. an expression of financial intent, that includes proposed expenditures and how they will be financed;

c. a form of control that provides both authorizations and limitations on amounts they may be spent; and

d. a basis for evaluating performance in determining whether resources were obtained and expended as anticipated.[16]

GASB's requirement of adding the "original" budget column in financial statements gives a more complete view of the budgeting process from beginning to end. Now that states are required to report a broader perspective of budgetary information, this study will evaluate the financial performance of the states compared to the legally adopted budget, which expresses financial intent and financial control in relation to public policy.

In accordance with GASB's two primary purposes of financial reporting (achievement of budget projections and structural balance), this study will address four questions:

1. In analyzing the 50 states, were the *revenue and expenditures that were projected* within the legally adopted budget, on both the "original" and "final" projections, *achieved* (*probity and legality* level of accountability)?

2. In analyzing the 50 states, was *structural balance budgeted* on both the "original" and "final" projections (*process* level of accountability)?

3. In analyzing the 50 states, was *structural balance achieved* with their final year end results, whether budgeted or not (*performance* level of accountability)?

4. In analyzing the 50 states, using an accountability achievement scale from the previous three research question results, do particular *balanced budget requirements result in more budgetary and structural balance accountability* than those without the requirements (*policy* level of accountability)?

[16] GASB (1999).

The first question determines whether budgeted revenues and expenditures were achieved. This analysis will report whether there are differences between the "original" budget and the "final amended" budget, as well as a comparison of each to the actual operating results. If there are differences, are they related to revenues and/or expenditures? This determination will utilize the Micawber Principle, managing the relationship of revenues to expenditure, as a guide. Whatever the results, GASB 34 has succeeded in providing additional information that is needed to make this assessment of budgetary accountability by requiring the additional "original" budget information in financial reporting. By using the Micawber Principle as a basic tool of analyzing the budget to actual results, it will provide an understandable summary of how states are managing their revenues and expenditures across years compared to their legally adopted budgets.

The second and third questions answer whether states budget and/or achieve structural balance, also referred to as inter-period equity. In other words, were current year revenues sufficient to cover current year expenditures? In its first statement of concepts, the GASB "believes the intent of balanced budget laws is that the current generation of citizens should not be able to shift the burden of paying for current-year services to future-year taxpayers."[17] To avoid this situation of impacting future-year taxpayers, structural balance must be met. Specifically, the second question answers whether states projected a budget that was structurally balanced. The third question will determine whether the actual results were structurally balanced, regardless of whether or not the structural balance was projected in the budget.

[17] GASB (1987): Paragraph 60.

The fourth question to be addressed will identify which Hou and Smith balanced budgetary framework components demonstrated more accountability achievement for states. Hou and Smith have categorized the 50 states according to how their balanced budget requirements fall within their framework of 9 rules.[18] The Hou and Smith framework summarized in Appendix A identifies the number of states that have adopted or have not adopted each "rule", either through their constitution or some other statutory law. For example, one study has found that although the legal imposition of balanced budget requirements found no significance in determining agency outcomes, "specific provisions prohibiting carryover deficits do appear to be effective fiscal constraints."[19] This provision is covered in the 9th rule of the balanced budget requirement framework. The results from applying the Micawber principle to an accountability achievement scale, by using the data from GASB 34 reporting requirements, will be integrated with the Hou & Smith framework to determine its impact as a fiscal constraint with and without legally imposed balanced budget requirements. Thus, the goal is to use the information that is now available due to GASB 34 requirements and make a judgment of accountability.

Theoretical Focus of the Study

This study is important in terms of the significance of state budgets in that they directly impact citizens in terms of taxes, as well as services. By requiring the "original" budget to be presented in the CAFR's, supplemental appropriations that may occur throughout the fiscal year can be identified, even if only on a summary level. Public

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[18] Yilin Hou and Daniel L. Smith, "A Framework for Understanding State Balanced Budget Requirement Systems: Reexamining Distinctive Features and an Operational Definition," *Public Budgeting & Finance* 6, no. 3 (Fall 2006): 34-35.
[19] Ryu, Bowling, Cho, and Wright (2008): 23-47 (42).

input, if it exists at all, generally is greater with the "original" adopted budget and less with amendments throughout the year. Irene Rubin sums it up as follows:

> "The financial community frowns on major changes between the annual budget and final expenditures because of the implication of poor management and lack of control over spending. But current accounting practice allows these differences during the year to be obscured because auditors compare revised budgets with actuals, not original budget estimate with actuals. Including a comparison of the original budget with the actual revenues and expenditures in the comprehensive annual financial report would put some pressure on cities to keep the amount of midyear changes down."[20]

This statement was made before GASB Statement No. 34 was implemented. It acknowledged the potential for amendments to occur without either public input into amendments of the budget, or knowledge of the amended budget process itself. The additional "original" budget reporting requirement will provide the data necessary to identify these changes, if applicable. Thus, the incompleteness of budgetary data in the financial statements was recognized by professionals before GASB adopted Statement No. 34, and addressed by GASB through Statement No. 34.

The theoretical focus of the study is premised on the doctrines of accountability and structural balance. States adopt a budget as their financial plan for a particular time period, usually a fiscal year (annual), sometimes two fiscal years (biennium). States should be able to provide an account for how these projections compare to actual events, especially due to the balanced budget environment within which they operate. The legally adopted budget offers a "prospective" look at their financial future for a given time period. This environment suggests that budgetary projections should ensure that the financial health of the state is maintained.

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[20] Irene S. Rubin, *The Politics of Public Budgeting: Getting and Spending, Borrowing and Balancing*," 3rd ed. (Chatham, New Jersey: Chatham House Publishers, Inc.), 1997: (238).

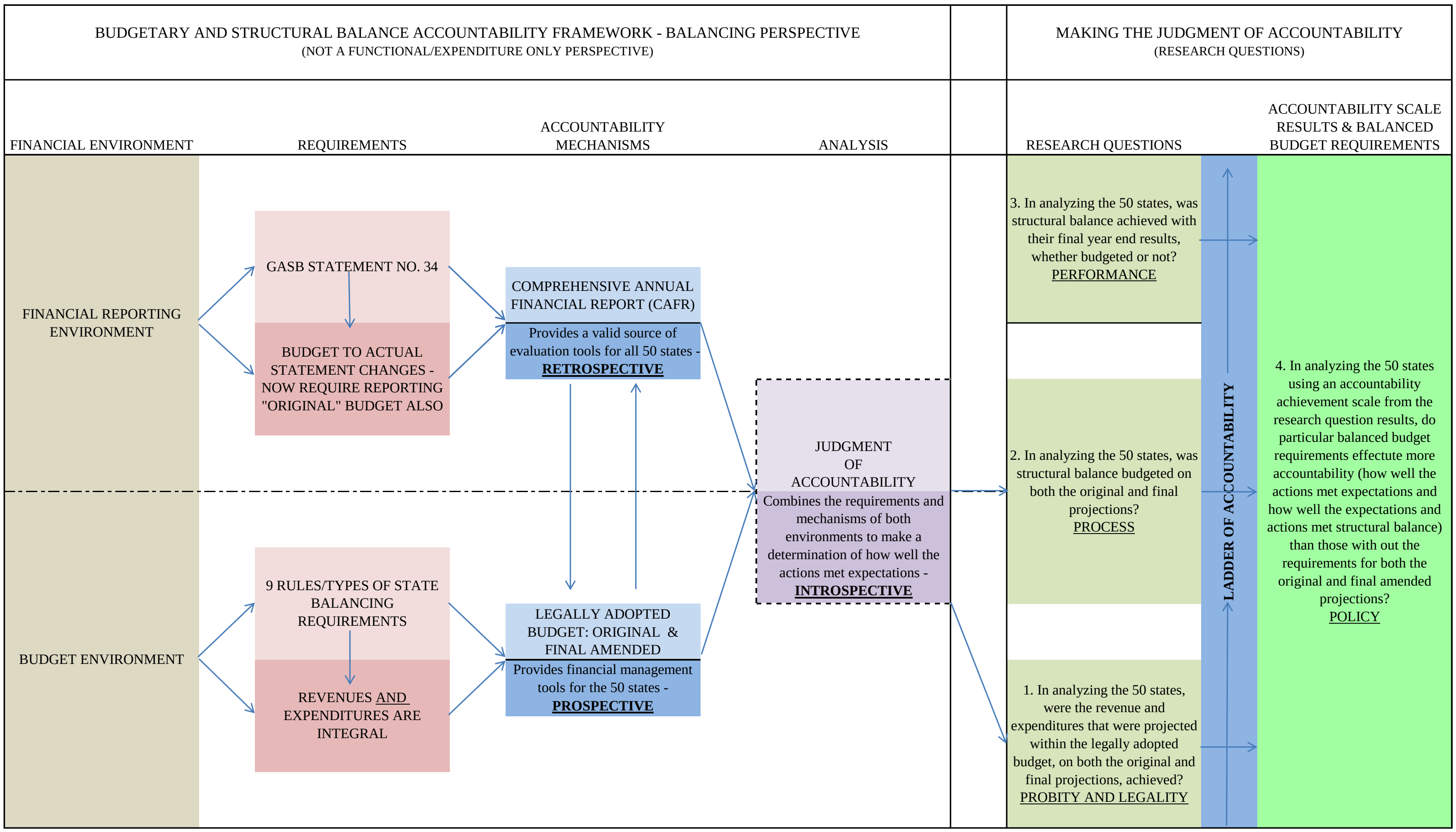
States must also prepare a Comprehensive Annual Financial Report (CAFR) each fiscal year and report what has actually occurred during the year. The comparable nature of this CAFR data is legitimized in that the financial statements are independently audited for compliance with generally accepted accounting principles (GAAP). GASB Statement No. 34 provides the mandate for reporting the budget to actual data by which statement users can analyze the results of the budget management process. The CAFR offers a "retrospective" look at states and their financial past for a given time period.

The purpose of this project is to make a judgment of accountability on the data reported by the states. This will be accomplished by utilizing the "prospective" and "retrospective" aspects of the budget and financial environments and conducting an "introspective" examination. Thus, accountability and the ability "to account" for this process is enabled with the requirement of the "original" budget data.

Figure 3 summarizes this theoretical focus. Specifically, the left side of the model focuses on the theory, while the right side of the model summarizes the aforementioned research questions that will be analyzed to make the judgment of accountability. Furthermore, the model illustrates how the research questions correspond to the ladder of accountability and the particular rung that each question falls within. Overall, the financial reporting and budgetary environments of the states, through their various requirements and accountability mechanisms, are able to be synthesized in order to make a judgment of accountability.

Most state and local governments adopt budgets within the realm of a balanced budget environment. Specifically, most states contain balanced budget requirements as part of their constitutional or legislatively adopted law. If it was important enough to

Figure 3 Budgetary and Structural Balance Accountability Framework
Balancing Perspective (Not a Functional/Expenditure only Perspective)



require a balanced budget, then accountability needs to be insured by holding the states to account for the results of their actions. Thus, balanced budget requirements create a financial environment in which the budget becomes a tool to guide management's operating decisions and to demonstrate accountability to the citizenry.

Many tools and accountability mechanisms exist to help government account for their actions. In terms of financial accountability, governments adopt budgets within a balanced budget arena and must follow professional standards for reporting the financial results of their fiscal year activity. All of these tools, requirements, and environments are means to achieve accountability, but they alone do not create accountability. The data and information that is provided through these tools must be analyzed to determine what level of accountability exists. The existence of balanced budget requirements and GASB standards by themselves represent only "gesture accountability." They do not in themselves seek the judgment of accountability.[21] These requirements/tools provide the data in a reliable and comparative way that allows for the "judgment" or "assessment" of accountability to take place. Outside of this judgment or assessment, accountability is addressed only on the surface.

Research has suggested that the "amendment process" can be made with less participation than the "original" adopted budget.[22] As a result, it is important that the process with the most participation be transparent. GASB Statement No. 34's mandate to report the "original" adopted budget has required the additional information needed to

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[21] Amitai Etzioni, "Alternative Conceptions of Accountability: The Example of Health Administration," *Public Administration Review* 35, no. 3 (May-June 1975): 279-286.

[22] Robert S. Kravchuk and William R. Voorhees, "The New Governmental Financial Reporting Model under GASB Statement No. 34: An Emphasis on Accountability," *Public Budgeting & Finance* 21, no. 3 (Fall 2001): 1-30.

examine how well state and local governments are budgeting from the beginning to the end of the fiscal year.

Most states have adopted balanced budget requirements at some level and at some point in time. The balanced budget environment, by existence, substantiates the importance of budgets in maintaining financial health. Before GASB Statement No.34, only the "final amended" budget was required to be reported. However, balanced budget requirements were and are heavily focused on the "original" budget that is adopted. Thus, requiring the "original" adopted budget to be included in CAFRs, allows an analysis of these balanced budget requirements in comparison with the actual results that take place. In addition, changes between the "original" adopted budget and the "final amended" budget can be analyzed. Figure 4 illustrates the additional budgetary information that is available as a result of the GASB Statement No. 34 requirements.

Figure 4 GASB Statement No. 34 – Changes in Budgetary Reporting Data

GASB STATEMENT NO. 34 - CHANGES IN BUDGETARY REPORTING DATA

Reported in the CAFR	Original Budget	Final Amended Budget	Actual	Final Amended Budget to Actual Variance Favorable (Unfavorable)	Original Budget to Actual Variance Favorable (Unfavorable)*	Change From Original Budget to Final Amended Budget*
Pre GASB Statement No. 34		Required	Required	Optional		
Post GASB Statement No. 34	Required	Required	Required	Optional	Optional	Optional

* The last 2 columns are not reported in the CAFR typically, but are determinable from what is reported

This research will analyze the information that results from these legal and professional standards to provide some "judgment" of accountability. Thus, this project seeks to analyze the budgetary data required by GASB Statement No. 34 as reported in the comprehensive annual financial statements of the 50 states for the years following the standard's adoption.

Balanced Budget Requirements – Hou and Smith Model

A balanced budget environment for state governments is provided through their state constitutions and/or through various statutes. Each has different wording on the specific balanced budget requirements. Research has been done in the past by various groups that have conducted surveys on the balanced budget requirements as they apply to the individual states. The results of this research by these groups organized the applicable laws by their different idiosyncrasies on a more limited scale. Hou and Smith took these previous categories, re-examined them, and developed a broader continuum consisting of 9 rules or categories of these balanced budget requirements. Their framework consists of two comparative underlying spectrums:

1) political/technical and
2) executive/legislative/administrative.

The first categorization refers to the nature of the rule, while the second categorization refers to the body primarily responsible for implementing the rule. Hou and Smith summarize their political/technical framework as follows:

> …the budgetary process and budgeting per se is irreducibly political with no clear-cut dividing line between the political and technical sides. Rather, it is a matter of degree. Political rules are ambiguous in that they are relatively more subject to circumvention and manipulation, whereas technical rules tend to be straightforward, rigid, and more difficult to circumvent. Political rules are more concerned with the budgetary procedure, while technical rules are more about substance with regard to budgetary balance, use of debt, controls on supplementary appropriations, and deficits in order to achieve annual budgetary balance. <u>To be effective, political rules have to be substantiated with technical rules to seal any possible leakage</u>…[23]

Hou and Smith argue that a technical/political differentiation is more important than a constitutional/statutory focus shown in prior frameworks. Meanwhile, the constitutional/statutory backdrop does offer some additional insight into the balanced budget environment. In short, by including balanced budget provisions in the constitution of a state versus simply passing a law, it could demonstrate a stronger commitment to the balanced budget provisions. This is because constitutional provisions are generally harder to change than statutes.[24]

Research Objectives – An Exploratory Study

This study focuses on budget projections and holding states to some level of accountability within external factors and institutional restraints, including balanced budget requirements. Although some states require various balanced budget provisions, there is often no consequence if the actual results do not follow those "original" projections/restraints. In other words, there are not necessarily any repercussions after the balanced budget is adopted. This study seeks to provide evidence of the level of

[23] Underline for emphasis by author.
[24] David C. Nice, "State Support for Constitutional Balanced Budget Requirements," *The Journal of Politics*, Vol. 48(1), February 1986: 134-142.

accountability demonstrated by the states to see how well states manage their adopted budgets. Can balanced budget requirements be shown to have a greater impact on the budgeting process when studying the balancing aspect of the budget, rather than just the functional aspect of who gets what and why, the original question for establishing a budgetary theory?[25] After all, the balancing aspect of the budget determines how much is available for the functional aspect of the budget.

Thus, do the 50 states effectuate a budget close to the "original" adopted budget or are there significant amendments that change what the public and other users of the "original" budget might have assumed. A literature search has not identified any study that has utilized this new budgetary reporting requirement for the demonstration or assessment of accountability. Therefore, this research focuses on the 50 states using the availability of "original" budget information to analyze different facets of accountability. Because the General Fund is the main operating fund for each of the 50 states, this study will focus on the General Funds of the 50 states for this research. The study is exploratory due to this being the first study to analyze these state issues. An exploratory study is designed to gain insights into the subject area to allow for more rigorous testing of hypotheses in subsequent studies. Thus, this exploratory research seeks to analyze patterns and/or ideas to make recommendations for improvement in order to develop hypotheses for later testing and confirmation.

[25] V.O. Key, Jr., "The Lack of a Budgetary Theory," *American Political Science Review* 34 (December 1940): 1137-1140.

Overview of Chapters

The following represents an overview of the chapters to follow. Chapter 2 provides a literature review that focuses on accountability, budgeting and financial reporting, as well as balanced budget requirements. The organization of this chapter corresponds with Stewart's ladder of accountability and the research questions that follow it. Chapter 3 summarizes the methodology and approach of this research. In particular, the significance, research design and limitations of the study will be addressed. Chapter 4 presents the descriptive analysis and findings. The four research questions will be analyzed by utilizing the Micawber Principle to summarize financial data, as well as a budgetary and structural balance accountability achievement scale to compare data. Chapter 5 provides a conclusion to the study that includes recommendations to improve accountability through financial reporting in the future.

CHAPTER 2

LITERATURE REVIEW

The theoretical foundation of this research encompasses the general subject areas of accountability, budgeting, and financial reporting. This chapter will analyze budgeting and financial reporting in terms of the balancing perspective as they fit within the levels of accountability discussed in the previous chapter. Stewart summarized accountability in two parts: 1) the need for information to assess accountability and 2) assessing the information to make a judgment of accountability. Furthermore, Stewart described a ladder of accountability that can be applied to financial reporting. The specific rungs that are applicable to this research are *probity and legality*, *process*, *performance*, and *policy*.

For this chapter, accountability theory in general will be addressed. This general theory will be followed by the levels of accountability mentioned on Stewart's ladder. *Probity and legality* accountability will address the importance of achieving budget projections. Both *process* and *performance* accountability will address structural balance as it pertains to the budget and financial reporting process. Finally, *policy* accountability will be examined in terms of state balanced budget requirements. The purpose of this chapter is to provide an overview of the existing literature on these areas of accountability, as they relate to this research in particular. Overall, a description of theory will be provided that focuses on the importance of accountability in the realm of budget and financial reporting mechanisms.

Accountability - General

Accountability can take on many forms and many meanings. In general, accountability has an overall positive connotation for government in a democratic society. It offers greater transparency and openness in government affairs, whether it is administrative, political, or financial. Because accountability can have many different meanings, it is important to focus the definition for this research. Dubnick refers to the 'core' idea of accountability as those actions that 'give account.'[26] According to Mulgan, this concept of accountability, to give an account, has a number of features, including:

1. An external nature – the account is given to some other person or body outside the person or body being held accountable.
2. A social interaction and exchange – one side, that calling for the account, seeks answers…while the other side, that being held accountable, responds and accepts sanctions.
3. A right of authority – those calling for an account are asserting rights of superior authority over those who are accountable, including the rights to demand answers and to impose sanctions.

Mulgan summarizes these features by stating that "in the context of a democratic state, the key accountability relationships in this core sense are those between the citizens and the holders of public office…"[27] In this sense, the external nature equates to the citizenry or their representative group. Financial reporting mechanisms provide the exchange of information between the citizenry and "holders of public office." The right of authority is exercised by the citizenry due to its position in the electoral process. Sometimes the citizens may directly seek accountability and other times groups indirectly seek that accountability on behalf of citizens to accomplish their own objectives. In sum,

[26] Dubnick (2005): 376-417.
[27] Richard Mulgan, "'Accountability': An Ever-Expanding Concept?" *Public Administration* 78, no. 3 (2000): 555-573 (556).

accountability gives an account for actions of government officials or departments to the citizenry and/or other stakeholder groups as applicable.

Accountability has also been defined beyond the core concept of 'to give account'. One definition is that accountability is "a relationship in which an individual or agency is held to answer for performance that involves some delegation of authority to act."[28] In addition, Weber defines accountability as "a system, or set of mechanisms, designed to make sure promises are kept, duties are performed, and compliance is forthcoming."[29] Both of these definitions expound on the "right of authority" by providing a judgment on some performance or result.

Accountability is a word that is often verbalized, because it sounds like something is being accomplished when you say it, but often nothing is ever accomplished or judged through analysis. Accountability seekers must be careful to follow through with a judgment of accountability based on a real examination of data. In other words, we must be careful to avoid "gesture accountability", where the user of the word makes "vague promises about improving accountability mechanisms, but never follows through."[30] With regard to states and their budget to actual results, for this judgment of accountability to occur, budget and accounting data must be linked.[31] The judgment of accountability must be made. The analysis of accountability must be undertaken.

To be discussed in detail later, formatting differences can prevent the ability to make a judgment of accountability on budget to actual results. Specifically, they hinder

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[28] B.S. Romzek and M.J. Dubnick. Accountability. In J.M. Shafritz (Ed.), *International Encyclopedia of Public Policy and Administration* (6-11). Boulder, CO: Westview, 1998.
[29] E.P. Weber. *Bringing society back in: Grassroots ecosystem management, accountability, and sustainable communities.* Cambridge, MA: MIT press, 2003.
[30] Etzioni (1975): p. 279.
[31] Jeff Hoge and Ed Martin, "Linking Accounting and Budget Data: A Discourse", *Public Budgeting & Finance* 26, no. 2 (Summer 2006): 121-142 (121).

the ability to make the determination of structural balance for many states. The states in question have hindered the transparency aspect of accountability, whether intentionally or not. Piotrowski and Ryzin defined governmental transparency as “the ability to find out what is going on inside government.”[32] When the presentation of the budget to actual data is done in such a way to prevent “finding out”, accountability is limited. However, without the undertaking of accountability studies to make the judgment on accountability, the hindrances are unknown. This study intends to not only make a judgment on state budgeting processes as data is available, but also to identify those hindrances in making a judgment of accountability for data that is not available or required.

Just like different meanings, different perspectives of accountability exist. For this research project, the “learning perspective” fits best in that it “judges accountability arrangements and related transparency mechanisms to be successful, if they make public authorities more effective in achieving set goals and more responsive to the needs and preferences of their key clienteles.”[33] This paper seeks to highlight those impediments to making a judgment so that accountability can be improved for future research.

Accountability – *Probity and Legality*: Budget Projections Achieved

To examine whether budget projections are achieved, the budgetary environment surrounding the budget must be considered. There are many political influences in the budget processes of states. In terms of the balancing perspective, “the political costs of coping with a deficit are likely to be lower than trying to reach compromise between

[32] Suzanne J. Piotrowski and Gregg G. Van Ryzin, “Citizen Attitudes Toward Transparency in Local Government”, *The American Review of Public Administration* 37, no. 3 (September 2007): 306-323 (306).
[33] Mark Bovens, Thomas Schillemans and Paul T. Hart. “Does Public Accountability Work? An Assessment Tool,” *Public Administration* 86, no. 1 (2008): 225-242 (233).

parties. These political risks of dealing with a deficit need to be balanced against the political costs of maintaining a large surplus, because surpluses can be a target for permanent fiscal changes such as tax cuts or new government programs."[34] Furthermore, whether a deficit or surplus is budgeted, the accuracy of the revenue projection is central to the true outcome. Some scholars suggest "a linkage between the level of fiscal stress experienced by a jurisdiction and the level of revenue inaccuracies. These studies have generally found higher levels of inaccuracy in jurisdictions experiencing greater fiscal stress."[35] Voorhees suggests that "reduction of error in state revenue forecasts can only improve the transparency and efficiency of government and its performance…a more accurate forecast will not only help to improve transparency and efficiency but also instill greater confidence in government by the citizens it is charged with serving."[36] Providing the information through reporting mechanisms creates an environment ripe for making a judgment of accountability, but analyzing the data determines the level of transparency and efficiency.

Incrementalism refers to the gradual increase of budgets from year to year. It "assumes that moderate revenue growth will create a positive increment to be distributed among the departments and agencies." It does not deal with the possibility of frozen or declining revenues.[37] The balancing perspective must address revenue growth and revenue decline. Another way of looking at this is through the concept of revenue adequacy. "The primary goal of a public revenue system is to raise adequate revenue to

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[34] Yilin Hou and William Duncombe, "State Saving Behavior: Effects of Two Fiscal and Budgetary Institutions," *Public Budgeting & Finance* (Fall 2008): 48-67 (52).
[35] Susan A. MacManus and Barbara P. Grothe, "Fiscal Stress as a Stimulant to Better Revenue Forecasting and Productivity," *Public Productivity Review* 12, no. 4 (Summer 1989): 387-400 (387).
[36] William R. Voorhees, "More is Better: Consensual Forecasting and State Revenue Forecast Error," *International Journal of Public Administration* 27, no. 8/9 (2004): 651-671 (652-653).
[37] Irene S. Rubin, "Budget Theory and Budget Practice: How Good the Fit?", *Public Administration Review* 50, no. 2 (March – April 1990): 179-189 (186).

fund expenditures on government programs and policies….budgeted expenditures are adjusted downward when revenue receipts are less than anticipated. When actual receipts are more than budgeted, expenditures often are increased as well."[38] Whether a state experiences periods of incrementalism or decrementalism, which is a negative increment in funding, accurate revenue projections are essential to providing transparency and efficiency in government budgeting.

As it applies to budgeting, Stewart's first level of accountability, *probity and legality*, is concerned with whether states achieved their budget projections. This type of accountability assures that funds have been used properly and in accordance with the authorization. The adoption of the budget creates some expectation that the estimates will be achieved. This determination must be examined to assess that funds were used or obtained in accordance with the authorization. This component of accountability determines whether revenue and expenditure projections were a) reasonable in that they were met, b) unreasonable in that they were not met or c) unreasonable in that they were much larger than the projection, in the case of revenue projections. This first step is an important part of making a judgment of accountability, but it is not the only part. The citizenry has a right to know whether budget projections were realistic and whether or not they were achieved. Otherwise, the budgetary process does not mean much. But beyond the concept of achieving projections, governments must be held to account for the substance of the budget they adopt and the actuality of results. The next two levels of Stewart's ladder discuss these components.

[38] Meagan M. Jordan and Gary A. Wagner, "Revenue Diversification in Arkansas Cities: The Budgetary and Tax Effort Impacts", *Public Budgeting & Finance* (Fall 2008): 68-82 (70-71).

Accountability – *Process* & *Performance*: Projection & Results for Structural Balance

Although the first level of accountability is important, its use is limited without a further analysis and judgment to encompass a holistic accountability approach. Goddard and Powell state:

> "An accountability information system should report on all levels of Stewart's ladder. This results in a system which reports both financial information, and also output and outcome information. Indeed, at higher levels of accountability the system will be more concerned with qualitative information than with quantitative, and with strategic rather than operational information."

Budget projections achieved represents a first step to making a judgment of accountability. Financial data must be available to make this determination of quantitative analysis through *probity and legality* accountability.

However, true accountability must go beyond this first level. Encompassed within the purpose of Stewart's ladder of accountability, Goddard and Powell further state "the need to consider evaluation and judgment of information and the consequent action as part of the development of an accounting system" is essential.[39] As a result, the next two levels of Stewart's ladder of accountability to be applied are *process* accountability and *performance* accountability through utilization and achievement of structural balance. *Process* accountability assures that adequate processes are used in the authorization procedure, whereas *performance* accountability assures that efficient operations are effectuated. For this research, *process* accountability focuses on whether structural balance was budgeted, while *performance* accountability focuses on whether structural balance was achieved, whether budgeted or not.

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[39] Andrew Goddard and Jackie Powell, "Accountability and Accounting: Using Naturalistic Methodology to Enhance Organizational Control – A Case Study", *Accounting, Auditing & Accountability Journal* 7, no. 2 (1994): 50-69 (52).

Structural balance exists when revenues meet or exceed expenditures in a given budget. Throughout history, theories on budgeting have changed. V.O. Key asked "on what basis shall it be decided to allocate X dollars to activity A instead of activity B?"[40] This aspect of budgeting theory focuses on the functional portion of budgeting. However, before this question can be answered, the dollars available for allocation of funds must be known. These two parts of the budgetary process, revenue sources and expenditure uses of funds, are integral. Which comes first has been a theoretical argument over time. Kelly argues the following:

> "The modern legacy of the cutback budgeting era is backward budgeting. The government determines how much revenue it is able or willing to raise and makes program-funding decisions based on those resources. This is fundamentally different from deciding what level of programs and services are necessary and appropriate to meet needs and raising the revenue necessary to provide for them."[41]

Again, structural balance exists when revenues exceed or meet expenditures. When debt financing (other financing sources – not revenues) is used to balance a budget, the budget is not considered structurally balanced. However, competition between interested parties (politics), many times, results in the use of debt financing. David Nice describes it as follows:

> "Some analysts regard the growth in government debt as an inevitable outgrowth of public-sector budget processes. Agency officials seek to demonstrate their influence and to please program clienteles by pressing for expansion of agency budgets and preservation of established programs. Crises, citizen demands, and interest-group lobbying create pressure to provide more support for public programs, particularly when spending items are considered individually rather than in the context of overall totals. Elected officials try to placate program beneficiaries by approving increased appropriations, but taxpayers resist revenue increases. Deficit financing, therefore, offers direct, immediate benefits: more program

[40] Key (1940): 1137.
[41] Janet M. Kelly, "A Century of Public Budgeting Reform: The "Key" Question," *Administration & Society* 37, no. 1 (March 2005): 89-109 (103-104).

> benefits and lower taxes…the cost of repaying the debt can be shifted partly to future generations. The combination of pressures to spend and reluctance to raise revenues produces an almost irresistible urge to finance programs by borrowing."[42]

As a result, political interests create a budgetary environment ripe for the use of debt financing, which in turn can erode the structural balance of governments over time, due to a dependency on debt or other financing sources to balance the budget.

When structural balance is achieved, states are less likely to redistribute today's costs to future generations who may or may not benefit from them. These two components of Stewart's ladder of accountability seek to first analyze whether structural balance is a goal of states, in that they project structurally balanced budgets, and second whether they effectuate structural balance in their final actual numbers. The last level of accountability to be discussed pulls these other three levels together by examining balanced budget requirement policies. Debt financing issues are included in some of these requirements. By studying accountability at the policy level, a move from a purely quantitative analysis to an additional qualitative analysis occurs.

Accountability – *Policy*: Balanced Budget Requirements

Balanced budget requirements (BBR's) among the 50 states have existed for many years. Many requirements were in the states' original constitutions,[43] which date from the 19th century. Unlike the federal government, states must balance their budget every year or biennium, whichever is applicable. Vermont is often cited as an exception to this rule, or the one state that does not have a balanced budget requirement, but it does

[42] David C. Nice, "The Impact of State Policies to Limit Debt Financing", *Publius* 21, no. 1 (Winter 1991): 69-82 (69).
[43] Arik Levinson, "Balanced Budgets and Business Cycles: Evidence from the States," *National Tax Journal* 51, no. 4 (December 1998): 715-732.

have a requirement for a balanced budget. Vermont does not mandate the budget to balance in the immediate fiscal year. Instead, when a deficit from the previous year occurs, Vermont allows a deficit to carry into the following year, where it is offset by the budget stabilization trust fund.[44] As a result, all states do operate within some guise of a balanced budget arena. However, the different research methodologies used to categorize states and their balanced budget requirements report results differently. Overall, this balanced budget environment for the states is one of the major differences from the federal government in its budgeting environment.

One study suggests three purposes that budget constraints, or balanced budget requirements serve:

1. They prevent credit defaults, which might preclude access to credit markets for extended periods in the future.
2. They avoid the perception of increased default risk, which would raise the cost of credit even if an actual default did not incur.
3. They limit the size of the public sector…by tying higher expenditures to higher taxes, making excessive spending politically infeasible.[45]

These three purposes can lead to the creation of fiscally stable environments for affordable program and service delivery decisions.

Anderson and Smirnova's study provided the first part of developing a "comprehensive theory of deficit-closing budgetary decisions." Specifically, the findings of their study suggested that in a budget process, "an attempt is made to achieve a balance between the long-term gains of structural budget balance and the loss of political support." This applies to the current research project in that the former refers to the

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[44] Irene Rubin, "The State of State Budget Research," *Public Budgeting & Finance*, Silver Anniversary Edition 2005: 46-67 (page 46).

[45] Bradley M. Braun, L.E. Johnson, and Robert D. Ley, "State Revenue Shortfalls: Budget Restraints and Policy Alternatives," *The American Journal of Economics and Sociology* 52, no. 4 (October 1993): 385-397 (393).

structural balance perspective, while the latter refers to the functional perspective of budgeting. This study summarizes the conflicting spectrum in the pubic budgeting arena, where the desire to maintain popular support for programs and services is balanced with the goal of fiscal stability. The first goal, maintain popular support, is essential for re-election campaigns in that key interest groups and the general public are happy with the service delivery. This effort seeks deficit-closing decisions that minimize the effect on these groups. The second goal, fiscal stability, "emphasizes eliminating structural deficits and achieving long-term balance between revenues and expenditures."[46] This effort focuses on other deficit-closing decisions that maximize sound fiscal policy.

These goals play the political and economic values of government against each other. Each is important, but each has to be considered and balanced to ensure the goals of budgeting are achieved. If program and service delivery is weighed more heavily than fiscal stability, it will not be long before the fiscal instability changes the weight toward fiscal stability, because it is unsustainable. However, if fiscal stability is weighed more heavily than program and service delivery, then citizens and potential recipients of program and service delivery become unhappy and re-election becomes doubtful for those decision makers. Thus, a balance should be considered. Most states have adopted balanced budget requirements to ensure that fiscal stability is considered in the decision making. Program and service delivery is prioritized within a fiscally stable environment to ensure its affordability. This project seeks to make sure the mechanisms are available to examine the fiscal stability of states and make a judgment on the budgetary accountability within the balanced budget environments in which they operate.

[46] Stephen H. Anderson and Natalia V. Smirnova, "A Study of Executive Budget-Balancing Decisions," *The American Review of Public Administration* 36 (2006): 323-336.

Again, many tools exist to help governments account for their actions. In terms of financial accountability, governments adopt budgets within a balanced budget arena and must follow professional standards for reporting the financial results of their fiscal year activity. All of these tools, requirements, and environments are means to achieve accountability, but they alone do not create accountability. The data and information that is provided through these tools must be analyzed to determine what level of accountability exists.

The existence of balanced budget requirements and GASB standards by themselves represent only "gesture accountability." [47] They do not in themselves seek the judgment of accountability. "Achieving accountability and responsiveness for public resource allocation and use requires, among other things, means by which citizens' (and political officials' and public managers') reasonable expectations can be formed and communicated to their agents and means by which suitable accounts of actual performance can be delivered and acted on."[48] These means are the resources and tools available for testing accountability and they can provide the data in a reliable and comparative way that allows for the "judgment" or "assessment" of accountability to take place. Outside of this judgment or assessment, accountability is addressed only on the surface.

Resources and tools are necessary to make judgments on accountability, but they are not always adequate. Just because states adopt balanced budget requirements does

[47] Etzioni (1975): 279-286.
[48] Jonathan B. Justice, James Melitski and Daniel L. Smith, "E-Government as an Instrument of Fiscal Accountability and Responsiveness: Do the Best Practitioners Employ the Best Practices?," *The American Review of Public Administration* 36 (2006): 301-322 (307).

not mean loopholes do not exist. David Nice summarizes some of these loopholes that may occur:

1. State limitations on deficits generally apply only to the operating budget and exclude capital projects.
2. Balanced budget requirements may stimulate the use of off-budget items, such as guaranteed loans, rather than expenditures. This involves the government guaranteeing that private lenders who loan money to support a particular activity will be compensated for any losses which they incur.
3. Balanced budget requirements may encourage an administration to choose policies which are less expensive now but are more expensive in the future.[49]

Overall these loopholes have the potential to create future deficit spending, because true costs of budgetary decisions are not known. Since these loopholes are excluded from current budgeted expenditures, balanced budget requirements do not address their impact on future state budgets.

Definition of Financial Terminology for Balanced Budget Requirements

Budgeting and financial reporting comprise the major accountability mechanisms within the financial environment of the states. Key to comparing states and making a judgment on their financial accountability is that patterns exist in the data that is reported both prospectively and retrospectively. Caiden states that the need for empirical research in these areas is vital. Furthermore, she argues the need to provide a perspective upon the methods and findings of research, which allows:

[49] Nice (1986): 135.

> "for comparison with things as they are in someplace else, or as they have been in the past. At present even a vocabulary, outside formal budget categories, is lacking for this purpose. The need to link budgeting and public finance with their environment, and to endeavor to promote meaningful hypotheses regarding mutual relationships between modes of handling financial resources and specific contextual features, between institutional constraints and possible budgetary outcomes."[50]

Before adequate comparisons and hypotheses on budgeting and its results can occur, comparative terminology needs to be in place, as well as comparable methods for budgeting and reporting that will allow a link that is necessary to make the comparison.

Balanced budget requirements were meant to offer the states and public a mechanism to ensure that public officials are maintaining some level of financial responsibility. These provisions underscore the need for accurate revenue projections to refrain from spending above the revenue threshold. One study that undertook a grading of the states based on their financial management emphasized this concept of structural balance. Specifically, compliance with maintaining structural balance occurs when states "consistently support recurring expenditures with recurring revenues, and not depend upon debt, windfall, or one-shot revenues to fund recurring expenditures."[51] In other words, the most ideal situation is to have revenues greater than expenditures and not rely on other financing sources to balance the budget. Accounting literature refers to this concept as 'inter-period equity', whereas here the concept is also referred to as 'structural balance.'

The National Council on Governmental Accounting (NCGA), the body that established financial reporting standards for states before the formation of the

[50] Naomi Caiden, "Patterns of Budgeting," *Public Administration Review* (November/December 1978): 539-544 (539).
[51] Marilyn Marks Rubin and Katherine Willoughby, "Financial Management Grades for the States: A Prospective Use," *Public Budgeting & Finance* 29, no. 1 (Spring 2009): 49-67 (52).

Governmental Accounting Standards Board (GASB) defined these terms for governmental accounting purposes:

> The term "revenue" means increases in (sources of) fund financial resources other than from interfund transfers and debt issue proceeds; and the term "expenditure" means decreases in (uses of) fund financial resources other than through interfund transfers.[52]

Thus, "revenues" are distinct from "other financing sources," and "expenditures" are distinct from "other financing uses." Structural balance occurs when revenues meet or exceed expenditures, because the former are considered to be ongoing sources and the latter are considered to be ongoing uses. Therefore, if ongoing sources meet ongoing uses, then a state can provide services without incurring debt or other one-time sources to balance the budget. When this occurs, structural balance/inter-period equity has been achieved. Again, these two terms will be utilized interchangeably throughout this research.

Balanced budget requirements in themselves suggest that structural balance is not only key to fiscal stability, but also important, at least in perception, to the citizenry since such laws exist at all. Structural balance is a significant component of balanced budget requirements, but there is a multitude of ways to achieve that balance. Irene Rubin sums it as follows:

[52] National Council on Governmental Accounting, *Statement 1 – Governmental Accounting and Financial Reporting Principles*, March 1979, paragraph 109.

> "The most important constraint on budgeting is the requirement for balance: Revenues must equal or exceed expenditures. The constraint of balance means that revenues and spending decisions must be linked. The revenue limits pose constraints on spending, forcing choices among possible claims on the budget. Necessary expenditures put claims on revenues, requiring tax levies and periodic tax increases, despite their unpopularity. A reduction in tax revenues creates pressure to reduce spending by a proportionate amount. The constraint of balance forces discipline on budget actors. Generally they cannot simultaneously give away expenditures and reduce taxes without facing the painful consequences of deficits, which include initial embarrassment and, later, difficult and unpleasant choices between increasing taxes and decreasing program and project expenses."[53]

In sum, there are two facets to balancing budgets: revenues and expenditures. The relationship between the two is what matters, particularly that the two together result in balance. If revenues and expenditures do not balance, then other financing sources, including debt financing or transfers in, must be utilized to balance the budget. When these instruments are used, structural balance has not been achieved.

Qualitative Aspects of Balanced Budget Requirements

Even though many states operate under a variety of balanced budget requirements, there are three qualitative aspects of these requirements that transcend the state requirements including:

1) their focus – most states apply the requirements to only part of their budget

2) their stringency – many states allow borrowing as a means of meeting their budget balancing requirements

3) their enforcement provisions – most states have no formal enforcement provisions for their rules.

[53] Rubin (1997): p.177.

The first qualitative aspect of a balanced budget requirement is focus. Most balanced budget requirements are oriented toward the General Fund. Specific to Poterba's study, of the 49 states that have these requirements, 48 focus on the states' general funds.[54] The General Fund is the chief operating fund for state governments and is considered to be a key element in examining the fiscal health of the states.[55] Furthermore, Snell states that the General Fund budget "receives more attention than the rest of state budgeting in part because there are few annual decisions to make about the rest of the budget". For example, the following expenditures are typically funded outside of the General Fund:

a. Almost all federal reimbursements or grants in aid to a state are committed to specific purposes, and the governor and legislature have little discretion over the use of most federal funds.

b. Transportation trust fund money raised from state motor fuel taxes is usually earmarked for highways and other transportation purposes.

c. Some tax collections may be directly apportioned to local governments or other specified purposes without appropriations.

d. Some states allow agencies or programs to collect and spend fees, charges, or tuition without annual or biennial appropriations.

e. Capital expenditures may not be part of the general fund budget and often involve borrowing to spread the funding over the use of the item/project.[56]

The General Fund was the focus for this research. However, this focus of balanced budget requirements on the general fund stresses the importance of determining structural

[54] James M Poterba, "Balanced Budget Rules and Fiscal Policy: Evidence from the States," *National Tax Journal* 48, no. 3 (September 1995): 329-336.
[55] National Association of State Budget Officers. The Fiscal Survey of the States. www.nasbo.org. Washington, D.C.:NASBO, 2009: preface.
[56] National Conference of State Legislatures. State Balanced Budget Requirements: Provisions and Practice. www.ncsl.org. 1996 (updated 2004).

balance of the general fund, because it can allow states to move funds between fund types, allowing other fund types to not be structurally balanced.[57]

The second qualitative aspect of a balanced budget requirement is stringency. Balanced budget requirements have different levels of strictness, which can be arranged along a continuum. In other words, as the budget progresses to approval and implementation, the further along in the process that a requirement is applicable, the more stringent the requirement becomes.

The third qualitative aspect of balanced budget requirements is that of enforcement. The General Accounting Office (GAO) within the federal government found that most states do not rely on "formal legal sanctions to motivate balancing." Some of the findings related to this issue were:

1. Very few states have provisions for automatic spending reductions or revenue increases.

2. Governors have broad powers to cut budgets during the year.

3. Very few states have legal sanctions or penalties for not balancing the budget.[58]

Although effective formal enforcement mechanisms are lacking, there are still informal mechanisms in place. The key is whether these informal mechanisms result in true adjustments to revenues and expenditures or use other financing uses and sources to balance the budget via what some term "budget gimmickry."[59] In addition, Goldstein and Woglom's study suggested that states with more conservative fiscal policies obtained

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[57] Steven M. Sheffrin, "State Budget Deficit Dynamics and the California Debacle", *The Journal of Economic Perspectives* 18, no. 2 (Spring 2004): 205-226 (213).
[58] U.S. General Accounting Office. *Balanced Budget Requirements: State Experiences and Implications for the Federal Government.* GAO/AFMD-93-58BR. Washington, D.C., 1993: 20-23. http://archive.gao.gov/d44t15/148877.pdf.
[59] Poterba (1995).

interest rates on debt lower than states with less stringent fiscal policies.[60] This reduction in borrowing costs can provide an informal incentive for states to enforce their balanced budget requirements.

Typologies of Balanced Budget Requirements

In 1987 the Advisory Commission on Intergovernmental Relations (ACIR) documented five categories of balanced budget requirements as follows:

1. The governor must submit a balanced budget
2. The legislature must pass a balanced budget
3. The state may carry over a deficit but must correct it in the next fiscal year
4. The state may not carry over a deficit into the next budget year period (sometimes two years, if they utilize a biennium budget)
5. The state may not carry over a deficit into the next fiscal year[61]

States may require one or more of the above stringencies, but not necessarily all of them. Only the last three criteria concern themselves with the fiscal year end results. Thus, the further along the requirement plays out in the budget cycle, the more likely the requirement would affect fiscal policy and results.

The National Association of State Budget Officers (NASBO) further summarized and expanded the categories of state balanced budget requirements. They consolidated the five criteria into four dichotomous variables:

[60] Morris Goldstein and Geoffrey Woglom, "Market-Based Fiscal Discipline in Monetary Unions: Evidence from the U.S. Municipal Bond Market." In *Establishing a Central Bank: Issues in Europe and Lessons from the United States*, edited by M.B. Canzoneri, V. Grillie, and P.R. Masson, 228-269. Cambridge: Cambridge University Press, 1992.
[61] Advisory Commission on Intergovernmental Relations. *Fiscal Discipline in the Federal System: Experience of the States*. Washington, D.C.: ACIR, 1987.

1. The governor must submit a balanced budget
2. The legislature must pass a balanced budget
3. The governor must sign a balanced budget
4. The state may carry over a deficit

Specifically, NASBO added a new third category in the continuum (the governor must sign a balanced budget) and they removed ACIR's category 3 and 4 and kept only category 5 (the state may not carry over a deficit into the next fiscal year), but with the opposite meaning. Furthermore, NASBO also classified the origination of the state balanced budget requirements as either constitutional or via statutory provisions.[62]

Hou and Smith took these previous categories, re-examined them, and developed a broader continuum due to inadequacies that were apparent with the prior measurement systems. In addition to "judicial and subjective interpretations," the major reason for developing this continuum was to account "for state BBR's as systems that govern or constrain fiscal administration." In other words, in addition to isolating specific BBR provisions, Hou and Smith developed a comprehensive framework for these provisions and their impact as a whole on fiscal soundness. Their framework contains two comparative underlying spectrums for their categorization:

1) political/technical and
2) executive/legislative/administrative.

The first categorization refers to the nature of the rule, while the second categorization refers to the body primarily responsible for implementing the rule.[63]

[62] National Association of State Budget Officers (NASBO), *Budget Processes in the States* ,Washington, D.C.: NASBO, Summer 2008: 40-51. http://www.nasbo.org/Publications/BudgetProcessintheStates/tabid/80/Default.aspx.
[63] Underline for emphasis by author.

The implementation portion of Hou and Smith's framework includes three facets: executive preparation, legislative implementation, and administrative effectuation. These facets should be considered along a continuum. As balanced budget rules continue through the budgetary process, they have more potential impact on budgetary outcomes. If a state only requires executive preparation and legislative implementation rules, then there is nothing controlling the budgetary changes throughout the year to the final fiscal year results. However, if a state also requires administrative effectuation controls in the budgetary process, the rules cover a broader range of the budgetary continuum and thus are more likely to impact "final" budgetary results.

The following nine rules comprise Hou and Smith's analytical framework that summarizes the various balanced budget requirements across the states with the political (P) or technical (T) emphasis in parentheses:

1. The governor must submit a balanced budget (P);
2. Own-source revenue must match (meet or exceed) current expenditures (T);
   (This includes all current cash resources not just "revenues".)
3. Own-source revenue and (unspecified) debt (in anticipation of revenues) must match (meet or exceed) current expenditures (T);
4. The legislature must pass a balanced budget (P);
5. A limit (control) is in place on the amount of debt for deficit reduction (T);
6. The governor must sign a balanced budget (P);
7. Controls are in place on supplementary appropriations (T);
8. Within fiscal-year controls are in place to avoid deficit (T); and
9. No deficit may be carried over to the next fiscal year (or biennium) (T).[64]

[64] Hou and Smith (2006): 22-45.

Hou and Smith argue that a technical/political differentiation is more important than a constitutional/statutory focus in prior frameworks. Meanwhile, the constitutional/statutory backdrop does offer some additional insight into the balanced budget environment. By including balanced budget provisions in the constitution of a state, the legislature could demonstrate a stronger commitment to the balanced budget provisions, because constitutional provisions are generally harder to change than statutes.[65]

Figure 5 is a re-creation of Hou and Smith's nine rule framework within the two categories that were established:

1. Political/Technical and
2. Executive/Legislative/Implementation (highlighted)[66]

In order to apply Hou and Smith's Framework to this study, the "executive/legislative/implementation" continuum was replaced with the phases of the budget cycle, "original budget/final amended budget/actual", that are reported in CAFR's. Thus, Figure 6 is a revision of Hou and Smith's nine rule framework within the following two categories:

1. Political/Technical and
2. Original Budget/Final Amended Budget/Actual (highlighted)

For both Figures 5 and 6, of the nine rules, three are political in nature and six are technical in nature. As far as the rules, only Rules 4 and 6, where the governor and legislature must pass or sign a balanced budget respectively, broadened their phase from just "legislative review" in Figure 5 to "original budget and final amended budget" in Figure 6. This assumes that these requirements apply on the entire budget process.

[65] Nice (1986): 134-142.
[66] Hou and Smith (2006): 28.

Figure 5 Hou and Smith’s Analytical Framework for State BBR Systems

<table>
<tr><th colspan="6">HOU AND SMITH'S ANALYTICAL FRAMEWORK FOR STATE BALANCED BUDGET REQUIREMENT (BBR) SYSTEMS</th></tr>
<tr><td rowspan="3">Rule No.</td><td rowspan="3">Rule Nature</td><td rowspan="3"></td><td>POLITICAL</td><td>⟵⟶</td><td>TECHNICAL</td></tr>
<tr><td colspan="3">Phase of the Budget Cycle</td></tr>
<tr><td>Executive Preparation</td><td>Legislative Review</td><td>Implementation</td></tr>
<tr><td>1</td><td>P</td><td rowspan="3">POLITICAL</td><td>Governor must submit a balanced budget</td><td></td><td></td></tr>
<tr><td>2</td><td>T</td><td colspan="2">Own-source revenue must match (meet or exceed) expenditures</td><td></td></tr>
<tr><td>3</td><td>T</td><td colspan="2">Own-source revenue and general obligation (or unspecified) debt (or debt in anticipation of revenue) must match (meet or exceed) expenditures</td><td></td></tr>
<tr><td>4</td><td>P</td><td rowspan="3">↕</td><td></td><td>Legislature must pass a balanced budget</td><td></td></tr>
<tr><td>5</td><td>T</td><td colspan="3">A limit is in place on the amount of debt that may be assumed for the purpose of deficit reduction</td></tr>
<tr><td>6</td><td>P</td><td></td><td>Governor must sign a balanced budget</td><td></td></tr>
<tr><td>7</td><td>T</td><td rowspan="3">TECHNICAL</td><td></td><td colspan="2">Controls are in place on supplementary appropriations</td></tr>
<tr><td>8</td><td>T</td><td></td><td></td><td>Within fiscal-year controls are in place to avoid deficit</td></tr>
<tr><td>9</td><td>T</td><td></td><td></td><td>No deficit may be carried over to the next fiscal year (or biennium)</td></tr>
</table>

Notes:

a. Under "rule nature," "P" stands for "political" and "T" for "technical."
b. In the coordinate, political/procedural rules are in bold font; technical/substantive rules are in regular font.
c. Application of each rule is indicated by which phase(s) of the budget cycle it sits through.

Figure 6 Hou and Smith’s Analytical Framework for State BBR Systems - Revised

<table>
<tr><th colspan="6">HOU AND SMITH'S ANALYTICAL FRAMEWORK FOR STATE BALANCED BUDGET REQUIREMENT (BBR) SYSTEMS
<u>AS IT APPLIES TO THE REPORTED BUDGETARY DATA IN CAFR'S</u></th></tr>
<tr><td rowspan="2">Rule No.</td><td rowspan="2">Rule Nature</td><td rowspan="2"></td><td colspan="3">Phase of the Budget Cycle Reported in CAFR's</td></tr>
<tr><td>Original Budget</td><td>Final Amended Budget</td><td>Actual</td></tr>
<tr><td>1</td><td>P</td><td rowspan="3">POLITICAL</td><td>Governor must submit a balanced budget</td><td></td><td></td></tr>
<tr><td>2</td><td>T</td><td colspan="2">Own-source revenue must match (meet or exceed) expenditures</td><td></td></tr>
<tr><td>3</td><td>T</td><td colspan="2">Own-source revenue and general obligation (or unspecified) debt (or debt in anticipation of revenue) must match (meet or exceed) expenditures</td><td></td></tr>
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<tr><td>5</td><td>T</td><td colspan="3">A limit is in place on the amount of debt that may be assumed for the purpose of deficit reduction</td></tr>
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<tr><td>8</td><td>T</td><td></td><td></td><td>Within fiscal-year controls are in place to avoid deficit</td></tr>
<tr><td>9</td><td>T</td><td></td><td></td><td>No deficit may be carried over to the next fiscal year (or biennium)</td></tr>
</table>

Notes:

a. Under "rule nature," "P" stands for "political" and "T" for "technical."
b. In the coordinate, political/procedural rules are in bold font; technical/substantive rules are in regular font.
c. Application of each rule is indicated by which phase(s) of the budget cycle it sits through.

Previous Research

In general, most state balanced budget requirements focus on the General Fund, provide different levels of stringency, but have no formal mechanisms in place for sanctioning non-compliance. Thus, the question then becomes, do these balanced budget requirements impact actual financial results/financial policy? Poterba utilized NASBO survey data for his measurement of state fiscal shocks and the effect of budgetary institutions. Specifically, the survey data provided information on actual revenue and expenditures, as well as projections for the beginning of the fiscal year.[67] However, after the implementation of GASB Statement No. 34, this data is available in the Comprehensive Annual Financial Reports (CAFRs), which contain audited financial statements and the budgetary data source for this research project.

Although the 50 states provide a natural research population, the fact that most all of them work within some guise of a balanced budget environment adds another dimension to an analysis of their budget to actual financial statements within their CAFR's. These balanced budget requirements are part of state institutional environments, which comprise exogenous/external factors that affect the budget process. These institutional external factors mold the budget process with an added impact other than that of the internal budget actors that Wildavsky first stressed as part of his incrementalist view of budgeting.[68] These exogenous variables have been found to have some influence on the budget process, but the traditional "institutional budget actors play the unquestioned predominant role in explaining state agency budget outcomes."[69]

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[67] James M. Poterba, "State Responses to Fiscal Crises: The Effects of Budgetary Institutions and Politics," *The Journal of Political Economy* 102, no. 4 (August 1994): 799-821.
[68] Wildavsky (1964).
[69] Ryu, Bowling, Cho, and Wright (2008): 23-47 (44).

However, this role was predominant in explaining the functional results of budgets (specific agency outcomes), rather than the balancing results of budgets. In other words, certain departments may get more resources depending on the governor and legislative preferences, but the overall level of funding (macro-budgeting) is determined by the balancing act required of the budget process, or structural balance, upon which this paper focuses.

Thus, this research analyzes the impact of balanced budget requirements on the structural balance of state fiscal policy and the accuracy of budget projections to determine accountability for these fiscal policies. Poterba posits "that it is difficult to interpret correlations between fiscal institutions and budget outcomes; budget institutions may be endogenous." In other words, institutions are deeply rooted from within and attributing a budget outcome to a mechanism of the institution may actually reflect other mechanisms that are working at the same time, including political changes via voter preferences. However, many of the balanced budget requirements were enacted in the nineteenth century, before current voters, thus ruling out their role in the rules themselves.[70]

Structural Balance

Regarding the balancing perspective, as opposed to the functional perspective that focuses on specific agency outcomes, the idea of structural balance is paramount. Periods of boom and bust for states can occur under two scenarios, either cyclical aspects of the economy, or due to structural gaps between revenues and expenditures. "These structural gaps result from increased spending programs and/or tax reductions when the

[70] Poterba (1995).

budget is flush during the upswing in the economy. These policy changes during growth make the states more vulnerable to recessions."[71] Balanced budget requirements can play a role in both of these scenarios, if they are in place to facilitate structural balance.

Furthermore, as mentioned previously in the definition of financial terminology, structural balance was one key criterion utilized in granting financial management grades for the states. Specifically, criterion 2 of the grading read as follows: *government should have mechanisms in place that preserve stability and fiscal health*. To obtain a high grade for this criterion, states had to demonstrate ongoing structural balance, or "consistently support recurring expenditures with recurring revenues, and not depend upon debt, windfall, or one-shot revenues to fund recurring expenditures."[72]

> "Recurring costs are likely to increase more rapidly than recurring revenues, especially in the recession phase of the business cycle when sales and income taxes revenues are shrinking and welfare caseloads are expanding. When recurring costs are funded by a series of nonrecurring revenue fixes, the budget is not in structural balance."[73]

In other words, within structural balance, it is essential that recurring revenues keep up with recurring costs. Otherwise, the structural imbalance can transcend multiple years, until the recurring revenues catch up again in flush years. As such, structural balance is equivalent to inter-period equity from an accounting perspective.

At the same time, caution must be exercised when it comes to balanced budget requirements that force structural balance. Some states find other ways to achieve this balance that could be to the detriment of long-term sustainability in fiscal health. One study described this in the area of pension funding. Specifically, it found that states with

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[71] Rubin (2005).
[72] Rubin and Willoughby (2009).
[73] Thomas P. Lauth, "Budgeting during a Recession Phase of the Business Cycle: The Georgia Experience," *Public Budgeting & Finance* (Summer 2003): 26-38.

balanced budget requirements fund their pensions at lower levels, which is acceptable under current accounting principles. Thus, "governmental accounting practices allow states to comply with balanced budget constraints without making substantive improvements in fiscal condition."[74] This loophole defeats the purpose of balanced budget requirements, especially considering the funding magnitude required by state pensions.

Likewise, an article in 1987 discussed the budget process in the State of Illinois. The article described different definitions of budgetary balance, each with their own political ties. In 1978 the governor changed "from reporting the budgetary balance to using the available balance, a maneuver which enabled him to define a surplus into existence, following two years of negative budgetary balances." Furthermore, the authors stated that "in the absence of a clearly defined concept of what constitutes a balanced budget, strategies such as this render ineffectual constitutional requirements of a balanced budget."[75]

[74] Barbara A. Chaney, Paul A. Copley, and Mary S. Stone, "The effect of fiscal stress and balanced budget requirements on the funding and measurement of state pension obligations," *Journal of Accounting and Public Policy* 21 (2002): 287-313 (307).
[75] Robert B. Albritton and Ellen M. Dran, "Balanced Budgets and State Surpluses: The Politics of Budgeting in Illinois", *Public Administration Review* 47, no. 2 (March – April 1987): 143-152 (146).

CHAPTER 3

METHODOLOGY AND APPROACH

The purpose of this research is to make a judgment of accountability on budgets and structural balance for the 50 states. This was accomplished by utilizing budget and financial reporting tools, including the "original" budget column reported in state CAFRs as required by GASB Statement No. 34. In addition, the Hou and Smith balanced budget requirement framework was analyzed. As a result of this assessment, suggestions for future research to enhance the budgetary and structural balance accountability process under the GASB financial reporting model will be provided.

This chapter provides the methodology and approach that was used in this study. It also discusses the methods used to collect and analyze the data for the 50 states' and their CAFRs since the implementation of GASB Statement No. 34. The resulting data was further analyzed within the balanced budget framework for the potential states. This was done by using an accountability achievement scale that is based on the two criteria necessary to demonstrate accountability in the financial reporting environment according to GASB's Concepts Statement No. 1:

1. whether budget projections were met, and
2. whether structural balance was achieved (from both a budgeting and actual standpoint).

Background and Significance

This research focuses on holding states accountable regarding their reported budgetary information, holding them accountable regarding structural balance, and holding them accountable within their balanced budget requirement (BBR) framework, as applicable. Although most states require balanced budget provisions, there is often no consequence if the actual results do not comply with the provisions. This study seeks to offer an analysis and provide a judgment of accountability to see how well states manage their adopted budgets, including revenues and expenditures. Also, the Hou and Smith BBR framework will be applied to the annually reported budget to actual data in the CAFR to determine if balanced budget requirements possibly influence the budgeting process in terms of its balancing aspect. If so, some of these particular balanced budget requirement policies can possibly be shown to have an impact on the budgeting process, as they apply to accountability.

The research questions on whether states are managing their revenues and expenditures can be explored by using the Micawber Principle framework to identify any trends or patterns with regards to management of the budget. The findings can potentially identify if certain states practice greater budgetary accountability with their projections compared to their actual results. The inclusion of the "original" budget column by GASB provides additional information to the readers of CAFR's. Is there a difference between the information provided in the "original" budget to that of the "final amended" budget? If so, then the GASB has achieved one of its purposes in financial reporting, to increase the provision of information for studying accountability. If not, GASB's requirement has still supplied the information necessary to make that determination.

The financial management cycle includes both budgeting and financial reporting processes and uses financial tools such as budgets and CAFRs to work within these processes. This financial management cycle operates within a regulatory environment that includes balanced budget requirements adopted by states and generally accepted accounting principles promulgated by GASB. These tools and requirements communicate information that allows the multiple constituencies of a state to make a judgment of the government's accountability for managing the budget and financial processes. Together, both mechanisms present a financial picture for any given fiscal year. This project seeks to evaluate this financial picture by utilizing the Micawber Principle and by using the Hou and Smith framework to make a determination and an assessment of budgetary and structural balance accountability.

An analysis was undertaken to examine whether the 50 states effectuate a budget close to the "original" adopted budget or whether there are significant amendments that change what the public and other users of the "original" budget might have assumed. This is important because the "original" adopted budget process is generally a more democratic process than the "amendment" process.

A literature search has not identified any study that has utilized this new budgetary reporting requirement for the demonstration or assessment of accountability. This research focuses on the 50 states using the availability of "original" budget information, as well as "final amended" budget and actual information, to analyze different facets of budgetary and structural balance accountability. Because the General

Fund is the main operating fund for each of the 50 states, only general fund budgetary data will be used in the analysis for this research. This exploratory study will highlight the idiosyncrasies among the states that are imperative to analyzing budgetary and structural balance accountability in any later quantitative research project. Furthermore, this study will suggest future considerations for GASB to implement that will enhance the budgetary and structural balance accountability of governmental entities, as it relates to financial reporting.

GASB Statement No. 34 Implementation

State governments were required to implement GASB Statement No. 34 in fiscal year 2002 or later, depending on the size of the government's "total annual revenues in the first fiscal year ending after June 15, 1999" (FY 1999). Table 1 lists each state and its respective fiscal year of implementation for GASB Statement No. 34.

GASB adopted a three-phase, three-year implementation period. Phase 1 governments with more than \$100 million total annual revenues in FY 1999 must implement for periods beginning after June 15, 2001. Phase 2 governments with more than \$10 million total annual revenues in FY 1999 must implement for periods beginning after June 15, 2002. Phase 3 governments with less than \$10 million total annual revenues in FY 1999 must implement for periods beginning after June 15, 2003.[76] Thus, most states had to implement the new standard in fiscal year 2002. Two states, Michigan and Oklahoma early implemented the new standard in fiscal year 2001. New York was the last state to implement the new standard in fiscal year 2003, due to their fiscal year ending March 31st (beginning April 1st).

[76] GASB (1999).

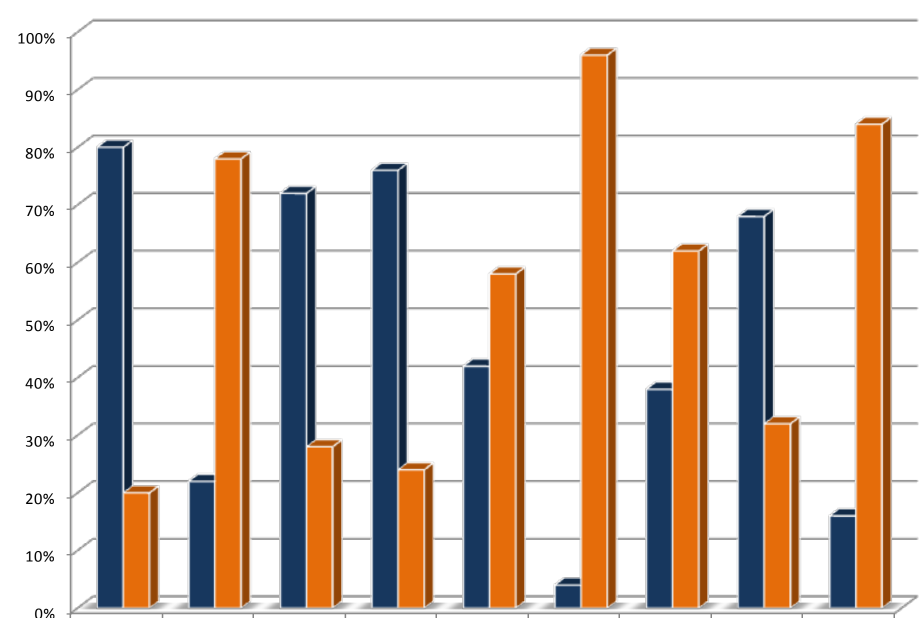
Table 1 GASB Statement No. 34 - Year of Implementation by State

State	Fiscal Year End	Implementation Fiscal Year 2001	2002	2003
Alabama	September 30th		X	
Alaska	June 30th		X	
Arizona	June 30th		X	
Arkansas	June 30th		X	
California	June 30th		X	
Colorado	June 30th		X	
Connecticut	June 30th		X	
Delaware	June 30th		X	
Florida	June 30th		X	
Georgia	June 30th		X	
Hawaii	June 30th		X	
Idaho	June 30th		X	
Illinois	June 30th		X	
Indiana	June 30th		X	
Iowa	June 30th		X	
Kansas	June 30th		X	
Kentucky	June 30th		X	
Louisiana	June 30th		X	
Maine	June 30th		X	
Maryland	June 30th		X	
Massachusetts	June 30th		X	
Michigan	September 30th	X		
Minnesota	June 30th		X	
Mississippi	June 30th		X	
Missouri	June 30th		X	
Montana	June 30th		X	
Nebraska	June 30th		X	
Nevada	June 30th		X	
New Hampshire	June 30th		X	
New Jersey	June 30th		X	
New Mexico	June 30th		X	
New York	March 31st			X
North Carolina	June 30th		X	
North Dakota	June 30th		X	
Ohio	June 30th		X	
Oklahoma	June 30th	X		
Oregon	June 30th		X	
Pennsylvania	June 30th		X	
Rhode Island	June 30th		X	
South Carolina	June 30th		X	
South Dakota	June 30th		X	
Tennessee	June 30th		X	
Texas	August 31st		X	
Utah	June 30th		X	
Vermont	June 30th		X	
Virginia	June 30th		X	
Washington	June 30th		X	
West Virginia	June 30th		X	
Wisconsin	June 30th		X	
Wyoming	June 30th		X	

Hou and Smith Framework

Hou and Smith developed a nine rule framework for state balanced budget requirement systems. Each of the nine rules was categorized as either political or technical. In addition, each of the nine rules falls within one or more phases of the budget cycle as reported in the CAFR. Figure 7 depicts the percentage of states that have either a constitutional or other legal requirement in place for the nine rules and designates the rule as political or technical. Appendices A1 and A2 contain a breakdown for all states and how they fall into the Hou and Smith framework.

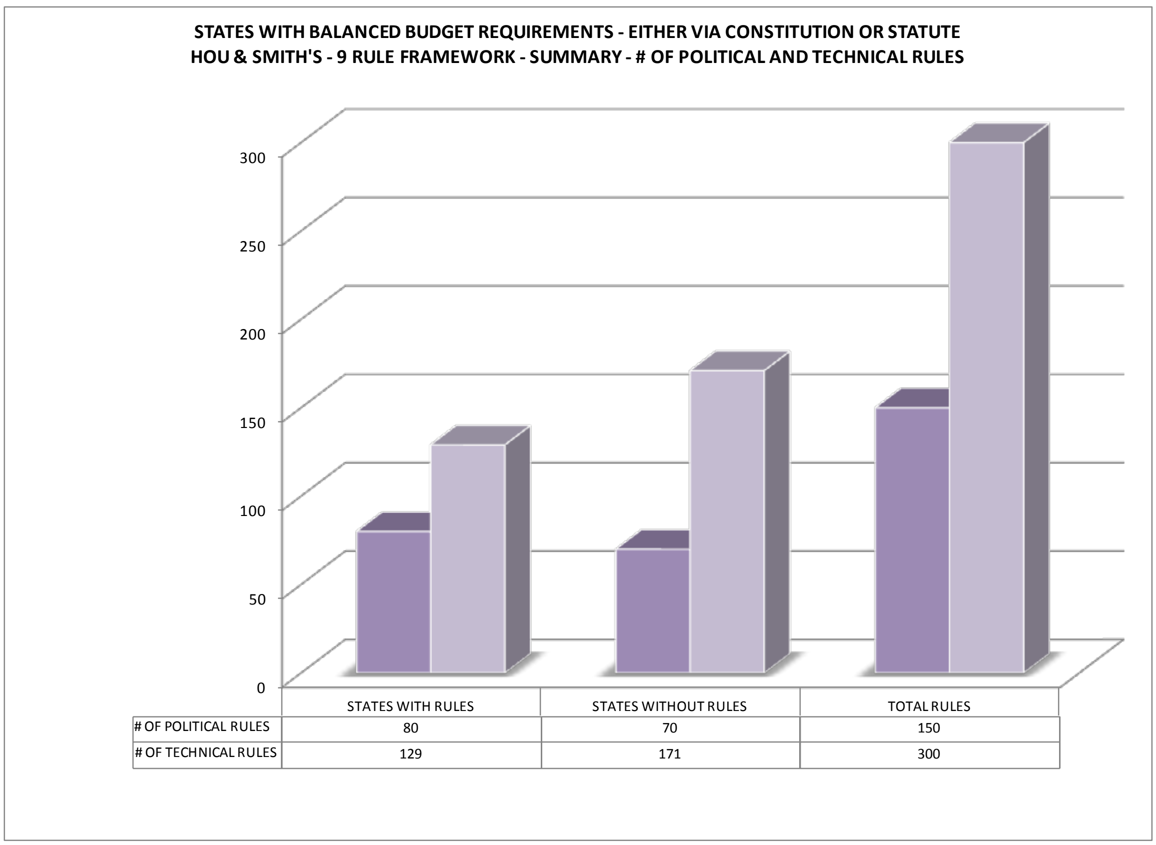
Figure 7 States with Balanced Budget Requirements Via Constitution or Statute
Hou and Smith's 9 Rule Framework



	Political	Technical	Technical	Political	Technical	Political	Technical	Technical	Technical
	Governor Must Submit a Balanced Budget	Own-Source Revenue Must Match Expend	Own-Source Revenue + Debt Must Match Expend	Legislature Must Pass a Balanced Budget	Limit on Debt that may be used for Deficit Reduction	Governor Must Sign a Balanced Budget	Controls are in Place on Supplement Approp	Within FY Controls are in Place to Avoid Deficit	No Deficit C/O into the Next FY or Biennium
	Rule 1	Rule 2	Rule 3	Rule 4	Rule 5	Rule 6	Rule 7	Rule 8	Rule 9
STATES WITH RULES	80%	22%	72%	76%	42%	4%	38%	68%	16%
STATES WITHOUT RULES	20%	78%	28%	24%	58%	96%	62%	32%	84%

While the previous figure summarized the percentage of states that contained each rule, Figure 8 depicts the number of states that have either a constitutional or other legal requirement in place for the nine rules and designates the rule as political or technical. Of the three political rules, and a possibility of 150 total potential rules (3 political rules x 50 states), 80, or 53%, have the rule. Of the six technical rules, and a possibility of 300 total potential rules (6 technical rules x 50 states), 129, or 43% have the rule. Hou and

Figure 8 Summary of States with Balanced Budget Requirements
By Political or Technical Rules



Smith argue that political rules should be supplemented with technical rules in order to substantiate their usefulness in the outcome of budget processes.[77] Both Figures 7 and 8 demonstrate that states have developed different means to achieve one end, a balanced budget. If states have implemented such balanced budget structures, questions arise as to whether these rules a) make a difference and b) are followed.

Research Data

Data for the study was obtained from the Comprehensive Annual Financial Reports' (CAFRs) budget to actual statements since the implementation of GASB 34 for the 50 states. At the time of this analysis, CAFRs were available for all 50 states through fiscal year 2008. This provides seven years of data since the implementation of GASB Statement No. 34 for this research. Information for the 50 states is available through *The National Association of State Auditors, Comptrollers and Treasurers* website, www.nasact.org, which has direct links to all 50 states' websites that contain electronic versions of the Comprehensive Annual Financial Reports (CAFR's). Those CAFR's not available on the respective state websites were obtained directly from the states.

The financial data for fiscal years 2002 thru 2008 consisted of revenues, expenditures, other financing sources, other financing uses and special items. A summary of this financial data, including formulas, is included in Appendix B – Data for Analysis; the actual data is included in Appendix C: State Revenue Data by Year, Appendix D: State Expenditure Data by Year, Appendix E: State Excess Line Data by Year, Appendix F: State Other Financing Sources (Uses) Net by

[77] Hou and Smith (2006): 22-45.

Year, Appendix G: State Special Items by Year, Appendix H: State Change in Fund Balance by Year. The data is reported in the following categories:

(1) "Original" budget

(2) "Final amended" budget

(3) Final actual results

Prior to GASB 34, only the analysis of the relationship between (2) "final amended" budget and (3) final actual results was possible. After GASB 34, analysis of the relationship between (2) "final amended" budget and (3) final actual results, as well as (1) "original" budget and (3) final actual results, and (1) "original" budget and (2) "final amended" budget was possible. The actual results of revenues and expenditures were compared with the "original" and "final amended" budget to determine the following:

Revenues met budget/did not meet budget	(Y) yes / (N) no
Expenditures were within budget/not within budget	(Y) yes / (N) no

The resulting data was further analyzed within the balanced budget requirement framework. States with particular "rules" were compared with their budget management results. This information was utilized to determine if some states were more likely to have certain constitutional or statutory provisions that lend them to having better budget management.

Limitations of the Study

A major limitation to this study is that all 50 states do not budget in a similar format. Whereas GASB has required standards for financial reporting, GASB does not dictate the format that states must use in adopting their budgets. Many states have their own particular laws that they must follow in the adoption of their budgets. There are several formatting differences that hinder this research study. Two of these will be discussed.

Each state adheres to its particular laws for adoption of their budgets. Those laws or regulations can proscribe the presentation format of the budget document, which can create formatting differences across the states that limit comparability. The primary formatting differences can be categorized as 1) states that adopt a biennial budget without reporting two separate years, and 2) states that display different formats in their budget to actual statement within their CAFRs. These formatting differences limited this research study and are described below.

First, twenty states adopt a biennial budget rather than an annual budget. A biennial budget refers to a budget that is adopted to cover two years rather than an annual budget, which covers one fiscal year. This can distort the differences that will be calculated to evaluate the variances between the "original" budget and the "final amended" budget to actual results. Thus, there is no way to adequately judge the management of the budget process on an annual basis. GASB does not provide specific guidance for those governments that budget biennially. When they report their budget to actual statements in their CAFR's, different approaches may be taken by those states. Kinnersley and Patton describe two of these approaches:

1. If a government passes a biennial budget that contains two legally enforceable annual budgets, the government would report the first year's annual budget in the budgetary comparison schedule for the first year of the biennium. Similarly, the government would report the second year's annual budget in the second year of the biennium. If unused appropriations from the first year of the biennium budget are legally authorized to be spent in the second year, the government would increase its second-year budget for these "carryover" amounts.

2. If a government passes a biennial budget that does not separate budgeted amounts into two annual periods, the government may report the entire amount of the biennial budget in the first year of the biennium, and the unexpended amounts from the first year as the beginning budget for the second year.[78]

Where scenario two suggests that the second year of the biennial budget is reflected as only the balance after the first year, in reality all 4 states that fall under this scenario, report the total biennial budget for both years.

Under scenario two, a budget to actual statement that shows two years of budget can distort the differences that will be calculated to evaluate the variances between the "original" budget and "final amended" budget to actual results. Table 2 delineates between those states that adopt an annual budget, those states that adopt a biennial budget with two legally enforceable annual budgets, and those states that adopt a biennial budget that do not separate the amounts into two annual periods. With the latter states, there is no way to adequately judge their management of the budget process on an annual basis. Those states are North Dakota, Oregon, Washington, and Wyoming.

The second formatting issue (states that display different formats in their budget to actual statement within their CAFRs), occurs because many states do not prepare budget documents in the same format that is used for the basic governmental financial

[78] Randy Kinnersley and Terry Patton, "GASB Statements 34 and 41", *The CPA Journal Online* (March 2005).

Table 2 States by Type of Budget Adoption Process

State	Annual Budget	Biennial Budget with 2 Annual Budgets Reported	Biennial Budget without 2 Annual Budgets Reported
Alabama	X		
Alaska	X		
Arizona		X	
Arkansas*		X	
California	X		
Colorado	X		
Connecticut		X	
Delaware	X		
Florida	X		
Georgia	X		
Hawaii		X	
Idaho	X		
Illinois	X		
Indiana		X	
Iowa	X		
Kansas	X		
Kentucky		X	
Louisiana	X		
Maine		X	
Maryland	X		
Massachusetts	X		
Michigan	X		
Minnesota		X	
Mississippi	X		
Missouri	X		
Montana		X	
Nebraska		X	
Nevada		X	
New Hampshire		X	
New Jersey	X		
New Mexico	X		
New York	X		
North Carolina		X	
North Dakota			X
Ohio		X	
Oklahoma	X		
Oregon			X
Pennsylvania	X		
Rhode Island	X		
South Carolina	X		
South Dakota	X		
Tennessee	X		
Texas		X	
Utah	X		
Vermont	X		
Virginia		X	
Washington			X
West Virginia	X		
Wisconsin		X	
Wyoming			X

* Beginning with FY 2010, Arkansas switched from biennial to annual appropriations.

statements in the CAFR, what is termed here as the "operating statement" format. This "operating statement" reporting format facilitates a user's analysis of financial statements by detailing the components (revenues, expenditures, other financing sources and uses, and special or extraordinary items) to allow a determination of structural balance. However, GASB does not require this reporting format when reporting the budget to actual statements.

In addition, when GASB was working on developing Statement No. 34, some respondents to the draft of Statement No. 34 wanted to change the measurement focus, or basis of accounting, from the GAAP (generally accepted accounting principles) modified accrual basis to the budgetary basis for its basic governmental financial statements. The former basis of accounting (modified accrual) focuses on when items become available and measurable versus the latter (budgetary), which is generally on a cash basis. GASB cited two main reasons to remain with the modified accrual approach for the basic financial statements. One, states do not budget in the same manner, because no "nationwide standards" for budgeting exist. Two, variations among states exist, not only in the measurement focus, but also in the scope of what is included in a budget. Not all states budget all governmental funds. Thus, a "lack of consistency and comparability" could pose problems for any financial analysis that tried to compare this data. [79] As a result, GASB Statement No. 34 allowed states to choose one of two formats for the budget to actual statement, while still requiring one format for the basic financial statements. The two possible budget to actual statement formats are: 1) the "operating statement" format that mirrors the Statement of Revenues, Expenditures, and Changes in Fund balance, and 2) the "budget document" format that mirrors the budget document

[79] GASB (1999): Paragraphs 250-253, Appendix B: Basis for Conclusions.

for the applicable entity. Currently, the GASB "believes that one approach may be appropriate for some governments and their users, whereas the other method may be more responsive to the needs of other governments and their users.[80]

GASB maintained the modified accrual basis as a requirement for general fund reporting in the fund financial statements to provide comparability among states. However, the required states' budgetary to actual comparison schedules in the CAFRs can be reported according to the modified accrual basis or their applicable budgetary basis. If the measurement focus differs between the Statement of Revenues, Expenditures, and Changes in Fund Balance and the Budgetary Comparison Schedule, a reconciliation between the two schedules is required to be included in the Notes to the Financial Statement or in the Notes to the Required Supplementary Information (RSI), as applicable.

Most states budget on a cash basis versus a modified accrual basis. The GASB format and sequence for the Statement of Revenues, Expenditures, and Changes in Fund Balances is shown in Figure 9. Two subtotals are highlighted. First, revenues and expenditures are netted to report an excess (deficiency) of revenues over expenditures. This line is important because it reflects inter-period equity or structural balance and provides the information necessary to answer the question whether ongoing revenues are sufficient to meet ongoing expenditures.

Other financing mechanisms represent inflows from other funds or outflows to other funds that do not qualify as either revenues or expenditures. In addition, they might include one-time funding sources or uses, such as debt issuance. An entity may also have

[80] GASB (1999), Paragraph 452, Appendix B: Basis for Conclusions.

Figure 9 GASB Format and Sequence for General Fund

STATE OF EXAMPLE
Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund
For the year ended September 30, 2008

	Original Budget	Amended Budget	Actual	Amended Variance Favorable (Unfavorable)
Revenues				
Taxes	50	100	100	-
Intergovernmental	50	100	50	(50)
Other	50	50	50	-
Total revenues	150	250	200	(50)
Expenditures				
General government	50	50	100	(50)
Transportation	50	50	50	-
Public safety	50	50	50	-
Total	150	150	200	(50)
Capital outlays	50	150	100	50
Debt service	50	50	50	-
Total expenditures	250	350	350	-
Excess (deficiency) of revenues over expenditures	(100)	(100)	(150)	(50)
Other financing sources (uses)				
Transfers in	100	150	150	-
Transfers out	(50)	(1,050)	(1,000)	50
Proceeds of warrant issue	-	1,000	1,000	-
Issuance costs	-	75	75	-
Total other financing sources (uses)	50	175	225	50
Special items (sources) uses				
Sale of park land	(100)	(100)	(100)	-
Revenue rebate to developer	100	100	100	-
Total special items sources (uses)	-	-	-	-
Extraordinary items (sources) uses				
Example one	(100)	(100)	(100)	-
Example two	100	100	100	-
Total special items sources (uses)	-	-	-	-
Net change in fund balances	(50)	75	75	-
Fund balances, beginning of year	100	100	100	-
Fund balances, end of year	50	175	175	-

one time occurrences that qualify as special and/or extraordinary items. All of these "other" sources (uses) are added to the first revenue (expenditure) subtotal for a net change in fund balance. Finally, the net change in fund balance is added to the beginning of year fund balance to arrive at the end of year fund balance. This format is required for reporting the General Fund actual results on the Statement of Revenues, Expenditures, and Changes in Fund Balance. This reporting format facilitates a user's analysis of financial statements, not only the components (revenues, expenditures, other financing sources and uses, special items, and/or extraordinary items), but also the overall financial picture and budget to actual results, by allowing a determination of structural balance.

This required format for the Statement of Revenues, Expenditures, and Changes in Fund Balance is not equally applicable for the budgetary comparison schedule that shows their budget to actual presentation. GASB Statement No. 34 requires the Budgetary Comparison Schedule to be reported as required supplementary information (RSI) in the CAFR. The format presentation recommended is comparable to the Statement of Revenues, Expenditures, and Changes in Fund Balance. However, other formats are permitted. Many states follow the recommended format, but other states use an alternative format. The various other formats in the budget to actual reporting may coincide with their particular state requirements. Many of these states combine revenues with other financing sources and likewise, combine expenditures with other financing uses. This creates an overall sources and an overall uses total, but it leaves out information that can be important in evaluating how well the state met budget projections for revenues and expenditures only (structural balance). In addition, not all states report a revenue budget or a budget for other financing sources (uses). Without these components budgeted and reported, a judgment cannot be made on their accountability as it relates to budget projections and inter-period equity/structural balance.

Table 3 summarizes the formatting used by the 50 states. Shown are eight columns: A, B, C, D, E, F, G, and H. Columns A thru D represent “operating statement” formats, while columns E thru H represent “budget document” formats. The columns are defined as follows:

“Operating Statement” Format:

A. All Elements Are Reported Separately – All analyses can be done on individual elements as needed (i.e. revenues, expenditures, other financing sources (uses), and special or extraordinary items).

B. Revenues and Expenditures Are Reported Separately – Revenues and expenditures are reported separately, even though the other elements (other financing sources and uses) are not reported separately.

C. 2 Year Biennium Budget Presented With Annual Actual Figures – This presents a 2 year budget for 1 fiscal year.

D. No Revenue Budget Is Reported – No revenue budget is reported.

“Budget Document” Format:

A. Revenues and Expenditures Are Reported Separately – Revenues and expenditures are reported separately, even though the other elements (other financing sources and uses) are not reported separately.

B. 2 Year Biennium Budget Presented With Annual Actual Figures – This presents a 2 year budget for 1 fiscal year.

C. No Revenue Budget Is Reported –No revenue budget is reported.

D. Combines Other Financing Sources and/or Uses With Revenues and/or Expenditures – This “budget document” format combines individual elements of the financial statement

Table 3 States by Budgetary Format

	Operating Statement Format				Budget Document Format			
State	All Elements Are Reported Separately	Revenues and Expenditures Are Reported Separately	2 Year Biennium Budget Presented With Annual Actual Figures	No Revenue Budget Is Reported	Revenues and Expenditures Are Reported Separately	2 Year Biennium Budget Presented With Annual Actual Figures	No Revenue Budget Is Reported	Combines Other Financing Sources and/or Uses With Revenues and/or Expenditures
COLUMN	A	B	C	D	E	F	G	H
Alabama	X							
Alaska	X							
Arizona							X	
Arkansas							X	
California*				X				
Colorado	X							
Connecticut								X
Delaware					X			
Florida								X
Georgia								X
Hawaii	X							
Idaho				X				
Illinois	X							
Indiana		X						
Iowa								X
Kansas								X
Kentucky								X
Louisiana	X							
Maine		X						
Maryland		X						
Massachusetts							X	
Michigan**								X
Minnesota	X							
Mississippi	X							
Missouri								X
Montana	X							
Nebraska	X							
Nevada					X			
New Hampshire	X							
New Jersey					X			
New Mexico*								X
New York	X							
North Carolina								X
North Dakota						X		
Ohio	X							
Oklahoma***							X	
Oregon			X					
Pennsylvania	X							
Rhode Island****								X
South Carolina								X
South Dakota							X	
Tennessee					X			
Texas					X			
Utah	X							
Vermont	X							
Virginia	X							
Washington						X		
West Virginia								X
Wisconsin								X
Wyoming						X		
Total States	17	3	1	2	5	3	5	14

* California began including a revenue budget in their CAFR with FY 2008 and New Mexico changed to a traditional format that separated the components in FY 2008.
** Massachusetts' presentation is sporadic from year to year; Sometimes a revenue budget is included and sometimes it is not.
*** Oklahoma, in FY 2007, began to exclude their summary budget to actual statement; before that it is available.
**** Rhode Island's revenue and expenditure data was available in FY 2002, then the format changed beginning with FY 2003.

Those 25 states in columns A, B, and E of Table 3 represent states that separately report revenues and expenditures and thus provide information that will allows users of the financial statements to make a judgment of accountability as it relates to budgeting and/or structural balance. Those 25 states in columns D, E, G, H and I of Table 3 represent states that did not provide this revenue and expenditure information in their CAFRs in a format that allows for a judgment to be made on budgeting and/or structural balance. Thus, a total of 25 states will be excluded from this analysis due to the fact that they do not provide enough information in the CAFR's to make a judgment on the management of their budgetary and structural balance processes. As well, 25 states will be included in the comparative analysis of this project.

GASB Statement No. 34 states that "items that should be reported as other financing sources and uses include proceeds of long-term debt, issuance premium or discount, certain payments to escrow agents for bond refunding, transfers, and sales of capital assets (unless the sale meets the criteria, as defined in paragraph 56, for reporting as a special item)."[81] Revenues and expenditures are separated from other financing sources (uses) and special items, because they assist the users of the financial statements in determining how well the basic operations of the government are being balanced with ongoing "revenue" sources and not "other financing" sources. When states do not report information according to the "operating statement" format, the reader of the budgetary statement can not readily determine structural balance and as a result they cannot readily make a complete assessment of the government's management of resources. The subsequent analysis examines the 25 states that do report their budgetary schedule in a

[81] GASB (1999), paragraph 88.

format that report revenues and expenditures separately, to make a judgment with regards to the management of their budgetary processes.

As described above, "the complexity and individuality of state government budgets represent formidable barriers to comparative analysis."[82] Both of these formatting issues, biennial budgeting and non-traditional presentation, are limitations that restrict this research. However, the viability and usefulness of the project still exists. In his book, Sharkansky also stated that "expenditure data….lends itself to comparative study."[83] Because this is an exploratory study, the purpose is to detail these limitations by states and provide insights into the subject area that are necessary before a formal hypothetical quantitative analysis can possibly occur.

Research Design

The primary objective for the issuance of GASB Statement No. 34 was to increase government's accountability to its citizenry and other constituents. Stewart summarized accountability in two parts: 1) the need for information to assess accountability and 2) assessing the information to make a judgment of accountability. He further defined five levels of accountability, or a "ladder of accountability." Those levels applicable to this study are *probity and legality*, *process*, *performance*, and *policy*.[84]

Figure 10 discusses the methodology for the four research questions that were undertaken and correlated with the four rungs of Stewart's ladder of accountability for the 25 states that remained in the study after consideration of their budget formatting

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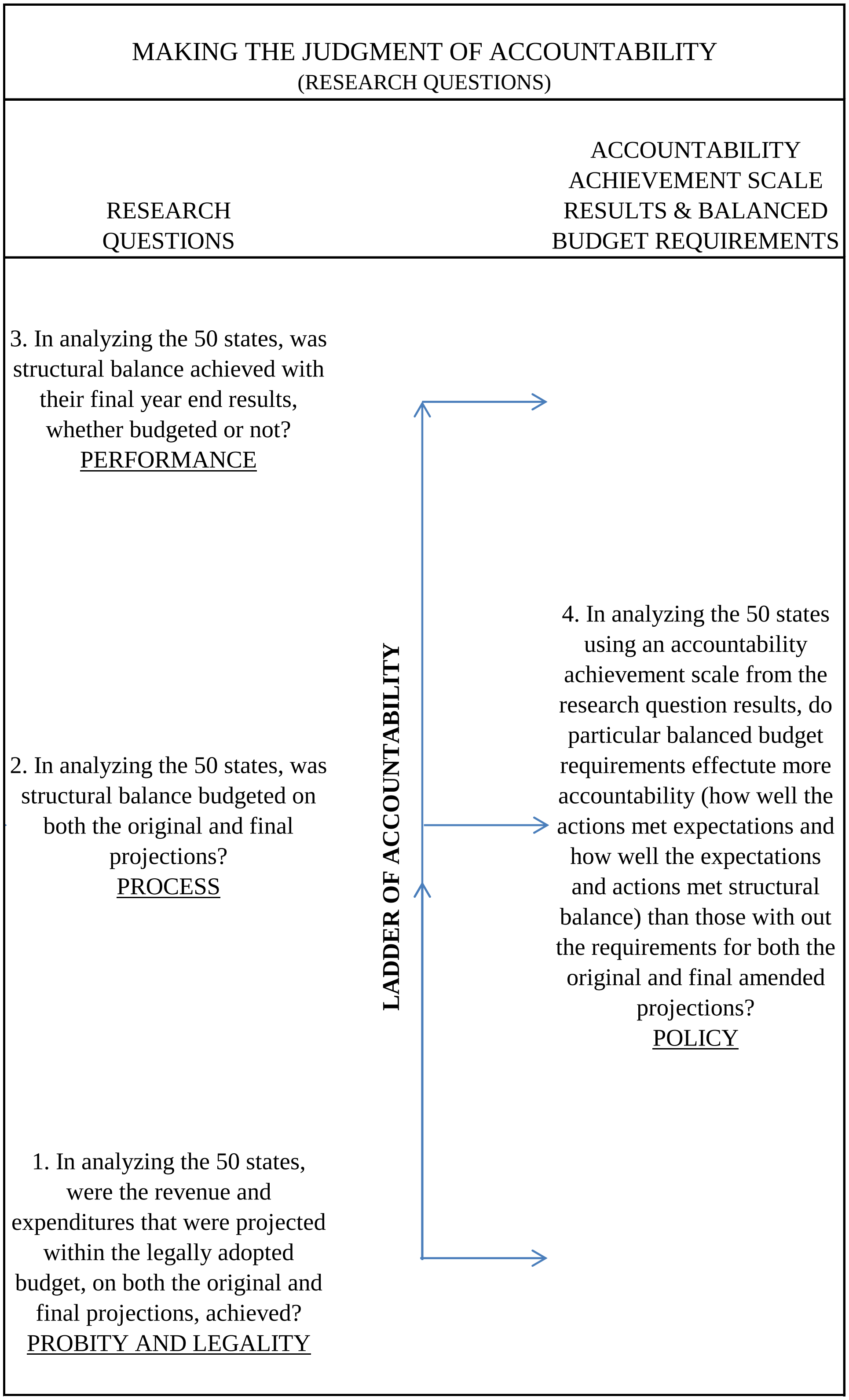
[82] Ira Sharkansky, "Agency Requests, Gubernatorial Support and Budget Success in State Legislatures," *The American Political Science Review* 62, no. 4 (December 1968): 1220-1231 (1221).
[83] Ira Sharkansky. *Spending in the American States.* Chicago: Rand, McNally and Co., 1968.

[84] Stewart (1984): 13-34.

Figure 10 Research Questions



issues. Numerically, the research questions follow the steps of the rungs of the ladder with the results of the first three questions feeding into the final rung.

First, a determination was made on whether the revenues and expenditures that were projected within the legally adopted budget, on both the “original” and “final” projections, were achieved. This question (Question 1 in Figure 10) focuses on the *probity and legality* question of accountability, which analyzes whether funds have been used properly and in accordance with the authorization. The focus here is on the balancing aspect and not the functional aspect of accordance. In other words, the states will be analyzed on whether they met revenue projections or stayed within expenditures overall, rather than by functional area. The Micawber Principle was used to determine whether states were accountable in that they met their budget projections, through both the “original” budget to actual results and the “final amended” budget to actual results.

An additional insight of the *probity and legality* accountability will ascertain how the “final amended” budget changed accordingly. This analysis provides an overview for the management of the budget process. A determination is made that shows the composition of the changes that were or were not effectuated. Because most democratic involvement in the state budget process occurs with the adoption of the “original” budget, it is important to examine the accountability for states of their budget processes in relation to the types of changes that are occurring after the “original” budget.

Specifically, the changes could have evolved in one or more of the following ways:

1. No change in the revenue budget
2. No change in the expenditure budget
3. Decrease in the revenue budget
4. Decrease in the expenditure budget
5. Increase in the revenue budget
6. Increase in the expenditure budget

These changes will be analyzed within the Micawber Principle analysis of revenue and expenditure projection achievement.

Research question two assesses accountability in terms of the second level: *process*. This type of accountability assures that adequate processes are used in the authorization procedure. Question two (shown in Figure 10) will examine whether structural balance was budgeted, to see if states incorporate this structural philosophy in their budget processes.

Research question three measures accountability in terms of the third level: *performance*. This type of accountability assures that planned operations are effectuated. Question three (shown in Figure 10) will examine whether the structural balance was achieved, even if it was not budgeted. Thus, the second and third questions analyze whether inter-period equity/structural balance was budgeted and/or achieved, on an “original” and “final amended” basis, as well as actual results. The former focuses on the adopted budget, while the latter focuses on the actual results. A state might have projected a negative structural balance, but actually achieved a positive structural balance, which demonstrates the concepts of *process* and *performance* accountability, respectively.

An analysis of structural balance was completed for each state and respective year. This analysis will determine the number of times that states met this criterion. When budget and actual results for states are not structurally balanced, they must rely on other funding mechanisms to balance the budget. Structural balance is measured by the difference between the current year revenues less the current year expenditures. The result represents a variance that will either be positive, negative, or zero. If positive or zero, then structural balance has been achieved. If negative, structural balance was not achieved and the entity had to use other financing sources, special or extraordinary items, and/or fund balance to balance the budget. Structural balance will be calculated for the: 1) "Original" Budget, 2) "Final" Budget, and 3) Actual Results.

An additional insight will be provided that analyzes whether states met their excess variance projected for the difference between revenues and expenditures, despite whether it was structurally balanced. Although this portion of the analysis is not included specifically in the accountability achievement scale, analyzing the excess variance as a total allows a determination to be made to see if GASB should reconsider some of its structural balance language.

Finally, with the data from the first three components, an accountability achievement scale was developed to measure accountability in terms of the fifth level: *policy*. Here, the accountability achievement scale was applied to the Hou and Smith balanced budget requirement framework to determine if there are any particular requirements that lead to more budgetary accountability than others, which allows a judgment on the various balanced budget requirement policies of the states (Question 4 in Figure 10).

Budgetary & Structural Balance Accountability Achievement Scale

Analysis of the revenue and expenditure data was accomplished with the Micawber Principle framework. This framework analyzes the relationship between revenues and expenditures, rather than the actual level of differences. The Micawber framework will facilitate examining whether the revenues and expenditures projected were met, to judge whether budgetary accountability was achieved in the management of budget projections. In addition, the combination of revenues and expenditures determines whether structural balance exists. If revenues exceed expenditures, then financial success will have been attained and structural balance exists. For example, two states both manage their revenues and expenditures during a given year. One state had $100,000 more in fiscal surplus than the other state. According to the Micawber principle, both states had financial success. Sometimes states may intentionally budget a negative structural balance. Thus, under the Micawber Principle, governments can manage their resources and spending with the following possibilities:

1. Governments can manage neither their revenues nor their expenditures (N/N);
2. Governments cannot manage their revenues but can their expenditures (N/Y);
3. Governments can manage their revenues but not their expenditures (Y/N);
4. Governments can manage both their revenues and expenditures (Y/Y).[85]

A “Y” denotes that the budget process was managed in that it met projections, and an “N” denotes that the budget process was not managed in that it did not meet projections.

[85] Wildavsky (2001): p. 254.

For revenues, the following formula was used:

If R actual >= R budget, then "YES" (Y), otherwise, "NO" (N)

(where R = Revenues)

For expenditures, the following formula was used:

If E actual <= E budget, then "YES" (Y), otherwise, "NO" (N)

(where E = Expenditures)

The resulting sets of data ("original" and "final amended" budget to actual comparisons) were compared to each other to assess the GASB 34 impact of "original" budget information. These results were weighted to develop component 1 of an overall accountability achievement scale as shown in Figure 11 to determine if both "original" and "final amended" budget projections were met (*probity and legality* accountability). Specifically, if neither revenues nor expenditures met projections, an accountability rating of 0 was given. If only one element of either revenues or expenditures met projections, an accountability rating of 1 was given. Finally, if both revenues and expenditures met budget projections, an accountability rating of 2 was given. A rating was provided on both sets of projections, "original" budget to actual results, as well as the "final amended" budget to actual results. Thus, the ratings on component 1 could range from 0 to 4 when combining both sets of projection results.

In addition to the accountability ratings for whether revenue and expenditure projections were met, the accountability achievement scale will also take into account structural balance. Structural balance, whether current-year revenues were sufficient to pay for current-year expenditures, represents the other level of information that GASB's Concepts Statement No. 1 says is necessary to evaluate accountability. Specifically, component 2 of the accountability achievement scale measures whether structural balance was projected for both the “original” and the “final amended” budgets as shown in Figure 12 (*process* accountability). In particular, if structural balance was not budgeted, an accountability rating of 0 was given. If structural balance was budgeted, an accountability rating of 2 was given. Thus, the ratings on 2nd component could range from 0 to 4, when combining both sets of projection results.

Figure 11 Accountability Achievement Scale – Component 1

ACCOUNTABILITY ACHIEVEMENT SCALE
COMPONENT 1
BASED ON 2 TYPES OF INFORMATION NECESSARY TO ASSESS ACCOUNTABILITY ACCORDING TO GASB'S CONCEPTS STATEMENT NO. 1

Probity & Legality Accountability: Were budget projections met?

"Original" Budget to Actual Results

Actual Results met Revenue/Expenditure Projection	Budget Managed	Accountability Rating
REV(N)/EXP(N)	No	0
REV(N)/EXP(Y)	Somewhat	1
REV(Y)/EXP(N)	Somewhat	1
REV(Y)/EXP(Y)	Yes	2

"Final Amended" Budget to Actual Results

Actual Results met Revenue/Expenditure Projection	Budget Managed	Accountability Rating
REV(N)/EXP(N)	No	0
REV(N)/EXP(Y)	Somewhat	1
REV(Y)/EXP(N)	Somewhat	1
REV(Y)/EXP(Y)	Yes	2

Figure 12   Accountability Achievement Scale – Component 2

ACCOUNTABILITY ACHIEVEMENT SCALE
COMPONENT 2
BASED ON 2 TYPES OF INFORMATION NECESSARY TO ASSESS ACCOUNTABILITY ACCORDING TO GASB'S CONCEPTS STATEMENT NO. 1

Process Accountability: Was structural balance budgeted?

"Original" Budget

Was Structural Balance between Revenues and Expenditures Budgeted?	Budget Managed	Accountability Rating
N	No	0
Y	Yes	2

"Final Amended" Budget

Was Structural Balance between Revenues and Expenditures Budgeted?	Budget Managed	Accountability Rating
N	No	0
Y	Yes	2

The third component of the accountability achievement scale measures whether structural balance was effectuated in the actual results, whether budgeted or not (*performance* accountability). Component 3 of the accountability achievement scale is illustrated in Figure 13. Specifically, if structural balance was not actualized, an accountability rating of 0 was given. If structural balance was actualized, an accountability rating of 2 was given. Thus, the ratings on component 3 could range from 0 to 2.

Figure 13   Accountability Achievement Scale – Component 3

ACCOUNTABILITY ACHIEVEMENT SCALE
COMPONENT 3
BASED ON 2 TYPES OF INFORMATION NECESSARY TO ASSESS ACCOUNTABILITY ACCORDING TO GASB'S CONCEPTS STATEMENT NO. 1

Performance Accountability: Was structural balance achieved?

Actual Results		
Was Structural Balance between Revenues and Expenditures Achieved?	Budget Managed	Accountability Rating
N	No	0
Y	Yes	2

Finally, Figure 14 represents the complete accountability achievement scale model by combining components 1, 2, and 3. As shown, an accountability achievement scale was created that ranges from 0 (no accountability) to 10 (most accountability). States can achieve partial success in their budgetary and structural balance accountability with a rating that ranges between 0 and 10, which would reflect some accountability. The final accountability achievement scale results will be averaged for the 25 states and the seven years of data available.

Figure 14   Accountability Achievement Scale – Components 1, 2 and 3

ACCOUNTABILITY ACHIEVEMENT SCALE - COMPONENTS 1, 2 AND 3
BASED ON 2 TYPES OF INFORMATION NECESSARY TO ASSESS ACCOUNTABILITY ACCORDING TO
GASB'S CONCEPTS STATEMENT NO. 1

Budgetary & Structural Balance Accountability Achievement Scale	"Original " Budget to Actual Results	"Final" Budget to Actual Results	Original Budget	Final Amended Budget	Actual Results	Total Accountability Rating
Component 1 - Probity & Legality Rating (Were Budget Projections Met?)	0 to 2	0 to 2				0 to 4
Component 2 - Process Rating (Was Structural Balance Budgeted?)			0 to 2	0 to 2		0 to 4
Component 3 - Performance Rating (Was Structural Balance Effectuated?)					0 to 2	0 to 2
Total Rating (For one fiscal year)	0 to 2	0 to 2	0 to 2	0 to 2	0 to 2	0 to 10

The last component of the research, research question four, will analyze the relationship of the Hou and Smith budgetary framework to the information included in the state CAFRs via the above accountability achievement scale. It measures accountability in terms of Stewart's fifth level: *policy*. This type of accountability examines specific policies: the balanced budget requirements adopted by states. Question four will analyze the balanced budget requirements by using the accountability achievement scale derived from the prior three research questions, to identify whether particular balanced budget requirements by states meet expectations of projections and/or structural balance better than those states without the requirements.

The first part of this final analysis compares the total number of rules for states. Specifically, an analysis will be conducted to see if more rules for a state result in a higher accountability rating, on both the political and technical aspect, as well as an overall total level. Last, question four determines whether certain state balanced budget requirements are more effective than others in the budgetary and structural balance process using the accountability achievement scale.

Thus, restated from chapter one, the four research questions to be considered are:

1. In analyzing the 50 states, were the *revenue and expenditures that were projected* within the legally adopted budget, on both the “original” and “final” projections, *achieved* (*probity and legality* level of accountability)?

2. In analyzing the 50 states, was *structural balance budgeted* on both the “original” and “final” projections (*process* level of accountability)?

3. In analyzing the 50 states, was *structural balance achieved* with their final year end results, whether budgeted or not (*performance* level of accountability)?

4. In analyzing the 50 states, using an accountability achievement scale from the previous three research question results, do particular *balanced budget requirements result in more budgetary and structural balance accountability* than those without the requirements (*policy* level of accountability)?

For Research Question No. 4, the following questions were examined specifically:

a. In analyzing the 50 states, using an accountability achievement scale from the previous three research question results, do states with more political types of balanced budget requirements/rules *result in* more budgetary and structural balance accountability than those without more political types of balanced budget requirements/rules?

b. In analyzing the 50 states, using an accountability achievement scale from the previous three research question results, do states with more technical types of balanced budget requirements/rules *result in* more budgetary and structural balance accountability than those without more technical types of balanced budget requirements/rules?

c. In analyzing the 50 states, using an accountability achievement scale from the previous three research question results, do states with political and/or technical types of balanced budget requirements/rules overall *result in* more budgetary and structural balance accountability than those without more balanced budget requirements/rules overall?

d. In analyzing the 50 states, using an accountability achievement scale from the previous three research question results, do states with particular balanced budget requirements/rules *result in* more budgetary and structural balance accountability than those without those balanced budget requirements/rules?

The first three questions within Research Question No. 4 assume that the more emphasis a state puts on balanced budget requirements, in particular by adopting more requirements, the more likely the state is concerned with budgetary and structural balance accountability. Question "a" focuses on the number of political balanced budget requirements, question "b" focuses on the number of technical balanced budget requirements, and question "c" focuses on the total number of balanced budget requirements, whether political or technical. The more emphasis that states put on their balanced budget requirements, the more likely they are to be concerned with the budget process and structural balance being implemented accordingly. Finally, question "d" will examine all of the balanced budget requirements individually to determine if any of the particular rules are statistically significant as they relate to the accountability achievement scale. For all questions, the goal is to evaluate budgetary and structural balance accountability by utilizing the Hou and Smith categories of balanced budget requirements to gain additional insight into state budget processes. The first two parts of the *policy* accountability question focus on the political and technical aspects of the balanced budget requirements; the third part focuses on the total number of balanced budget requirements enacted by the states; the final part of Research Question No. 4 focuses on the substantive composition of each rule.

In sum, this is an exploratory study that seeks to document the states' achievement of budgetary projections and structural balance as reported in their respective CAFRs. This information is necessary to assess the states' budgetary and structural balance accountability and the effect that balanced budget requirements may have on that accountability. These questions explore the descriptive nature of the states and their budgetary and structural balance accountability in a general nature. The analysis also identifies opportunities for future analysis. Subsequent studies should be able to convert these questions into hypotheses, which by definition, “assert a causal association: that is, variation in the independent property tends to cause (lead to, result in, influence, affect), directly or indirectly, variation in the dependent property.”[86] However, this study focuses on the initial descriptive information necessary for future analysis. Thus, the purpose of this research is to provide an overview on how each state managed their budgetary and structural balance processes in the respective years, and by examining the change process, as applicable. Overall, this chapter outlines the methodology used in the descriptive analysis and findings chapter to follow. The goal is to provide an accountability achievement scale based on GASB’s criteria for effective financial reporting accountability and use it as a judgment on the state budget processes.

[86] Robert A. Bernstein and James A. Dyer, *An Introduction to Political Science Methods*, Prentice Hall, Englewood Cliffs, New Jersey, 3rd edition, 1992: 315 (5).

CHAPTER 4

DESCRIPTIVE ANALYSIS AND FINDINGS

The purpose of this research was to make a judgment of accountability on budgets and structural balance for the 50 states as reported in state Comprehensive Annual Financial Reports (CAFRs), particularly the General Fund Budgetary Comparison Schedule/Statements. First, the Micawber Principle was used to determine whether states were accountable in that they met their budget projections, through both the "original" budget to actual results and the "final amended" budget to actual results. This includes an analysis of the changes in the revenue and expenditure budgets, as applicable. Second and third, an analysis of structural balance was undertaken, to not only determine whether structural balance was budgeted, but also to determine whether states achieved structural balance in their year-end results. This also included an analysis of the variance between revenues and expenditures, whether structural balance was budgeted or not. From the data results of the first three components, an accountability achievement scale was developed. Finally, the accountability achievement scale was applied to the Hou & Smith balanced budget requirement framework to determine if there are any particular requirements that lead to more budgetary and structural balance accountability than others.

Probity and Legality Accountability: Micawber Principal - Revenues and Expenditures

Whereas the *process* and *performance* accountability sections will focus on the net of revenues and expenditures and structural balance in particular, this section focuses on revenues and expenditures as individual components to determine how well states are managing these distinctive facets of the budget as they affect structural balance. Thus, this first component of the research utilizes the Micawber Principle to analyze how well states managed their budget processes as they relate to revenues and expenditures. These processes were examined for the "original" budget to actual results, as well as the "final budget" to actual results. A "Y" denotes that the budget process was managed in that it met projections, and an "N" denotes that the budget process was not managed in that it did not meet projections. These calculations were made for fiscal years 2002 thru 2008 on the 25 states that remained in the study. The possible results were as follows:

Rev/Exp	DESCRIPTION
N/N	Revenues not managed (N); Expenditures not managed (N)
N/Y	Revenues not managed (N); Expenditures managed (Y)
Y/N	Revenues managed (Y); Expenditures not managed (N)
Y/Y	Revenues managed (Y); Expenditures managed (Y)

Table 4 depicts the "original" budget to actual results by fiscal year. Appendix I1 presents the data broken down by state.

Table 4 Micawber Analysis (Rev/Exp) “Original” Budget to Actual Management of the Budget Process

Count ORIGINAL BUDGET REV EXP	FISCAL YEAR 2002	2003	2004	2005	2006	2007	2008	Total N
REV(N)/EXP (N)	3	2				2	3	10
REV(N)/EXP (Y)	15	14	6	3	4	6	10	58
REV(Y)/EXP(N)	4	7	9	15	11	6	3	55
REV(Y)/EXP(Y)	2	2	10	7	10	11	9	51
Total N	**24**	**25**	**25**	**25**	**25**	**25**	**25**	**174**

* FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.

Most notable in Table 4 is the YY category, which shows that those states with YY have managed both their revenues and expenditures by meeting their “original” budget projections with their actual results. In 2002 and 2003, only 2 states had YY’s. After that, there were consistently more states from 2004 through 2008, with 10, 7, 10, 11, and 9 respectively. One explanation for this could be that GASB’s requirement to show “original” budget data in the CAFR’s emphasizes these shortfalls, which might have encouraged some states to improve the accuracy of their projections. Also, while the YY did increase over time, the NN category stayed the same, although for a few years in between, 2004 to 2006, there were no NN categories. Where 2002 had 3 NN’s, 2008 also had 3 NN’s. In sum, “original” budget to actual results for managing budget projections as a whole did improve over time. In 2002, 18 states did not manage their revenue budgets compared with only 13 in 2008. Likewise in 2002, 7 states did not manage their expenditure budgets compared with only 6 in 2008.

These same calculations were done for the “final” budget to actual comparisons. Table 5 depicts the “final” budget to actual results. Appendix J1 presents the data by state. As expected, the number of states that were designated in the YY category increased every year under the “final” budget to actual comparison when measured against the “original” budget to actual comparison. In addition, for the “final” budget to actual comparison, only one state in all seven years had a NN category and only 2 states in all seven years had YN’s for their category. A total of 83 occurrences fell within the NY category, which suggests that the states did not manage their “final” revenue budget, but they did manage their “final” expenditure budget, considering 88 occurrences were YY. This is a probable explanation because states may have more control over expenses than they do over revenues. Thus, in years 2002 thru 2006, all 25 states managed their expenditures for the “final” budget to actual comparison; in 2007 and 2008, all but 3 (2 and 1 respectively) managed their expenditures. Before GASB Statement 34, this would have been the only data available in the CAFR’s to make a judgment of accountability.

Table 5 Micawber Analysis (Rev/Exp) “Final” Budget to Actual Management of the Budget Process

Count FINAL BUDGET REV EXP	FISCAL YEAR 2002	2003	2004	2005	2006	2007	2008	Total N
REV(N)/EXP(N)							1	1
REV(N)/EXP(Y)	20	16	7	10	8	10	12	83
REV(Y)/EXP(N)						2		2
REV(Y)/EXP(Y)	4	9	18	15	17	13	12	88
Total N	**24**	**25**	**25**	**25**	**25**	**25**	**25**	**174**

* FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.

To conclude, in terms of *probity and legality* accountability and whether budget projections were met, as expected the “final” budget to actual results for expenditures were more achieved than the “original” budget to actual results. “Original” budget to actual results did improve over time, but for the most part this first part of the analysis showed that on a macro level, the budget adopted with the most democratic input, the “original” budget, is less likely to be realized than the “final amended” budget.

Alternately, the "final" budget to actual results for revenues were less likely achieved than the "original" budget to actual results. This suggests that revenue budget amendments are not considered holistically, but rather in a piecemeal fashion. Overall, analyzing revenues and expenditures through *probity and* legality accountability has shown that the requirement of GASB Statement No. 34 to include the "original" budget data has enhanced the ability to make a judgment on these state budgetary processes.

Micawber Principal: Change in Revenues and Expenditures

Previously, revenues and expenditures were summarized via the Micawber Principle by comparing the "original" and "final amended" budget to actual results for revenues and expenditures together. This portion of the research project analyzes how revenue and expenditure budgets changed for the states by still utilizing the Micawber summary method, but focusing on revenues and expenditures separately. Tables 6 and 7 summarize the 25 states from 2002-2008 according to their Micawber category for the "original" budget, followed by the Micawber category for the "final amended" budget, and by the change in revenue and expenditures, respectively. Appendix K1 and K2 delineate the information by state.

Table 6 Micawber Category by Change in Revenue Projection
2002 – 2008

Scenario	Management of Resources: Original Budget to Actual	Management of Resources: Final Budget to Actual	# of Occurrences	How the Budget Changed During the Fiscal Year — Review of Original Budget to Final Budget: No Change to Revenue Budget	Decrease Revenue Budget	Increase Revenue Budget
	Revenues Met or Exceeded Projection	Revenues Met or Exceeded Projection	# of Occurrences	No Change to Revenue Budget	Decrease Revenue Budget	Increase Revenue Budget
TOTAL	N	N	56	8	17	31
	N	Y	12	0	12	0
	Y	N	28	0	0	28
	Y	Y	78	16	9	53
			174	24	38	112

* The total only reflects 174 state occurrences, because New York had not implemented GASB 34 until FY 2003.

For the seven year period and a potential of 174 occurrences, revenue projections stayed the same 24 times, decreased 38 times, and increased 112 times. For those 68 "N" category revenue budget state occurrences (56+12) that did not meet their "original" revenue projection, 8 did not change their revenue projections, 29 decreased their revenue projections, and 31 increased their revenue projections. This suggests that some states do not amend their budget with an overall focus on revenue projection achievement. If 31 state occurrences increased revenue projections, but did not meet the "original" budget revenue projection, then it would suggest that a comprehensive outlook on the overall revenue projection is not utilized. However, 12 of the 68 states did decrease their revenue budgets, which allowed them to meet their revenue projection on the "final amended" budget. For those 106 "Y" category revenue budget state occurrences (28+78) that did meet their "original" revenue projection, 16 did not change their revenue projections, 9 decreased their revenue projections, and 81 increased their revenue projections. Those 28 occurrences that went from meeting their "original" budget revenue projection to not meeting their "final amended" budget revenue projection all increased their revenue projection during the fiscal year as applicable. Again, this supports the conclusion that some states do not comprehensively approach their revenue projection.

As shown in Table 7, for the seven year period and a potential of 174 occurrences, expenditure projections stayed the same 1 time, decreased 39 times, and increased 134 times. For those 65 “N” category expenditure budget state occurrences (2+63) that did not meet their “original” expenditure projection, all 65 increased their expenditure projections, but 2 occurrences still did not achieve their “final amended” expenditure budget projections. This suggests that most states do amend their budget with an overall focus on expenditure projection achievement. For those 109 NY or YY “original” budget state occurrences (58+51) that did meet their “original” expenditure projection, 1 did not change their expenditure projection, 39 decreased their expenditure projections, and 69 increased their expenditure projections. For those 109 “Y” category expenditure budget state occurrences (1+108) that did meet their “original” expenditure projection, only 1 occurrence did not meet the “final amended” expenditure projection and that was after decreasing the expenditure budget.

Table 7 Micawber Category by Change in Expenditure Projection
2002 – 2008

Scenario	Management of Spending: Original Budget to Actual	Management of Spending: Final Budget to Actual	Management of Spending: # of Occurrences	How the Budget Changed During the Fiscal Year — Review of Original Budget to Final Budget		
	Expenditures Equaled or Were Within Projection	Expenditures Equaled or Were Within Projection	# of Occurrences	No Change to Expenditure Budget	Decrease Expenditure Budget	Increase Expenditure Budget
TOTAL	N	N	2	0	0	2
	N	Y	63	0	0	63
	Y	N	1	0	1	0
	Y	Y	108	1	38	69
			174	1	39	134

* The total only reflects 174 state occurrences, because New York had not implemented GASB 34 until FY 2003.

For this revenue and expenditure change analysis, keep in mind that an increase from the "original" to "final amended" budget for the revenue projection has the opposite effect compared to an increase for the expenditure projection. An increase in the revenue projection requires more revenue to meet projections for a "Y" on management of the revenue budget, while an increase in the expenditure projection allows more expenditures to be made, but does not require more expenditures to still qualify for a "Y" on management of the expenditure budget. The opposite holds true as well. A decrease in the revenue projection allows less revenue to meet projections, but does not require less revenue to still qualify for a "Y" on management of the revenue budget, while a decrease in the expenditure projection requires less expenditure to be made to qualify for a "Y" on management of the expenditure budget.

Table 8 combines the results of Table 6 and Table 7 into a comparable table for both revenues and expenditures to show how the states managed the budget process. For each "original" budget Micawber category scenario (NN, NY, YN, and YY), the number of occurrences is shown along with a breakdown of how the budget changed in relation to revenues and expenditures for that type of occurrence. Interestingly, "no change to the expenditure budget" occurred only once out of the 174 possible occurrences by the State of Illinois in 2002, while only 24 occurrences had "no change to the revenue budget." The norm is for there to be some change from the "original" budget to the "final amended" budget for both revenues and expenditures. Most of the time, the change is represented by an increase in both the revenue projection and expenditure projection. Also, overall when expenditures were increased, which occurred 134 times, revenues were increased 112 times. However, 31 of those 112 times that revenue projections were increased, the applicable states did not meet their revenue projection on the "original" budget, let alone the "final amended" budget that had been increased. Again, these numbers suggest that some states are not managing their budget with a holistic approach that is concerned with overall management and achievement of budget projections as they relate to revenues and expenditures separately. Thus, the first question of *probity and legality* accountability and whether budget projections were met, suggests that expenditures seem to be monitored more closely with the amendment process, but an overall holistic approach is lacking.

Table 8 Management of the Budget Process – Results

Scenario	A. Management of Resources vs. Spending Review of Original Budget to Actual		B. Management of Resources vs. Spending Review of Final Budget to Actual		# of Occurrences	C. How the Budget Changed During the Fiscal Year Review of Original Budget to Final Budget					
	Revenues Met or Exceeded Projection	Expenditures Equaled or Were Within Projection	Revenues Met or Exceeded Projection	Expenditures Equaled or Were Within Projection	# of Occurrences	No Change to Revenue Budget	No Change to Expenditure Budget	Decrease Revenue Budget	Decrease Expenditure Budget	Increase Revenue Budget	Increase Expenditure Budget
1 NN	N	N	N	N	1					1	1
	N	N	N	Y	7			3		4	7
	N	N	Y	N	0						
	N	N	Y	Y	2			2			2
					10	0	0	5	0	5	10
	Revenues Met or Exceeded Projection	Expenditures Equaled or Were Within Projection	Revenues Met or Exceeded Projection	Expenditures Equaled or Were Within Projection	# of Occurrences	No Change to Revenue Budget	No Change to Expenditure Budget	Decrease Revenue Budget	Decrease Expenditure Budget	Increase Revenue Budget	Increase Expenditure Budget
2 NY	N	Y	N	N	0						
	N	Y	N	Y	48	8	1	14	13	26	34
	N	Y	Y	N	0						
	N	Y	Y	Y	10			10	6		4
					58	8	1	24	19	26	38
	Revenues Met or Exceeded Projection	Expenditures Equaled or Were Within Projection	Revenues Met or Exceeded Projection	Expenditures Equaled or Were Within Projection	# of Occurrences	No Change to Revenue Budget	No Change to Expenditure Budget	Decrease Revenue Budget	Decrease Expenditure Budget	Increase Revenue Budget	Increase Expenditure Budget
3 YN	Y	N	N	N	0						
	Y	N	N	Y	16					16	16
	Y	N	Y	N	1					1	1
	Y	N	Y	Y	38	7				31	38
					55	7	0	0	0	48	55
	Revenues Met or Exceeded Projection	Expenditures Equaled or Were Within Projection	Revenues Met or Exceeded Projection	Expenditures Equaled or Were Within Projection	# of Occurrences	No Change to Revenue Budget	No Change to Expenditure Budget	Decrease Revenue Budget	Decrease Expenditure Budget	Increase Revenue Budget	Increase Expenditure Budget
4 YY	Y	Y	N	N	0						
	Y	Y	N	Y	12				1	12	11
	Y	Y	Y	N	1				1	1	
	Y	Y	Y	Y	38	9		9	18	20	20
					51	9	0	9	20	33	31
TOTAL					174	24	1	38	39	112	134

* The total only reflects 174 state occurrences, because New York had not implemented GASB 34 until FY 2003.

Process and Performance Accountability: Was Structural Balance Budgeted & Realized?

The second and third components of this research determined whether the 25 states for fiscal years 2002 thru 2008, 1) budgeted structural balance - *process* accountability, and 2) actualized structural balance – *performance* accountability. For each fiscal year, expenditures were subtracted from revenues to arrive at a variance for the "original" budget, the "final amended" budget, and actual figures. If the difference was zero or greater, a "YES" was denoted, which indicated that the state budgeted or actualized structural balance, as applicable. If a negative result occurred, a "NO" was denoted, which indicated that the state did not budget or actualize structural balance, as applicable. Table 9 summarizes these results by fiscal year for the "Original" Budget.

Table 9 Structural Balance by "Original" Budget
FY 2002 thru FY 2008

ORIGINAL BUDGET STRUCTURALLY BALANCED	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total N
NO	14	16	18	17	17	15	18	115
YES	10	9	7	8	8	10	7	59
Total N	**24**	**25**	**25**	**25**	**25**	**25**	**25**	**174**

* FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.

With a population of 25 states and seven fiscal years, there were a potential of 175 occurrences. Because New York did not implement GASB Statement No. 34 until FY 2003, only 24 occurrences were possible in FY 2002 and therefore a total of 174 occurrences are in the analysis. The table subtotals whether structural balance was achieved with the "Original" Budget projections. This allows us to see what the states' goals were before adjusting for any mid-year situations. For the "original" budget, 115 of the 174 state occurrences did not budget for structural balance, which means more state occurrences did not budget structural balance than did budget structural balance for their "original" budget projection. This was true as a total for all fiscal years, as well as for each individual fiscal year. Thus, most times, states did not project a structurally balanced "original" budget.

Table 10 summarizes these results by fiscal year for the "Final Amended" Budget. For the "final amended" budget, 128 of the 174 state occurrences did not budget for structural balance. This was true as a total for all fiscal years, as well as for each individual fiscal year. Again, even with the "final amended" budget, states each fiscal year were more likely to not budget structural balance than to budget structural balance.

Table 10 Structural Balance by "Final Amended" Budget
FY 2002 thru FY 2008

FINAL BUDGET STRUCTURALLY BALANCED	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total N
NO	17	19	19	19	17	16	21	128
YES	7	6	6	6	8	9	4	46
Total N	**24**	**25**	**25**	**25**	**25**	**25**	**25**	**174**

* FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.

In comparison, for the "final amended" budget, 128 of the 174 state occurrences did not budget for structural balance compared to 115 for the "original" budget. Likewise, 46 of the 174 final budget results did budget for structural balance compared to 59 for the "original" budget. Rather than using the "final amended" budget to increase the goal of structural balance, the opposite occurred. Despite the importance structural balance can play in sustaining a strong fiscal condition, it appears that many states do not put emphasis on structural balance during the budget process for attaining fiscal sustainability. Thus, *process* accountability – in terms of whether structural balance was budgeted – does not appear to be an accountability tool utilized by most states.

Even though *process* accountability does not appear to be utilized by the states in terms of structural balance being budgeted, the next step was to determine whether *performance* accountability through the achievement of structural balance in the actual results occurred. Table 11 summarizes these structural balance results by fiscal year for the "Final Actual" Results.

Table 11 Structural Balance by Actual Results
FY 2002 thru FY 2008

ACTUAL RESULTS STRUCTURALLY BALANCED	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total N
NO	17	18	10	6	6	9	14	80
YES	7	7	15	19	19	16	11	94
Total N	**24**	**25**	**25**	**25**	**25**	**25**	**25**	**174**

* FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.

Whereas the "original" budget and the "final amended" budget occurrences <u>without</u> structural balance were 115 and 128, respectively, the actual occurrences were 80. Additionally, the "original" budget and "final amended" budget occurrences with structural balance were 59 and 46, respectively, while the actual occurrences <u>with</u> structural balance were 94. Thus, even though states do not budget for structural balance, more of the 174 occurrences effectuated structural balance with their year-end results. As a result, more states realize *performance* accountability than *process* accountability.

Table 12 summarizes Tables 9, 10, and 11. When analyzing the totals for all years, the "original" budget projected structural balance 33.91% of the time, compared with the "final amended" budget of 26.44% and the final actual results of 54.02%. Thus, the percentage occurrences of the final actual results compared with the "final amended" budget more than doubled from 26.44% to 54.02% in the seven year time period. In sum, about ⅓ of state occurrences budgeted for structural balance with their "original" budget, just over ¼ of state occurrences adopted a "final amended" budget reflecting structural balance, and more than ½ of state occurrences effectuated structural balance in their year-end results. When analyzing the percentages by individual fiscal years, they still fall within 10 percentage points of the average over all fiscal years.

Table 12 Summary of Structural Balance
"Original" Budget, "Final" Budget and Actual Results
FY 2002 thru FY 2008

STRUCTURAL BALANCE	2002	2003	2004	2005	2006	2007	2008	TOTAL
Yes:								
Original budget	41.67%	36.00%	28.00%	32.00%	32.00%	40.00%	28.00%	33.91%
Final amended budget	29.17%	24.00%	24.00%	24.00%	32.00%	36.00%	16.00%	26.44%
Final actual results	29.17%	28.00%	60.00%	76.00%	76.00%	64.00%	44.00%	54.02%
No:								
Original budget	58.33%	64.00%	72.00%	68.00%	68.00%	60.00%	72.00%	66.09%
Final amended budget	70.83%	76.00%	76.00%	76.00%	68.00%	64.00%	84.00%	73.56%
Final actual results	70.83%	72.00%	40.00%	24.00%	24.00%	36.00%	56.00%	45.98%
Total N	24	25	25	25	25	25	25	174

* FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.

Based on the same data above, Table 13 below removes the breakdown by fiscal year and summarizes it by whether the structural balance budgeted changed categories (from Y to N, or vice versa) from the "original" budget to the "final amended" budget. If a change occurred, (i.e. structural balance was "NO" for the "original" budget and "YES" for the "final amended" budget, or vice versa) then a "YES" was shown. If no change occurred between the two budgetary columns, then a "NO" was shown. Of the 174

Table 13 Structural Balance Summary by Change
"Original" Budget to "Final Amended" Budget
FY 2002 thru FY 2008

STRUCTURAL BALANCE ORIGINAL BUDGET	STRUCTURAL BALANCE FINAL BUDGET	CHANGE FROM ORIGINAL TO FINAL BUDGET NO	YES	Grand Total	%
NO	NO	107		107	61.49%
	YES		8	8	4.60%
NO Total		107	8	115	66.09%
YES	NO		21	21	12.07%
	YES	38		38	21.84%
YES Total		38	21	59	33.91%
		145	**29**	**174**	**100.00%**

* The total only reflects 174 state occurrences, because New York did not implement GASB 34 until FY 2003.

occurrences for the 25 states over seven years, 145 had no change in their budgeted structural balance status from the "original" projections to the "final amended" projections. However, 29 occurrences did change with 8 going from "NO" to "YES" and 21 going from "YES" to "NO". Thus, GASB Statement 34's requirement to include the "original" budget in addition to the "final amended" budget allowed this determination to be made. The breakdown by all 25 states included in the analysis is shown in Appendix L1. These results again suggest that most states are not considering structural balance during their budget process.

The Hou & Smith balanced budget requirement, Rule No. 2, states that own-source revenue must match (meet or exceed) current expenditures. Table 14 presents the data by whether a state was classified with having Rule No. 2 or not. If a state had the rule, it is denoted by "Y". Likewise, if a state did not have the rule, it is denoted by "N". Of the 25 states, only 6 states had the Rule No. 2 requirement (Colorado, Hawaii, Montana, New York, Texas, and Utah). 5 other states also had Rule No. 2 requirements, but were excluded from the study because they did not present their budget to actual statements in a format to analyze structural balance.

For the 6 remaining states in the study population that had Rule No. 2 requirements, there were 25 occurrences of actualized structural balance and 16 times when actualized structural balance was not achieved. Within these 41 occurrences, 16 times the applicable states did not actualize structural balance over the time period, despite the technical balanced budget requirement. Of those 6 states, only Texas adopted a budget each year that met the balanced budget requirement for structural balance and likewise achieved structural balance for all years. New York, despite having the rule, never achieved structural balance during the time period. This suggests that even though states have balanced budget requirements, these restrictions are not practiced absolutely. One caveat to note is that Hou and Smith's definition of Rule No. 2 is broader than GASB's definition of structural balance. Hou and Smith have included states that count all cash resources in their definition of "own-source revenue" instead of current revenues only. As a result, these states might have complied with the broader definition of Rule No. 2, but it does not address the goal of structural balance to ensure that services provided today are funded by revenues of today.

Table 14 States Classified with Rule No. 2 in H&S Framework
by Whether Structural Balance was Actualized
FY 2002 thru FY 2008

HOU & SMITH RULE #2	STATE	STRUCTURAL BALANCE ACTUAL RESULTS NO	YES	N Total
N	Alabama		7	7
	Alaska	6	1	7
	Delaware	5	2	7
	Illinois	2	5	7
	Indiana		7	7
	Louisiana	7		7
	Maine	2	5	7
	Maryland	5	2	7
	Minnesota	1	6	7
	Mississippi	3	4	7
	Nebraska	2	5	7
	Nevada	5	2	7
	New Hampshire	7		7
	New Jersey	6	1	7
	Ohio	6	1	7
	Pennsylvania	4	3	7
	Tennessee		7	7
	Vermont		7	7
	Virginia	3	4	7
N Total		64	69	133
Y	Colorado	2	5	7
	Hawaii	3	4	7
	Montana	3	4	7
	New York	6		6
	Texas		7	7
	Utah	2	5	7
Y Total		16	25	41
		80	**94**	**174**

* The total only reflects 174 state occurrences, because New York did not implement GASB 34 until FY 2003.

Whereas the above structural balance analysis focused on the three separate financial measures on their own ("original" budget, "final amended" budget, and actual), this section compares the “original” budget to actual results and the “final amended” budget to actual results to see if the amount of excess variance projected was met, despite whether it was positive or negative. This analysis does not affect the accountability achievement scale, but it does provide a look at whether states were accountable when other funding sources besides current revenues were possibly available. The following formula was used to arrive at whether the actual results met the “original” budget variance (excess) projected:

If excess actual < excess “original” budget, then “NO”, otherwise, “YES”.

(Where excess is defined as Revenues less Expenditures, and “NO” means the actual excess did not meet the “original” budget variance projections, while “YES” means it did).

Similarly, the following formula was used to arrive at whether the actual results met the “final amended” budget variance (excess) projected:

If excess actual < excess “final amended” budget, then “NO”, otherwise, “YES”.

(Where excess is defined as Revenues less Expenditures, and “NO” means the actual excess did not meet the “final amended” budget variance projections, while “YES” means it did).

This analysis examines the specific dollar figure that was budgeted for the excess between revenues and expenditures and whether a positive structural balance was budgeted or not. Rule No. 2 requirements can be met if a state has either funds available from other financing sources each year to supplement revenues, or has beginning of year fund balances to offset a negative variance. Tables 15 and 16 show the results for the “original” budget to actual comparison and the “final amended” budget to actual comparison, respectively.

Table 15 Met Dollar Amount of Excess Projected
"Original" Budget to Actual
FY 2002 thru FY 2008

ORIGINAL BUDGET TO ACTUAL	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total N	%
NO	18	11		1	1	4	12	47	27.01%
YES	6	14	25	24	24	21	13	127	72.99%
Total N	**24**	**25**	**25**	**25**	**25**	**25**	**25**	**174**	**100.00%**

* FY 2002 only reflects 24 state occurrences, because New York did not implement GASB 34 until FY 2003.

For the "original" budget to actual comparison (Table 15) 127, or 72.99%, of the 174 occurrences did meet the dollar amount of excess between revenues and expenditures projected, and 47, or 27.01%, did not. For fiscal year 2004, all 25 states met the "original" projections for dollar amount of excess budgeted.

Table 16 Met $ Excess of Projected Structural Balance
"Final Amended" Budget to Actual
FY 2002 thru FY 2008

FINAL BUDGET TO ACTUAL	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total N	%
NO	9	5				2	2	18	10.34%
YES	15	20	25	25	25	23	23	156	89.66%
Total N	**24**	**25**	**25**	**25**	**25**	**25**	**25**	**174**	**100.00%**

* FY 2002 only reflects 24 state occurrences, because New York did not implement GASB 34 until FY 2003.

For the "final amended" budget to actual comparison (Table 16) 156, or 89.66%, of the 174 occurrences did meet the dollar amount of excess between revenues and expenditures projected, and only 18, or 10.34%, did not. For fiscal years 2004, 2005, and 2006, all 25 states met the "final amended" projections for dollar amount of excess budgeted. The inclusion of the "original" budget column in the CAFRs indicates that more states missed projections, than if the reader only had the "final amended" budget to view. However, where the previous part of the structural balance analysis suggested that states do not budget for structural balance in itself, they do more often meet the dollar amount of excess between revenues and expenditures projected. Finally, the results shown in Tables 15 and 16 are shown in Appendix L2 by State and fiscal year.

In sum, the purpose of this part of the project was to determine whether current year revenues were sufficient to pay for current year expenditures, commonly referred to as inter-period equity or structural balance. Although most occurrences out of the 174 did not budget structural balance, in actuality more achieved structural balance than not. In addition, even if structural balance was not budgeted, the excess variance budgeted was met 72.99% of the time for the "original" budget and 89.66% of the time for the "final amended" budget. The inclusion of the "original" budget in state CAFRs increased the knowledge necessary to make a judgment of accountability related to structural balance and its use and implementation within state budgets. Overall, *process* and *performance* accountability, in terms of budgeting and actualizing structural balance, are not holistically applied by states, but they are more likely to effectuate structural balance in their actual results than in their budget projections. Finally, even though structural balance did not seem to be a goal of states, a large percentage of states do meet their budgeted excess variance between revenues and expenditures (whether structurally balanced or not). This suggests that GASB might need to reexamine its concept of structural balance, realizing that other sources of funds might be consistently available to states, which would then not necessarily require shifting financial accountability to other generations.

Budgetary & Structural Balance Accountability Achievement Scale

To this point, this study has examined the Micawber relationship between revenue and expenditure projections, as well as structural balance and whether it was projected and/or achieved. Next, these results were applied to an accountability achievement scale to provide a comparison between states as follows:

Rating	Description	Ladder of Accountability
0-4	Achieved budgetary projections	(*probity & legality* accountability)
0-4	Budgeted structural balance	(*process* accountability)
0-2	Achieved structural balance	(*performance* accountability)
0-10	Total rating	

The accountability achievement scale ranges from 0 to 10. If revenue or expenditure projections are not met and structural balance was not budgeted or effectuated, then the state has not achieved accountability to its citizenry, which corresponds to a 0 accountability rating. However, if a state meets revenue and expenditure projections, and budgets and effectuates structural balance, then the state has achieved accountability to its citizenry, which corresponds to an accountability rating of 10. Finally, states can achieve partial success with a rating that is greater than 0 and less than 10. Figure 15 depicts how the accountability achievement scale will be summarized for these results. In general, the ratings are based on "original" budget, "final amended" budget and final actual results in terms of whether projections were met and in terms of whether structural balance was exhibited.

Figure 15 Accountability Achievement Scale – Total Accountability Rating

ACCOUNTABILITY ACHIEVEMENT SCALE						
Average of Fiscal Years 2002 to 2008	Step 1 *Probity and Legality* Rating Were Revenue and Expenditure Projections Met?		Step 2 *Process* Rating Was Structural Balance Budgeted?		Step 3 *Performance* Rating Was Structural Balance Achieved?	
State	Original Budget to Actual Results Range 0 to 2	Final Amended Budget to Actual Results Range 0 to 2	Original Budget Range 0 to 2	Final Amended Budget Range 0 to 2	Actual Results Range 0 to 2	Total Accountability Rating Range 0 to 10

In the first step of calculating the accountability achievement scale, the Micawber results were examined and converted to an accountability rating for each state in the study, on both the "original" budget to actual and the "final amended" budget to actual results. Table 17 below presents the average for the 25 states from FY 2002 thru FY 2008 for both budget projections sorted in descending order by the difference column. Each column can range from 0 to 2 on the scale. The more the difference column is from 0, the more the accountability rating changed from the "original" budget to the "final amended" budget. Appendices M1 thru M3 provide detail for each state by fiscal year to arrive at the average difference.

Table 17 Accountability Achievement Scale Results: Component 1 - *Probity & Legality* Accountability
2002 to 2008

STATE	Average Original Budget to Actual	Average Final Budget to Actual	DIFFERENCE
Colorado	0.86	1.71	0.86
Hawaii	0.57	1.43	0.86
Delaware	0.71	1.43	0.71
Maine	1.14	1.86	0.71
Mississippi	1.00	1.71	0.71
Vermont	1.14	1.86	0.71
Minnesota	1.29	1.86	0.57
Alabama	1.00	1.43	0.43
Maryland	1.57	2.00	0.43
Utah	1.43	1.86	0.43
Pennsylvania	1.00	1.29	0.29
Virginia	1.43	1.71	0.29
Montana	1.43	1.57	0.14
Nebraska	1.57	1.71	0.14
Ohio	1.29	1.43	0.14
Tennessee	1.43	1.57	0.14
Alaska	1.14	1.14	0.00
Illinois	1.71	1.71	0.00
Indiana	1.71	1.71	0.00
New Hampshire	1.00	1.00	0.00
New Jersey	1.00	1.00	0.00
Texas	1.43	1.29	-0.14
Louisiana	1.29	1.00	-0.29
Nevada	1.29	1.00	-0.29
New York	1.50	1.17	-0.33
Average	**1.24**	**1.50**	**0.26**

***Line represents break point for average difference**

Table 17 compares the *probity & legality* accountability ratings for the “original” and “final amended” budgets. The “final amended” budget more closely reflected actual results than the “original” budget to actual results, which would be expected. As the fiscal year goes by, amendments more closely reflect actual economic events, because more information is available to decision makers later rather than sooner. These results were consistent for each individual fiscal year from 2002 to 2008 (See Appendix M1 and

M2). The difference column in Table 17 reflects the disparity in projections from the "original" budget to actual and the "final" budget to actual results. In other words, the greater the number from 0, the more projection accuracy increased with the "final amended" budget. Likewise, the lower the number from 0, the more projection accuracy decreased with the "final amended" budget, which is not to be expected. This data illustrates the additional information that can be gleaned due to GASB Statement No. 34's requirement to include the "original" budget information. For example, Colorado would look more accountable in a pre-GASB Statement No. 34 financial report as it related to budgetary accountability, because its rating would have been 1.71 on the "final amended" budget to actual results. However, for the "original" budget to actual results, Colorado's rating was only .86, quite a disparity. Thus, in Colorado's case, a much different picture of budgetary accountability is drawn when examining both "original" budget and "final amended" budget to actual scenarios.

Next, consideration is given to whether structural balance was projected in that budgeted revenues met or exceeded budgeted expenditures. This analysis addresses another level of information that GASB's Concepts Statement No. 1 states is necessary to evaluate accountability: whether current-year revenues were sufficient to pay for current-year services. Specifically, this analysis measures whether structural balance was projected for both the "original" and the "final amended" budgets, as well as Stewart's ladder of accountability, *process* accountability. Table 18 presents the average for the 25 states as indicated from FY 2002 thru FY 2008 for both budget projections sorted in

Table 18 Accountability Achievement Scale Results: Component 2 - *Process* Accountability
2002 to 2008

STATE	Average Original Budget to Actual	Average Final Budget to Actual	DIFFERENCE
Nebraska	0.29	0.86	0.57
Colorado	0.86	1.14	0.29
Indiana	0.00	0.29	0.29
Virginia	0.00	0.29	0.29
Alabama	2.00	2.00	0.00
Alaska	0.00	0.00	0.00
Louisiana	0.00	0.00	0.00
Maryland	0.00	0.00	0.00
Nevada	0.29	0.29	0.00
New Hampshire	0.00	0.00	0.00
New Jersey	0.00	0.00	0.00
New York	0.00	0.00	0.00
Ohio	0.00	0.00	0.00
Pennsylvania	0.29	0.29	0.00
Texas	2.00	2.00	0.00
Utah	0.00	0.00	0.00
Vermont	2.00	2.00	0.00
Hawaii	0.57	0.29	-0.29
Minnesota	1.71	1.43	-0.29
Mississippi	1.71	1.43	-0.29
Montana	0.86	0.57	-0.29
Tennessee	0.29	0.00	-0.29
Illinois	1.14	0.29	-0.86
Delaware	1.43	0.00	-1.43
Maine	1.43	0.00	-1.43
Average	**0.68**	**0.53**	**-0.15**

***Line represents break point for average difference**

descending order by the difference column. Each column can range from 0 to 2 on the scale. Appendices M4 thru M6 provide detail for each state by fiscal year to arrive at the average difference.

Table 18 illustrates that states do not emphasize structural balance with their "original" budget projections or with their "final amended" budget projections. In fact, based on the data, states overall decreased the achievement of budgeted structural balance on average from fiscal years 2002 through 2008. In addition, 13 of the 25 states maintained what the "original" budget projected, whether it was structurally balanced or not (a zero in the difference column). Thus, despite GASB's emphasis on structural balance for financial sustainability, most states do not effectuate their budgets with an emphasis on structural balance.

For the third component of the accountability achievement scale, consideration is given to whether structural balance was actualized in that revenues met or exceeded expenditures for the final actual results, whether budgeted or not. This continues the second level of information that GASB's Concepts Statement No. 1 says is necessary to evaluate accountability. Specifically, this analysis measures whether structural balance was achieved for final actual results, which relates to Stewart's ladder of accountability, *performance* accountability. Table 19 shows the average for the 25 states from FY 2002 thru FY 2008 for the actual results sorted in descending order by the average column. The average can range from 0 to 2 on the scale. Appendix M7 provides detail for each state by fiscal year to arrive at the average.

Table 19 presents an overall average of 1.08 on a 2.00 accountability achievement scale for actual achievement of structural balance for the 25 states. This is considerably higher than the .68 and .53 results reported in Table 18 for the "original" and "final amended" budget respectively. As a result, states are more likely to effectuate structural balance with their fiscal year end results than they are to budget structural balance. 5 states (Alabama, Indiana, Tennessee, Texas, and Vermont) achieved a perfect accountability score of 2.00, while 3 states (Louisiana, New Hampshire, and New York) received a "no" accountability score of 0.00. This means that the former states achieved structural balance in every fiscal year of the study, while the latter states never achieved structural balance for any fiscal year of the study.

Table 19 Accountability Achievement Scale Results: Component 3 - *Performance* Accountability
2002 to 2008

STATE	AVERAGE
Alabama	2.00
Indiana	2.00
Tennessee	2.00
Texas	2.00
Vermont	2.00
Minnesota	1.71
Colorado	1.43
Illinois	1.43
Maine	1.43
Nebraska	1.43
Utah	1.43
Hawaii	1.14
Mississippi	1.14
Montana	1.14
Virginia	1.14
Pennsylvania	0.86
Delaware	0.57
Maryland	0.57
Nevada	0.57
Alaska	0.29
New Jersey	0.29
Ohio	0.29
Louisiana	0.00
New Hampshire	0.00
New York	0.00
Average	**1.08**

**The line represents the break point for the average difference.

The accountability achievement scale combines the three components for a total accountability rating that ranges from 0 to 10, with 0 depicting no accountability and 10 depicting strong accountability. Table 20 combines component 1 (*probity & legality* accountability), component 2 (*process* accountability), and component 3 (*performance* accountability), hereafter referred to as the total accountability rating by state. Over the seven year period average, the highest rating was attained by the state of Vermont with a 9.00 rating out of 10.00. For the same time period, the lowest rating attained was New

Hampshire with a 2.00 rating out of 10.00. All other 23 states fell somewhere between those ratings on the accountability achievement scale.

Table 21 presents the Total Rating by state for each year respectively and a final average of the 7 years for each individual state. The detail by state and fiscal year is provided in appendices M8 thru M14. As shown in Table 21, until fiscal year 2007, the total accountability ratings were trending upward, beginning in 2002 with 4.13 and increasing in 2006 to 5.88. Fiscal year 2007 decreased slightly to 5.68, while 2008 dropped down to 4.44. This coincided with the economic downturn experienced during those years.

Overall, the accountability achievement scale combines the first three components of Stewart's ladder utilized in this research. Now this scale will be applied to Hou and Smith's balanced budget requirement typology in order to make a determination on the last rung of Stewart's ladder of accountability, *policy* accountability. Specifically, we will utilize the accountability achievement scale to analyze the balanced budget requirement policies that states have adopted to determine if any particular requirement results in more accountability.

Table 20 Accountability Achievement Scale Results – Total Average Accountability Rating By State and Descending Order of Total Average Accountability Rating

ACCOUNTABILITY ACHIEVEMENT SCALE						
Average of Fiscal Years 2002 to 2008	Component 1 *Probity and Legality* Rating		Component 2 *Process* Rating		Component 3 *Performance* Rating	
Sorted by Total Rating	Were Revenue and Expenditure Projections Met?		Was Structural Balance Budgeted?		Was Structural Balance Achieved?	
State	Original Budget to Actual Results	Final Amended Budget to Actual Results	Original Budget	Final Amended Budget	Actual Results	Average Total Accountability Rating
	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 10
Vermont	1.14	1.86	2.00	2.00	2.00	9.00
Texas	1.43	1.29	2.00	2.00	2.00	8.71
Alabama	1.00	1.43	2.00	2.00	2.00	8.43
Minnesota	1.29	1.86	1.71	1.43	1.71	8.00
Mississippi	1.00	1.71	1.71	1.43	1.14	7.00
Illinois	1.71	1.71	1.14	0.29	1.43	6.29
Colorado	0.86	1.71	0.86	1.14	1.43	6.00
Maine	1.14	1.86	1.43	0.00	1.43	5.86
Nebraska	1.57	1.71	0.29	0.86	1.43	5.86
Indiana	1.71	1.71	0.00	0.29	2.00	5.71
Montana	1.43	1.57	0.86	0.57	1.14	5.57
Tennessee	1.43	1.57	0.29	0.00	2.00	5.29
Utah	1.43	1.86	0.00	0.00	1.43	4.71
Virginia	1.43	1.71	0.00	0.29	1.14	4.57
Delaware	0.71	1.43	1.43	0.00	0.57	4.14
Maryland	1.57	2.00	0.00	0.00	0.57	4.14
Hawaii	0.57	1.43	0.57	0.29	1.14	4.00
Pennsylvania	1.00	1.29	0.29	0.29	0.86	3.71
Nevada	1.29	1.00	0.29	0.29	0.57	3.43
Ohio	1.29	1.43	0.00	0.00	0.29	3.00
New York	1.50	1.17	0.00	0.00	0.00	2.67
Alaska	1.14	1.14	0.00	0.00	0.29	2.57
Louisiana	1.29	1.00	0.00	0.00	0.00	2.29
New Jersey	1.00	1.00	0.00	0.00	0.29	2.29
New Hampshire	1.00	1.00	0.00	0.00	0.00	2.00
Average	1.24	1.50	0.68	0.53	1.08	5.02

*The line represents the break point for the total average accountability rating column

Table 21 Accountability Achievement Scale Results – Total Average Rating by Fiscal Year By State and Descending Order of Total Average Accountability Rating

ACCOUNTABILITY ACHIEVEMENT SCALE								
Sorted by Total Average AR	**Total Accountability Rating by Fiscal Year**							
State	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Average Total Accountability Rating
	Range 0 to 10	Range 0 to 10	Range 0 to 10	Range 0 to 10	Range 0 to 10	Range 0 to 10	Range 0 to 10	Range 0 to 10
Vermont	8.00	9.00	10.00	9.00	9.00	9.00	9.00	9.00
Texas	9.00	8.00	9.00	8.00	10.00	8.00	9.00	8.71
Alabama	8.00	9.00	9.00	8.00	10.00	7.00	8.00	8.43
Minnesota	7.00	5.00	10.00	9.00	9.00	10.00	6.00	8.00
Mississippi	6.00	6.00	9.00	9.00	7.00	9.00	3.00	7.00
Illinois	4.00	4.00	6.00	6.00	8.00	10.00	6.00	6.29
Colorado	2.00	3.00	7.00	7.00	7.00	10.00	6.00	6.00
Maine	2.00	3.00	8.00	7.00	7.00	7.00	7.00	5.86
Nebraska	2.00	2.00	7.00	8.00	8.00	8.00	6.00	5.86
Indiana	6.00	4.00	6.00	6.00	6.00	6.00	6.00	5.71
Montana	4.00	8.00	4.00	5.00	6.00	8.00	4.00	5.57
Tennessee	5.00	7.00	5.00	6.00	4.00	6.00	4.00	5.29
Utah	3.00	5.00	5.00	5.00	6.00	6.00	3.00	4.71
Virginia	2.00	3.00	6.00	6.00	7.00	5.00	3.00	4.57
Delaware	5.00	2.00	5.00	6.00	4.00	4.00	3.00	4.14
Maryland	3.00	3.00	4.00	6.00	5.00	4.00	4.00	4.14
Hawaii	3.00	1.00	5.00	5.00	7.00	4.00	3.00	4.00
Pennsylvania	2.00	5.00	2.00	4.00	5.00	5.00	3.00	3.71
Nevada	8.00	2.00	2.00	4.00	3.00	3.00	2.00	3.43
Ohio	2.00	3.00	3.00	3.00	6.00	2.00	2.00	3.00
New York		2.00	4.00	2.00	3.00	3.00	2.00	2.67
Alaska	2.00	2.00	2.00	2.00	2.00	2.00	6.00	2.57
Louisiana	2.00	3.00	2.00	3.00	2.00	2.00	2.00	2.29
New Jersey	2.00	2.00	2.00	2.00	4.00	2.00	2.00	2.29
New Hampshire	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Average	**4.13**	**4.12**	**5.36**	**5.52**	**5.88**	**5.68**	**4.44**	**5.02**

* FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.
**The line represents the break point for the total average accountability rating column.

Hou and Smith Framework and the 50 States

The final part of the research examines the Hou and Smith framework with regards to the 50 states and their balanced budget requirements, as applicable. As discussed in chapter 3, all 50 states do not use the same format to report their budgetary information in their CAFR's. Only 25 states reported budgets for their revenues and expenditure separately to make a judgment of accountability regarding their budget to actual results as it applies to structural balance via the accountability achievement scale. However, in analyzing the Hou and Smith framework with regards to the balanced budget requirements adopted by the states, all 50 states were reviewed.

Table 22 differentiates between the number of political and technical rules by state, while also delineating between the 25 states that comprised the population in this study and those 25 states that were not included. The "in" study states represent those states that report budget and actual information in their CAFR's in a format that allows a judgment of accountability on that data. Since these states provide the necessary data to make that judgment, it would seem that those states probably have more focus on balanced budget requirements. However, the opposite is true. The "in" study states averaged 1.52 political rules compared with the "not in" study states, which averaged 1.68 political rules. Likewise, the "in" study states averaged 2.52 technical rules, while the "not in" study states averaged 2.64 technical rules. Thus, those states that do not report budgetary information to allow a judgment of accountability on their budget to actual results as they apply to structural balance focus more heavily on political and technical balanced budget requirements than those states that do provide the necessary information in their CAFR's to make the same judgment.

Table 22 Number of Hou and Smith Political and Technical Rules by State In Study vs. Not In Study

IN STUDY STATES	# of Political Rules	# of Technical Rules	Total # of Rules	NOT IN STUDY STATES	# of Political Rules	# of Technical Rules	Total # of Rules
Alabama	2.00	4.00	6.00	Arizona	2.00	5.00	7.00
Colorado	2.00	4.00	6.00	Kentucky	2.00	5.00	7.00
Hawaii	2.00	4.00	6.00	Georgia	2.00	4.00	6.00
Mississippi	2.00	4.00	6.00	Massachusetts	3.00	3.00	6.00
Montana	2.00	4.00	6.00	Michigan	2.00	4.00	6.00
Texas	1.00	5.00	6.00	Rhode Island	2.00	4.00	6.00
Utah	2.00	4.00	6.00	South Carolina	2.00	4.00	6.00
Alaska	2.00	3.00	5.00	Wisconsin	1.00	5.00	6.00
Illinois	2.00	3.00	5.00	Connecticut	2.00	3.00	5.00
Nevada	2.00	3.00	5.00	Idaho	2.00	3.00	5.00
Ohio	2.00	3.00	5.00	North Carolina	2.00	3.00	5.00
Nebraska	1.00	3.00	4.00	South Dakota	2.00	3.00	5.00
New Hampshire	2.00	2.00	4.00	California	3.00	1.00	4.00
New Jersey	2.00	2.00	4.00	Kansas	1.00	3.00	4.00
New York	2.00	2.00	4.00	Missouri	1.00	3.00	4.00
Delaware	1.00	2.00	3.00	Oklahoma	2.00	2.00	4.00
Louisiana	2.00	1.00	3.00	Oregon	2.00	2.00	4.00
Maryland	2.00	1.00	3.00	Arkansas	2.00	1.00	3.00
Minnesota	1.00	2.00	3.00	Florida	2.00	1.00	3.00
Tennessee	0.00	3.00	3.00	Iowa	1.00	2.00	3.00
Maine	1.00	1.00	2.00	New Mexico	1.00	2.00	3.00
Pennsylvania	2.00	0.00	2.00	West Virginia	1.00	2.00	3.00
Virginia	1.00	1.00	2.00	Washington	1.00	1.00	2.00
Indiana	0.00	1.00	1.00	Wyoming	1.00	0.00	1.00
Vermont	0.00	1.00	1.00	North Dakota	0.00	0.00	0.00
Average	**1.52**	**2.52**	**4.04**	**Average**	**1.68**	**2.64**	**4.32**

The line represents the break point for the average.

Analysis Using the H&S Framework & the Accountability Achievement Scale

The accountability achievement scale results from the 25 remaining states were analyzed according to the Hou and Smith framework of balanced budget requirement rules. The accountability achievement scale will be used to answer 4 questions as it relates to *policy* accountability. They are:

a. In analyzing the 50 states, using an accountability achievement scale from the previous three research question results, do states with more political types of balanced budget requirements/rules *result in* more accountability than those without more political types of balanced budget requirements/rules?

b. In analyzing the 50 states, using an accountability achievement scale from the previous three research question results, do states with more technical types of balanced budget requirements/rules *result in* more accountability than those without more technical types of balanced budget requirements/rules?

c. In analyzing the 50 states, using an accountability achievement scale from the previous three research question results, do states with more balanced budget requirements/rules overall *result in* more accountability than those without more balanced budget requirements/rules overall?

d. In analyzing the 50 states, using an accountability achievement scale from the previous three research question results, do states with certain balanced budget requirements/rules *result in* more accountability than those without those balanced budget requirements/rules?

Table 23 addresses the first 3 of these questions by providing three tables, one based on the number of political rules, one based on the number of technical rules, and one based on the total number of rules. The average total rating can range from 0 to 10. Appendix N1 provides the detail by state.

The first part of Table 23, breakdown by political rules, has an inverse relationship when compared with the accountability achievement scale results. The fewer political balanced

Table 23 Accountability Achievement Scale Results by Number of H&S Rules

# of Political Rules	Average Total Accountability Rating	# of States
2.00	4.26	16.00
1.00	6.19	6.00
0.00	6.67	3.00
Avg/Grand Total	5.02	25.00

# of Technical Rules	Average Total Accountability Rating	# of States
5.00	8.71	1.00
4.00	5.95	6.00
3.00	4.41	6.00
2.00	3.82	5.00
1.00	5.26	6.00
0.00	3.71	1.00
Avg/Grand Total	5.02	25.00

# of Total Rules	Average Total Accountability Rating	# of States
6.00	6.35	7.00
5.00	3.82	4.00
4.00	3.21	4.00
3.00	4.77	5.00
2.00	4.71	3.00
1.00	7.36	2.00
Avg/Grand Total	5.02	25.00

budget requirements adopted, the higher the total rating of the accountability achievement scale. However, the state population within the number of political rules category may be skewed in that 16 of the 25 states have 2 political rules. For the first question, states with more political rules do not result in greater accountability on the accountability achievement scale than states without more political rules.

The second part of Table 23, breakdown by number of technical rules, has a more predictable outcome. In general, the more technical rules that a state has adopted, the higher the average total accountability rating. States with only 1 technical rule were the only exception to this expected trend. With Vermont having the highest average total accountability rating overall with a 9 on a 10 point scale, and also having only 1 technical rule, the number may have been somewhat skewed. For the second question, states with more technical rules do tend to result in more accountability as measured on the accountability achievement scale than states without more technical rules, with the one exception noted.

The third part of Table 23 addresses the question of whether those states with a greater number of balanced budget requirements/rules demonstrate more accountability than states with a fewer number of balanced budget requirements/rules. The highest accountability achievement scale average total rating was for states that had only 1 rule overall. Since there were only 2 states in this category, Vermont and Indiana, and they both had above average ratings, this may have skewed the results on an overall comparison. However, the second highest rating was for those 7 states with 6 rules, which were the most rules in the study. For the third question, states with more balanced budget requirements/rules in general do not predictably result in more accountability.

Overall, having more political rules does not seem to increase the accountability rating for the states, as well as increasing the number of rules overall does not seem to increase the accountability rating for states. This suggests that particular rules might have more impact on the accountability rating of states. It is this that the fourth question addresses in the next section.

Policy Accountability: Balanced Budget Requirements

The Hou and Smith model for classifying state balanced budget requirements consists of 9 rules. This research project has examined each individual rule by the total accountability achievement scale results. Table 24 reports each rule and the respective accountability rating. Specifically, the columns are shown by No (rule) with their combined average total rating and by Yes (rule) with their combined average total rating. Appendices O1 thru O9 detail the results in Table 24 by state and rule.

Notably, all 3 of the 9 rules that were designated as political rules (Rule 1, 4, and 6) had a higher average accountability achievement scale rating without the rules than with the rules. Alternately, all 6 of the 9 rules that were designated as technical rules (Rule 2, 3, 5, 7, 8, and 9) had a higher average accountability achievement scale with the rules, except Rule No. 7. This exception for Rule No. 7 may be due to the previous results that showed states do not emphasize a comprehensive approach to budgetary accountability and structural balance throughout the amendment process.

A T Test was calculated for the data represented in Table 24 in order to determine if any of the accountability ratings were statistically significant in terms of having the rule or not having the rule. This test was run on each applicable individual rule as follows:

Null hypothesis	There is no difference in accountability ratings for states with or without the balanced budget requirement rule.
Alternative hypothesis	States with the balanced budget requirement rule have a higher accountability rating than states without the rule (calculated on an individual rule basis).

Only 5 of the 9 rules resulted in a higher average accountability rating with the rules than without the rules. The T Test results for those 5 rules are shown in the last column of Table 24. As shown in Table 24, 5 of the 9 rules were tested for their statistical significance, because they showed a higher accountability rating than states without the rule. In addition, all 5 rules were technical rules vs. political rules. Specifically, it was determined whether states with the rule have a greater chance of achieving a higher accountability rating than states without the rule. Only 3 of the 5 rules showed statistical significance: Rule No. 3, Rule No. 5, and Rule No. 9. Of particular note, all states that have Rule No. 5 also have Rule No. 3. Overall, this data suggests that some balanced budget requirements do show a relationship between having the requirement and scoring higher on the accountability achievement scale that was created from GASB's criteria for governments to be accountable in their financial reporting process.

Table 24 Accountability Achievement Scale Results –All Rules Delineated

		NO RULE		YES RULE		DIFFERENCE	
RULE	RULE DESCRIPTION	# of No Rules	Combined Average Total Rating (0 TO 10)	# of Yes Rules	Combined Average Total Rating (0 TO 10)	1 tailed P Value <= .05	
#1	Governor must submit a balanced budget (P)	5	6.57	20	4.62	-1.95	
#2	Own-source revenue must match (meet or exceed) current expenditures (T)	19	4.93	6	5.28	0.35	
#3	Own-source revenue and (unspecified) debt (in anticipation of revenues) must match (meet or exceed) current expenditures (T)	6	3.33	19	5.54	2.21	**
#4	The legislature must pass a balanced budget (P)	7	6.33	18	4.50	-1.83	
#5	A limit (control) is in place on the amount of debt for deficit reduction (T)	15	4.43	10	5.87	1.44	*
#6	The governor must sign a balanced budget (P)	25	5.02	0	0.00	-5.02	
#7	Controls are in place on supplementary appropriations (T)	16	5.68	9	3.83	-1.85	
#8	Within fiscal-year controls are in place to avoid deficit (T)	10	4.95	15	5.05	0.10	
#9	No deficit may be carried over to the next fiscal year (or biennium) (T)	21	4.55	4	7.43	2.88	**
	Total N/Average	124.00	4.99	101.00	5.04		

* Statistically significant <= .05

** Statistically signficant <= .01

Overall, this study has analyzed budget to actual data presented in state CAFR’s to determine whether accountability can be measured. GASB Statement No. 34 enhanced the ability to measure that accountability be requiring the “original” budget to be presented in addition to the “final amended” budget. Moreover, the Hou and Smith framework heightened the applicability of the study by providing the added dimension of the balanced budget amendment paradigm. The results do show that GASB Statement No. 34’s requirement of the “original” budget did add to the information available and without it, a different judgment of state budgetary processes could be formed.

CHAPTER 5

CONCLUSION

In today's financial environment, states are struggling to meet service needs with the revenue streams that exist. Citizen demand for service exceeds the availability of resources to address that demand. Unlimited need must be balanced by limited resources. This actuality makes it imperative that state budgeting processes represent real projections in a way that can be tested or held to a judgment of accountability. Most states have balanced budget requirements and the budget processes should illustrate democratic and/or transparent procedures that allow for accountability of those requirements to be assessed. This research provided the background necessary to make a judgment on the linkage between state budgets and the financial reporting processes. These prospective and retrospective requirements were examined from a balancing perspective of budgeting (affording what is spent) rather than a functional perspective of budgeting (allocating what is spent).

Findings

Budgeting and financial reporting are key facets of the financial environment for states, along with the compliance of applicable balanced budget requirements, as well as the compliance of professional accounting standards to focus its processes. This project undertook an exploratory study to make a judgment of accountability by taking an introspective look at the 50 states within this realm to determine how well the actions of states met the expectations. To do this, four research questions were analyzed that corresponded with Stewart's ladder of accountability. They are:

1. In analyzing the 50 states, were the *revenue and expenditures that were projected* within the legally adopted budget, on both the "original" and "final" projections, *achieved* (probity and legality level of accountability)?

2. In analyzing the 50 states, was *structural balance budgeted* on both the "original" and "final" projections (process level of accountability)?

3. In analyzing the 50 states, was *structural balance achieved* with their final year end results, whether budgeted or not (performance level of accountability)?

4. In analyzing the 50 states, using an accountability achievement scale from the previous three research question results, do states with particular *balanced budget requirements achieve* more accountability than those without the requirements, for both the "original" and "final amended" projections (policy level of accountability)?

The purpose of these questions was to increase the assessment of accountability by answering questions regarding the 50 states on the ladder of accountability, step by step. Upon review of the 50 states' CAFRs, only 25 states reported budget information that was comparable in format of presentation. The findings of this study are based on the reported budgets of those 25 states. Accountability and structural balance are keys to each step because they are imperative for the long term sustenance of state financial health.

Research Question No. 1 – Probity and Legality Level of Accountability

The first research question asked whether the revenues and expenditures that were projected within the legally adopted budget, on both the "original" and "final" projections, were achieved. This type of accountability assures that funds have been used in accordance with the authorization. This question focused on revenues and expenditures separately by using the Micawber Principle to analyze the results for the 25 remaining states (for FY 2002, only 24 states were included due to New York's implementation of GASB Statement No. 34 in FY 2003).

With the GASB Statement No. 34 requirement to include the "original" budget, as well as the "final amended" budget in the financial statements, "original" budget to actual results were shown in the state CAFR's. From FY 2002 to FY 2008, the management of both revenues and expenditures, where each respectively met their projections, did improve over time, and alternatively, the non-management of both revenues and expenditures, where each respectively did not meet their projections, stayed about the same. However, even in FY 2008, only 9 of 25 states, or 36%, managed both the "original" budget revenue and expenditure projections in that they were met as originally adopted. This means that 16 of the 25 states, or 64%, did not manage either both revenues and expenditures, or one or the other.

For the "amended" budget to actual results, states managed their expenditure budget, while they did not manage their revenue budget. For all years, only 3 state occurrences did not manage their "final amended" expenditure budget, which means that other than those three occurrences, for every other year, all states managed and met the expectations of the "final amended" budget for expenditures. On the other hand, 84 of the 174 occurrences did not meet their “final” amended revenue budget. This was expected, because states may have more control over expenses than they do over revenues. For component 1 of the accountability achievement scale, the average rating for the “original” budget to actual was 1.24 compared with the “final” budget to actual of 1.50 (on a scale of 0 to 2). This indicates that states were more accurate in achieving their “final” amended budget. Thus, because there are real differences between the “original” budget to actual results and the “final amended” budget to actual results, GASB Statement No. 34 did enhance the ability to make a judgment of accountability in the *probity and legality* realm of accountability.

Research Question No. 2 – Process Level of Accountability

The second research question asked whether structural balance was budgeted on both the “original” and “final” budget projections, or *process* accountability. Structural balance, or inter-period equity, addresses whether current year revenues were equal to or greater than current year expenditures. If so, the state adopted a structurally balanced budget. If current year expenditures exceeded current year revenues, the state did not adopt a structurally balanced budget. A budget that achieves structural balance assures the citizenry that the state met the service needs of the citizens with current revenues rather than deferring the costs to future generations/citizens. Thus, *process* accountability assures that adequate processes are used in the authorization procedure. Budgeting for structural balance would qualify as an adequate, if not essential, process.

Of the 174 budget occurrences reported from FY 2002 through FY 2008, 115, or 66%, did not budget for structural balance on the “original” budget, and 128, or 74%, did not budget for structural balance on the “final amended” budget. Despite the importance that structural balance can play for the long-term financial sustenance of states, more states did not prepare structurally balanced budgets than do prepare structurally balanced budgets, for both the “original” and “final amended” adopted budgets. In fact, states budgeted more structurally balanced budgets for the “original” budget than for the “final amended” budget.

Research Question No. 3 – Performance Level of Accountability

The third research question asked whether structural balance was achieved on the final year end actual results, which demonstrates *performance* accountability. Whereas Research Question No. 2 focused on whether structural balance was budgeted, this research question focuses on whether structural balance was achieved in the reported operating results. Of the 174 occurrences from FY 2002 to FY 2008, 80, or 46%, did not achieve structural balance in the reported Statement of Revenues, Expenditures, and Changes in Fund Balance, and 94, or 54%, did achieve structural balance. In sum, 54%, of the reported operating statements did convey structural balance in the Statement of Revenues, Expenditures, and Changes in Fund Balance, while only 34% budgeted for structural balance in the “original” budget, and 26% in the “final amended” budget. Thus, even though most states did not prepare a structurally balanced budget, in “final” actual results more states did achieve structural balance than did not.

The Hou & Smith framework Rule No. 2, own source revenue must match (meet or exceed) current expenditures, addresses the issue of structural balance. Just because a state utilized this rule, does not mean that the state reported information in their CAFR to make a judgment on the rule. Only 6 of the 11 states with this rule remained in the study to determine a rating on the accountability achievement scale, including Texas and New York. Of a possible 41 occurrences from FY 2002 to FY 2008, only 25, or 61%, of the occurrences actually achieved structural balance. For example, Texas provided their budget to actual information in a format to make the judgment of accountability. Texas budgeted structural balance for both the “original” and the “final amended” budgets and achieved structural balance in all years that data was analyzed. New York, on the other hand, did not achieve structural balance in any of the years analyzed. This suggests that even though states have balanced budget requirements, these restrictions are not practiced absolutely. One caveat to note is that Hou and Smith’s definition of Rule No. 2 is broader than GASB’s definition of structural balance. Hou and Smith have included states that count all cash resources in their definition of “own-source revenue” instead of current revenues only. As a result, these states might have complied with the broader definition of Rule No. 2.

A final examination of the *performance* level of accountability analyzed whether the budgeted difference between revenues and expenditures was achieved, despite being positive or negative. In other words, even if structural balance was not budgeted, was the dollar value of the variance line achieved, on both the “original” budget to actual results and the “final amended” budget to actual results. 73% of the states achieved the reported dollar difference projected for the “original” budget, and 90% reported achieving the dollar difference projected for the “final amended” budget. Even though states did not budget for structural balance, for the most part, they did achieve the dollar amount that was projected as a difference between revenues and expenditures. This suggests that states had “other financing sources” or “fund balance” to offset the negative structural balance and could provide a rationale why most states do not budget structural balance. If so, GASB’s definition of structural balance might need to be adjusted more broadly, to encompass the broader definition that Hou & Smith provided for Rule No. 2.

Research Question No. 4 – Policy Level of Accountability

Using an accountability achievement scale derived from the results of the first three research questions, the final research question asked whether states with particular balanced budget requirements achieved more accountability than those without the requirements, or *policy* level of accountability. This type of accountability examined the balanced budget requirements adopted by states. An accountability achievement scale was based on two components: 1) whether actual revenue and expenditure results met the projections, and 2) whether structural balance was budgeted and/or achieved. These two components were combined for a total rating on the scale.

Before summarizing the results of the accountability achievement scale as it applies to the various states and their balanced budget amendments, the “in” study states were compared with the “not in study” states in terms of the number of political vs. technical rules adopted. Since “in” study states provided the necessary data in a format to make a measurement of accountability, it would seem that those states probably have more focus on balanced budget requirements. However, the opposite was true. “Out of study” states averaged more rules on both the number of political and technical rules. Yet, those “out of study” states did not report their budgetary information in a way to examine how well the actions met expectations.

When applying the accountability achievement scale against the number of political rules, technical rules, and total rules, the results were different than what would be expected. The fewer political rules adopted, the higher the accountability achievement scale for both the "original" and "final amended" budgets. States with more political rules do not result in more accountability than states without more political rules. For the technical rules, states with more technical rules do tend to result in more accountability than states without more technical rules, with 1 exception. Unexpected disparity existed when looking at the total number of rules. Accordingly, states with more balanced budget requirement rules overall, in general do not result in more accountability. Thus, increasing the number of rules does not necessarily increase the budget to actual accuracy and/or structural balance projected or achieved. As a result, states do not tend to achieve more accountability just because they adopt balanced budget requirements, unless they are of a technical nature.

The final part of addressing Research Question No. 4 examined each individual rule by the accountability achievement scale results averaged over the 7 years. Only 5 technical rules had a higher accountability rating with the rule than without the rule, which was the expected result. These 5 rules were examined with a T Test in order to determine if the difference between having the rule and not having the rule was significant. Three rules resulted in statistical significance in that states with the rules would have a greater chance at achieving a higher budgetary accountability rating than states without the rule.

When analyzing these four questions, financial reports and balanced budget requirements in themselves do not lead to more accountability for state governments.

The format of information presented in the financial reports and the type of balanced budget requirements utilized by states play a prominent role in the effectiveness on outcomes as it relates to the accountability scale. The requirement to include the "original" budget in state CAFR's provided additional insight in determining the accountability of states on meeting projections for the entire budget process. Structural balance, although important in GASB's recommendations, does not play a vital role for most states. Those states with technical balanced budget requirements had a higher accountability rating than those with political requirements. These research questions demonstrated that having tools do not equate to accountability, but using tools can allow for a judgment of accountability. However, the type of tools can impact the level of accountability effectuated.

Accountability, Citizens, and the Democratic Process

The purpose of this research was to make a judgment of accountability by analyzing budgets and structural balance using state CAFR's. Accountability plays a prominent role in the democratic process. As it relates to the use of public funds, citizens may play either a direct role themselves, or an indirect role through their representatives and/or interest groups. At a minimum, financial accountability should provide information that will allow a determination on whether funds are budgeted and spent according to governmental accounting principles and balanced budget requirements states have adopted. Governmental transparency emphasizes the ability for the citizenry to determine what has occurred.

With limited resources and high demand for services, states adopt an "original" budget. This budget serves as a financial plan to meet the citizen demands. The "original" budget process generally contains the most public input, whether from individuals or their representative groups. Processes and institutional tools enhance accountability of overall budgets, balanced budget requirements, CAFR's and financial reporting requirements. However, are these tools transparent enough to make a judgment of accountability? These tools are successful when public entities achieve goals and are responsive to these mechanisms in place. Thus, the need for accountability is inherent in the use of taxpayer funds.

The balancing perspective is another important aspect of the budgeting process, focusing on the quantitative aspect of spending. It complements the functional perspective, which focuses on the qualitative aspect of spending. Citizen accountability must balance the need for financial stability and the need for service delivery. Without financial stability, the level of service delivery can become at risk, particularly during economic downturns. With financial stability, the level of service delivery may become more limited to effectuate the affordability of the stability.

In light of these issues, further understanding between the concepts of accountability and the citizen/democratic relationship need to be developed. Both are considered positive concepts within a democratic form of government. However, are they inverse in their relationship? The more financially accountable, the less citizens participate; or when financial accountability is diminished, do citizens participate more often?

Should governments determine program decisions by determining the amount of revenue available, or should program decisions be made and then governments effectuate enough revenue to cover them? The latter may encourage deficit spending that can shift the burden of today's services to future generations, while the former could short change some viable services. The focus comes full circle back to the citizens/taxpayers. In a democratic process, how do citizens become more educated and involved to make good, accountable, policy decisions throughout the financial process and maintain that participation and education? These issues are salient to the conversation of making a judgment of bureaucratic and budgetary accountability.

Recommendations

This exploratory research project provided the background and analysis necessary to identify still needed improvements on financial reporting for state governments. From this study, identifiable differences were shown between the "original" adopted budget and the "final amended" budget when compared with actual results. GASB Statement No. 34 required the former information to be included in the financial reports. As a result, GASB took one important step to be able to identify other steps that must be undertaken. The following recommendations must be considered to further improve accountability in budgetary and financial reporting.

The major limitation to this study is that the 50 states do not all report their budgets in a similar format. Whereas GASB has required standards for financial reporting, they do not dictate the format that states must use in reporting their adopted budgets. Often state laws differentiate these requirements. An effort should be undertaken to create comparative budgetary formats in reporting for government entities. States should be held accountable for the budgets that they adopt, especially when those states have adopted balanced budget requirements. Currently, however, the official financial reporting of those results does not provide data in a way to assess that accountability.

Two budgetary formats were discussed: 1) operating statement format, and 2) budget document format. Each of these formats contained four categories within them that all 50 states fell within. The operating statement format, which mirrors the Statement of Revenues, Expenditures, and Changes in Fund Balance, consisted of the following categories:

a) All elements are reported separately (revenues, expenditures, other financing sources, and other financing uses).

b) Revenues and expenditures are reported separately.

c) A 2 year biennium budget was presented with annual actual figures.

d) No revenue budget is reported.

Only the first two categories under the operating statement format allowed states to remain in this study in order to make a judgment on structural balance. This represented 20 states, 17 and 3, respectively. The budget document format, which mirrors the budget document for the applicable entity, consisted of the following categories:

a) Revenues and expenditures are reported separately.

b) A 2 year biennium budget was presented with actual annual figures.

c) No revenue budget is reported.

d) Other financing sources and other financing uses were combined with revenues and expenditures, respectively.

Only the first category under the budget document format allowed states to remain in the study. This represented 5 states. Thus, three categories within the two formats consisted of the other 25 states that were unable to be included in this study. These three reporting categories must be addressed, because those states that fell within them did not delineate revenue and expenditure information in their CAFR's that allowed for a judgment to be made on structural balance.

Specifically, some states presented a 2 year biennium budget with annual actual figures. Those four states that adopt a biennial budget without reporting two annual budgets should be required to report two annual budgets. Adopting biennial budgets can increase the financial planning period for governments, but they should be required to report in a manner that will allow them to be accountable for those budgets.

In addition, seven states did not report a revenue budget. Whether a state has adopted balanced budget requirements or not, no budget can be held accountable if either a revenue budget is not adopted, and/or a revenue budget is not reported. Revenues are an integral part of determining what services will be funded. This information must be required as part of government financial reporting.

Finally, some states combined their revenues with other financing sources, and their expenditures with other financing uses. Revenues and expenditures are separated from other financing sources (uses), because they assist the users of the financial statements in determining how well the basic operations of the government are being balanced with ongoing "revenue" sources and not "other financing" sources. Structural balance, the net of revenues and expenditures, cannot be determined when these combinations are allowed. In sum, continued improvements in financial reporting must persist. GASB should explore how to require all states to adopt an operating statement format for its budgetary reporting, where all elements within the statements are separated.

One caveat to GASB's emphasis on structural balance is that states could justifiably have other cash resources, as defined in Hou and Smith's Rule No. 2, which contained a broader definition of structural balance. For this reason, GASB should consider redefining its definition of structural balance. By excluding debt proceeds, GASB can still encourage states to fund today's services with recurring revenues without pushing their costs to future generations. But a broader definition would allow fund balance realized from previous years to offset those service costs. The key is for transparency to exist in financial reporting that allows for the judgment of accountability to be made.

Future Research

The accountability scale developed with this research can be applied to other substantive public areas. Three potential research projects will be discussed. First, I plan to compare the accountability scale results with an entity's bond ratings. The accountability scale focuses on the accuracy of budget projections and whether entities are structurally balanced without the use of debt. Bond ratings consider a broader and more comprehensive approach that considers the entities ability to repay debt.

Second, the same methodology from this research could be applied to school districts and/or local governments. An analysis of schools could undertake a comparison between achievement scores and financial accountability. Local governments could provide a larger sample of data beyond the 50 states. Citizens are affected by all levels of government. Thus, transparency is essential to verifying that adequate processes and procedures, beyond only gesture accountability, are in place for these levels.

Third, the relationship between states and their accountability ratings in this study could be compared to states' rankings on performance achievement. How does the balancing perspective match the functional perspective in program performance? Is there a way to analyze both perspectives of budgeting?

Conclusion

This study has shown that the balancing perspective within a budgetary theoretical framework is an essential part of holding states accountable, so that long term fiscal health can be sustained. This project demonstrated that even though processes are in place to provide information to assess accountability, those processes have not resulted in comprehensive reporting of structurally balanced budget to actual results. Since only 25 states remained in this study, changes need to be made to allow all 50 states to be examined for their budgetary accountability within their CAFR's. Budgets provide a prospective financial outlook for the states, while CAFR's provide a retrospective examination for the states, but the data needs to be available to provide an introspective assessment of accountability that ties both mechanisms together. Overall, this study illustrates the need for additional information to make a more comprehensive judgment of accountability on states and their budget to actual results. Tools may exist, and tools may be implemented, but requiring the right tools determines how well the task will be met. When it comes to accountability, the democratic process necessitates that those tools be identified and instituted in the financial reporting framework.

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APPENDICES

Appendix A 1

Hou & Smith: States Broken Down by Rule and Whether Constitutional or Statutory

State	Rule 1 Governor Must Submit a Balanced Budget	Rule 2 Own-Source Revenue Must Match Expend	Rule 3 Own-Source Revenue + Debt Must Match Expend	Rule 4 Legislature Must Pass a Balanced Budget	Rule 5 Limit on Debt that may be used for Deficit Reduction	Rule 6 Governor Must Sign a Balanced Budget	Rule 7 Controls are in Place on Supplement Approp	Rule 8 Within FY Controls are in Place to Avoid Deficit	Rule 9 No Deficit C/O into the Next FY or Biennium
	Political	Technical	Technical	Political	Technical	Political	Technical	Technical	Technical
Alabama	S		C	S	C			C,S	C,S
Alaska	S		C,S	S			S	S	
Arizona	S		C	C	C		S	S	S
Arkansas	S			S				S	
California	C			C,S		C		S	
Colorado	S	C	C	C	C			S	
Connecticut	S		S	C			S	S	
Delaware			C	S			C,S		
Florida	S			C				S	
Georgia	S	S	C,S	S	C,S		C		
Hawaii	C,S	C	C	C			C	S	
Idaho	S	C	C	C,S				S	
Illinois	C,S		C	C	C		S		
Indiana			C,S						
Iowa	S		C		C				
Kansas			C	C	C			S	
Kentucky	S	S	C	C,S	C		S	S	
Louisiana	S			C,S				S	
Maine	S		C						
Maryland	C			C			C		
Massachusetts	C,S		C	S		S	S	S	
Michigan	C		C	C	C		C	C	
Minnesota	S		S					S	
Mississippi	S		S	C,S	S			S	S
Missouri	C		C		C			C	
Montana	S	C		C,S			S	S	S
Nebraska	S		C		C			S	
Nevada	S		C	C	C		S		
New Hampshire	S			S			S	S	
New Jersey	S			C			C,S	S	
New Mexico	S	C			C				
New York	C	S	C	S					
North Carolina	C		C	C				C	S
North Dakota									
Ohio	S		C	C	C			S	
Oklahoma	S			S			S	C	
Oregon	S		S	C				S	
Pennsylvania	C,S			C					
Rhode Island	S		C	S	C		S	S	
South Carolina	S		S	C,S	S			S	S
South Dakota	S	C	C	C				S	
Tennessee			C		C			S	
Texas		C	C	C	C			C	S
Utah	S	C	C	C	C			S	
Vermont			S						
Virginia	C		C						
Washington	S							S	
West Virginia			C	C			C		
Wisconsin			C	C	C		S	S	S
Wyoming				S					
STATES WITH RULES	40	11	36	38	21	2	19	34	8
STATES WITHOUT RULES	10	39	14	12	29	48	31	16	42
TOTAL RULES	50	50	50	50	50	50	50	50	50
STATES WITH RULES	80%	22%	72%	76%	42%	4%	38%	68%	16%
STATES WITHOUT RULES	20%	78%	28%	24%	58%	96%	62%	32%	84%
TOTAL RULES	100%	100%	100%	100%	100%	100%	100%	100%	100%

Appendix A 2

Hou & Smith: States Totaled by Type of Rule

State	#BBR TOTAL	# OF POLITICAL RULES #P (MAX 3)	# OF TECHNICAL RULES #T (MAX 6)	NONE	TOTAL	MORE T'S THAN P'S YES =1; NO = 0
Alabama	6	2	4	3	9	1
Alaska	5	2	3	4	9	1
Arizona	7	2	5	2	9	1
Arkansas	3	2	1	6	9	0
California	4	3	1	5	9	0
Colorado	6	2	4	3	9	1
Connecticut	5	2	3	4	9	1
Delaware	3	1	2	6	9	1
Florida	3	2	1	6	9	0
Georgia	6	2	4	3	9	1
Hawaii	6	2	4	3	9	1
Idaho	5	2	3	4	9	1
Illinois	5	2	3	4	9	1
Indiana	1	0	1	8	9	1
Iowa	3	1	2	6	9	1
Kansas	4	1	3	5	9	1
Kentucky	7	2	5	2	9	1
Louisiana	3	2	1	6	9	0
Maine	2	1	1	7	9	0
Maryland	3	2	1	6	9	0
Massachusetts	6	3	3	3	9	0
Michigan	6	2	4	3	9	1
Minnesota	3	1	2	6	9	1
Mississippi	6	2	4	3	9	1
Missouri	4	1	3	5	9	1
Montana	6	2	4	3	9	1
Nebraska	4	1	3	5	9	1
Nevada	5	2	3	4	9	1
New Hampshire	4	2	2	5	9	0
New Jersey	4	2	2	5	9	0
New Mexico	3	1	2	6	9	1
New York	4	2	2	5	9	0
North Carolina	5	2	3	4	9	1
North Dakota	0	0	0	9	9	0
Ohio	5	2	3	4	9	1
Oklahoma	4	2	2	5	9	0
Oregon	4	2	2	5	9	0
Pennsylvania	2	2	0	7	9	0
Rhode Island	6	2	4	3	9	1
South Carolina	6	2	4	3	9	1
South Dakota	5	2	3	4	9	1
Tennessee	3	0	3	6	9	1
Texas	6	1	5	3	9	1
Utah	6	2	4	3	9	1
Vermont	1	0	1	8	9	1
Virginia	2	1	1	7	9	0
Washington	2	1	1	7	9	0
West Virginia	3	1	2	6	9	1
Wisconsin	6	1	5	3	9	1
Wyoming	1	1	0	8	9	0
STATES WITH RULE	209	80	129		209	
STATES WITHOUT RULE	241	70	171		241	
TOTAL STATES	450	150	300		450	
STATES WITH RULE	46%	53%	43%		46%	
STATES WITHOUT RULE	54%	47%	57%		54%	
TOTAL STATES	100%	100%	100%		100%	

Appendix B 1

Data for Analysis

DESCRIPTION	ORIGINAL BUDGET		FINAL BUDGET		ACTUAL	
	EXCEL COLUMN	FORMULA	EXCEL COLUMN	FORMULA	EXCEL COLUMN	FORMULA
State	A		A		A	
Fiscal Year	B		B		B	
Revenue - Key # Budgeted	C		D		E	
Expenditures - Key # Budgeted	F		G		H	
Excess - Favorable(Unfavorable)	I	C-F	J	D-G	K	E-H
OFS (Other Financing Sources) - Key # Budgeted	L		M		N	
OFU (Other Financing Uses) - Key # Budgeted	O		P		Q	
OFS/OFU Combined - Source (Use) - Favorable(Unfavorable)	R	L-O	S	M-P	T	N-Q
Special Item (Source) - Key # Budgeted	U		V		W	
Special Item (Use) - Key # Budgeted)	X		Y		Z	
Special Item Combined - Source (Use) - Favorable(Unfavorable)	AA	U-X	AB	V-Y	AC	W-Z
Net Change in Fund Balance - Budget Schedule - Favorable(Unfavorable)	AD	I+R+AA	AE	J+S+AB	AF	K+T+AC
Variance Original Budget to Actual - Revenue - Favorable(Unfavorable)	AG	E-C			AG	E-C
Variance Final Budget to Actual - Revenue - Favorable(Unfavorable)			AH	E-D	AH	E-D
Variance Original Budget to Final Budget - Revenue - Increase(Decrease)	AI	D-C	AI	D-C		
Variance Original Budget to Actual - Expenditures - (Favorable)Unfavorable	AJ	H-F			AJ	H-F
Variance Final Budget to Actual - Expenditures - (Favorable)Unfavorable			AK	H-G	AK	H-G
Variance Original Budget to Final Budget - Expenditures - Increase(Decrease)	AL	G-F	AL	G-F		
Variance Original Budget to Actual - Excess - Favorable(Unfavorable)	AM	AG-AJ			AM	AG-AJ
Variance Final Budget to Actual - Excess - Favorable(Unfavorable)			AN	AH-AK	AN	AH-AK
Variance Original Budget to Final Budget - Excess - Favorable(Unfavorable)	AO	J-I	AO	J-I		
Variance Original Budget to Actual - OFS - Favorable(Unfavorable)	AP	N-L			AP	N-L
Variance Final Budget to Actual - OFS - Favorable(Unfavorable)			AQ	N-M	AQ	N-M
Variance Original Budget to Final Budget - OFS - Increase(Decrease)	AR	M-L	AR	M-L		
Variance Original Budget to Actual - OFU - (Favorable)Unfavorable	AS	Q-O			AS	Q-O
Variance Final Budget to Actual - OFU - (Favorable)Unfavorable			AT	Q-P	AT	Q-P
Variance Original Budget to Final Budget - OFU - Increase(Decrease)	AU	P-O	AU	P-O		
Variance Original Budget to Actual - OFS/OFU NET - Favorable(Unfavorable)	AV	T-R			AV	T-R
Variance Final Budget to Actual - OFS/OFU NET - Favorable(Unfavorable)			AW	T-S	AW	T-S
Variance Original Budget to Final Budget - OFS/OFU NET - Favorable(Unfavorable)	AX	S-R	AX	S-R		
Variance Original Budget to Actual - SPECIAL ITEMS - Source - Favorable(Unfavorable)	AY	W-U			AY	W-U
Variance Final Budget to Actual - SPECIAL ITEMS - Source - Favorable(Unfavorable)			AZ	W-V	AZ	W-V
Variance Original Budget to Final Budget - SPECIAL ITEMS - Source - Increase(Decrease)	BA	V-U	BA	V-U		
Variance Original Budget to Actual - SPECIAL ITEMS - Use - (Favorable)Unfavorable	BB	Z-X			BB	Z-X
Variance Final Budget to Actual - SPECIAL ITEMS - Use - (Favorable)Unfavorable			BC	Z-Y	BC	Z-Y
Variance Original Budget to Final Budget - SPECIAL ITEMS - Use - Increase(Decrease)	BD	Y-X	BD	Y-X		
Variance Original Budget to Actual - SPEC ITEMS NET - Favorable(Unfavorable)	BE	AC-AA			BE	AC-AA
Variance Final Budget to Actual - SPEC ITEMS NET - Favorable(Unfavorable)			BF	AC-AB	BF	AC-AB
Variance Original Budget to Final Budget - SPEC ITEMS NET - Favorable(Unfavorable)	BG	AB-AA	BG	AB-AA		

Appendix B 1 continued – Data for Analysis

Variance Original Budget to Actual - Fund Balance - Favorable(Unfavorable)	BH	AF-AD			BH	AF-AD
Variance Final Budget to Actual - Fund Balance - Favorable(Unfavorable)			BI	AF-AE	BI	AF-AE
Variance Original Budget to Final Budget - Fund Balance - Increase(Decrease)	BJ	AE-AD	BJ	AE-AD		
Overall Sources (Revenues + OFS + Spec Item) Total - # Budgeted (By Formula)	BK	C+L+U	BL	D+M+V	BM	E+N+W
Overall Uses (Expenditures + OFU + Spec Item) Total - # Budgeted (By Formula)	BN	F+O+X	BO	G+P+Y	BP	H+Q+Z
Variance Original Budget to Actual - Overall Sources - Favorable(Unfavorable)	BQ	BM-BK			BQ	BM-BK
Variance Final Budget to Actual - Overall Sources - Favorable(Unfavorable)			BR	BM-BL	BR	BM-BL
Variance Original Budget to Final Budget - Overall Sources - Increase(Decrease)	BS	BL-BK	BS	BL-BK		
Variance Original Budget to Actual - Overall Uses - (Favorable)Unfavorable	BT	BP-BN			BT	BP-BN
Variance Final Budget to Actual - Overall Uses - (Favorable)Unfavorable			BU	BP-BO	BU	BP-BO
Variance Original Budget to Final Budget - Overall Uses - Increase(Decrease)	BV	BO-BN	BV	BO-BN		

Appendix C 1

State Revenue Data – 2002

FISCAL YEAR	STATE	ORIGINAL REVENUE BUDGET	FINAL REVENUE BUDGET	FINAL REVENUE ACTUAL
2002	Alabama	1,025,202,000	1,038,843,000	987,431,000
	Alaska	6,888,155,000	7,323,308,000	4,274,744,000
	Arizona	-	-	-
	Arkansas	-	-	9,645,167,000
	California	-	-	64,060,309,000
	Colorado	6,541,700,000	5,525,000,000	5,575,474,000
	Connecticut	-	-	-
	Delaware	2,359,400,000	2,425,700,000	2,425,700,000
	Florida	-	-	-
	Georgia	-	-	-
	Hawaii	3,611,550,000	3,498,284,000	3,410,939,000
	Idaho	-	-	2,066,888,468
	Illinois	27,174,566,000	25,398,866,000	23,541,034,000
	Indiana	7,852,015,000	7,852,015,000	7,339,066,000
	Iowa	-	-	-
	Kansas	-	-	-
	Kentucky	-	-	-
	Louisiana	6,615,780,000	6,815,349,000	6,163,366,000
	Maine	2,523,697,000	2,456,518,000	2,353,931,000
	Maryland	9,908,860,000	9,635,483,000	9,728,692,000
	Massachusetts	-	-	-
	Michigan	-	-	-
	Minnesota	13,428,525,000	12,471,584,000	12,297,268,000
	Mississippi	3,616,300,000	3,616,300,000	3,366,106,000
	Missouri	-	-	-
	Montana	1,244,420,000	1,244,420,000	1,132,497,000
	Nebraska	2,592,216,000	2,451,368,000	2,325,877,000
	Nevada	3,391,501,000	3,685,427,000	3,425,892,000
	New Hampshire	2,436,212,000	2,650,137,000	2,498,722,000
	New Jersey	23,551,186,816	23,091,950,253	21,297,809,538
	New Mexico	-	-	-
	New York	-	-	-
	North Carolina	-	-	-
	North Dakota	-	-	-
	Ohio	22,591,980,000	21,963,289,000	21,498,334,000
	Oklahoma	5,062,518,000	5,062,518,000	4,650,580,000
	Oregon	-	-	-
	Pennsylvania	34,166,218,000	35,152,574,000	32,952,503,000
	Rhode Island	3,934,953,000	3,812,899,000	3,515,109,000
	South Carolina	-	-	-
	South Dakota	-	-	-
	Tennessee	10,837,023,000	11,432,642,000	11,259,414,000
	Texas	45,533,063,000	47,950,886,000	46,002,711,000
	Utah	3,682,891,000	3,741,824,000	3,805,333,000
	Vermont	907,100,000	866,608,000	838,007,359
	Virginia	12,153,066,000	10,937,468,000	10,743,017,000
	Washington	-	-	-
	West Virginia	-	-	-
	Wisconsin	-	-	-
	Wyoming	-	-	-

*Blank (-) indicates that the data was not available from the CAFR due to budget formatting;
(Except New York, whose first year of implementation was FY 2003).

Appendix C 2

State Revenue Data – 2003

FISCAL YEAR	STATE	ORIGINAL REVENUE BUDGET	FINAL REVENUE BUDGET	FINAL REVENUE ACTUAL
2003	Alabama	1,075,728,000	1,123,227,000	1,169,532,000
	Alaska	7,091,516,000	7,796,599,000	4,869,290,000
	Arizona	-	-	-
	Arkansas	-	-	-
	California	-	-	68,545,783,000
	Colorado	5,964,200,000	5,406,200,000	5,482,182,000
	Connecticut	-	-	-
	Delaware	2,323,000,000	2,439,800,000	2,436,400,000
	Florida	-	-	-
	Georgia	-	-	-
	Hawaii	3,597,473,000	3,608,842,000	3,545,199,000
	Idaho	-	-	2,168,986,404
	Illinois	22,528,088,000	21,356,088,000	21,036,809,000
	Indiana	8,202,815,000	8,202,815,000	7,623,453,000
	Iowa	-	-	-
	Kansas	-	-	-
	Kentucky	-	-	-
	Louisiana	6,488,317,000	7,143,058,000	6,711,856,000
	Maine	2,582,412,000	2,384,516,000	2,415,182,000
	Maryland	9,816,907,000	9,366,556,000	9,606,875,000
	Massachusetts	13,320,910,000	13,315,910,000	13,031,491,000
	Michigan	-	-	-
	Minnesota	13,141,943,000	12,755,607,000	12,881,248,000
	Mississippi	3,556,400,000	3,556,400,000	3,437,036,000
	Missouri	-	-	-
	Montana	1,269,447,000	1,269,447,000	1,158,038,000
	Nebraska	2,684,779,000	2,495,928,000	2,446,328,000
	Nevada	3,515,300,000	3,983,614,000	3,630,729,000
	New Hampshire	2,795,296,000	3,018,716,000	2,515,809,000
	New Jersey	25,346,453,025	26,049,035,879	23,275,993,411
	New Mexico	-	-	-
	New York	37,224,000,000	32,242,000,000	30,069,000,000
	North Carolina	-	-	-
	North Dakota	-	-	-
	Ohio	4,234,522,000	23,263,917,000	22,965,023,000
	Oklahoma	4,962,227,000	4,962,227,000	4,423,234,000
	Oregon	-	-	-
	Pennsylvania	36,557,002,000	37,431,626,000	36,464,049,000
	Rhode Island	-	-	-
	South Carolina	-	-	-
	South Dakota	-	-	-
	Tennessee	11,752,405,000	12,950,311,000	13,005,133,000
	Texas	47,091,919,000	50,524,478,000	49,003,187,000
	Utah	3,801,435,000	4,047,395,000	4,076,538,000
	Vermont	851,576,890	854,434,300	865,068,275
	Virginia	11,340,799,000	10,908,800,000	10,990,998,000
	Washington	-	-	-
	West Virginia	-	-	-
	Wisconsin	-	-	-
	Wyoming	-	-	-

*Blank (-) indicates that the data was not available from the CAFR due to budget formatting.

Appendix C 3

State Revenue Data – 2004

FISCAL YEAR	STATE	ORIGINAL REVENUE BUDGET	FINAL REVENUE BUDGET	FINAL REVENUE ACTUAL
2004	Alabama	1,078,399,000	1,108,507,000	1,137,976,000
	Alaska	7,678,682,000	8,212,774,000	5,393,951,000
	Arizona	-	-	-
	Arkansas	-	-	-
	California	-	-	74,149,846,000
	Colorado	5,570,100,000	5,765,200,000	5,770,642,000
	Connecticut	-	-	-
	Delaware	2,358,000,000	2,722,200,000	2,735,400,000
	Florida	-	-	-
	Georgia	-	-	-
	Hawaii	3,773,266,000	3,776,522,000	3,860,356,000
	Idaho	-	-	2,455,723,536
	Illinois	22,930,000,000	22,900,503,000	23,113,974,000
	Indiana	7,226,615,000	7,226,615,000	7,888,506,000
	Iowa	-	-	-
	Kansas	-	-	-
	Kentucky	-	-	-
	Louisiana	7,359,618,000	7,631,494,000	7,126,533,000
	Maine	2,613,881,000	2,631,976,000	2,684,046,000
	Maryland	10,082,749,000	9,970,451,000	10,216,575,000
	Massachusetts	19,850,800,000	19,850,800,000	20,341,648,000
	Michigan	-	-	-
	Minnesota	13,401,090,000	13,334,172,000	13,579,368,000
	Mississippi	3,565,900,000	3,565,900,000	3,576,447,000
	Missouri	-	-	-
	Montana	1,231,427,000	1,231,427,000	1,239,117,000
	Nebraska	2,748,792,000	2,626,817,000	2,735,544,000
	Nevada	3,677,983,000	4,506,727,000	4,344,864,000
	New Hampshire	2,938,956,000	3,201,659,000	2,766,934,000
	New Jersey	26,373,178,901	26,734,603,993	23,745,513,734
	New Mexico	-	-	-
	New York	34,130,000,000	34,453,000,000	34,505,000,000
	North Carolina	-	-	-
	North Dakota	-	-	-
	Ohio	25,219,467,000	24,962,368,000	25,143,398,000
	Oklahoma	4,641,139,000	4,641,139,000	4,854,574,000
	Oregon	-	-	-
	Pennsylvania	37,790,464,000	38,835,490,000	38,622,129,000
	Rhode Island	-	-	-
	South Carolina	-	-	-
	South Dakota	-	-	-
	Tennessee	13,136,151,000	14,033,991,000	14,415,573,000
	Texas	49,126,986,000	52,202,688,000	51,185,419,000
	Utah	4,145,438,000	4,385,867,000	4,440,544,000
	Vermont	908,000,000	923,900,000	950,558,510
	Virginia	11,434,038,000	11,706,301,000	12,045,093,000
	Washington	-	-	-
	West Virginia	-	-	-
	Wisconsin	-	-	-
	Wyoming	-	-	-

*Blank (-) indicates that the data was not available from the CAFR due to budget formatting.

Appendix C 4

State Revenue Data – 2005

FISCAL YEAR	STATE	ORIGINAL REVENUE BUDGET	FINAL REVENUE BUDGET	FINAL REVENUE ACTUAL
2005	Alabama	1,249,895,000	1,268,862,000	1,258,907,000
	Alaska	8,844,319,000	9,295,946,000	6,451,557,000
	Arizona	-	-	-
	Arkansas	-	-	-
	California	-	-	81,979,962,000
	Colorado	5,927,500,000	5,969,900,000	6,123,038,000
	Connecticut	-	-	-
	Delaware	2,790,400,000	2,882,200,000	2,877,800,000
	Florida	-	-	-
	Georgia	-	-	-
	Hawaii	3,979,185,000	4,158,603,000	4,391,004,000
	Idaho	-	-	2,727,751,000
	Illinois	23,341,000,000	23,318,399,000	23,520,854,000
	Indiana	7,524,515,000	7,524,515,000	8,425,538,000
	Iowa	-	-	-
	Kansas	-	-	-
	Kentucky	-	-	-
	Louisiana	7,505,967,000	7,843,918,000	7,508,312,000
	Maine	2,685,947,000	2,803,441,000	2,831,515,000
	Maryland	10,395,110,000	11,123,180,000	11,632,538,000
	Massachusetts	-	-	-
	Michigan	-	-	-
	Minnesota	13,826,642,000	14,246,551,000	14,527,066,000
	Mississippi	3,687,300,000	3,687,300,000	3,935,925,000
	Missouri	-	-	-
	Montana	1,268,724,000	1,268,724,000	1,384,947,000
	Nebraska	2,728,009,000	2,941,530,000	2,989,724,000
	Nevada	4,443,659,000	5,169,755,000	4,882,949,000
	New Hampshire	3,184,851,000	3,414,416,000	3,142,816,000
	New Jersey	27,835,620,863	27,521,558,885	25,147,648,142
	New Mexico	-	-	-
	New York	34,085,000,000	34,791,000,000	34,630,000,000
	North Carolina	-	-	-
	North Dakota	-	-	-
	Ohio	25,982,953,000	25,982,953,000	26,512,032,000
	Oklahoma	4,887,296,000	4,869,675,000	5,302,115,000
	Oregon	-	-	-
	Pennsylvania	41,722,963,000	42,405,626,000	42,353,531,000
	Rhode Island	-	-	-
	South Carolina	-	-	-
	South Dakota	-	-	-
	Tennessee	14,588,983,000	15,247,792,000	15,353,637,000
	Texas	49,826,833,000	55,682,703,000	55,050,240,000
	Utah	4,545,061,000	4,692,521,000	4,759,865,000
	Vermont	950,000,000	981,300,000	1,035,332,724
	Virginia	12,731,751,000	13,588,583,000	14,140,689,000
	Washington	-	-	-
	West Virginia	-	-	-
	Wisconsin	-	-	-
	Wyoming	-	-	-

*Blank (-) indicates that the data was not available from the CAFR due to budget formatting.

Appendix C 5

State Revenue Data – 2006

FISCAL YEAR	STATE	ORIGINAL REVENUE BUDGET	FINAL REVENUE BUDGET	FINAL REVENUE ACTUAL
2006	Alabama	1,350,411,000	1,369,663,000	1,408,843,000
	Alaska	9,696,185,000	9,953,721,000	7,056,647,000
	Arizona	-	-	-
	Arkansas	-	-	-
	California	-	-	93,883,089,000
	Colorado	6,028,900,000	6,659,500,000	6,751,528,000
	Connecticut	-	-	-
	Delaware	3,062,600,000	3,173,500,000	3,169,900,000
	Florida	-	-	-
	Georgia	-	-	-
	Hawaii	4,342,170,000	4,804,013,000	4,905,322,000
	Idaho	-	-	2,883,796,000
	Illinois	24,363,000,000	24,341,063,000	25,165,184,000
	Indiana	7,904,689,000	7,904,689,000	9,036,874,000
	Iowa	-	-	-
	Kansas	-	-	-
	Kentucky	-	-	-
	Louisiana	7,710,801,000	11,618,570,000	9,119,103,000
	Maine	2,725,639,000	2,919,128,000	2,919,235,000
	Maryland	11,458,924,000	12,339,517,000	12,763,794,000
	Massachusetts	-	-	-
	Michigan	-	-	-
	Minnesota	14,749,662,000	15,284,233,000	15,727,999,000
	Mississippi	3,998,600,000	3,998,600,000	4,328,160,000
	Missouri	-	-	-
	Montana	1,483,016,000	1,483,016,000	1,576,940,000
	Nebraska	3,046,898,000	3,232,640,000	3,306,828,000
	Nevada	5,247,424,000	5,416,854,000	5,251,793,000
	New Hampshire	3,258,351,000	3,360,629,000	3,077,249,000
	New Jersey	29,455,697,555	29,432,720,412	26,948,598,567
	New Mexico	-	-	-
	New York	36,356,000,000	37,982,000,000	37,333,000,000
	North Carolina	-	-	-
	North Dakota	-	-	-
	Ohio	27,128,048,000	27,128,048,000	27,291,588,000
	Oklahoma	5,441,510,000	5,441,510,000	6,016,115,000
	Oregon	-	-	-
	Pennsylvania	42,776,527,000	43,173,612,000	43,546,692,000
	Rhode Island	-	-	-
	South Carolina	-	-	-
	South Dakota	-	-	-
	Tennessee	15,413,993,000	15,855,374,000	15,028,319,000
	Texas	54,415,357,000	59,794,735,000	60,700,623,000
	Utah	4,843,520,000	5,043,461,000	5,195,208,000
	Vermont	1,059,000,000	1,075,600,300	1,111,911,332
	Virginia	13,867,853,000	15,228,756,000	15,404,063,000
	Washington	-	-	-
	West Virginia	-	-	-
	Wisconsin	-	-	-
	Wyoming	-	-	-

*Blank (-) indicates that the data was not available from the CAFR due to budget formatting.

Appendix C 6

State Revenue Data – 2007

FISCAL YEAR	STATE	ORIGINAL REVENUE BUDGET	FINAL REVENUE BUDGET	FINAL REVENUE ACTUAL
2007	Alabama	1,427,586,000	1,455,950,000	1,420,474,000
	Alaska	11,055,621,000	11,443,496,000	8,155,994,000
	Arizona	-	-	-
	Arkansas	-	-	-
	California	-	-	95,932,933,000
	Colorado	6,990,000,000	7,218,600,000	7,317,764,000
	Connecticut	-	-	-
	Delaware	3,292,300,000	3,274,300,000	3,290,200,000
	Florida	-	-	-
	Georgia	-	-	-
	Hawaii	4,765,790,000	5,123,182,000	5,104,058,000
	Idaho	-	-	3,298,450,000
	Illinois	26,115,000,000	26,093,221,000	26,311,069,000
	Indiana	8,300,127,000	8,300,127,000	9,534,607,000
	Iowa	-	-	-
	Kansas	-	-	-
	Kentucky	-	-	-
	Louisiana	15,373,676,000	17,133,384,000	13,114,622,000
	Maine	2,995,120,000	3,080,894,000	3,114,554,000
	Maryland	12,914,689,000	12,849,578,000	13,905,512,000
	Massachusetts	-	-	-
	Michigan	-	-	-
	Minnesota	15,616,746,000	16,072,040,000	16,125,439,000
	Mississippi	4,463,700,000	4,463,700,000	4,784,721,000
	Missouri	-	-	-
	Montana	1,699,985,000	1,699,985,000	1,674,485,000
	Nebraska	3,177,817,000	3,321,922,000	3,369,254,000
	Nevada	5,339,697,000	5,851,798,000	5,419,323,000
	New Hampshire	3,335,624,000	3,503,064,000	3,139,226,000
	New Jersey	31,298,909,860	31,574,763,015	28,011,677,182
	New Mexico	-	-	-
	New York	40,514,000,000	41,082,000,000	41,087,000,000
	North Carolina	-	-	-
	North Dakota	-	-	-
	Ohio	26,748,055,000	26,748,055,000	26,491,685,000
	Oklahoma	-	-	-
	Oregon	-	-	-
	Pennsylvania	43,843,358,000	44,523,097,000	44,797,576,000
	Rhode Island	-	-	-
	South Carolina	-	-	-
	South Dakota	-	-	-
	Tennessee	15,256,794,000	15,516,951,000	15,679,497,000
	Texas	59,543,634,000	63,994,619,000	66,483,468,000
	Utah	5,041,661,000	5,216,559,000	5,315,730,000
	Vermont	1,059,000,000	1,124,100,000	1,151,371,469
	Virginia	16,034,373,000	16,369,184,000	16,137,477,000
	Washington	-	-	-
	West Virginia	-	-	-
	Wisconsin	-	-	-
	Wyoming	-	-	-

*Blank (-) indicates that the data was not available from the CAFR due to budget formatting.

Appendix C 7

State Revenue Data – 2008

FISCAL YEAR	STATE	ORIGINAL REVENUE BUDGET	FINAL REVENUE BUDGET	FINAL REVENUE ACTUAL
2008	Alabama	1,548,136,000	1,570,177,000	1,515,834,000
	Alaska	11,320,318,000	11,530,274,000	13,225,932,000
	Arizona	-	-	-
	Arkansas	-	-	-
	California	100,025,501,000	101,830,519,000	98,530,665,000
	Colorado	7,543,700,000	7,554,400,000	7,507,657,000
	Connecticut	-	-	-
	Delaware	3,365,400,000	3,366,100,000	3,356,700,000
	Florida	-	-	-
	Georgia	-	-	-
	Hawaii	5,413,914,000	5,228,791,000	5,204,747,000
	Idaho	-	-	3,500,892,000
	Illinois	27,163,000,000	27,140,962,000	27,628,944,000
	Indiana	8,703,436,000	8,703,436,000	10,496,709,000
	Iowa	-	-	-
	Kansas	-	-	-
	Kentucky	-	-	-
	Louisiana	17,015,138,000	21,005,188,000	14,392,752,000
	Maine	3,174,395,000	3,116,270,000	3,160,563,000
	Maryland	13,437,280,000	13,557,788,000	13,844,492,000
	Massachusetts	-	26,242,800,000	27,099,006,000
	Michigan	-	-	-
	Minnesota	16,444,885,000	16,108,002,000	16,498,294,000
	Mississippi	4,907,000,000	4,907,000,000	4,930,698,000
	Missouri	-	-	-
	Montana	1,751,222,000	1,751,222,000	1,775,685,000
	Nebraska	3,368,900,000	3,386,714,000	3,485,876,000
	Nevada	5,659,518,000	5,748,049,000	5,360,806,000
	New Hampshire	3,648,844,000	3,773,162,000	3,343,494,000
	New Jersey	31,087,638,947	31,289,045,515	28,370,175,666
	New Mexico	221,117,000	262,916,000	376,232,000
	New York	41,808,000,000	41,069,000,000	40,924,000,000
	North Carolina	-	-	-
	North Dakota	-	-	-
	Ohio	27,359,461,000	27,024,284,000	26,726,601,000
	Oklahoma	-	-	-
	Oregon	-	-	-
	Pennsylvania	45,270,994,000	45,588,415,000	45,366,425,000
	Rhode Island	-	-	-
	South Carolina	-	-	-
	South Dakota	-	-	-
	Tennessee	16,436,800,000	16,684,024,000	15,939,910,000
	Texas	63,399,376,000	67,917,949,000	68,371,785,000
	Utah	5,344,730,000	5,409,208,000	5,399,182,000
	Vermont	1,170,200,000	1,189,700,000	1,199,764,057
	Virginia	17,026,156,000	16,343,118,000	16,349,717,000
	Washington	-	-	-
	West Virginia	-	-	-
	Wisconsin	-	-	-
	Wyoming	-	-	-

*Blank (-) indicates that the data was not available from the CAFR due to budget formatting.

Appendix D 1

State Expenditure Data – 2002

FISCAL YEAR	STATE	ORIGINAL EXPEND BUDGET	FINAL EXPEND BUDGET	FINAL EXPEND ACTUAL
2002	Alabama	958,215,000	972,390,000	947,798,000
	Alaska	8,415,785,000	9,004,737,000	6,466,357,000
	Arizona	-	-	-
	Arkansas	15,263,080,000	14,563,533,000	8,847,008,000
	California	80,023,580,000	79,714,143,000	76,551,184,000
	Colorado	6,691,100,000	6,714,201,000	6,696,848,000
	Connecticut	-	-	-
	Delaware	2,301,800,000	2,692,400,000	2,453,800,000
	Florida	-	-	-
	Georgia	-	-	-
	Hawaii	3,582,095,000	3,753,721,000	3,651,119,000
	Idaho	2,412,299,994	2,386,130,935	2,136,688,088
	Illinois	25,449,559,000	25,449,559,000	24,883,256,000
	Indiana	9,169,578,000	7,828,117,000	7,134,016,000
	Iowa	-	-	-
	Kansas	-	-	-
	Kentucky	-	-	-
	Louisiana	14,825,337,000	16,283,325,000	14,589,056,000
	Maine	2,611,529,000	2,655,175,000	2,585,745,000
	Maryland	10,997,913,000	10,763,214,000	10,514,557,000
	Massachusetts	-	-	-
	Michigan	-	-	-
	Minnesota	11,517,156,000	11,757,004,000	11,748,849,000
	Mississippi	3,541,841,000	3,394,039,000	3,387,435,000
	Missouri	-	-	-
	Montana	1,212,476,000	1,257,519,000	1,151,741,000
	Nebraska	2,701,371,000	2,631,797,000	2,559,399,000
	Nevada	3,045,617,000	3,615,288,000	3,101,152,000
	New Hampshire	2,527,655,000	2,784,724,000	2,539,936,000
	New Jersey	25,488,888,197	25,974,490,488	22,326,644,824
	New Mexico	-	-	-
	New York	-	-	-
	North Carolina	22,858,525,000	26,457,371,000	24,188,006,000
	North Dakota	-	-	-
	Ohio	24,004,560,000	24,001,555,000	23,296,694,000
	Oklahoma	1,380,980,000	1,360,929,000	1,339,106,000
	Oregon	-	-	-
	Pennsylvania	34,459,819,000	35,574,692,000	34,289,159,000
	Rhode Island	4,139,919,000	4,246,385,000	4,146,114,000
	South Carolina	-	-	-
	South Dakota	896,799,000	894,097,000	889,605,000
	Tennessee	11,335,066,000	11,987,917,000	11,257,628,000
	Texas	40,565,373,000	44,217,528,000	39,688,857,000
	Utah	3,776,301,000	3,992,691,000	3,903,179,000
	Vermont	668,218,449	692,022,533	650,764,996
	Virginia	12,436,341,000	11,971,207,000	11,740,733,000
	Washington	-	-	-
	West Virginia	-	-	-
	Wisconsin	-	-	-
	Wyoming	-	-	-

*Blank (-) indicates that the data was not available from the CAFR due to budget formatting; (Except New York, whose first year of implementation was FY 2003).

Appendix D 2

State Expenditure Data – 2003

FISCAL YEAR	STATE	ORIGINAL EXPEND BUDGET	FINAL EXPEND BUDGET	FINAL EXPEND ACTUAL
2003	Alabama	977,951,000	1,023,328,000	994,792,000
	Alaska	9,399,752,000	9,852,542,000	7,154,183,000
	Arizona	-	-	-
	Arkansas	14,107,388,000	16,036,413,000	8,975,998,000
	California	78,782,607,000	79,388,592,000	77,564,277,000
	Colorado	6,161,100,000	5,604,495,000	5,603,841,000
	Connecticut	-	-	-
	Delaware	2,392,200,000	2,666,600,000	2,454,200,000
	Florida	-	-	-
	Georgia	-	-	-
	Hawaii	3,645,618,000	3,937,555,000	3,803,112,000
	Idaho	2,342,302,290	2,223,287,305	2,098,296,566
	Illinois	22,189,048,000	22,225,248,000	21,863,495,000
	Indiana	9,279,767,000	8,316,370,000	7,495,835,000
	Iowa	-	-	-
	Kansas	-	-	-
	Kentucky	-	-	-
	Louisiana	15,648,204,000	16,911,267,000	15,609,579,000
	Maine	2,751,447,000	2,613,422,000	2,534,321,000
	Maryland	10,811,356,000	10,681,087,000	10,403,873,000
	Massachusetts	13,591,140,000	13,333,109,000	13,094,414,000
	Michigan	-	-	-
	Minnesota	13,107,813,000	13,154,231,000	13,062,441,000
	Mississippi	3,500,679,000	3,453,917,000	3,445,782,000
	Missouri	-	-	-
	Montana	1,221,777,000	1,142,836,000	1,126,414,000
	Nebraska	2,744,474,000	2,684,985,000	2,591,433,000
	Nevada	3,764,407,000	4,582,904,000	4,041,998,000
	New Hampshire	3,051,576,000	3,198,405,000	2,690,514,000
	New Jersey	27,570,006,909	28,035,253,872	24,970,018,951
	New Mexico	-	-	-
	New York	37,510,000,000	37,444,000,000	35,265,000,000
	North Carolina	23,501,292,000	26,836,565,000	24,528,498,000
	North Dakota	-	-	-
	Ohio	25,745,852,000	25,203,700,000	24,250,584,000
	Oklahoma	1,326,840,000	1,270,187,000	1,247,461,000
	Oregon	-	-	-
	Pennsylvania	36,246,452,000	37,264,348,000	36,479,302,000
	Rhode Island	4,319,286,000	4,424,727,000	4,301,736,000
	South Carolina	-	-	-
	South Dakota	897,094,000	909,929,000	900,914,000
	Tennessee	11,741,758,000	13,189,181,000	12,391,727,000
	Texas	39,243,909,000	43,055,670,000	42,000,418,000
	Utah	3,861,351,000	4,140,021,000	4,037,559,000
	Vermont	571,668,384	612,087,259	589,237,046
	Virginia	12,130,932,000	11,855,366,000	11,673,206,000
	Washington	-	-	-
	West Virginia	-	-	-
	Wisconsin	-	-	-
	Wyoming	-	-	-

*Blank (-) indicates that the data was not available from the CAFR due to budget formatting.

Appendix D 3

State Expenditure Data – 2004

FISCAL YEAR	STATE	ORIGINAL EXPEND BUDGET	FINAL EXPEND BUDGET	FINAL EXPEND ACTUAL
2004	Alabama	966,075,000	1,016,764,000	995,496,000
	Alaska	9,433,285,000	9,977,165,000	7,012,661,000
	Arizona	-	-	-
	Arkansas	15,887,660,000	14,367,161,000	9,292,976,000
	California	79,794,640,000	79,197,533,000	78,457,723,000
	Colorado	5,584,000,000	5,645,312,000	5,639,993,000
	Connecticut	-	-	-
	Delaware	2,444,800,000	2,823,700,000	2,553,700,000
	Florida	-	-	-
	Georgia	-	-	-
	Hawaii	3,826,094,000	3,876,947,000	3,826,338,000
	Idaho	2,261,892,996	2,273,677,810	2,152,108,678
	Illinois	23,492,766,000	23,410,789,000	22,637,545,000
	Indiana	9,294,815,000	7,764,024,000	7,623,248,000
	Iowa	-	-	-
	Kansas	-	-	-
	Kentucky	-	-	-
	Louisiana	16,800,966,000	17,383,075,000	16,426,233,000
	Maine	2,603,585,000	2,683,073,000	2,591,277,000
	Maryland	10,692,047,000	10,440,107,000	10,278,869,000
	Massachusetts	20,350,710,000	20,726,324,000	20,574,199,000
	Michigan	-	-	-
	Minnesota	13,055,244,000	12,852,500,000	12,838,072,000
	Mississippi	3,442,432,000	3,454,902,000	3,452,405,000
	Missouri	-	-	-
	Montana	1,278,851,000	1,300,964,000	1,255,157,000
	Nebraska	2,709,869,000	2,646,025,000	2,554,121,000
	Nevada	3,746,736,000	5,057,900,000	4,368,978,000
	New Hampshire	3,095,595,000	3,464,966,000	2,820,176,000
	New Jersey	28,328,464,022	28,861,433,727	25,548,704,383
	New Mexico	-	-	-
	New York	40,272,000,000	39,634,000,000	39,587,000,000
	North Carolina	24,747,270,000	27,682,575,000	26,604,267,000
	North Dakota	-	-	-
	Ohio	25,823,909,000	25,992,731,000	25,630,280,000
	Oklahoma	1,211,956,000	1,263,982,000	1,224,638,000
	Oregon	-	-	-
	Pennsylvania	37,986,315,000	39,010,746,000	38,694,117,000
	Rhode Island	-	-	-
	South Carolina	-	-	-
	South Dakota	926,554,000	910,560,000	894,409,000
	Tennessee	13,395,506,000	14,366,937,000	13,473,864,000
	Texas	43,579,363,000	46,331,574,000	41,810,341,000
	Utah	4,174,281,000	4,446,623,000	4,329,073,000
	Vermont	627,521,742	661,853,363	554,055,267
	Virginia	12,117,788,000	11,856,615,000	11,725,062,000
	Washington	-	-	-
	West Virginia	-	-	-
	Wisconsin	-	-	-
	Wyoming	-	-	-

*Blank (-) indicates that the data was not available from the CAFR due to budget formatting.

Appendix D 4

State Expenditure Data – 2005

FISCAL YEAR	STATE	ORIGINAL EXPEND BUDGET	FINAL EXPEND BUDGET	FINAL EXPEND ACTUAL
2005	Alabama	1,145,048,000	1,181,501,000	1,152,799,000
	Alaska	10,204,467,000	11,000,741,000	7,263,766,000
	Arizona	-	-	-
	Arkansas	17,797,355,000	19,402,272,000	10,118,594,000
	California	82,170,966,000	81,279,016,000	79,705,622,000
	Colorado	5,921,500,000	6,051,000,000	6,025,060,000
	Connecticut	-	-	-
	Delaware	2,600,400,000	3,165,600,000	2,822,300,000
	Florida	-	-	-
	Georgia	-	-	-
	Hawaii	3,999,247,000	4,256,605,000	4,157,011,000
	Idaho	2,322,758,000	2,328,472,000	2,220,536,000
	Illinois	23,689,108,000	23,804,500,000	22,517,382,000
	Indiana	9,425,559,000	8,021,823,000	7,820,743,000
	Iowa	-	-	-
	Kansas	-	-	-
	Kentucky	-	-	-
	Louisiana	17,432,504,000	17,877,258,000	17,104,713,000
	Maine	2,681,972,000	2,842,558,000	2,762,485,000
	Maryland	11,308,555,000	11,424,994,000	11,255,283,000
	Massachusetts	-	-	-
	Michigan	-	-	-
	Minnesota	13,444,887,000	13,735,259,000	13,705,502,000
	Mississippi	3,595,725,000	3,634,489,000	3,632,192,000
	Missouri	-	-	-
	Montana	1,314,484,000	1,333,702,000	1,319,250,000
	Nebraska	2,830,762,000	2,808,180,000	2,698,609,000
	Nevada	4,721,302,000	5,957,470,000	4,744,386,000
	New Hampshire	3,572,622,000	3,833,377,000	3,183,040,000
	New Jersey	29,912,259,952	30,060,164,146	26,801,987,202
	New Mexico	-	-	-
	New York	40,564,000,000	40,927,000,000	40,711,000,000
	North Carolina	26,624,012,000	30,624,573,000	29,132,544,000
	North Dakota	-	-	-
	Ohio	26,820,194,000	27,266,447,000	26,879,007,000
	Oklahoma	1,249,724,000	1,312,449,000	1,223,950,000
	Oregon	-	-	-
	Pennsylvania	41,793,802,000	42,416,965,000	42,099,028,000
	Rhode Island	-	-	-
	South Carolina	-	-	-
	South Dakota	1,010,631,000	1,022,115,000	1,008,694,000
	Tennessee	14,977,715,000	15,656,830,000	14,815,725,000
	Texas	43,443,943,000	44,906,136,000	44,155,446,000
	Utah	4,594,550,000	4,762,568,000	4,630,613,000
	Vermont	637,901,346	708,231,841	668,202,440
	Virginia	13,522,774,000	13,596,132,000	13,378,691,000
	Washington	-	-	-
	West Virginia	-	-	-
	Wisconsin	-	-	-
	Wyoming	-	-	-

*Blank (-) indicates that the data was not available from the CAFR due to budget formatting.

Appendix D 5

State Expenditure Data – 2006

FISCAL YEAR	STATE	ORIGINAL EXPEND BUDGET	FINAL EXPEND BUDGET	FINAL EXPEND ACTUAL
2006	Alabama	1,283,465,000	1,296,498,000	1,280,110,000
	Alaska	11,720,713,000	12,493,936,000	7,611,852,000
	Arizona	-	-	-
	Arkansas	18,112,185,000	18,024,697,000	10,713,976,000
	California	88,279,849,000	93,474,258,000	92,086,972,000
	Colorado	6,329,600,000	6,464,700,000	6,442,644,000
	Connecticut	-	-	-
	Delaware	2,821,900,000	3,535,900,000	3,180,500,000
	Florida	-	-	-
	Georgia	-	-	-
	Hawaii	4,545,273,000	4,738,673,000	4,599,976,000
	Idaho	2,393,859,000	2,424,522,000	2,338,952,000
	Illinois	24,332,382,000	24,462,158,000	24,086,453,000
	Indiana	10,057,361,000	8,490,717,000	8,255,568,000
	Iowa	-	-	-
	Kansas	-	-	-
	Kentucky	-	-	-
	Louisiana	18,182,750,000	22,219,595,000	19,251,125,000
	Maine	2,709,193,000	2,941,571,000	2,828,513,000
	Maryland	12,328,244,000	12,510,591,000	12,344,344,000
	Massachusetts	-	-	-
	Michigan	-	-	-
	Minnesota	13,949,476,000	14,738,921,000	14,558,286,000
	Mississippi	3,909,819,000	4,011,269,000	4,003,967,000
	Missouri	-	-	-
	Montana	1,562,631,000	1,584,539,000	1,535,385,000
	Nebraska	3,049,148,000	3,047,071,000	2,895,981,000
	Nevada	5,949,815,000	6,193,365,000	5,300,795,000
	New Hampshire	3,602,673,000	3,743,726,000	3,157,799,000
	New Jersey	29,650,607,767	29,519,848,679	26,318,916,311
	New Mexico	-	-	-
	New York	43,564,000,000	44,289,000,000	43,423,000,000
	North Carolina	29,883,969,000	32,363,759,000	30,719,561,000
	North Dakota	-	-	-
	Ohio	27,812,658,000	27,950,591,000	27,247,317,000
	Oklahoma	1,359,469,000	1,445,584,000	1,318,984,000
	Oregon	-	-	-
	Pennsylvania	43,139,232,000	43,556,914,000	43,392,006,000
	Rhode Island	-	-	-
	South Carolina	5,637,988,000	5,651,442,000	5,540,437,000
	South Dakota	1,050,751,000	1,091,077,000	1,067,858,000
	Tennessee	15,678,177,000	16,178,461,000	13,884,509,000
	Texas	50,523,069,000	50,355,103,000	48,151,298,000
	Utah	4,949,466,000	5,088,736,000	4,948,531,000
	Vermont	692,997,010	791,712,432	734,612,448
	Virginia	14,280,096,000	14,622,872,000	14,350,474,000
	Washington	-	-	-
	West Virginia	-	-	-
	Wisconsin	-	-	-
	Wyoming	-	-	-

*Blank (-) indicates that the data was not available from the CAFR due to budget formatting.

Appendix D 6

State Expenditure Data – 2007

FISCAL YEAR	STATE	ORIGINAL EXPEND BUDGET	FINAL EXPEND BUDGET	FINAL EXPEND ACTUAL
2007	Alabama	1,318,529,000	1,336,788,000	1,321,579,000
	Alaska	12,286,114,000	13,952,155,000	8,622,293,000
	Arizona	-	-	-
	Arkansas	16,603,318,000	16,625,486,000	11,352,530,000
	California	102,140,082,000	103,005,347,000	101,496,317,000
	Colorado	6,917,200,000	6,923,250,000	6,903,624,000
	Connecticut	-	-	-
	Delaware	3,101,800,000	3,737,700,000	3,389,900,000
	Florida	-	-	-
	Georgia	-	-	-
	Hawaii	4,871,539,000	5,228,972,000	5,051,054,000
	Idaho	2,610,499,000	2,878,987,000	2,727,098,000
	Illinois	25,743,141,000	25,963,211,000	25,479,959,000
	Indiana	10,252,200,000	8,619,655,000	8,468,591,000
	Iowa	-	-	-
	Kansas	-	-	-
	Kentucky	-	-	-
	Louisiana	26,047,721,000	30,127,080,000	23,320,063,000
	Maine	2,941,098,000	3,107,330,000	3,044,420,000
	Maryland	14,268,299,000	14,361,225,000	14,122,911,000
	Massachusetts	-	-	-
	Michigan	-	-	-
	Minnesota	15,110,182,000	15,007,476,000	14,870,034,000
	Mississippi	4,084,331,000	4,111,903,000	4,098,185,000
	Missouri	-	-	-
	Montana	1,629,448,000	1,682,552,000	1,613,982,000
	Nebraska	3,299,582,000	3,287,600,000	3,094,752,000
	Nevada	5,953,906,000	6,712,747,000	5,437,051,000
	New Hampshire	3,735,589,000	3,938,318,000	3,234,308,000
	New Jersey	32,563,964,168	32,347,033,759	28,750,549,586
	New Mexico	-	-	-
	New York	48,078,000,000	47,948,000,000	48,024,000,000
	North Carolina	32,264,294,000	35,742,539,000	34,127,044,000
	North Dakota	-	-	-
	Ohio	27,969,716,000	28,338,830,000	27,803,946,000
	Oklahoma	-	-	-
	Oregon	-	-	-
	Pennsylvania	44,257,607,000	44,895,536,000	44,696,335,000
	Rhode Island	-	-	-
	South Carolina	6,348,943,000	6,350,280,000	6,117,311,000
	South Dakota	1,111,956,000	1,131,874,000	1,108,847,000
	Tennessee	15,882,769,000	16,103,581,000	14,433,563,000
	Texas	51,724,287,000	52,758,846,000	53,408,008,000
	Utah	5,352,061,000	5,380,808,000	5,161,350,000
	Vermont	866,529,409	943,668,293	907,784,298
	Virginia	16,474,910,000	16,976,519,000	15,966,975,000
	Washington	-	-	-
	West Virginia	-	-	-
	Wisconsin	-	-	-
	Wyoming	-	-	-

*Blank (-) indicates that the data was not available from the CAFR due to budget formatting.

Appendix D 7

State Expenditure Data – 2008

FISCAL YEAR	STATE	ORIGINAL EXPEND BUDGET	FINAL EXPEND BUDGET	FINAL EXPEND ACTUAL
2008	Alabama	1,488,119,000	1,501,988,000	1,458,389,000
	Alaska	14,061,407,000	16,094,433,000	9,653,053,000
	Arizona	-	-	-
	Arkansas	17,295,600,000	19,956,494,000	11,742,404,000
	California	103,604,184,000	103,952,599,000	102,758,494,000
	Colorado	7,335,200,000	7,344,455,000	7,353,702,000
	Connecticut	-	-	-
	Delaware	3,285,600,000	3,747,000,000	3,421,600,000
	Florida	-	-	-
	Georgia	-	-	-
	Hawaii	5,325,193,000	5,576,259,000	5,437,614,000
	Idaho	3,315,560,000	3,324,257,000	3,040,068,000
	Illinois	27,474,697,000	27,460,428,000	27,139,262,000
	Indiana	10,810,119,000	8,962,004,000	8,742,534,000
	Iowa	-	-	-
	Kansas	-	-	-
	Kentucky	-	-	-
	Louisiana	29,536,986,000	34,848,655,000	27,142,449,000
	Maine	3,159,436,000	3,178,137,000	3,084,563,000
	Maryland	14,767,247,000	14,711,269,000	14,465,688,000
	Massachusetts	-	27,598,875,000	27,366,845,000
	Michigan	-	-	-
	Minnesota	16,524,866,000	16,176,146,000	15,855,095,000
	Mississippi	4,932,302,000	5,007,464,000	5,001,331,000
	Missouri	-	-	-
	Montana	1,954,302,000	1,955,670,000	1,875,367,000
	Nebraska	3,455,562,000	3,476,177,000	3,235,792,000
	Nevada	6,428,614,000	6,960,970,000	6,163,120,000
	New Hampshire	4,085,799,000	4,205,596,000	3,467,544,000
	New Jersey	32,052,077,354	32,991,120,483	29,499,748,122
	New Mexico	1,148,727,000	1,198,711,000	1,136,203,000
	New York	51,308,000,000	50,810,000,000	50,613,000,000
	North Carolina	36,568,083,000	38,848,743,000	37,079,728,000
	North Dakota	-	-	-
	Ohio	28,483,508,000	28,818,411,000	28,081,819,000
	Oklahoma	-	-	-
	Oregon	-	-	-
	Pennsylvania	45,754,932,000	46,053,209,000	45,456,673,000
	Rhode Island	-	-	-
	South Carolina	7,279,549,000	7,300,341,000	7,037,300,000
	South Dakota	1,193,765,000	1,216,081,000	1,193,908,000
	Tennessee	16,699,608,000	16,951,576,000	15,322,829,000
	Texas	58,630,557,000	65,033,077,000	60,622,461,000
	Utah	5,775,051,000	5,876,987,000	5,633,973,000
	Vermont	889,367,262	948,580,700	927,556,703
	Virginia	17,176,208,000	17,328,323,000	17,018,680,000
	Washington	-	-	-
	West Virginia	-	-	-
	Wisconsin	-	-	-
	Wyoming	-	-	-

*Blank (-) indicates that the data was not available from the CAFR due to budget formatting.

Appendix E 1

States - Excess of Revenues over (under) Expenditures – <u>Structural Balance</u> Data– 2002

FISCAL YEAR	STATE	ORIGINAL BUDGET EXCESS OF REV OVER (UNDER) EXPEND	FINAL BUDGET EXCESS OF REV OVER (UNDER) EXPEND	FINAL ACTUAL EXCESS OF REV OVER (UNDER) EXPEND
2002	Alabama	66,987,000	66,453,000	39,633,000
	Alaska	(1,527,630,000)	(1,681,429,000)	(2,191,613,000)
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	798,159,000
	California	#VALUE!	#VALUE!	(12,490,875,000)
	Colorado	(149,400,000)	(1,189,201,000)	(1,121,374,000)
	Connecticut	#VALUE!	#VALUE!	#VALUE!
	Delaware	57,600,000	(266,700,000)	(28,100,000)
	Florida	#VALUE!	#VALUE!	#VALUE!
	Georgia	#VALUE!	#VALUE!	#VALUE!
	Hawaii	29,455,000	(255,437,000)	(240,180,000)
	Idaho	#VALUE!	#VALUE!	(69,799,620)
	Illinois	1,725,007,000	(50,693,000)	(1,342,222,000)
	Indiana	(1,317,563,000)	23,898,000	205,050,000
	Iowa	#VALUE!	#VALUE!	#VALUE!
	Kansas	#VALUE!	#VALUE!	#VALUE!
	Kentucky	#VALUE!	#VALUE!	#VALUE!
	Louisiana	(8,209,557,000)	(9,467,976,000)	(8,425,690,000)
	Maine	(87,832,000)	(198,657,000)	(231,814,000)
	Maryland	(1,089,053,000)	(1,127,731,000)	(785,865,000)
	Massachusetts	#VALUE!	#VALUE!	#VALUE!
	Michigan	#VALUE!	#VALUE!	#VALUE!
	Minnesota	1,911,369,000	714,580,000	548,419,000
	Mississippi	74,459,000	222,261,000	(21,329,000)
	Missouri	#VALUE!	#VALUE!	#VALUE!
	Montana	31,944,000	(13,099,000)	(19,244,000)
	Nebraska	(109,155,000)	(180,429,000)	(233,522,000)
	Nevada	345,884,000	70,139,000	324,740,000
	New Hampshire	(91,443,000)	(134,587,000)	(41,214,000)
	New Jersey	(1,937,701,381)	(2,882,540,235)	(1,028,835,286)
	New Mexico	#VALUE!	#VALUE!	#VALUE!
	New York	#VALUE!	#VALUE!	#VALUE!
	North Carolina	#VALUE!	#VALUE!	#VALUE!
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	(1,412,580,000)	(2,038,266,000)	(1,798,360,000)
	Oklahoma	3,681,538,000	3,701,589,000	3,311,474,000
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	(293,601,000)	(422,118,000)	(1,336,656,000)
	Rhode Island	(204,966,000)	(433,486,000)	(631,005,000)
	South Carolina	#VALUE!	#VALUE!	#VALUE!
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(498,043,000)	(555,275,000)	1,786,000
	Texas	4,967,690,000	3,733,358,000	6,313,854,000
	Utah	(93,410,000)	(250,867,000)	(97,846,000)
	Vermont	238,881,551	174,585,467	187,242,363
	Virginia	(283,275,000)	(1,033,739,000)	(997,716,000)
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	#VALUE!	#VALUE!	#VALUE!
	Wisconsin	#VALUE!	#VALUE!	#VALUE!
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting;
(Except New York, whose first year of implementation was FY 2003).

Appendix E 2

States - Excess of Revenues over (under) Expenditures – Structural Balance Data– 2003

FISCAL YEAR	STATE	ORIGINAL BUDGET EXCESS OF REV OVER (UNDER) EXPEND	FINAL BUDGET EXCESS OF REV OVER (UNDER) EXPEND	FINAL ACTUAL EXCESS OF REV OVER (UNDER) EXPEND
2003	Alabama	97,777,000	99,899,000	174,740,000
	Alaska	(2,308,236,000)	(2,055,943,000)	(2,284,893,000)
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	(9,018,494,000)
	Colorado	(196,900,000)	(198,295,000)	(121,659,000)
	Connecticut	#VALUE!	#VALUE!	#VALUE!
	Delaware	(69,200,000)	(226,800,000)	(17,800,000)
	Florida	#VALUE!	#VALUE!	#VALUE!
	Georgia	#VALUE!	#VALUE!	#VALUE!
	Hawaii	(48,145,000)	(328,713,000)	(257,913,000)
	Idaho	#VALUE!	#VALUE!	70,689,838
	Illinois	339,040,000	(869,160,000)	(826,686,000)
	Indiana	(1,076,952,000)	(113,555,000)	127,618,000
	Iowa	#VALUE!	#VALUE!	#VALUE!
	Kansas	#VALUE!	#VALUE!	#VALUE!
	Kentucky	#VALUE!	#VALUE!	#VALUE!
	Louisiana	(9,159,887,000)	(9,768,209,000)	(8,897,723,000)
	Maine	(169,035,000)	(228,906,000)	(119,139,000)
	Maryland	(994,449,000)	(1,314,531,000)	(796,998,000)
	Massachusetts	(270,230,000)	(17,199,000)	(62,923,000)
	Michigan	#VALUE!	#VALUE!	#VALUE!
	Minnesota	34,130,000	(398,624,000)	(181,193,000)
	Mississippi	55,721,000	102,483,000	(8,746,000)
	Missouri	#VALUE!	#VALUE!	#VALUE!
	Montana	47,670,000	126,611,000	31,624,000
	Nebraska	(59,695,000)	(189,057,000)	(145,105,000)
	Nevada	(249,107,000)	(599,290,000)	(411,269,000)
	New Hampshire	(256,280,000)	(179,689,000)	(174,705,000)
	New Jersey	(2,223,553,884)	(1,986,217,993)	(1,694,025,540)
	New Mexico	#VALUE!	#VALUE!	#VALUE!
	New York	(286,000,000)	(5,202,000,000)	(5,196,000,000)
	North Carolina	#VALUE!	#VALUE!	#VALUE!
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	(21,511,330,000)	(1,939,783,000)	(1,285,561,000)
	Oklahoma	3,635,387,000	3,692,040,000	3,175,773,000
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	310,550,000	167,278,000	(15,253,000)
	Rhode Island	#VALUE!	#VALUE!	#VALUE!
	South Carolina	#VALUE!	#VALUE!	#VALUE!
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	10,647,000	(238,870,000)	613,406,000
	Texas	7,848,010,000	7,468,808,000	7,002,769,000
	Utah	(59,916,000)	(92,626,000)	38,979,000
	Vermont	279,908,506	242,347,041	275,831,229
	Virginia	(790,133,000)	(946,566,000)	(682,208,000)
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	#VALUE!	#VALUE!	#VALUE!
	Wisconsin	#VALUE!	#VALUE!	#VALUE!
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix E 3

States - Excess of Revenues over (under) Expenditures – Structural Balance Data – 2004

FISCAL YEAR	STATE	ORIGINAL BUDGET EXCESS OF REV OVER (UNDER) EXPEND	FINAL BUDGET EXCESS OF REV OVER (UNDER) EXPEND	FINAL ACTUAL EXCESS OF REV OVER (UNDER) EXPEND
2004	Alabama	112,324,000	91,743,000	142,480,000
	Alaska	(1,754,603,000)	(1,764,391,000)	(1,618,710,000)
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	(4,307,877,000)
	Colorado	(13,900,000)	119,888,000	130,649,000
	Connecticut	#VALUE!	#VALUE!	#VALUE!
	Delaware	(86,800,000)	(101,500,000)	181,700,000
	Florida	#VALUE!	#VALUE!	#VALUE!
	Georgia	#VALUE!	#VALUE!	#VALUE!
	Hawaii	(52,828,000)	(100,425,000)	34,018,000
	Idaho	#VALUE!	#VALUE!	303,614,858
	Illinois	(562,766,000)	(510,286,000)	476,429,000
	Indiana	(2,068,200,000)	(537,409,000)	265,258,000
	Iowa	#VALUE!	#VALUE!	#VALUE!
	Kansas	#VALUE!	#VALUE!	#VALUE!
	Kentucky	#VALUE!	#VALUE!	#VALUE!
	Louisiana	(9,441,348,000)	(9,751,581,000)	(9,299,700,000)
	Maine	10,296,000	(51,097,000)	92,769,000
	Maryland	(609,298,000)	(469,656,000)	(62,294,000)
	Massachusetts	(499,910,000)	(875,524,000)	(232,551,000)
	Michigan	#VALUE!	#VALUE!	#VALUE!
	Minnesota	345,846,000	481,672,000	741,296,000
	Mississippi	123,468,000	110,998,000	124,042,000
	Missouri	#VALUE!	#VALUE!	#VALUE!
	Montana	(47,424,000)	(69,537,000)	(16,040,000)
	Nebraska	38,923,000	(19,208,000)	181,423,000
	Nevada	(68,753,000)	(551,173,000)	(24,114,000)
	New Hampshire	(156,639,000)	(263,307,000)	(53,242,000)
	New Jersey	(1,955,285,121)	(2,126,829,734)	(1,803,190,649)
	New Mexico	#VALUE!	#VALUE!	#VALUE!
	New York	(6,142,000,000)	(5,181,000,000)	(5,082,000,000)
	North Carolina	#VALUE!	#VALUE!	#VALUE!
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	(604,442,000)	(1,030,363,000)	(486,882,000)
	Oklahoma	3,429,183,000	3,377,157,000	3,629,936,000
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	(195,851,000)	(175,256,000)	(71,988,000)
	Rhode Island	#VALUE!	#VALUE!	#VALUE!
	South Carolina	#VALUE!	#VALUE!	#VALUE!
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(259,355,000)	(332,946,000)	941,709,000
	Texas	5,547,623,000	5,871,114,000	9,375,078,000
	Utah	(28,843,000)	(60,756,000)	111,471,000
	Vermont	280,478,258	262,046,637	396,503,243
	Virginia	(683,750,000)	(150,314,000)	320,031,000
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	#VALUE!	#VALUE!	#VALUE!
	Wisconsin	#VALUE!	#VALUE!	#VALUE!
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix E 4

States - Excess of Revenues over (under) Expenditures – Structural Balance Data – 2005

FISCAL YEAR	STATE	ORIGINAL BUDGET EXCESS OF REV OVER (UNDER) EXPEND	FINAL BUDGET EXCESS OF REV OVER (UNDER) EXPEND	FINAL ACTUAL EXCESS OF REV OVER (UNDER) EXPEND
2005	Alabama	104,847,000	87,361,000	106,108,000
	Alaska	(1,360,148,000)	(1,704,795,000)	(812,209,000)
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	2,274,340,000
	Colorado	6,000,000	(81,100,000)	97,978,000
	Connecticut	#VALUE!	#VALUE!	#VALUE!
	Delaware	190,000,000	(283,400,000)	55,500,000
	Florida	#VALUE!	#VALUE!	#VALUE!
	Georgia	#VALUE!	#VALUE!	#VALUE!
	Hawaii	(20,062,000)	(98,002,000)	233,993,000
	Idaho	#VALUE!	#VALUE!	507,215,000
	Illinois	(348,108,000)	(486,101,000)	1,003,472,000
	Indiana	(1,901,044,000)	(497,308,000)	604,795,000
	Iowa	#VALUE!	#VALUE!	#VALUE!
	Kansas	#VALUE!	#VALUE!	#VALUE!
	Kentucky	#VALUE!	#VALUE!	#VALUE!
	Louisiana	(9,926,537,000)	(10,033,340,000)	(9,596,401,000)
	Maine	3,975,000	(39,117,000)	69,030,000
	Maryland	(913,445,000)	(301,814,000)	377,255,000
	Massachusetts	#VALUE!	#VALUE!	#VALUE!
	Michigan	#VALUE!	#VALUE!	#VALUE!
	Minnesota	381,755,000	511,292,000	821,564,000
	Mississippi	91,575,000	52,811,000	303,733,000
	Missouri	#VALUE!	#VALUE!	#VALUE!
	Montana	(45,760,000)	(64,978,000)	65,697,000
	Nebraska	(102,753,000)	133,350,000	291,115,000
	Nevada	(277,643,000)	(787,715,000)	138,563,000
	New Hampshire	(387,771,000)	(418,961,000)	(40,224,000)
	New Jersey	(2,076,639,089)	(2,538,605,261)	(1,654,339,060)
	New Mexico	#VALUE!	#VALUE!	#VALUE!
	New York	(6,479,000,000)	(6,136,000,000)	(6,081,000,000)
	North Carolina	#VALUE!	#VALUE!	#VALUE!
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	(837,241,000)	(1,283,494,000)	(366,975,000)
	Oklahoma	3,637,572,000	3,557,226,000	4,078,165,000
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	(70,839,000)	(11,339,000)	254,503,000
	Rhode Island	#VALUE!	#VALUE!	#VALUE!
	South Carolina	#VALUE!	#VALUE!	#VALUE!
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(388,732,000)	(409,038,000)	537,912,000
	Texas	6,382,890,000	10,776,567,000	10,894,794,000
	Utah	(49,489,000)	(70,047,000)	129,252,000
	Vermont	312,098,654	273,068,159	367,130,284
	Virginia	(791,023,000)	(7,549,000)	761,998,000
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	#VALUE!	#VALUE!	#VALUE!
	Wisconsin	#VALUE!	#VALUE!	#VALUE!
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix E 5

States - Excess of Revenues over (under) Expenditures – Structural Balance Data – 2006

FISCAL YEAR	STATE	ORIGINAL BUDGET EXCESS OF REV OVER (UNDER) EXPEND	FINAL BUDGET EXCESS OF REV OVER (UNDER) EXPEND	FINAL ACTUAL EXCESS OF REV OVER (UNDER) EXPEND
2006	Alabama	66,946,000	73,165,000	128,733,000
	Alaska	(2,024,528,000)	(2,540,215,000)	(555,205,000)
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	1,796,117,000
	Colorado	(300,700,000)	194,800,000	308,884,000
	Connecticut	#VALUE!	#VALUE!	#VALUE!
	Delaware	240,700,000	(362,400,000)	(10,600,000)
	Florida	#VALUE!	#VALUE!	#VALUE!
	Georgia	#VALUE!	#VALUE!	#VALUE!
	Hawaii	(203,103,000)	65,340,000	305,346,000
	Idaho	#VALUE!	#VALUE!	544,844,000
	Illinois	30,618,000	(121,095,000)	1,078,731,000
	Indiana	(2,152,672,000)	(586,028,000)	781,306,000
	Iowa	#VALUE!	#VALUE!	#VALUE!
	Kansas	#VALUE!	#VALUE!	#VALUE!
	Kentucky	#VALUE!	#VALUE!	#VALUE!
	Louisiana	(10,471,949,000)	(10,601,025,000)	(10,132,022,000)
	Maine	16,446,000	(22,443,000)	90,722,000
	Maryland	(869,320,000)	(171,074,000)	419,450,000
	Massachusetts	#VALUE!	#VALUE!	#VALUE!
	Michigan	#VALUE!	#VALUE!	#VALUE!
	Minnesota	800,186,000	545,312,000	1,169,713,000
	Mississippi	88,781,000	(12,669,000)	324,193,000
	Missouri	#VALUE!	#VALUE!	#VALUE!
	Montana	(79,615,000)	(101,523,000)	41,555,000
	Nebraska	(2,250,000)	185,569,000	410,847,000
	Nevada	(702,391,000)	(776,511,000)	(49,002,000)
	New Hampshire	(344,322,000)	(383,097,000)	(80,550,000)
	New Jersey	(194,910,212)	(87,128,267)	629,682,256
	New Mexico	#VALUE!	#VALUE!	#VALUE!
	New York	(7,208,000,000)	(6,307,000,000)	(6,090,000,000)
	North Carolina	#VALUE!	#VALUE!	#VALUE!
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	(684,610,000)	(822,543,000)	44,271,000
	Oklahoma	4,082,041,000	3,995,926,000	4,697,131,000
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	(362,705,000)	(383,302,000)	154,686,000
	Rhode Island	#VALUE!	#VALUE!	#VALUE!
	South Carolina	#VALUE!	#VALUE!	#VALUE!
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(264,184,000)	(323,087,000)	1,143,810,000
	Texas	3,892,288,000	9,439,632,000	12,549,325,000
	Utah	(105,946,000)	(45,275,000)	246,677,000
	Vermont	366,002,990	283,887,868	377,298,884
	Virginia	(412,243,000)	605,884,000	1,053,589,000
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	#VALUE!	#VALUE!	#VALUE!
	Wisconsin	#VALUE!	#VALUE!	#VALUE!
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix E 6

States - Excess of Revenues over (under) Expenditures – Structural Balance Data – 2007

FISCAL YEAR	STATE	ORIGINAL BUDGET EXCESS OF REV OVER (UNDER) EXPEND	FINAL BUDGET EXCESS OF REV OVER (UNDER) EXPEND	FINAL ACTUAL EXCESS OF REV OVER (UNDER) EXPEND
2007	Alabama	109,057,000	119,162,000	98,895,000
	Alaska	(1,230,493,000)	(2,508,659,000)	(466,299,000)
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	(5,563,384,000)
	Colorado	72,800,000	295,350,000	414,140,000
	Connecticut	#VALUE!	#VALUE!	#VALUE!
	Delaware	190,500,000	(463,400,000)	(99,700,000)
	Florida	#VALUE!	#VALUE!	#VALUE!
	Georgia	#VALUE!	#VALUE!	#VALUE!
	Hawaii	(105,749,000)	(105,790,000)	53,004,000
	Idaho	#VALUE!	#VALUE!	571,352,000
	Illinois	371,859,000	130,010,000	831,110,000
	Indiana	(1,952,073,000)	(319,528,000)	1,066,016,000
	Iowa	#VALUE!	#VALUE!	#VALUE!
	Kansas	#VALUE!	#VALUE!	#VALUE!
	Kentucky	#VALUE!	#VALUE!	#VALUE!
	Louisiana	(10,674,045,000)	(12,993,696,000)	(10,205,441,000)
	Maine	54,022,000	(26,436,000)	70,134,000
	Maryland	(1,353,610,000)	(1,511,647,000)	(217,399,000)
	Massachusetts	#VALUE!	#VALUE!	#VALUE!
	Michigan	#VALUE!	#VALUE!	#VALUE!
	Minnesota	506,564,000	1,064,564,000	1,255,405,000
	Mississippi	379,369,000	351,797,000	686,536,000
	Missouri	#VALUE!	#VALUE!	#VALUE!
	Montana	70,537,000	17,433,000	60,503,000
	Nebraska	(121,765,000)	34,322,000	274,502,000
	Nevada	(614,209,000)	(860,949,000)	(17,728,000)
	New Hampshire	(399,965,000)	(435,254,000)	(95,082,000)
	New Jersey	(1,265,054,308)	(772,270,744)	(738,872,404)
	New Mexico	#VALUE!	#VALUE!	#VALUE!
	New York	(7,564,000,000)	(6,866,000,000)	(6,937,000,000)
	North Carolina	#VALUE!	#VALUE!	#VALUE!
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	(1,221,661,000)	(1,590,775,000)	(1,312,261,000)
	Oklahoma	#VALUE!	#VALUE!	#VALUE!
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	(414,249,000)	(372,439,000)	101,241,000
	Rhode Island	#VALUE!	#VALUE!	#VALUE!
	South Carolina	#VALUE!	#VALUE!	#VALUE!
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(625,975,000)	(586,630,000)	1,245,934,000
	Texas	7,819,347,000	11,235,773,000	13,075,460,000
	Utah	(310,400,000)	(164,249,000)	154,380,000
	Vermont	192,470,591	180,431,707	243,587,171
	Virginia	(440,537,000)	(607,335,000)	170,502,000
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	#VALUE!	#VALUE!	#VALUE!
	Wisconsin	#VALUE!	#VALUE!	#VALUE!
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix E 7

States - Excess of Revenues over (under) Expenditures – Structural Balance Data – 2008

FISCAL YEAR	STATE	ORIGINAL BUDGET EXCESS OF REV OVER (UNDER) EXPEND	FINAL BUDGET EXCESS OF REV OVER (UNDER) EXPEND	FINAL ACTUAL EXCESS OF REV OVER (UNDER) EXPEND
2008	Alabama	60,017,000	68,189,000	57,445,000
	Alaska	(2,741,089,000)	(4,564,159,000)	3,572,879,000
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	(3,578,683,000)	(2,122,080,000)	(4,227,829,000)
	Colorado	208,500,000	209,945,000	153,955,000
	Connecticut	#VALUE!	#VALUE!	#VALUE!
	Delaware	79,800,000	(380,900,000)	(64,900,000)
	Florida	#VALUE!	#VALUE!	#VALUE!
	Georgia	#VALUE!	#VALUE!	#VALUE!
	Hawaii	88,721,000	(347,468,000)	(232,867,000)
	Idaho	#VALUE!	#VALUE!	460,824,000
	Illinois	(311,697,000)	(319,466,000)	489,682,000
	Indiana	(2,106,683,000)	(258,568,000)	1,754,175,000
	Iowa	#VALUE!	#VALUE!	#VALUE!
	Kansas	#VALUE!	#VALUE!	#VALUE!
	Kentucky	#VALUE!	#VALUE!	#VALUE!
	Louisiana	(12,521,848,000)	(13,843,467,000)	(12,749,697,000)
	Maine	14,959,000	(61,867,000)	76,000,000
	Maryland	(1,329,967,000)	(1,153,481,000)	(621,196,000)
	Massachusetts	#VALUE!	(1,356,075,000)	(267,839,000)
	Michigan	#VALUE!	#VALUE!	#VALUE!
	Minnesota	(79,981,000)	(68,144,000)	643,199,000
	Mississippi	(25,302,000)	(100,464,000)	(70,633,000)
	Missouri	#VALUE!	#VALUE!	#VALUE!
	Montana	(203,080,000)	(204,448,000)	(99,682,000)
	Nebraska	(86,662,000)	(89,463,000)	250,084,000
	Nevada	(769,096,000)	(1,212,921,000)	(802,314,000)
	New Hampshire	(436,955,000)	(432,434,000)	(124,050,000)
	New Jersey	(964,438,407)	(1,702,074,968)	(1,129,572,456)
	New Mexico	(927,610,000)	(935,795,000)	(759,971,000)
	New York	(9,500,000,000)	(9,741,000,000)	(9,689,000,000)
	North Carolina	#VALUE!	#VALUE!	#VALUE!
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	(1,124,047,000)	(1,794,127,000)	(1,355,218,000)
	Oklahoma	#VALUE!	#VALUE!	#VALUE!
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	(483,938,000)	(464,794,000)	(90,248,000)
	Rhode Island	#VALUE!	#VALUE!	#VALUE!
	South Carolina	#VALUE!	#VALUE!	#VALUE!
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(262,808,000)	(267,552,000)	617,081,000
	Texas	4,768,819,000	2,884,872,000	7,749,324,000
	Utah	(430,321,000)	(467,779,000)	(234,791,000)
	Vermont	280,832,738	241,119,300	272,207,354
	Virginia	(150,052,000)	(985,205,000)	(668,963,000)
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	#VALUE!	#VALUE!	#VALUE!
	Wisconsin	#VALUE!	#VALUE!	#VALUE!
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix F 1

States – Combine Other Financing Sources (Uses) Net Data – 2002

FISCAL YEAR	STATE	ORIGINAL BUDGET OFS (OFU) NET	FINAL BUDGET OFS (OFU) NET	FINAL ACTUAL OFS (OFU) NET
2002	Alabama	(66,987,000)	(66,453,000)	(74,517,000)
	Alaska	(150,544,000)	876,757,000	810,113,000
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	1,876,024,000
	Colorado	(58,600,000)	829,800,000	789,719,000
	Connecticut	#VALUE!	#VALUE!	#VALUE!
	Delaware	#VALUE!	#VALUE!	#VALUE!
	Florida	#VALUE!	#VALUE!	#VALUE!
	Georgia	#VALUE!	#VALUE!	#VALUE!
	Hawaii	7,838,000	30,087,000	30,025,000
	Idaho	-	-	(206,116,599)
	Illinois	(489,339,000)	(504,939,000)	(43,383,000)
	Indiana	(1,745,914,000)	(1,745,914,000)	(540,065,000)
	Iowa	#VALUE!	#VALUE!	#VALUE!
	Kansas	#VALUE!	#VALUE!	#VALUE!
	Kentucky	#VALUE!	#VALUE!	#VALUE!
	Louisiana	8,060,282,000	9,383,966,000	8,763,446,000
	Maine	(45,543,000)	(3,793,000)	4,866,000
	Maryland	-	229,399,000	231,304,000
	Massachusetts	#VALUE!	#VALUE!	#VALUE!
	Michigan	#VALUE!	#VALUE!	#VALUE!
	Minnesota	(1,042,891,000)	(1,039,503,000)	(1,007,106,000)
	Mississippi	18,200,000	18,200,000	18,199,000
	Missouri	#VALUE!	#VALUE!	#VALUE!
	Montana	(83,240,000)	(82,764,000)	(73,926,000)
	Nebraska	53,528,000	53,528,000	53,528,000
	Nevada	(360,794,000)	(372,379,000)	(430,091,000)
	New Hampshire	(33,465,000)	(20,898,000)	(20,898,000)
	New Jersey	758,396,398	(274,246,371)	(339,263,550)
	New Mexico	#VALUE!	#VALUE!	#VALUE!
	New York	#VALUE!	#VALUE!	#VALUE!
	North Carolina	#VALUE!	#VALUE!	#VALUE!
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	307,592,000	311,592,000	347,322,000
	Oklahoma	(4,293,320,000)	(3,741,246,000)	(3,741,246,000)
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	(767,000)	104,593,000	1,143,024,000
	Rhode Island	227,229,000	399,403,000	526,658,000
	South Carolina	#VALUE!	#VALUE!	#VALUE!
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(341,846,000)	(378,387,000)	(378,387,000)
	Texas	(6,982,884,000)	(6,651,957,000)	(8,598,769,000)
	Utah	(24,753,000)	(107,692,000)	(107,692,000)
	Vermont	(287,627,080)	(270,015,129)	(270,015,129)
	Virginia	158,318,000	395,983,000	436,578,000
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	#VALUE!	#VALUE!	#VALUE!
	Wisconsin	#VALUE!	#VALUE!	#VALUE!
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting;
(Except New York, whose first year of implementation was FY 2003).

Appendix F 2

States – Combine Other Financing Sources (Uses) Net Data – 2003

FISCAL YEAR	STATE	ORIGINAL BUDGET OFS (OFU) NET	FINAL BUDGET OFS (OFU) NET	FINAL ACTUAL OFS (OFU) NET
2003	Alabama	(97,777,000)	(99,899,000)	(91,907,000)
	Alaska	697,891,000	697,891,000	693,165,000
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	3,063,388,000
	Colorado	(129,500,000)	205,495,000	206,231,000
	Connecticut	#VALUE!	#VALUE!	#VALUE!
	Delaware	#VALUE!	#VALUE!	#VALUE!
	Florida	#VALUE!	#VALUE!	#VALUE!
	Georgia	#VALUE!	#VALUE!	#VALUE!
	Hawaii	9,428,000	176,121,000	243,666,000
	Idaho	-	-	(463,434,575)
	Illinois	252,836,000	816,836,000	953,023,000
	Indiana	(880,718,000)	(880,718,000)	60,987,000
	Iowa	#VALUE!	#VALUE!	#VALUE!
	Kansas	#VALUE!	#VALUE!	#VALUE!
	Kentucky	#VALUE!	#VALUE!	#VALUE!
	Louisiana	8,760,326,000	9,454,039,000	9,047,733,000
	Maine	(33,879,000)	(8,133,000)	89,350,000
	Maryland	45,900,000	451,071,000	388,706,000
	Massachusetts	756,370,000	525,725,000	(958,310,000)
	Michigan	#VALUE!	#VALUE!	#VALUE!
	Minnesota	(764,328,000)	(672,029,000)	(632,100,000)
	Mississippi	18,200,000	18,200,000	16,332,000
	Missouri	#VALUE!	#VALUE!	#VALUE!
	Montana	(72,475,000)	(57,089,000)	(61,181,000)
	Nebraska	42,844,000	42,844,000	42,844,000
	Nevada	285,696,000	443,739,000	419,189,000
	New Hampshire	87,988,000	3,117,000	3,117,000
	New Jersey	1,929,808,432	1,674,446,023	1,654,904,138
	New Mexico	#VALUE!	#VALUE!	#VALUE!
	New York	(30,000,000)	4,975,000,000	4,980,000,000
	North Carolina	#VALUE!	#VALUE!	#VALUE!
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	18,300,000	385,281,000	387,007,000
	Oklahoma	(3,792,368,000)	(3,149,551,000)	(3,149,551,000)
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	(1,055,000)	151,818,000	82,043,000
	Rhode Island	#VALUE!	#VALUE!	#VALUE!
	South Carolina	#VALUE!	#VALUE!	#VALUE!
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(522,022,000)	(563,298,000)	(563,298,000)
	Texas	(6,872,052,000)	(6,483,953,000)	(8,532,399,000)
	Utah	(43,009,000)	(3,267,000)	(3,267,000)
	Vermont	(325,940,583)	(283,132,535)	(283,132,535)
	Virginia	592,190,000	620,513,000	604,030,000
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	#VALUE!	#VALUE!	#VALUE!
	Wisconsin	#VALUE!	#VALUE!	#VALUE!
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix F 3

States – Combine Other Financing Sources (Uses) Net Data – 2004

FISCAL YEAR	STATE	ORIGINAL BUDGET OFS (OFU) NET	FINAL BUDGET OFS (OFU) NET	FINAL ACTUAL OFS (OFU) NET
2004	Alabama	(112,324,000)	(91,743,000)	(88,029,000)
	Alaska	624,245,000	601,791,000	597,064,000
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	12,014,722,000
	Colorado	(10,200,000)	(9,288,000)	(10,143,000)
	Connecticut	#VALUE!	#VALUE!	#VALUE!
	Delaware	#VALUE!	#VALUE!	#VALUE!
	Florida	#VALUE!	#VALUE!	#VALUE!
	Georgia	#VALUE!	#VALUE!	#VALUE!
	Hawaii	17,932,000	47,066,000	47,389,000
	Idaho	-	-	(495,410,006)
	Illinois	1,589,000,000	206,999,000	206,999,000
	Indiana	3,247,000	3,247,000	(422,397,000)
	Iowa	#VALUE!	#VALUE!	#VALUE!
	Kansas	#VALUE!	#VALUE!	#VALUE!
	Kentucky	#VALUE!	#VALUE!	#VALUE!
	Louisiana	8,877,420,000	9,270,808,000	9,257,917,000
	Maine	(13,420,000)	(11,815,000)	(49,728,000)
	Maryland	328,663,000	375,931,000	363,099,000
	Massachusetts	1,164,635,000	265,639,000	788,417,000
	Michigan	#VALUE!	#VALUE!	#VALUE!
	Minnesota	102,892,000	93,357,000	122,038,000
	Mississippi	16,200,000	16,200,000	(140,692,000)
	Missouri	#VALUE!	#VALUE!	#VALUE!
	Montana	48,960,000	49,527,000	46,789,000
	Nebraska	17,756,000	17,756,000	17,756,000
	Nevada	248,721,000	393,927,000	325,539,000
	New Hampshire	96,768,000	39,911,000	39,911,000
	New Jersey	1,953,831,121	2,287,846,734	1,943,049,092
	New Mexico	#VALUE!	#VALUE!	#VALUE!
	New York	6,057,000,000	5,380,000,000	5,343,000,000
	North Carolina	#VALUE!	#VALUE!	#VALUE!
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	462,429,000	482,159,000	473,057,000
	Oklahoma	(3,713,895,000)	(3,270,917,000)	(3,270,917,000)
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	-	142,511,000	(47,489,000)
	Rhode Island	#VALUE!	#VALUE!	#VALUE!
	South Carolina	#VALUE!	#VALUE!	#VALUE!
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(449,482,000)	(363,039,000)	(363,039,000)
	Texas	(5,659,947,000)	(5,567,043,000)	(7,804,615,000)
	Utah	20,387,000	(25,380,000)	(25,380,000)
	Vermont	(345,414,643)	(346,268,266)	(346,268,266)
	Virginia	570,906,000	315,873,000	234,749,000
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	#VALUE!	#VALUE!	#VALUE!
	Wisconsin	#VALUE!	#VALUE!	#VALUE!
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix F 4

States – Combine Other Financing Sources (Uses) Net Data – 2005

FISCAL YEAR	STATE	ORIGINAL BUDGET OFS (OFU) NET	FINAL BUDGET OFS (OFU) NET	FINAL ACTUAL OFS (OFU) NET
2005	Alabama	(104,847,000)	(87,361,000)	(84,697,000)
	Alaska	510,743,000	516,239,000	515,772,000
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	239,806,000
	Colorado	(85,000,000)	(112,400,000)	(111,106,000)
	Connecticut	#VALUE!	#VALUE!	#VALUE!
	Delaware	#VALUE!	#VALUE!	#VALUE!
	Florida	#VALUE!	#VALUE!	#VALUE!
	Georgia	#VALUE!	#VALUE!	#VALUE!
	Hawaii	12,455,000	72,143,000	95,354,000
	Idaho	-	-	(592,078,000)
	Illinois	88,428,000	(1,067,212,000)	(1,067,212,000)
	Indiana	(531,739,000)	(531,739,000)	(551,590,000)
	Iowa	#VALUE!	#VALUE!	#VALUE!
	Kansas	#VALUE!	#VALUE!	#VALUE!
	Kentucky	#VALUE!	#VALUE!	#VALUE!
	Louisiana	9,436,996,000	9,808,614,000	9,684,635,000
	Maine	(54,698,000)	(49,458,000)	11,378,000
	Maryland	383,552,000	383,552,000	380,125,000
	Massachusetts	#VALUE!	#VALUE!	#VALUE!
	Michigan	#VALUE!	#VALUE!	#VALUE!
	Minnesota	(731,343,000)	(737,774,000)	(713,784,000)
	Mississippi	7,700,000	7,700,000	(254,222,000)
	Missouri	#VALUE!	#VALUE!	#VALUE!
	Montana	49,084,000	36,312,000	33,752,000
	Nebraska	26,796,000	26,796,000	26,796,000
	Nevada	281,212,000	343,795,000	72,302,000
	New Hampshire	140,831,000	87,599,000	87,599,000
	New Jersey	1,652,284,089	2,533,222,483	1,855,233,783
	New Mexico	#VALUE!	#VALUE!	#VALUE!
	New York	6,529,000,000	6,590,000,000	6,222,000,000
	North Carolina	#VALUE!	#VALUE!	#VALUE!
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	28,020,000	178,020,000	167,379,000
	Oklahoma	(4,240,027,000)	(3,887,291,000)	(3,887,291,000)
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	-	97,214,000	32,834,000
	Rhode Island	#VALUE!	#VALUE!	#VALUE!
	South Carolina	#VALUE!	#VALUE!	#VALUE!
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(102,841,000)	(565,397,000)	(565,397,000)
	Texas	(5,830,507,000)	(6,290,315,000)	(7,698,106,000)
	Utah	(18,766,000)	9,154,000	9,154,000
	Vermont	(341,908,164)	(332,739,433)	(332,739,433)
	Virginia	377,658,000	31,240,000	(6,226,000)
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	#VALUE!	#VALUE!	#VALUE!
	Wisconsin	#VALUE!	#VALUE!	#VALUE!
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix F 5

States – Combine Other Financing Sources (Uses) Net Data – 2006

FISCAL YEAR	STATE	ORIGINAL BUDGET OFS (OFU) NET	FINAL BUDGET OFS (OFU) NET	FINAL ACTUAL OFS (OFU) NET
2006	Alabama	(66,946,000)	(73,165,000)	(67,136,000)
	Alaska	422,831,000	728,243,000	726,752,000
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	144,387,000
	Colorado	232,500,000	61,700,000	50,577,000
	Connecticut	#VALUE!	#VALUE!	#VALUE!
	Delaware	#VALUE!	#VALUE!	#VALUE!
	Florida	#VALUE!	#VALUE!	#VALUE!
	Georgia	#VALUE!	#VALUE!	#VALUE!
	Hawaii	12,974,000	22,109,000	19,650,000
	Idaho	-	-	(629,266,000)
	Illinois	(328,000,000)	(895,583,000)	(895,583,000)
	Indiana	(677,448,000)	(677,448,000)	(290,341,000)
	Iowa	#VALUE!	#VALUE!	#VALUE!
	Kansas	#VALUE!	#VALUE!	#VALUE!
	Kentucky	#VALUE!	#VALUE!	#VALUE!
	Louisiana	10,181,244,000	9,987,419,000	10,319,792,000
	Maine	(53,473,000)	(61,858,000)	(36,510,000)
	Maryland	138,500,000	138,500,000	30,386,000
	Massachusetts	#VALUE!	#VALUE!	#VALUE!
	Michigan	#VALUE!	#VALUE!	#VALUE!
	Minnesota	(848,373,000)	(812,613,000)	(771,793,000)
	Mississippi	15,700,000	15,700,000	(341,102,000)
	Missouri	#VALUE!	#VALUE!	#VALUE!
	Montana	52,476,000	48,489,000	38,314,000
	Nebraska	(152,357,000)	(152,357,000)	(152,357,000)
	Nevada	136,526,000	182,456,000	66,289,000
	New Hampshire	131,245,000	127,955,000	127,955,000
	New Jersey	157,439,212	650,444,267	351,632,794
	New Mexico	#VALUE!	#VALUE!	#VALUE!
	New York	7,024,000,000	7,062,000,000	6,801,000,000
	North Carolina	#VALUE!	#VALUE!	#VALUE!
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	122,989,000	122,989,000	152,234,000
	Oklahoma	(5,080,065,000)	(4,386,690,000)	(4,386,690,000)
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	-	165,943,000	(5,419,000)
	Rhode Island	#VALUE!	#VALUE!	#VALUE!
	South Carolina	#VALUE!	#VALUE!	#VALUE!
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(429,622,000)	(454,283,000)	(454,283,000)
	Texas	(6,310,005,000)	(6,994,291,000)	(8,217,901,000)
	Utah	266,645,000	(42,905,000)	(42,905,000)
	Vermont	(385,680,432)	(382,532,838)	(382,532,838)
	Virginia	39,807,000	(33,849,000)	(28,911,000)
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	#VALUE!	#VALUE!	#VALUE!
	Wisconsin	#VALUE!	#VALUE!	#VALUE!
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix F 6

States – Combine Other Financing Sources (Uses) Net Data – 2007

FISCAL YEAR	STATE	ORIGINAL BUDGET OFS (OFU) NET	FINAL BUDGET OFS (OFU) NET	FINAL ACTUAL OFS (OFU) NET
2007	Alabama	(109,057,000)	(119,162,000)	(124,423,000)
	Alaska	1,173,493,000	1,176,307,000	1,174,796,000
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	1,239,354,000
	Colorado	(397,400,000)	(586,350,000)	(586,394,000)
	Connecticut	#VALUE!	#VALUE!	#VALUE!
	Delaware	#VALUE!	#VALUE!	#VALUE!
	Florida	#VALUE!	#VALUE!	#VALUE!
	Georgia	#VALUE!	#VALUE!	#VALUE!
	Hawaii	14,343,000	32,741,000	38,006,000
	Idaho	-	-	(626,098,000)
	Illinois	(1,039,000,000)	(675,071,000)	(675,071,000)
	Indiana	(526,904,000)	(526,904,000)	(845,686,000)
	Iowa	#VALUE!	#VALUE!	#VALUE!
	Kansas	#VALUE!	#VALUE!	#VALUE!
	Kentucky	#VALUE!	#VALUE!	#VALUE!
	Louisiana	9,172,902,000	11,915,960,000	11,233,211,000
	Maine	(60,448,000)	(73,724,000)	(77,871,000)
	Maryland	-	-	(23,798,000)
	Massachusetts	#VALUE!	#VALUE!	#VALUE!
	Michigan	#VALUE!	#VALUE!	#VALUE!
	Minnesota	(624,390,000)	(863,180,000)	(852,682,000)
	Mississippi	15,500,000	15,500,000	(495,470,000)
	Missouri	#VALUE!	#VALUE!	#VALUE!
	Montana	41,923,000	42,085,000	42,056,000
	Nebraska	(5,127,000)	(5,127,000)	(5,127,000)
	Nevada	240,935,000	237,961,000	(48,534,000)
	New Hampshire	108,306,000	108,191,000	108,191,000
	New Jersey	1,004,962,308	603,435,743	1,061,273,106
	New Mexico	#VALUE!	#VALUE!	#VALUE!
	New York	7,581,000,000	7,216,000,000	6,725,000,000
	North Carolina	#VALUE!	#VALUE!	#VALUE!
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	156,402,000	156,402,000	188,691,000
	Oklahoma	#VALUE!	#VALUE!	#VALUE!
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	-	84,483,000	(92,488,000)
	Rhode Island	#VALUE!	#VALUE!	#VALUE!
	South Carolina	#VALUE!	#VALUE!	#VALUE!
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(661,279,000)	(594,282,000)	(594,282,000)
	Texas	(5,824,417,000)	(6,889,323,000)	(8,518,616,000)
	Utah	(145,885,000)	63,077,000	63,077,000
	Vermont	(259,835,588)	(262,397,477)	(262,397,477)
	Virginia	(113,761,000)	(137,362,000)	(105,422,000)
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	#VALUE!	#VALUE!	#VALUE!
	Wisconsin	#VALUE!	#VALUE!	#VALUE!
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix F 7

States – Combine Other Financing Sources (Uses) Net Data – 2008

FISCAL YEAR	STATE	ORIGINAL BUDGET OFS (OFU) NET	FINAL BUDGET OFS (OFU) NET	FINAL ACTUAL OFS (OFU) NET
2008	Alabama	(60,017,000)	(68,189,000)	(78,520,000)
	Alaska	809,343,000	809,264,000	808,310,000
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	3,351,372,000
	Colorado	(183,200,000)	(343,000,000)	(349,625,000)
	Connecticut	#VALUE!	#VALUE!	#VALUE!
	Delaware	#VALUE!	#VALUE!	#VALUE!
	Florida	#VALUE!	#VALUE!	#VALUE!
	Georgia	#VALUE!	#VALUE!	#VALUE!
	Hawaii	20,946,000	40,279,000	40,040,000
	Idaho	-	-	(714,670,000)
	Illinois	(3,589,044,000)	(1,189,325,000)	(1,189,325,000)
	Indiana	(1,458,471,000)	(1,458,471,000)	(1,458,471,000)
	Iowa	#VALUE!	#VALUE!	#VALUE!
	Kansas	#VALUE!	#VALUE!	#VALUE!
	Kentucky	#VALUE!	#VALUE!	#VALUE!
	Louisiana	10,975,461,000	12,982,862,000	12,901,939,000
	Maine	(68,732,000)	(75,529,000)	(20,073,000)
	Maryland	-	-	(72,596,000)
	Massachusetts	#VALUE!	819,636,000	(1,235,817,000)
	Michigan	#VALUE!	#VALUE!	#VALUE!
	Minnesota	(538,421,000)	(1,006,908,000)	(999,282,000)
	Mississippi	14,400,000	14,400,000	(119,576,000)
	Missouri	#VALUE!	#VALUE!	#VALUE!
	Montana	53,939,000	51,588,000	33,914,000
	Nebraska	(231,304,000)	(231,304,000)	(231,304,000)
	Nevada	199,519,000	519,019,000	754,868,000
	New Hampshire	-	155,685,000	155,685,000
	New Jersey	19,037,407	692,167,968	190,897,485
	New Mexico	955,977,000	960,859,000	884,155,000
	New York	9,488,000,000	9,322,000,000	9,398,000,000
	North Carolina	#VALUE!	#VALUE!	#VALUE!
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	557,830,000	556,051,000	609,214,000
	Oklahoma	#VALUE!	#VALUE!	#VALUE!
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	-	142,130,000	142,130,000
	Rhode Island	#VALUE!	#VALUE!	#VALUE!
	South Carolina	#VALUE!	#VALUE!	#VALUE!
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(1,272,510,000)	(1,099,664,000)	(1,099,664,000)
	Texas	(990,878,000)	(5,845,321,000)	(7,376,158,000)
	Utah	77,991,000	37,891,000	40,102,000
	Vermont	(284,934,635)	(270,223,993)	(270,223,993)
	Virginia	2,076,000	(80,961,000)	(66,348,000)
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	#VALUE!	#VALUE!	#VALUE!
	Wisconsin	#VALUE!	#VALUE!	#VALUE!
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix G 1

Alaska – Special Items Data – 2002 thru 2008

FISCAL YEAR	STATE	ORIGINAL BUDGET SPECIAL ITEMS	FINAL BUDGET SPECIAL ITEMS	FINAL ACTUAL SPECIAL ITEMS
2002	Alaska	-	-	-
2003	Alaska	-	97,706,000	127,413,000
2004	Alaska	4,829,000	4,829,000	4,829,000
2005	Alaska	-	-	-
2006	Alaska	-	-	-
2007	Alaska	-	-	-
2008	Alaska	-	-	-
2009	Alaska	-	-	-

Appendix H 1

States – Change in Fund Balance Data - 2002

FISCAL YEAR	STATE	ORIGINAL BUDGET CHANGE IN FUND BALANCE	FINAL BUDGET CHANGE IN FUND BALANCE	FINAL ACTUAL CHANGE IN FUND BALANCE
2002	Alabama	-	-	(34,884,000)
	Alaska	(1,678,174,000)	(804,672,000)	(1,381,500,000)
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	(10,614,851,000)
	Colorado	(208,000,000)	(359,401,000)	(331,655,000)
	Connecticut	149,000	(791,319,000)	(817,085,000)
	Delaware	#VALUE!	#VALUE!	#VALUE!
	Florida	1,587,950,000	571,863,000	351,680,000
	Georgia	-	-	1,673,945,679
	Hawaii	37,293,000	(225,350,000)	(210,155,000)
	Idaho	#VALUE!	#VALUE!	(275,916,219)
	Illinois	1,235,668,000	(555,632,000)	(1,385,605,000)
	Indiana	(3,063,477,000)	(1,722,016,000)	(335,015,000)
	Iowa	50,308,000	539,000	89,055,000
	Kansas	(27,854,000)	(313,795,000)	(357,184,000)
	Kentucky	(613,087,000)	(530,550,000)	(262,131,000)
	Louisiana	(149,275,000)	(84,010,000)	337,756,000
	Maine	(133,375,000)	(202,450,000)	(226,948,000)
	Maryland	(1,089,053,000)	(898,332,000)	(554,561,000)
	Massachusetts	#VALUE!	#VALUE!	#VALUE!
	Michigan	(950,141,000)	(333,111,000)	(243,394,000)
	Minnesota	868,478,000	(324,923,000)	(458,687,000)
	Mississippi	92,659,000	240,461,000	(3,130,000)
	Missouri	(94,721,000)	(981,615,000)	(79,649,000)
	Montana	(51,296,000)	(95,863,000)	(93,170,000)
	Nebraska	(55,627,000)	(126,901,000)	(179,994,000)
	Nevada	(14,910,000)	(302,240,000)	(105,351,000)
	New Hampshire	(124,908,000)	(155,485,000)	(62,112,000)
	New Jersey	(1,179,304,983)	(3,156,786,606)	(1,368,098,836)
	New Mexico	-	-	53,365,000
	New York	#VALUE!	#VALUE!	#VALUE!
	North Carolina	853,000	904,000	3,786,000
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	(1,104,988,000)	(1,726,674,000)	(1,451,038,000)
	Oklahoma	(611,782,000)	(39,657,000)	(429,772,000)
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	(294,368,000)	(317,525,000)	(193,632,000)
	Rhode Island	22,263,000	(34,083,000)	(104,347,000)
	South Carolina	(112,546,000)	(124,516,000)	(255,176,000)
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(839,889,000)	(933,662,000)	(376,601,000)
	Texas	(2,015,194,000)	(2,918,599,000)	(2,284,915,000)
	Utah	(118,163,000)	(358,559,000)	(205,538,000)
	Vermont	(48,745,529)	(95,429,662)	(82,772,766)
	Virginia	(124,957,000)	(637,756,000)	(561,138,000)
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	(161,328,000)	(164,313,000)	5,647,000
	Wisconsin	1,444,421,000	(1,459,630,000)	(354,975,000)
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting;
(Except New York, whose first year of implementation was FY 2003).

Appendix H 2

States – Change in Fund Balance Data – 2003

FISCAL YEAR	STATE	ORIGINAL BUDGET CHANGE IN FUND BALANCE	FINAL BUDGET CHANGE IN FUND BALANCE	FINAL ACTUAL CHANGE IN FUND BALANCE
2003	Alabama	-	-	82,833,000
	Alaska	(1,610,345,000)	(1,260,346,000)	(1,464,315,000)
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	(5,955,106,000)
	Colorado	(326,400,000)	7,200,000	84,572,000
	Connecticut	96,000	(36,456,000)	(96,615,000)
	Delaware	#VALUE!	#VALUE!	#VALUE!
	Florida	2,324,424,000	2,282,205,000	1,325,124,000
	Georgia	-	-	1,364,017,031
	Hawaii	(38,717,000)	(152,592,000)	(14,247,000)
	Idaho	#VALUE!	#VALUE!	(392,744,737)
	Illinois	591,876,000	(52,324,000)	126,337,000
	Indiana	(1,957,670,000)	(994,273,000)	188,605,000
	Iowa	388,000	1,446,000	(45,828,000)
	Kansas	129,168,000	86,248,000	108,176,000
	Kentucky	(457,900,000)	(456,785,000)	136,036,000
	Louisiana	(399,561,000)	(314,170,000)	150,010,000
	Maine	(202,914,000)	(237,039,000)	(29,789,000)
	Maryland	(948,549,000)	(863,460,000)	(408,292,000)
	Massachusetts	486,140,000	508,526,000	(1,021,233,000)
	Michigan	(990,232,000)	(695,211,000)	(570,939,000)
	Minnesota	(730,198,000)	(1,070,653,000)	(813,293,000)
	Mississippi	73,921,000	120,683,000	7,586,000
	Missouri	(768,899,000)	(1,134,141,000)	32,858,000
	Montana	(24,805,000)	69,522,000	(29,557,000)
	Nebraska	(16,851,000)	(146,213,000)	(102,261,000)
	Nevada	36,589,000	(155,551,000)	7,920,000
	New Hampshire	(168,292,000)	(176,572,000)	(171,588,000)
	New Jersey	(293,745,452)	(311,771,970)	(39,121,402)
	New Mexico	-	-	258,633,000
	New York	(316,000,000)	(227,000,000)	(216,000,000)
	North Carolina	(3,682,000)	(3,682,000)	246,758,000
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	(21,493,030,000)	(1,554,502,000)	(898,554,000)
	Oklahoma	(156,981,000)	542,489,000	26,222,000
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	309,495,000	319,096,000	66,790,000
	Rhode Island	(1,612,313,000)	(1,729,759,000)	(1,598,659,000)
	South Carolina	(11,936,000)	(4,188,000)	(26,780,000)
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(511,375,000)	(802,168,000)	50,108,000
	Texas	975,958,000	984,855,000	(1,529,630,000)
	Utah	(102,925,000)	(95,893,000)	35,712,000
	Vermont	(46,032,077)	(40,785,494)	(7,301,306)
	Virginia	(197,943,000)	(326,053,000)	(78,178,000)
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	(184,024,000)	(184,666,000)	(18,847,000)
	Wisconsin	1,372,565,000	(1,508,171,000)	(244,849,000)
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix H 3

States – Change in Fund Balance Data – 2004

FISCAL YEAR	STATE	ORIGINAL BUDGET CHANGE IN FUND BALANCE	FINAL BUDGET CHANGE IN FUND BALANCE	FINAL ACTUAL CHANGE IN FUND BALANCE
2004	Alabama	-	-	54,451,000
	Alaska	(1,125,529,000)	(1,157,771,000)	(1,016,817,000)
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	7,706,845,000
	Colorado	(24,100,000)	110,600,000	120,506,000
	Connecticut	146,000	202,296,000	452,455,000
	Delaware	#VALUE!	#VALUE!	#VALUE!
	Florida	(1,549,895,000)	(896,766,000)	(353,111,000)
	Georgia	-	-	1,684,316,475
	Hawaii	(34,896,000)	(53,359,000)	81,407,000
	Idaho	#VALUE!	#VALUE!	(191,795,148)
	Illinois	1,026,234,000	(303,287,000)	683,428,000
	Indiana	(2,064,953,000)	(534,162,000)	(157,139,000)
	Iowa	103,169,000	23,996,000	165,975,000
	Kansas	(30,982,000)	85,802,000	202,447,000
	Kentucky	(521,360,000)	(667,144,000)	66,224,000
	Louisiana	(563,928,000)	(480,773,000)	(41,783,000)
	Maine	(3,124,000)	(62,912,000)	43,041,000
	Maryland	(280,635,000)	(93,725,000)	300,805,000
	Massachusetts	664,725,000	(609,885,000)	555,866,000
	Michigan	(869,475,000)	(288,398,000)	(205,063,000)
	Minnesota	448,738,000	575,029,000	863,334,000
	Mississippi	139,668,000	127,198,000	(16,650,000)
	Missouri	(482,344,000)	(672,370,000)	150,238,000
	Montana	1,536,000	(20,010,000)	30,749,000
	Nebraska	56,679,000	(1,452,000)	199,179,000
	Nevada	179,968,000	(157,246,000)	301,425,000
	New Hampshire	(59,871,000)	(223,396,000)	(13,331,000)
	New Jersey	(1,454,000)	161,017,000	139,858,443
	New Mexico	42,400,000	47,925,000	42,729,000
	New York	(85,000,000)	199,000,000	261,000,000
	North Carolina	(88,761,000)	(168,980,000)	38,835,000
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	(142,013,000)	(548,204,000)	(13,825,000)
	Oklahoma	(284,712,000)	106,240,000	359,019,000
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	(195,851,000)	(32,745,000)	(119,477,000)
	Rhode Island	13,677,000	51,265,000	(15,546,000)
	South Carolina	4,152,000	133,485,000	251,660,000
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(708,837,000)	(695,985,000)	578,670,000
	Texas	(112,324,000)	304,071,000	1,570,463,000
	Utah	(8,456,000)	(86,136,000)	86,091,000
	Vermont	(64,936,385)	(84,221,629)	50,234,977
	Virginia	(112,844,000)	165,559,000	554,780,000
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	(188,693,000)	(196,108,000)	70,661,000
	Wisconsin	1,734,574,000	(982,727,000)	390,329,000
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix H 4

States – Change in Fund Balance Data – 2005

FISCAL YEAR	STATE	ORIGINAL BUDGET CHANGE IN FUND BALANCE	FINAL BUDGET CHANGE IN FUND BALANCE	FINAL ACTUAL CHANGE IN FUND BALANCE
2005	Alabama	-	-	21,411,000
	Alaska	(849,405,000)	(1,188,556,000)	(296,437,000)
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	2,514,146,000
	Colorado	(79,000,000)	(193,500,000)	(13,128,000)
	Connecticut	83,645,000	173,309,000	379,714,000
	Delaware	#VALUE!	#VALUE!	#VALUE!
	Florida	337,734,000	815,453,000	1,282,332,000
	Georgia	-	-	1,367,576,236
	Hawaii	(7,607,000)	(25,859,000)	329,347,000
	Idaho	#VALUE!	#VALUE!	(84,863,000)
	Illinois	(259,680,000)	(1,553,313,000)	(63,740,000)
	Indiana	(2,432,783,000)	(1,029,047,000)	53,205,000
	Iowa	87,895,000	235,767,000	325,861,000
	Kansas	(72,094,000)	(43,431,000)	151,113,000
	Kentucky	4,148,000	(102,012,000)	229,585,000
	Louisiana	(489,541,000)	(224,726,000)	88,234,000
	Maine	(50,723,000)	(88,575,000)	80,408,000
	Maryland	(529,893,000)	81,738,000	757,380,000
	Massachusetts	#VALUE!	#VALUE!	#VALUE!
	Michigan	18,761,000	180,541,000	245,789,000
	Minnesota	(349,588,000)	(226,482,000)	107,780,000
	Mississippi	99,275,000	60,511,000	49,511,000
	Missouri	(987,585,000)	(1,385,689,000)	(205,088,000)
	Montana	3,324,000	(28,666,000)	99,449,000
	Nebraska	(75,957,000)	160,146,000	317,911,000
	Nevada	3,569,000	(443,920,000)	210,865,000
	New Hampshire	(246,940,000)	(331,362,000)	47,375,000
	New Jersey	(424,355,000)	(5,382,778)	200,894,723
	New Mexico	(2,385,000)	(3,500,000)	82,660,000
	New York	50,000,000	454,000,000	141,000,000
	North Carolina	(288,068,000)	(288,068,000)	189,130,000
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	(809,221,000)	(1,105,474,000)	(199,596,000)
	Oklahoma	(602,455,000)	(330,065,000)	190,874,000
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	(70,839,000)	85,875,000	287,337,000
	Rhode Island	6,450,000	67,360,000	28,508,000
	South Carolina	54,133,000	336,035,000	517,866,000
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(491,573,000)	(974,435,000)	(27,485,000)
	Texas	552,383,000	4,486,252,000	3,196,688,000
	Utah	(68,255,000)	(60,893,000)	138,406,000
	Vermont	(29,809,510)	(59,671,274)	34,390,851
	Virginia	(413,365,000)	23,691,000	755,772,000
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	(222,647,000)	(241,118,000)	90,539,000
	Wisconsin	(264,844,000)	(1,755,328,000)	(305,818,000)
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix H 5

States – Change in Fund Balance Data – 2006

FISCAL YEAR	STATE	ORIGINAL BUDGET CHANGE IN FUND BALANCE	FINAL BUDGET CHANGE IN FUND BALANCE	FINAL ACTUAL CHANGE IN FUND BALANCE
2006	Alabama	-	-	61,597,000
	Alaska	(1,601,697,000)	(1,811,972,000)	171,547,000
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	1,940,504,000
	Colorado	(68,200,000)	256,500,000	359,461,000
	Connecticut	17,889,000	455,080,000	487,489,000
	Delaware	#VALUE!	#VALUE!	#VALUE!
	Florida	(440,705,000)	511,061,000	1,062,253,000
	Georgia	-	-	1,583,999,000
	Hawaii	(190,129,000)	87,449,000	324,996,000
	Idaho	#VALUE!	#VALUE!	(84,422,000)
	Illinois	(297,382,000)	(1,016,678,000)	183,148,000
	Indiana	(2,830,120,000)	(1,263,476,000)	490,965,000
	Iowa	64,138,000	204,420,000	362,040,000
	Kansas	125,083,000	113,382,000	287,955,000
	Kentucky	(222,151,000)	(117,672,000)	323,942,000
	Louisiana	(290,705,000)	(613,606,000)	187,770,000
	Maine	(37,027,000)	(84,301,000)	54,212,000
	Maryland	(730,820,000)	(32,574,000)	449,836,000
	Massachusetts	#VALUE!	#VALUE!	#VALUE!
	Michigan	(542,768,000)	(454,828,000)	(361,220,000)
	Minnesota	(48,187,000)	(267,301,000)	397,920,000
	Mississippi	104,481,000	3,031,000	(16,909,000)
	Missouri	(1,434,274,000)	(1,486,438,000)	480,150,000
	Montana	(27,139,000)	(53,034,000)	79,869,000
	Nebraska	(154,607,000)	33,212,000	258,490,000
	Nevada	(565,865,000)	(594,055,000)	17,287,000
	New Hampshire	(213,077,000)	(255,142,000)	47,405,000
	New Jersey	(37,471,000)	563,316,000	981,315,050
	New Mexico	13,632,000	9,902,000	54,836,000
	New York	(184,000,000)	755,000,000	711,000,000
	North Carolina	(365,123,000)	(380,120,000)	270,877,000
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	(561,621,000)	(699,554,000)	196,505,000
	Oklahoma	(998,024,000)	(390,764,000)	310,441,000
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	(362,705,000)	(217,359,000)	149,267,000
	Rhode Island	50,122,000	35,011,000	18,395,000
	South Carolina	(264,252,000)	227,961,000	454,407,000
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(693,806,000)	(777,370,000)	689,527,000
	Texas	(2,417,717,000)	2,445,341,000	4,331,424,000
	Utah	160,699,000	(88,180,000)	203,772,000
	Vermont	(19,677,442)	(98,644,970)	(5,233,954)
	Virginia	(372,436,000)	572,035,000	1,024,678,000
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	(275,149,000)	(310,703,000)	101,990,000
	Wisconsin	(487,453,000)	(1,330,648,000)	205,285,000
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix H 6

States – Change in Fund Balance Data – 2007

FISCAL YEAR	STATE	ORIGINAL BUDGET CHANGE IN FUND BALANCE	FINAL BUDGET CHANGE IN FUND BALANCE	FINAL ACTUAL CHANGE IN FUND BALANCE
2007	Alabama	-	-	(25,528,000)
	Alaska	(57,000,000)	(1,332,352,000)	708,497,000
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	(4,324,030,000)
	Colorado	(324,600,000)	(291,000,000)	(172,254,000)
	Connecticut	160,840,000	328,714,000	349,238,000
	Delaware	#VALUE!	#VALUE!	#VALUE!
	Florida	(3,614,824,000)	(2,130,528,000)	(1,749,045,000)
	Georgia	-	-	1,138,286,000
	Hawaii	(91,406,000)	(73,049,000)	91,010,000
	Idaho	#VALUE!	#VALUE!	(54,746,000)
	Illinois	(667,141,000)	(545,061,000)	156,039,000
	Indiana	(2,478,977,000)	(846,432,000)	220,330,000
	Iowa	66,897,000	253,948,000	261,612,000
	Kansas	73,516,000	81,211,000	198,902,000
	Kentucky	(220,834,000)	(337,931,000)	15,428,000
	Louisiana	(1,501,143,000)	(1,077,736,000)	1,027,770,000
	Maine	(6,426,000)	(100,160,000)	(7,737,000)
	Maryland	(1,353,610,000)	(1,511,647,000)	(241,197,000)
	Massachusetts	#VALUE!	#VALUE!	#VALUE!
	Michigan	(526,441,000)	(243,748,000)	(100,183,000)
	Minnesota	(117,826,000)	201,384,000	402,723,000
	Mississippi	394,869,000	367,297,000	191,066,000
	Missouri	(9,276,000)	(210,664,000)	315,755,000
	Montana	112,460,000	59,518,000	102,559,000
	Nebraska	(126,892,000)	29,195,000	269,375,000
	Nevada	(373,274,000)	(622,988,000)	(66,262,000)
	New Hampshire	(291,659,000)	(327,063,000)	13,109,000
	New Jersey	(260,092,000)	(168,835,001)	322,400,702
	New Mexico	(7,963,000)	(9,713,000)	75,620,000
	New York	17,000,000	350,000,000	(212,000,000)
	North Carolina	(749,386,000)	(749,386,000)	471,796,000
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	(1,065,259,000)	(1,434,373,000)	(1,123,570,000)
	Oklahoma	#VALUE!	#VALUE!	#VALUE!
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	(414,249,000)	(287,956,000)	8,753,000
	Rhode Island	50,437,000	17,948,000	(59,031,000)
	South Carolina	(536,513,000)	(123,106,000)	93,209,000
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(1,287,254,000)	(1,180,912,000)	651,652,000
	Texas	1,994,930,000	4,346,450,000	4,556,844,000
	Utah	(456,285,000)	(101,172,000)	217,457,000
	Vermont	(67,364,997)	(81,965,770)	(18,810,306)
	Virginia	(554,298,000)	(744,697,000)	65,080,000
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	(355,253,000)	(354,985,000)	38,583,000
	Wisconsin	(176,330,000)	(1,457,396,000)	(21,525,000)
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix H 7

States – Change in Fund Balance Data – 2008

FISCAL YEAR	STATE	ORIGINAL BUDGET CHANGE IN FUND BALANCE	FINAL BUDGET CHANGE IN FUND BALANCE	FINAL ACTUAL CHANGE IN FUND BALANCE
2008	Alabama	-	-	(21,075,000)
	Alaska	(1,931,746,000)	(3,754,895,000)	4,381,189,000
	Arizona	#VALUE!	#VALUE!	#VALUE!
	Arkansas	#VALUE!	#VALUE!	#VALUE!
	California	#VALUE!	#VALUE!	(876,457,000)
	Colorado	25,300,000	(133,055,000)	(195,670,000)
	Connecticut	727,000	22,334,000	99,420,000
	Delaware	#VALUE!	#VALUE!	#VALUE!
	Florida	(4,097,982,000)	(2,899,816,000)	(3,115,932,000)
	Georgia	-	-	2,815,252,000
	Hawaii	109,667,000	(307,189,000)	(192,827,000)
	Idaho	#VALUE!	#VALUE!	(253,846,000)
	Illinois	(3,900,741,000)	(1,508,791,000)	(699,643,000)
	Indiana	(3,565,154,000)	(1,717,039,000)	295,704,000
	Iowa	81,054,000	207,415,000	196,415,000
	Kansas	(368,270,000)	(417,026,000)	(406,767,000)
	Kentucky	(678,663,000)	(1,084,131,000)	(500,686,000)
	Louisiana	(1,546,387,000)	(860,605,000)	152,242,000
	Maine	(53,773,000)	(137,396,000)	55,927,000
	Maryland	(1,329,967,000)	(1,153,481,000)	(693,792,000)
	Massachusetts	#VALUE!	(536,439,000)	(1,503,656,000)
	Michigan	6,188,988,000	74,894,000	242,051,000
	Minnesota	(618,402,000)	(1,075,052,000)	(356,083,000)
	Mississippi	(10,902,000)	(86,064,000)	(190,209,000)
	Missouri	(240,033,000)	(559,758,000)	139,712,000
	Montana	(149,141,000)	(152,860,000)	(65,768,000)
	Nebraska	(317,966,000)	(320,767,000)	18,780,000
	Nevada	(569,577,000)	(693,902,000)	(47,446,000)
	New Hampshire	(436,955,000)	(276,749,000)	31,635,000
	New Jersey	(945,401,000)	(1,009,907,000)	(938,674,971)
	New Mexico	28,367,000	25,064,000	124,184,000
	New York	(12,000,000)	(419,000,000)	(291,000,000)
	North Carolina	(981,801,000)	(1,192,545,000)	(641,971,000)
	North Dakota	#VALUE!	#VALUE!	#VALUE!
	Ohio	(566,217,000)	(1,238,076,000)	(746,004,000)
	Oklahoma	#VALUE!	#VALUE!	#VALUE!
	Oregon	#VALUE!	#VALUE!	#VALUE!
	Pennsylvania	(483,938,000)	(322,664,000)	51,882,000
	Rhode Island	65,715,000	68,281,000	(37,511,000)
	South Carolina	(769,351,000)	(902,856,000)	(756,727,000)
	South Dakota	#VALUE!	#VALUE!	#VALUE!
	Tennessee	(1,535,318,000)	(1,367,216,000)	(482,583,000)
	Texas	3,777,941,000	(2,960,449,000)	373,166,000
	Utah	(352,330,000)	(429,888,000)	(194,689,000)
	Vermont	(4,101,897)	(29,104,693)	1,983,361
	Virginia	(147,976,000)	(1,066,166,000)	(735,311,000)
	Washington	#VALUE!	#VALUE!	#VALUE!
	West Virginia	(297,696,000)	(339,601,000)	103,980,000
	Wisconsin	(386,504,000)	(1,515,013,000)	83,610,000
	Wyoming	#VALUE!	#VALUE!	#VALUE!

* #VALUE! indicates that the data was not available from the CAFR due to budget formatting.

Appendix I 1

Micawber Breakdown by States: “Original” Budget to Actual Results: Rev/Exp

Count of ORIGINAL BUDGET REV EXP ORIGINAL BUDGET REV/EXP	STATE	FISCAL YEAR 2002	2003	2004	2005	2006	2007	2008	Total N
NN	Alabama						1		1
	Colorado	1						1	2
	Delaware						1	1	2
	Hawaii	1	1					1	3
	Minnesota	1							1
	Pennsylvania		1						1
NN Total		**3**	**2**				**2**	**3**	**10**
NY	Alabama	1						1	2
	Alaska	1	1	1	1	1	1		6
	Colorado		1						1
	Illinois	1	1						2
	Indiana	1	1						2
	Louisiana	1		1			1	1	4
	Maine	1	1					1	3
	Maryland	1	1						2
	Minnesota		1						1
	Mississippi	1	1						2
	Montana	1	1				1		3
	Nebraska	1	1	1					3
	Nevada							1	1
	New Hampshire		1	1	1	1	1	1	6
	New Jersey	1	1	1	1	1	1	1	7
	New York		1					1	2
	Ohio	1		1			1	1	4
	Pennsylvania	1							1
	Tennessee					1		1	2
	Vermont	1							1
	Virginia	1	1					1	3
NY Total		**15**	**14**	**6**	**3**	**4**	**6**	**10**	**58**
YN	Alabama		1	1	1				3
	Colorado			1	1	1			3
	Delaware	1	1	1	1	1			5
	Hawaii			1	1	1	1		4
	Louisiana					1			1
	Maine				1	1	1		3
	Maryland					1			1
	Minnesota				1	1			2
	Mississippi			1	1	1	1	1	5
	Montana				1				1
	Nevada	1	1	1	1				4
	New Hampshire	1							1
	New York				1				1
	Ohio				1				1
	Pennsylvania			1	1	1	1		4
	Tennessee		1	1					2
	Texas		1		1		1	1	4
	Utah	1	1	1	1				4
	Vermont		1		1	1	1	1	5
	Virginia					1			1
YN Total		**4**	**7**	**9**	**15**	**11**	**6**	**3**	**55**
YY	Alabama					1			1
	Alaska							1	1
	Colorado						1		1
	Illinois			1	1	1	1	1	5
	Indiana			1	1	1	1	1	5
	Louisiana		1		1				2
	Maine			1					1
	Maryland			1	1		1	1	4
	Minnesota			1			1	1	3
	Montana			1		1		1	3
	Nebraska				1	1	1	1	4
	Nevada					1	1		2
	New York			1		1	1		3
	Ohio		1			1			2
	Pennsylvania							1	1
	Tennessee	1			1		1		3
	Texas	1		1		1			3
	Utah					1	1	1	3
	Vermont			1					1
	Virginia			1	1		1		3
YY Total		**2**	**2**	**10**	**7**	**10**	**11**	**9**	**51**
Total N		**24**	**25**	**25**	**25**	**25**	**25**	**25**	**174**

* FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.

Appendix J 1

Micawber Breakdown by States: "Final" Budget to Actual Results: Rev/Exp

Count of FINAL BUDGET REVENUE FINAL BUDGET REV EXP	STATE	FISCAL YEAR 2002	2003	2004	2005	2006	2007	2008	Total N
NN	Colorado							1	1
NN Total								**1**	**1**
NY	Alabama	1			1		1	1	4
	Alaska	1	1	1	1	1	1		6
	Delaware		1		1	1		1	4
	Hawaii	1	1				1	1	4
	Illinois	1	1						2
	Indiana	1	1						2
	Louisiana	1	1	1	1	1	1	1	7
	Maine	1							1
	Minnesota	1							1
	Mississippi	1	1						2
	Montana	1	1				1		3
	Nebraska	1	1						2
	Nevada	1	1	1	1	1	1	1	7
	New Hampshire	1	1	1	1	1	1	1	7
	New Jersey	1	1	1	1	1	1	1	7
	New York		1		1	1		1	4
	Ohio	1	1				1	1	4
	Pennsylvania	1	1	1	1			1	5
	Tennessee	1				1		1	3
	Texas	1	1	1	1				4
	Utah							1	1
	Vermont	1							1
	Virginia	1					1		2
NY Total		**20**	**16**	**7**	**10**	**8**	**10**	**12**	**83**
YN	New York						1		1
	Texas						1		1
YN Total							**2**		**2**
YY	Alabama		1	1		1			3
	Alaska							1	1
	Colorado	1	1	1	1	1	1		6
	Delaware	1		1			1		3
	Hawaii			1	1	1			3
	Illinois			1	1	1	1	1	5
	Indiana			1	1	1	1	1	5
	Maine		1	1	1	1	1	1	6
	Maryland	1	1	1	1	1	1	1	7
	Minnesota		1	1	1	1	1	1	6
	Mississippi			1	1	1	1	1	5
	Montana			1	1	1		1	4
	Nebraska			1	1	1	1	1	5
	New York			1					1
	Ohio			1	1	1			3
	Pennsylvania					1	1		2
	Tennessee		1	1	1		1		4
	Texas					1		1	2
	Utah	1	1	1	1	1	1		6
	Vermont		1	1	1	1	1	1	6
	Virginia		1	1	1	1		1	5
YY Total		**4**	**9**	**18**	**15**	**17**	**13**	**12**	**88**
Total N		**24**	**25**	**25**	**25**	**25**	**25**	**25**	**174**

* FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.

Appendix K 1

Micawber Analysis: How Revenues Changed

STATE	FISCAL YEAR	ORIGINAL BUDGET TO ACTUAL	FINAL BUDGET TO ACTUAL	REVENUE CHANGE NO CHANGE	DECREASE	INCREASE	Grand Total
Alabama	**2002**	N	N			1	1
	2003	Y	Y			1	1
	2004	Y	Y			1	1
	2005	Y	N			1	1
	2006	Y	Y			1	1
	2007	N	N			1	1
	2008	N	N			1	1
Alabama Total						7	7
Alaska	**2002**	N	N			1	1
	2003	N	N			1	1
	2004	N	N			1	1
	2005	N	N			1	1
	2006	N	N			1	1
	2007	N	N			1	1
	2008	Y	Y			1	1
Alaska Total						7	7
Colorado	**2002**	N	Y		1		1
	2003	N	Y		1		1
	2004	Y	Y			1	1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	Y			1	1
	2008	N	N			1	1
Colorado Total					2	5	7
Delaware	**2002**	Y	Y			1	1
	2003	Y	N			1	1
	2004	Y	Y			1	1
	2005	Y	N			1	1
	2006	Y	N			1	1
	2007	N	Y		1		1
	2008	N	N			1	1
Delaware Total					1	6	7
Hawaii	**2002**	N	N		1		1
	2003	N	N			1	1
	2004	Y	Y			1	1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	N			1	1
	2008	N	N		1		1
Hawaii Total					2	5	7
Illinois	**2002**	N	N		1		1
	2003	N	N		1		1
	2004	Y	Y		1		1
	2005	Y	Y		1		1
	2006	Y	Y		1		1
	2007	Y	Y		1		1
	2008	Y	Y		1		1
Illinois Total					7		7

Appendix K 1 continued

Micawber Analysis: How Revenues Changed

STATE	FISCAL YEAR	ORIGINAL BUDGET TO ACTUAL	FINAL BUDGET TO ACTUAL	REVENUE CHANGE NO CHANGE	DECREASE	INCREASE	Grand Total
Indiana	**2002**	N	N	1			1
	2003	N	N	1			1
	2004	Y	Y	1			1
	2005	Y	Y	1			1
	2006	Y	Y	1			1
	2007	Y	Y	1			1
	2008	Y	Y	1			1
Indiana Total				7			7
Louisiana	**2002**	N	N			1	1
	2003	Y	N			1	1
	2004	N	N			1	1
	2005	Y	N			1	1
	2006	Y	N			1	1
	2007	N	N			1	1
	2008	N	N			1	1
Louisiana Total						7	7
Maine	**2002**	N	N		1		1
	2003	N	Y		1		1
	2004	Y	Y			1	1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	Y			1	1
	2008	N	Y		1		1
Maine Total					3	4	7
Maryland	**2002**	N	Y		1		1
	2003	N	Y		1		1
	2004	Y	Y		1		1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	Y		1		1
	2008	Y	Y			1	1
Maryland Total					4	3	7
Minnesota	**2002**	N	N		1		1
	2003	N	Y		1		1
	2004	Y	Y		1		1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	Y			1	1
	2008	Y	Y		1		1
Minnesota Total					4	3	7
Mississippi	**2002**	N	N	1			1
	2003	N	N	1			1
	2004	Y	Y	1			1
	2005	Y	Y	1			1
	2006	Y	Y	1			1
	2007	Y	Y	1			1
	2008	Y	Y	1			1
Mississippi Total				7			7

Appendix K 1 continued

Micawber Analysis: How Revenues Changed

STATE	FISCAL YEAR	ORIGINAL BUDGET TO ACTUAL	FINAL BUDGET TO ACTUAL	REVENUE CHANGE			
				NO CHANGE	DECREASE	INCREASE	Grand Total
Montana	**2002**	N	N	1			1
	2003	N	N	1			1
	2004	Y	Y	1			1
	2005	Y	Y	1			1
	2006	Y	Y	1			1
	2007	N	N	1			1
	2008	Y	Y	1			1
Montana Total				7			7
Nebraska	**2002**	N	N		1		1
	2003	N	N		1		1
	2004	N	Y		1		1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	Y			1	1
	2008	Y	Y			1	1
Nebraska Total					3	4	7
Nevada	**2002**	Y	N			1	1
	2003	Y	N			1	1
	2004	Y	N			1	1
	2005	Y	N			1	1
	2006	Y	N			1	1
	2007	Y	N			1	1
	2008	N	N			1	1
Nevada Total						7	7
New Hampshire	**2002**	Y	N			1	1
	2003	N	N			1	1
	2004	N	N			1	1
	2005	N	N			1	1
	2006	N	N			1	1
	2007	N	N			1	1
	2008	N	N			1	1
New Hampshire Total						7	7
New Jersey	**2002**	N	N		1		1
	2003	N	N			1	1
	2004	N	N			1	1
	2005	N	N		1		1
	2006	N	N		1		1
	2007	N	N			1	1
	2008	N	N			1	1
New Jersey Total					3	4	7
New York	**2003**	N	N		1		1
	2004	Y	Y			1	1
	2005	Y	N			1	1
	2006	Y	N			1	1
	2007	Y	Y			1	1
	2008	N	N		1		1
New York Total					2	4	6

Appendix K 1 continued

Micawber Analysis: How Revenues Changed

STATE	FISCAL YEAR	ORIGINAL BUDGET TO ACTUAL	FINAL BUDGET TO ACTUAL	REVENUE CHANGE NO CHANGE	DECREASE	INCREASE	Grand Total
Ohio	**2002**	N	N		1		1
	2003	Y	N			1	1
	2004	N	Y		1		1
	2005	Y	Y	1			1
	2006	Y	Y	1			1
	2007	N	N	1			1
	2008	N	N		1		1
Ohio Total				3	3	1	7
Pennsylvania	**2002**	N	N			1	1
	2003	N	N			1	1
	2004	Y	N			1	1
	2005	Y	N			1	1
	2006	Y	Y			1	1
	2007	Y	Y			1	1
	2008	Y	N			1	1
Pennsylvania Total						7	7
Tennessee	**2002**	Y	N			1	1
	2003	Y	Y			1	1
	2004	Y	Y			1	1
	2005	Y	Y			1	1
	2006	N	N			1	1
	2007	Y	Y			1	1
	2008	N	N			1	1
Tennessee Total						7	7
Texas	**2002**	Y	N			1	1
	2003	Y	N			1	1
	2004	Y	N			1	1
	2005	Y	N			1	1
	2006	Y	Y			1	1
	2007	Y	Y			1	1
	2008	Y	Y			1	1
Texas Total						7	7
Utah	**2002**	Y	Y			1	1
	2003	Y	Y			1	1
	2004	Y	Y			1	1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	Y			1	1
	2008	Y	N			1	1
Utah Total						7	7
Vermont	**2002**	N	N		1		1
	2003	Y	Y			1	1
	2004	Y	Y			1	1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	Y			1	1
	2008	Y	Y			1	1
Vermont Total					1	6	7

Appendix K 1 continued

Micawber Analysis: How Revenues Changed

STATE	FISCAL YEAR	ORIGINAL BUDGET TO ACTUAL	FINAL BUDGET TO ACTUAL	REVENUE CHANGE NO CHANGE	DECREASE	INCREASE	Grand Total
Virginia	**2002**	N	N		1		1
	2003	N	Y		1		1
	2004	Y	Y			1	1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	N			1	1
	2008	N	Y		1		1
Virginia Total					3	4	7
				24	**38**	**112**	**174**

* The total only reflects 174 state occurrences, because New York had not implemented GASB 34 until FY 2003.

Appendix K 2

Micawber Analysis: How Expenditures Changed

STATE	FISCAL YEAR	ORIGINAL BUDGET TO ACTUAL	FINAL BUDGET TO ACTUAL	EXPEND CHANGE NO CHANGE	DECREASE	INCREASE	Grand Total
Alabama	**2002**	N	N			1	1
	2003	Y	Y			1	1
	2004	Y	Y			1	1
	2005	Y	N			1	1
	2006	Y	Y			1	1
	2007	N	N			1	1
	2008	N	N			1	1
Alabama Total						7	7
Alaska	**2002**	N	N			1	1
	2003	N	N			1	1
	2004	N	N			1	1
	2005	N	N			1	1
	2006	N	N			1	1
	2007	N	N			1	1
	2008	Y	Y			1	1
Alaska Total						7	7
Colorado	**2002**	N	Y			1	1
	2003	N	Y		1		1
	2004	Y	Y			1	1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	Y			1	1
	2008	N	N			1	1
Colorado Total					1	6	7
Delaware	**2002**	Y	Y			1	1
	2003	Y	N			1	1
	2004	Y	Y			1	1
	2005	Y	N			1	1
	2006	Y	N			1	1
	2007	N	Y			1	1
	2008	N	N			1	1
Delaware Total						7	7
Hawaii	**2002**	N	N			1	1
	2003	N	N			1	1
	2004	Y	Y			1	1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	N			1	1
	2008	N	N			1	1
Hawaii Total						7	7
Illinois	**2002**	N	N	1			1
	2003	N	N			1	1
	2004	Y	Y		1		1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	Y			1	1
	2008	Y	Y		1		1
Illinois Total				1	2	4	7

Appendix K 2 continued

Micawber Analysis: How Expenditures Changed

STATE	FISCAL YEAR	ORIGINAL BUDGET TO ACTUAL	FINAL BUDGET TO ACTUAL	EXPEND CHANGE NO CHANGE	DECREASE	INCREASE	Grand Total
Indiana	**2002**	N	N		1		1
	2003	N	N		1		1
	2004	Y	Y		1		1
	2005	Y	Y		1		1
	2006	Y	Y		1		1
	2007	Y	Y		1		1
	2008	Y	Y		1		1
Indiana Total					7		7
Louisiana	**2002**	N	N			1	1
	2003	Y	N			1	1
	2004	N	N			1	1
	2005	Y	N			1	1
	2006	Y	N			1	1
	2007	N	N			1	1
	2008	N	N			1	1
Louisiana Total						7	7
Maine	**2002**	N	N			1	1
	2003	N	Y		1		1
	2004	Y	Y			1	1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	Y			1	1
	2008	N	Y			1	1
Maine Total					1	6	7
Maryland	**2002**	N	Y		1		1
	2003	N	Y		1		1
	2004	Y	Y		1		1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	Y			1	1
	2008	Y	Y		1		1
Maryland Total					4	3	7
Minnesota	**2002**	N	N			1	1
	2003	N	Y			1	1
	2004	Y	Y		1		1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	Y		1		1
	2008	Y	Y		1		1
Minnesota Total					3	4	7
Mississippi	**2002**	N	N		1		1
	2003	N	N		1		1
	2004	Y	Y			1	1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	Y			1	1
	2008	Y	Y			1	1
Mississippi Total					2	5	7

Appendix K 2 continued

Micawber Analysis: How Expenditures Changed

STATE	FISCAL YEAR	ORIGINAL BUDGET TO ACTUAL	FINAL BUDGET TO ACTUAL	EXPEND CHANGE NO CHANGE	DECREASE	INCREASE	Grand Total
Montana	**2002**	N	N			1	1
	2003	N	N		1		1
	2004	Y	Y			1	1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	N	N			1	1
	2008	Y	Y			1	1
Montana Total					1	6	7
Nebraska	**2002**	N	N		1		1
	2003	N	N		1		1
	2004	N	Y		1		1
	2005	Y	Y		1		1
	2006	Y	Y		1		1
	2007	Y	Y		1		1
	2008	Y	Y			1	1
Nebraska Total					6	1	7
Nevada	**2002**	Y	N			1	1
	2003	Y	N			1	1
	2004	Y	N			1	1
	2005	Y	N			1	1
	2006	Y	N			1	1
	2007	Y	N			1	1
	2008	N	N			1	1
Nevada Total						7	7
New Hampshire	**2002**	Y	N			1	1
	2003	N	N			1	1
	2004	N	N			1	1
	2005	N	N			1	1
	2006	N	N			1	1
	2007	N	N			1	1
	2008	N	N			1	1
lew Hampshire Total						7	7
New Jersey	**2002**	N	N			1	1
	2003	N	N			1	1
	2004	N	N			1	1
	2005	N	N			1	1
	2006	N	N		1		1
	2007	N	N		1		1
	2008	N	N			1	1
New Jersey Total					2	5	7
New York	**2003**	N	N		1		1
	2004	Y	Y		1		1
	2005	Y	N			1	1
	2006	Y	N			1	1
	2007	Y	Y		1		1
	2008	N	N		1		1
New York Total					4	2	6

Appendix K 2 continued

Micawber Analysis: How Expenditures Changed

STATE	FISCAL YEAR	ORIGINAL BUDGET TO ACTUAL	FINAL BUDGET TO ACTUAL	EXPEND CHANGE NO CHANGE	DECREASE	INCREASE	Grand Total
Ohio	**2002**	N	N		1		1
	2003	Y	N		1		1
	2004	N	Y			1	1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	N	N			1	1
	2008	N	N			1	1
Ohio Total					2	5	7
Pennsylvania	**2002**	N	N			1	1
	2003	N	N			1	1
	2004	Y	N			1	1
	2005	Y	N			1	1
	2006	Y	Y			1	1
	2007	Y	Y			1	1
	2008	Y	N			1	1
Pennsylvania Total						7	7
Tennessee	**2002**	Y	N			1	1
	2003	Y	Y			1	1
	2004	Y	Y			1	1
	2005	Y	Y			1	1
	2006	N	N			1	1
	2007	Y	Y			1	1
	2008	N	N			1	1
Tennessee Total						7	7
Texas	**2002**	Y	N			1	1
	2003	Y	N			1	1
	2004	Y	N			1	1
	2005	Y	N			1	1
	2006	Y	Y		1		1
	2007	Y	Y			1	1
	2008	Y	Y			1	1
Texas Total					1	6	7
Utah	**2002**	Y	Y			1	1
	2003	Y	Y			1	1
	2004	Y	Y			1	1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	Y			1	1
	2008	Y	N			1	1
Utah Total						7	7
Vermont	**2002**	N	N			1	1
	2003	Y	Y			1	1
	2004	Y	Y			1	1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	Y			1	1
	2008	Y	Y			1	1
Vermont Total						7	7

Appendix K 2 continued

Micawber Analysis: How Expenditures Changed

STATE	FISCAL YEAR	ORIGINAL BUDGET TO ACTUAL	FINAL BUDGET TO ACTUAL	EXPEND CHANGE NO CHANGE	DECREASE	INCREASE	Grand Total
Virginia	**2002**	N	N		1		1
	2003	N	Y		1		1
	2004	Y	Y		1		1
	2005	Y	Y			1	1
	2006	Y	Y			1	1
	2007	Y	N			1	1
	2008	N	Y			1	1
Virginia Total					3	4	7
				1	**39**	**134**	**174**

* The total only reflects 174 state occurrences, because New York had not implemented GASB 34 until FY 2003.

Appendix L 1

Change in Structural Balance Category – "Original" to "Final Amended" Budget

STATE	CHANGE FROM ORIGINAL TO FINAL BUDGET	STRUCTURAL BALANCE ORIGINAL BUDGET	STRUCTURAL BALANCE FINAL BUDGET	FISCAL YEAR 2002	2003	2004	2005	2006	2007	2008	Total N
Alabama	NO	**YES**	YES	1	1	1	1	1	1	1	7
Alaska	NO	**NO**	NO	1	1	1	1	1	1	1	7
Colorado	NO	**NO**	NO	1	1						2
		YES	YES						1	1	2
	YES	**NO**	YES			1		1			2
		YES	NO				1				1
Delaware	NO	**NO**	NO		1	1					2
	YES	**YES**	NO	1			1	1	1	1	5
Hawaii	NO	**NO**	NO		1	1	1		1		4
	YES	**NO**	YES					1			1
		YES	NO	1						1	2
Illinois	NO	**NO**	NO			1	1			1	3
		YES	YES						1		1
	YES	**YES**	NO	1	1			1			3
Indiana	NO	**NO**	NO		1	1	1	1	1	1	6
	YES	**NO**	YES	1							1
Louisiana	NO	**NO**	NO	1	1	1	1	1	1	1	7
Maine	NO	**NO**	NO	1	1						2
	YES	**YES**	NO			1	1	1	1	1	5
Maryland	NO	**NO**	NO	1	1	1	1	1	1	1	7
Minnesota	NO	**NO**	NO							1	1
		YES	YES	1		1	1	1	1		5
	YES	**YES**	NO		1						1
Mississippi	NO	**NO**	NO							1	1
		YES	YES	1	1	1	1		1		5
	YES	**YES**	NO					1			1
Montana	NO	**NO**	NO			1	1	1		1	4
		YES	YES		1				1		2
	YES	**YES**	NO	1							1
Nebraska	NO	**NO**	NO	1	1					1	3
	YES	**NO**	YES				1	1	1		3
		YES	NO			1					1
Nevada	NO	**NO**	NO		1	1	1	1	1	1	6
		YES	YES	1							1
New Hampshire	NO	**NO**	NO	1	1	1	1	1	1	1	7
New Jersey	NO	**NO**	NO	1	1	1	1	1	1	1	7
New York	NO	**NO**	NO		1	1	1	1	1	1	6
Ohio	NO	**NO**	NO	1	1	1	1	1	1	1	7
Pennsylvania	NO	**NO**	NO	1		1	1	1	1	1	6
		YES	YES		1						1
Tennessee	NO	**NO**	NO	1		1	1	1	1	1	6
	YES	**YES**	NO		1						1
Texas	NO	**YES**	YES	1	1	1	1	1	1	1	7
Utah	NO	**NO**	NO	1	1	1	1	1	1	1	7
Vermont	NO	**YES**	YES	1	1	1	1	1	1	1	7
Virginia	NO	**NO**	NO	1	1	1	1		1	1	6
	YES	**NO**	YES					1			1
				24	**25**	**25**	**25**	**25**	**25**	**25**	**174**

* FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.

Appendix L 2

Met Excess Amount Projected: “Original” Budget to Actual Results

MET EXCESS AMOUNT PROJECTED ORIGINAL BUDGET TO ACTUAL	STATE	FISCAL YEAR 2002	2003	2004	2005	2006	2007	2008	Total N
NO	Alabama	1					1	1	3
	Alaska	1							1
	Colorado	1						1	2
	Delaware	1			1	1	1	1	5
	Hawaii	1	1					1	3
	Illinois	1	1						2
	Louisiana	1						1	2
	Maine	1							1
	Minnesota	1	1						2
	Mississippi	1	1					1	3
	Montana	1	1				1		3
	Nebraska	1	1						2
	Nevada	1	1					1	3
	New Jersey							1	1
	New York		1					1	2
	Ohio	1					1	1	3
	Pennsylvania	1	1						2
	Texas		1						1
	Utah	1							1
	Vermont	1	1					1	3
	Virginia	1						1	2
NO Total		**18**	**11**		**1**	**1**	**4**	**12**	**47**
YES	Alabama		1	1	1	1			4
	Alaska		1	1	1	1	1	1	6
	Colorado		1	1	1	1	1		5
	Delaware		1	1					2
	Hawaii			1	1	1	1		4
	Illinois			1	1	1	1	1	5
	Indiana	1	1	1	1	1	1	1	7
	Louisiana		1	1	1	1	1		5
	Maine		1	1	1	1	1	1	6
	Maryland	1	1	1	1	1	1	1	7
	Minnesota			1	1	1	1	1	5
	Mississippi			1	1	1	1		4
	Montana			1	1	1		1	4
	Nebraska			1	1	1	1	1	5
	Nevada			1	1	1	1		4
	New Hampshire	1	1	1	1	1	1	1	7
	New Jersey	1	1	1	1	1	1		6
	New York			1	1	1	1		4
	Ohio		1	1	1	1			4
	Pennsylvania			1	1	1	1	1	5
	Tennessee	1	1	1	1	1	1	1	7
	Texas	1		1	1	1	1	1	6
	Utah		1	1	1	1	1	1	6
	Vermont			1	1	1	1		4
	Virginia		1	1	1	1	1		5
YES Total		**6**	**14**	**25**	**24**	**24**	**21**	**13**	**127**
		24	**25**	**25**	**25**	**25**	**25**	**25**	**174**

* FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.

Appendix L 3

Met Excess Amount Projected: "Final Amended" Budget to Actual Results

MET EXCESS AMOUNT PROJECTED FINAL BUDGET TO ACTUAL	STATE	FISCAL YEAR 2002	2003	2004	2005	2006	2007	2008	N Total
NO	Alabama	1					1	1	3
	Alaska	1	1						2
	Colorado							1	1
	Illinois	1							1
	Maine	1							1
	Minnesota	1							1
	Mississippi	1	1						2
	Montana	1	1						2
	Nebraska	1							1
	New York						1		1
	Pennsylvania	1	1						2
	Texas		1						1
NO Total		**9**	**5**				**2**	**2**	**18**
YES	Alabama		1	1	1	1			4
	Alaska			1	1	1	1	1	5
	Colorado	1	1	1	1	1	1		6
	Delaware	1	1	1	1	1	1	1	7
	Hawaii	1	1	1	1	1	1	1	7
	Illinois		1	1	1	1	1	1	6
	Indiana	1	1	1	1	1	1	1	7
	Louisiana	1	1	1	1	1	1	1	7
	Maine		1	1	1	1	1	1	6
	Maryland	1	1	1	1	1	1	1	7
	Minnesota		1	1	1	1	1	1	6
	Mississippi			1	1	1	1	1	5
	Montana			1	1	1	1	1	5
	Nebraska		1	1	1	1	1	1	6
	Nevada	1	1	1	1	1	1	1	7
	New Hampshire	1	1	1	1	1	1	1	7
	New Jersey	1	1	1	1	1	1	1	7
	New York		1	1	1	1		1	5
	Ohio	1	1	1	1	1	1	1	7
	Pennsylvania			1	1	1	1	1	5
	Tennessee	1	1	1	1	1	1	1	7
	Texas	1		1	1	1	1	1	6
	Utah	1	1	1	1	1	1	1	7
	Vermont	1	1	1	1	1	1	1	7
	Virginia	1	1	1	1	1	1	1	7
YES Total		**15**	**20**	**25**	**25**	**25**	**23**	**23**	**156**
		24	**25**	**25**	**25**	**25**	**25**	**25**	**174**

* FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.

Appendix M 1

Accountability Achievement Scale Results: Component 1 *Probity & Legality* Accountability – "Original" Budget by State

STATE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	AVERAGE
Indiana	1.00	1.00	2.00	2.00	2.00	2.00	2.00	1.71
Illinois	1.00	1.00	2.00	2.00	2.00	2.00	2.00	1.71
Nebraska	1.00	1.00	1.00	2.00	2.00	2.00	2.00	1.57
Maryland	1.00	1.00	2.00	2.00	1.00	2.00	2.00	1.57
New York	NA	1.00	2.00	1.00	2.00	2.00	1.00	1.50
Utah	1.00	1.00	1.00	1.00	2.00	2.00	2.00	1.43
Texas	2.00	1.00	2.00	1.00	2.00	1.00	1.00	1.43
Virginia	1.00	1.00	2.00	2.00	1.00	2.00	1.00	1.43
Tennessee	2.00	1.00	1.00	2.00	1.00	2.00	1.00	1.43
Montana	1.00	1.00	2.00	1.00	2.00	1.00	2.00	1.43
Louisiana	1.00	2.00	1.00	2.00	1.00	1.00	1.00	1.29
Ohio	1.00	2.00	1.00	1.00	2.00	1.00	1.00	1.29
Minnesota	0.00	1.00	2.00	1.00	1.00	2.00	2.00	1.29
Nevada	1.00	1.00	1.00	1.00	2.00	2.00	1.00	1.29
Maine	1.00	1.00	2.00	1.00	1.00	1.00	1.00	1.14
Alaska	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.14
Vermont	1.00	1.00	2.00	1.00	1.00	1.00	1.00	1.14
Alabama	1.00	1.00	1.00	1.00	2.00	0.00	1.00	1.00
Pennsylvania	1.00	0.00	1.00	1.00	1.00	1.00	2.00	1.00
Mississippi	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
New Hampshire	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
New Jersey	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Colorado	0.00	1.00	1.00	1.00	1.00	2.00	0.00	0.86
Delaware	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.71
Hawaii	0.00	0.00	1.00	1.00	1.00	1.00	0.00	0.57
Average	**0.96**	**1.00**	**1.40**	**1.28**	**1.40**	**1.36**	**1.24**	**1.24**

*FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.
**The line represents the break point for the average.

Appendix M 2

Accountability Achievement Scale Results: Component 1 *Probity & Legality* Accountability – "Final" Budget by State

STATE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	AVERAGE
Maryland	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Vermont	1.00	2.00	2.00	2.00	2.00	2.00	2.00	1.86
Utah	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.86
Maine	1.00	2.00	2.00	2.00	2.00	2.00	2.00	1.86
Minnesota	1.00	2.00	2.00	2.00	2.00	2.00	2.00	1.86
Virginia	1.00	2.00	2.00	2.00	2.00	1.00	2.00	1.71
Illinois	1.00	1.00	2.00	2.00	2.00	2.00	2.00	1.71
Indiana	1.00	1.00	2.00	2.00	2.00	2.00	2.00	1.71
Colorado	2.00	2.00	2.00	2.00	2.00	2.00	0.00	1.71
Mississippi	1.00	1.00	2.00	2.00	2.00	2.00	2.00	1.71
Nebraska	1.00	1.00	2.00	2.00	2.00	2.00	2.00	1.71
Tennessee	1.00	2.00	2.00	2.00	1.00	2.00	1.00	1.57
Montana	1.00	1.00	2.00	2.00	2.00	1.00	2.00	1.57
Alabama	1.00	2.00	2.00	1.00	2.00	1.00	1.00	1.43
Delaware	2.00	1.00	2.00	1.00	1.00	2.00	1.00	1.43
Hawaii	1.00	1.00	2.00	2.00	2.00	1.00	1.00	1.43
Ohio	1.00	1.00	2.00	2.00	2.00	1.00	1.00	1.43
Pennsylvania	1.00	1.00	1.00	1.00	2.00	2.00	1.00	1.29
Texas	1.00	1.00	1.00	1.00	2.00	1.00	2.00	1.29
New York	NA	1.00	2.00	1.00	1.00	1.00	1.00	1.17
Alaska	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.14
New Jersey	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Louisiana	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Nevada	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
New Hampshire	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Average	**1.17**	**1.36**	**1.72**	**1.60**	**1.68**	**1.52**	**1.44**	**1.50**

*FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.

**The line represents the break point for the average.

Appendix M 3

Accountability Achievement Scale Results: Component 1: *Probity & Legality* Accountability - "Original" to "Final" Budget

STATE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Average Difference
Colorado	2.00	1.00	1.00	1.00	1.00	0.00	0.00	0.86
Hawaii	1.00	1.00	1.00	1.00	1.00	0.00	1.00	0.86
Delaware	1.00	0.00	1.00	0.00	0.00	2.00	1.00	0.71
Maine	0.00	1.00	0.00	1.00	1.00	1.00	1.00	0.71
Mississippi	0.00	0.00	1.00	1.00	1.00	1.00	1.00	0.71
Vermont	0.00	1.00	0.00	1.00	1.00	1.00	1.00	0.71
Minnesota	1.00	1.00	0.00	1.00	1.00	0.00	0.00	0.57
Alabama	0.00	1.00	1.00	0.00	0.00	1.00	0.00	0.43
Maryland	1.00	1.00	0.00	0.00	1.00	0.00	0.00	0.43
Utah	1.00	1.00	1.00	1.00	0.00	0.00	-1.00	0.43
Pennsylvania	0.00	1.00	0.00	0.00	1.00	1.00	-1.00	0.29
Virginia	0.00	1.00	0.00	0.00	1.00	-1.00	1.00	0.29
Montana	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.14
Nebraska	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.14
Ohio	0.00	-1.00	1.00	1.00	0.00	0.00	0.00	0.14
Tennessee	-1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.14
Alaska	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Illinois	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Indiana	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Hampshire	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Jersey	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Texas	-1.00	0.00	-1.00	0.00	0.00	0.00	1.00	-0.14
Louisiana	0.00	-1.00	0.00	-1.00	0.00	0.00	0.00	-0.29
Nevada	0.00	0.00	0.00	0.00	-1.00	-1.00	0.00	-0.29
New York	NA	0.00	0.00	0.00	-1.00	-1.00	0.00	-0.33
Average Difference	**0.21**	**0.36**	**0.32**	**0.32**	**0.28**	**0.16**	**0.20**	**0.26**

*FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.
**The line represents the break point for the average difference.

Appendix M 4

Accountability Achievement Scale Results: Component 2: *Process* Accountability – "Original" Budget by State

STATE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Average
Alabama	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Texas	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Vermont	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Minnesota	2.00	2.00	2.00	2.00	2.00	2.00	0.00	1.71
Mississippi	2.00	2.00	2.00	2.00	2.00	2.00	0.00	1.71
Delaware	2.00	0.00	0.00	2.00	2.00	2.00	2.00	1.43
Maine	0.00	0.00	2.00	2.00	2.00	2.00	2.00	1.43
Illinois	2.00	2.00	0.00	0.00	2.00	2.00	0.00	1.14
Colorado	0.00	0.00	0.00	2.00	0.00	2.00	2.00	0.86
Montana	2.00	2.00	0.00	0.00	0.00	2.00	0.00	0.86
Hawaii	2.00	0.00	0.00	0.00	0.00	0.00	2.00	0.57
Nebraska	0.00	0.00	2.00	0.00	0.00	0.00	0.00	0.29
Nevada	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.29
Pennsylvania	0.00	2.00	0.00	0.00	0.00	0.00	0.00	0.29
Tennessee	0.00	2.00	0.00	0.00	0.00	0.00	0.00	0.29
Alaska	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Indiana	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Louisiana	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Maryland	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Hampshire	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Jersey	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New York		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ohio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Utah	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Virginia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Average	**0.83**	**0.72**	**0.56**	**0.64**	**0.64**	**0.80**	**0.56**	**0.68**

*FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.

**The line represents the break point for the average.

Appendix M 5

Accountability Achievement Scale Results: Component 2: *Process* Accountability – “Final” Budget by State

STATE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Average
Alabama	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Texas	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Vermont	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Minnesota	2.00	0.00	2.00	2.00	2.00	2.00	0.00	1.43
Mississippi	2.00	2.00	2.00	2.00	0.00	2.00	0.00	1.43
Colorado	0.00	0.00	2.00	0.00	2.00	2.00	2.00	1.14
Nebraska	0.00	0.00	0.00	2.00	2.00	2.00	0.00	0.86
Montana	0.00	2.00	0.00	0.00	0.00	2.00	0.00	0.57
Hawaii	0.00	0.00	0.00	0.00	2.00	0.00	0.00	0.29
Illinois	0.00	0.00	0.00	0.00	0.00	2.00	0.00	0.29
Indiana	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.29
Nevada	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.29
Pennsylvania	0.00	2.00	0.00	0.00	0.00	0.00	0.00	0.29
Virginia	0.00	0.00	0.00	0.00	2.00	0.00	0.00	0.29
Alaska	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Delaware	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Louisiana	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Maine	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Maryland	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Hampshire	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Jersey	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New York		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ohio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tennessee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Utah	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Average	**0.58**	**0.48**	**0.48**	**0.48**	**0.64**	**0.72**	**0.32**	**0.53**

*FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.
**The line represents the break point for the average.

Appendix M 6

Accountability Achievement Scale Results: Component 2: *Process* Accountability – "Original" to "Final" Budget

STATE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Average Difference
Nebraska	0.00	0.00	-2.00	2.00	2.00	2.00	0.00	0.57
Colorado	0.00	0.00	2.00	-2.00	2.00	0.00	0.00	0.29
Indiana	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.29
Virginia	0.00	0.00	0.00	0.00	2.00	0.00	0.00	0.29
Alabama	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Alaska	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Louisiana	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Maryland	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nevada	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Hampshire	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Jersey	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New York		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ohio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pennsylvania	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Texas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Utah	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vermont	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hawaii	-2.00	0.00	0.00	0.00	2.00	0.00	-2.00	-0.29
Minnesota	0.00	-2.00	0.00	0.00	0.00	0.00	0.00	-0.29
Mississippi	0.00	0.00	0.00	0.00	-2.00	0.00	0.00	-0.29
Montana	-2.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.29
Tennessee	0.00	-2.00	0.00	0.00	0.00	0.00	0.00	-0.29
Illinois	-2.00	-2.00	0.00	0.00	-2.00	0.00	0.00	-0.86
Delaware	-2.00	0.00	0.00	-2.00	-2.00	-2.00	-2.00	-1.43
Maine	0.00	0.00	-2.00	-2.00	-2.00	-2.00	-2.00	-1.43
Average Difference	**-0.25**	**-0.24**	**-0.08**	**-0.16**	**0.00**	**-0.08**	**-0.24**	**-0.15**

*FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.

**The line represents the break point for the average difference.

Appendix M 7

Accountability Achievement Scale Results: Component 3: *Performance* Accountability – Actual by State

STATE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Average
Alabama	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Indiana	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Tennessee	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Texas	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Vermont	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Minnesota	2.00	0.00	2.00	2.00	2.00	2.00	2.00	1.71
Colorado	0.00	0.00	2.00	2.00	2.00	2.00	2.00	1.43
Illinois	0.00	0.00	2.00	2.00	2.00	2.00	2.00	1.43
Maine	0.00	0.00	2.00	2.00	2.00	2.00	2.00	1.43
Nebraska	0.00	0.00	2.00	2.00	2.00	2.00	2.00	1.43
Utah	0.00	2.00	2.00	2.00	2.00	2.00	0.00	1.43
Hawaii	0.00	0.00	2.00	2.00	2.00	2.00	0.00	1.14
Mississippi	0.00	0.00	2.00	2.00	2.00	2.00	0.00	1.14
Montana	0.00	2.00	0.00	2.00	2.00	2.00	0.00	1.14
Virginia	0.00	0.00	2.00	2.00	2.00	2.00	0.00	1.14
Pennsylvania	0.00	0.00	0.00	2.00	2.00	2.00	0.00	0.86
Delaware	0.00	0.00	2.00	2.00	0.00	0.00	0.00	0.57
Maryland	0.00	0.00	0.00	2.00	2.00	0.00	0.00	0.57
Nevada	2.00	0.00	0.00	2.00	0.00	0.00	0.00	0.57
Alaska	0.00	0.00	0.00	0.00	0.00	0.00	2.00	0.29
New Jersey	0.00	0.00	0.00	0.00	2.00	0.00	0.00	0.29
Ohio	0.00	0.00	0.00	0.00	2.00	0.00	0.00	0.29
Louisiana	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Hampshire	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New York		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Average	**0.58**	**0.56**	**1.20**	**1.52**	**1.52**	**1.28**	**0.88**	**1.08**

*FY 2002 only reflects 24 state occurrences, because New York had not implemented GASB 34 until FY 2003.
**The line represents the break point for the average difference.

Appendix M 8

Accountability Achievement Scale Results: Total Accountability Rating: By State - Fiscal Year 2002

ACCOUNTABILITY ACHIEVEMENT SCALE						
Fiscal Years 2002 to 2008	Step 1 Probity and Legality Rating		Step 2 Process Rating		Step 3 Performance Rating	
Sorted by State	Were Revenue and Expenditure Projections Met?		Was Structural Balance Budgeted?		Was Structural Balance Achieved?	
State	Original Budget to Actual Results	Final Amended Budget to Actual Results	Original Budget	Final Amended Budget	Actual Results	Total Rating
	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 10
Alabama	1.00	1.00	2.00	2.00	2.00	8.00
Alaska	1.00	1.00	0.00	0.00	0.00	2.00
Colorado	0.00	2.00	0.00	0.00	0.00	2.00
Delaware	1.00	2.00	2.00	0.00	0.00	5.00
Hawaii	0.00	1.00	2.00	0.00	0.00	3.00
Illinois	1.00	1.00	2.00	0.00	0.00	4.00
Indiana	1.00	1.00	0.00	2.00	2.00	6.00
Louisiana	1.00	1.00	0.00	0.00	0.00	2.00
Maine	1.00	1.00	0.00	0.00	0.00	2.00
Maryland	1.00	2.00	0.00	0.00	0.00	3.00
Minnesota	0.00	1.00	2.00	2.00	2.00	7.00
Mississippi	1.00	1.00	2.00	2.00	0.00	6.00
Montana	1.00	1.00	2.00	0.00	0.00	4.00
Nebraska	1.00	1.00	0.00	0.00	0.00	2.00
Nevada	1.00	1.00	2.00	2.00	2.00	8.00
New Hampshire	1.00	1.00	0.00	0.00	0.00	2.00
New Jersey	1.00	1.00	0.00	0.00	0.00	2.00
New York						
Ohio	1.00	1.00	0.00	0.00	0.00	2.00
Pennsylvania	1.00	1.00	0.00	0.00	0.00	2.00
Tennessee	2.00	1.00	0.00	0.00	2.00	5.00
Texas	2.00	1.00	2.00	2.00	2.00	9.00
Utah	1.00	2.00	0.00	0.00	0.00	3.00
Vermont	1.00	1.00	2.00	2.00	2.00	8.00
Virginia	1.00	1.00	0.00	0.00	0.00	2.00
Average	**0.96**	**1.17**	**0.83**	**0.58**	**0.58**	**4.13**

Appendix M 9

Accountability Achievement Scale Results: Total Accountability Rating: By State - Fiscal Year 2003

ACCOUNTABILITY ACHIEVEMENT SCALE						
Fiscal Years 2002 to 2008	Step 1 Probity and Legality Rating		Step 2 Process Rating		Step 3 Performance Rating	
Sorted by State	Were Revenue and Expenditure Projections Met?		Was Structural Balance Budgeted?		Was Structural Balance Achieved?	
State	Original Budget to Actual Results	Final Amended Budget to Actual Results	Original Budget	Final Amended Budget	Actual Results	Total Rating
	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 10
Alabama	1.00	2.00	2.00	2.00	2.00	9.00
Alaska	1.00	1.00	0.00	0.00	0.00	2.00
Colorado	1.00	2.00	0.00	0.00	0.00	3.00
Delaware	1.00	1.00	0.00	0.00	0.00	2.00
Hawaii	0.00	1.00	0.00	0.00	0.00	1.00
Illinois	1.00	1.00	2.00	0.00	0.00	4.00
Indiana	1.00	1.00	0.00	0.00	2.00	4.00
Louisiana	2.00	1.00	0.00	0.00	0.00	3.00
Maine	1.00	2.00	0.00	0.00	0.00	3.00
Maryland	1.00	2.00	0.00	0.00	0.00	3.00
Minnesota	1.00	2.00	2.00	0.00	0.00	5.00
Mississippi	1.00	1.00	2.00	2.00	0.00	6.00
Montana	1.00	1.00	2.00	2.00	2.00	8.00
Nebraska	1.00	1.00	0.00	0.00	0.00	2.00
Nevada	1.00	1.00	0.00	0.00	0.00	2.00
New Hampshire	1.00	1.00	0.00	0.00	0.00	2.00
New Jersey	1.00	1.00	0.00	0.00	0.00	2.00
New York	1.00	1.00	0.00	0.00	0.00	2.00
Ohio	2.00	1.00	0.00	0.00	0.00	3.00
Pennsylvania	0.00	1.00	2.00	2.00	0.00	5.00
Tennessee	1.00	2.00	2.00	0.00	2.00	7.00
Texas	1.00	1.00	2.00	2.00	2.00	8.00
Utah	1.00	2.00	0.00	0.00	2.00	5.00
Vermont	1.00	2.00	2.00	2.00	2.00	9.00
Virginia	1.00	2.00	0.00	0.00	0.00	3.00
Average	**1.00**	**1.36**	**0.72**	**0.48**	**0.56**	**4.12**

Appendix M 10

Accountability Achievement Scale Results: Total Accountability Rating: By State - Fiscal Year 2004

ACCOUNTABILITY ACHIEVEMENT SCALE						
Fiscal Years 2002 to 2008	Step 1 Probity and Legality Rating		Step 2 Process Rating		Step 3 Performance Rating	
Sorted by State	Were Revenue and Expenditure Projections Met?		Was Structural Balance Budgeted?		Was Structural Balance Achieved?	
State	Original Budget to Actual Results	Final Amended Budget to Actual Results	Original Budget	Final Amended Budget	Actual Results	Total Rating
	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 10
Alabama	1.00	2.00	2.00	2.00	2.00	9.00
Alaska	1.00	1.00	0.00	0.00	0.00	2.00
Colorado	1.00	2.00	0.00	2.00	2.00	7.00
Delaware	1.00	2.00	0.00	0.00	2.00	5.00
Hawaii	1.00	2.00	0.00	0.00	2.00	5.00
Illinois	2.00	2.00	0.00	0.00	2.00	6.00
Indiana	2.00	2.00	0.00	0.00	2.00	6.00
Louisiana	1.00	1.00	0.00	0.00	0.00	2.00
Maine	2.00	2.00	2.00	0.00	2.00	8.00
Maryland	2.00	2.00	0.00	0.00	0.00	4.00
Minnesota	2.00	2.00	2.00	2.00	2.00	10.00
Mississippi	1.00	2.00	2.00	2.00	2.00	9.00
Montana	2.00	2.00	0.00	0.00	0.00	4.00
Nebraska	1.00	2.00	2.00	0.00	2.00	7.00
Nevada	1.00	1.00	0.00	0.00	0.00	2.00
New Hampshire	1.00	1.00	0.00	0.00	0.00	2.00
New Jersey	1.00	1.00	0.00	0.00	0.00	2.00
New York	2.00	2.00	0.00	0.00	0.00	4.00
Ohio	1.00	2.00	0.00	0.00	0.00	3.00
Pennsylvania	1.00	1.00	0.00	0.00	0.00	2.00
Tennessee	1.00	2.00	0.00	0.00	2.00	5.00
Texas	2.00	1.00	2.00	2.00	2.00	9.00
Utah	1.00	2.00	0.00	0.00	2.00	5.00
Vermont	2.00	2.00	2.00	2.00	2.00	10.00
Virginia	2.00	2.00	0.00	0.00	2.00	6.00
Average	**1.40**	**1.72**	**0.56**	**0.48**	**1.20**	**5.36**

Appendix M 11

Accountability Achievement Scale Results: Total Accountability Rating: By State - Fiscal Year 2005

ACCOUNTABILITY ACHIEVEMENT SCALE						
Fiscal Years 2002 to 2008	Step 1 Probity and Legality Rating		Step 2 Process Rating		Step 3 Performance Rating	
Sorted by State	Were Revenue and Expenditure Projections Met?		Was Structural Balance Budgeted?		Was Structural Balance Achieved?	
State	Original Budget to Actual Results	Final Amended Budget to Actual Results	Original Budget	Final Amended Budget	Actual Results	Total Rating
	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 10
Alabama	1.00	1.00	2.00	2.00	2.00	8.00
Alaska	1.00	1.00	0.00	0.00	0.00	2.00
Colorado	1.00	2.00	2.00	0.00	2.00	7.00
Delaware	1.00	1.00	2.00	0.00	2.00	6.00
Hawaii	1.00	2.00	0.00	0.00	2.00	5.00
Illinois	2.00	2.00	0.00	0.00	2.00	6.00
Indiana	2.00	2.00	0.00	0.00	2.00	6.00
Louisiana	2.00	1.00	0.00	0.00	0.00	3.00
Maine	1.00	2.00	2.00	0.00	2.00	7.00
Maryland	2.00	2.00	0.00	0.00	2.00	6.00
Minnesota	1.00	2.00	2.00	2.00	2.00	9.00
Mississippi	1.00	2.00	2.00	2.00	2.00	9.00
Montana	1.00	2.00	0.00	0.00	2.00	5.00
Nebraska	2.00	2.00	0.00	2.00	2.00	8.00
Nevada	1.00	1.00	0.00	0.00	2.00	4.00
New Hampshire	1.00	1.00	0.00	0.00	0.00	2.00
New Jersey	1.00	1.00	0.00	0.00	0.00	2.00
New York	1.00	1.00	0.00	0.00	0.00	2.00
Ohio	1.00	2.00	0.00	0.00	0.00	3.00
Pennsylvania	1.00	1.00	0.00	0.00	2.00	4.00
Tennessee	2.00	2.00	0.00	0.00	2.00	6.00
Texas	1.00	1.00	2.00	2.00	2.00	8.00
Utah	1.00	2.00	0.00	0.00	2.00	5.00
Vermont	1.00	2.00	2.00	2.00	2.00	9.00
Virginia	2.00	2.00	0.00	0.00	2.00	6.00
Average	**1.28**	**1.60**	**0.64**	**0.48**	**1.52**	**5.52**

Appendix M 12

Accountability Achievement Scale Results: Total Accountability Rating: By State - Fiscal Year 2006

ACCOUNTABILITY ACHIEVEMENT SCALE						
Fiscal Years 2002 to 2008	Step 1 Probity and Legality Rating		Step 2 Process Rating		Step 3 Performance Rating	
Sorted by State	Were Revenue and Expenditure Projections Met?		Was Structural Balance Budgeted?		Was Structural Balance Achieved?	
State	Original Budget to Actual Results	Final Amended Budget to Actual Results	Original Budget	Final Amended Budget	Actual Results	Total Rating
	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 10
Alabama	2.00	2.00	2.00	2.00	2.00	10.00
Alaska	1.00	1.00	0.00	0.00	0.00	2.00
Colorado	1.00	2.00	0.00	2.00	2.00	7.00
Delaware	1.00	1.00	2.00	0.00	0.00	4.00
Hawaii	1.00	2.00	0.00	2.00	2.00	7.00
Illinois	2.00	2.00	2.00	0.00	2.00	8.00
Indiana	2.00	2.00	0.00	0.00	2.00	6.00
Louisiana	1.00	1.00	0.00	0.00	0.00	2.00
Maine	1.00	2.00	2.00	0.00	2.00	7.00
Maryland	1.00	2.00	0.00	0.00	2.00	5.00
Minnesota	1.00	2.00	2.00	2.00	2.00	9.00
Mississippi	1.00	2.00	2.00	0.00	2.00	7.00
Montana	2.00	2.00	0.00	0.00	2.00	6.00
Nebraska	2.00	2.00	0.00	2.00	2.00	8.00
Nevada	2.00	1.00	0.00	0.00	0.00	3.00
New Hampshire	1.00	1.00	0.00	0.00	0.00	2.00
New Jersey	1.00	1.00	0.00	0.00	2.00	4.00
New York	2.00	1.00	0.00	0.00	0.00	3.00
Ohio	2.00	2.00	0.00	0.00	2.00	6.00
Pennsylvania	1.00	2.00	0.00	0.00	2.00	5.00
Tennessee	1.00	1.00	0.00	0.00	2.00	4.00
Texas	2.00	2.00	2.00	2.00	2.00	10.00
Utah	2.00	2.00	0.00	0.00	2.00	6.00
Vermont	1.00	2.00	2.00	2.00	2.00	9.00
Virginia	1.00	2.00	0.00	2.00	2.00	7.00
Average	**1.40**	**1.68**	**0.64**	**0.64**	**1.52**	**5.88**

Appendix M 13

Accountability Achievement Scale Results: Total Accountability Rating: By State - Fiscal Year 2007

ACCOUNTABILITY ACHIEVEMENT SCALE						
Fiscal Years 2002 to 2008	Step 1 Probity and Legality Rating		Step 2 Process Rating		Step 3 Performance Rating	
Sorted by State	Were Revenue and Expenditure Projections Met?		Was Structural Balance Budgeted?		Was Structural Balance Achieved?	
State	Original Budget to Actual Results	Final Amended Budget to Actual Results	Original Budget	Final Amended Budget	Actual Results	Total Rating
	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 10
Alabama	0.00	1.00	2.00	2.00	2.00	7.00
Alaska	1.00	1.00	0.00	0.00	0.00	2.00
Colorado	2.00	2.00	2.00	2.00	2.00	10.00
Delaware	0.00	2.00	2.00	0.00	0.00	4.00
Hawaii	1.00	1.00	0.00	0.00	2.00	4.00
Illinois	2.00	2.00	2.00	2.00	2.00	10.00
Indiana	2.00	2.00	0.00	0.00	2.00	6.00
Louisiana	1.00	1.00	0.00	0.00	0.00	2.00
Maine	1.00	2.00	2.00	0.00	2.00	7.00
Maryland	2.00	2.00	0.00	0.00	0.00	4.00
Minnesota	2.00	2.00	2.00	2.00	2.00	10.00
Mississippi	1.00	2.00	2.00	2.00	2.00	9.00
Montana	1.00	1.00	2.00	2.00	2.00	8.00
Nebraska	2.00	2.00	0.00	2.00	2.00	8.00
Nevada	2.00	1.00	0.00	0.00	0.00	3.00
New Hampshire	1.00	1.00	0.00	0.00	0.00	2.00
New Jersey	1.00	1.00	0.00	0.00	0.00	2.00
New York	2.00	1.00	0.00	0.00	0.00	3.00
Ohio	1.00	1.00	0.00	0.00	0.00	2.00
Pennsylvania	1.00	2.00	0.00	0.00	2.00	5.00
Tennessee	2.00	2.00	0.00	0.00	2.00	6.00
Texas	1.00	1.00	2.00	2.00	2.00	8.00
Utah	2.00	2.00	0.00	0.00	2.00	6.00
Vermont	1.00	2.00	2.00	2.00	2.00	9.00
Virginia	2.00	1.00	0.00	0.00	2.00	5.00
Average	**1.36**	**1.52**	**0.80**	**0.72**	**1.28**	**5.68**

Appendix M 14

Accountability Achievement Scale Results: Total Accountability Rating: By State - Fiscal Year 2008

ACCOUNTABILITY ACHIEVEMENT SCALE						
Fiscal Years 2002 to 2008 Sorted by State	Step 1 Probity and Legality Rating Were Revenue and Expenditure Projections Met?		Step 2 Process Rating Was Structural Balance Budgeted?		Step 3 Performance Rating Was Structural Balance Achieved?	
State	Original Budget to Actual Results	Final Amended Budget to Actual Results	Original Budget	Final Amended Budget	Actual Results	Total Rating
	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 2	Range 0 to 10
Alabama	1.00	1.00	2.00	2.00	2.00	8.00
Alaska	2.00	2.00	0.00	0.00	2.00	6.00
Colorado	0.00	0.00	2.00	2.00	2.00	6.00
Delaware	0.00	1.00	2.00	0.00	0.00	3.00
Hawaii	0.00	1.00	2.00	0.00	0.00	3.00
Illinois	2.00	2.00	0.00	0.00	2.00	6.00
Indiana	2.00	2.00	0.00	0.00	2.00	6.00
Louisiana	1.00	1.00	0.00	0.00	0.00	2.00
Maine	1.00	2.00	2.00	0.00	2.00	7.00
Maryland	2.00	2.00	0.00	0.00	0.00	4.00
Minnesota	2.00	2.00	0.00	0.00	2.00	6.00
Mississippi	1.00	2.00	0.00	0.00	0.00	3.00
Montana	2.00	2.00	0.00	0.00	0.00	4.00
Nebraska	2.00	2.00	0.00	0.00	2.00	6.00
Nevada	1.00	1.00	0.00	0.00	0.00	2.00
New Hampshire	1.00	1.00	0.00	0.00	0.00	2.00
New Jersey	1.00	1.00	0.00	0.00	0.00	2.00
New York	1.00	1.00	0.00	0.00	0.00	2.00
Ohio	1.00	1.00	0.00	0.00	0.00	2.00
Pennsylvania	2.00	1.00	0.00	0.00	0.00	3.00
Tennessee	1.00	1.00	0.00	0.00	2.00	4.00
Texas	1.00	2.00	2.00	2.00	2.00	9.00
Utah	2.00	1.00	0.00	0.00	0.00	3.00
Vermont	1.00	2.00	2.00	2.00	2.00	9.00
Virginia	1.00	2.00	0.00	0.00	0.00	3.00
Average	**1.24**	**1.44**	**0.56**	**0.32**	**0.88**	**4.44**

Appendix N 1

Hou and Smith Framework with Accountability Achievement Scale

Total Ratings by State

Descending by Average Total Rating

STATE	Political	Technical	Total Rules	Average Total Rating
Vermont	0.00	1.00	1.00	9.00
Texas	1.00	5.00	6.00	8.71
Alabama	2.00	4.00	6.00	8.43
Minnesota	1.00	2.00	3.00	8.00
Mississippi	2.00	4.00	6.00	7.00
Illinois	2.00	3.00	5.00	6.29
Colorado	2.00	4.00	6.00	6.00
Nebraska	1.00	3.00	4.00	5.86
Maine	1.00	1.00	2.00	5.86
Indiana	0.00	1.00	1.00	5.71
Montana	2.00	4.00	6.00	5.57
Tennessee	0.00	3.00	3.00	5.29
Utah	2.00	4.00	6.00	4.71
Virginia	1.00	1.00	2.00	4.57
Delaware	1.00	2.00	3.00	4.14
Maryland	2.00	1.00	3.00	4.14
Hawaii	2.00	4.00	6.00	4.00
Pennsylvania	2.00	0.00	2.00	3.71
Nevada	2.00	3.00	5.00	3.43
Ohio	2.00	3.00	5.00	3.00
New York	2.00	2.00	4.00	2.67
Alaska	2.00	3.00	5.00	2.57
New Jersey	2.00	2.00	4.00	2.29
Louisiana	2.00	1.00	3.00	2.29
New Hampshire	2.00	2.00	4.00	2.00
Average	**1.52**	**2.52**	**4.04**	**5.02**

Appendix O 1

Accountability Achievement Scale Results: *Policy* Accountability - Rule No. 1

Governor Must Submit a Balanced Budget (P)

RULE #1	STATE	Combined Total Rating (0 TO 10)
NO	Delaware	4.14
NO	Indiana	5.71
NO	Tennessee	5.29
NO	Texas	8.71
NO	Vermont	9.00
AVERAGE NO	**N = 5**	**6.57**
YES	Alabama	8.43
YES	Alaska	2.57
YES	Colorado	6.00
YES	Hawaii	4.00
YES	Illinois	6.29
YES	Louisiana	2.29
YES	Maine	5.86
YES	Maryland	4.14
YES	Minnesota	8.00
YES	Mississippi	7.00
YES	Montana	5.57
YES	Nebraska	5.86
YES	Nevada	3.43
YES	New Hampshire	2.00
YES	New Jersey	2.29
YES	New York	2.67
YES	Ohio	3.00
YES	Pennsylvania	3.71
YES	Utah	4.71
YES	Virginia	4.57
AVERAGE YES	**N = 20**	**4.62**

Appendix O 2

Accountability Achievement Scale Results: *Policy Accountability* - Rule No. 2

Own-Source Revenue Must Match (Meet or Exceed) Current Expenditures (T)

RULE #2	STATE	Combined Total Rating (0 TO 10)
NO	Alabama	8.43
NO	Alaska	2.57
NO	Delaware	4.14
NO	Illinois	6.29
NO	Indiana	5.71
NO	Louisiana	2.29
NO	Maine	5.86
NO	Maryland	4.14
NO	Minnesota	8.00
NO	Mississippi	7.00
NO	Nebraska	5.86
NO	Nevada	3.43
NO	New Hampshire	2.00
NO	New Jersey	2.29
NO	Ohio	3.00
NO	Pennsylvania	3.71
NO	Tennessee	5.29
NO	Vermont	9.00
NO	Virginia	4.57
AVERAGE NO	**N = 19**	**4.93**
YES	Colorado	6.00
YES	Hawaii	4.00
YES	Montana	5.57
YES	New York	2.67
YES	Texas	8.71
YES	Utah	4.71
AVERAGE YES	**N = 6**	**5.28**

Appendix O 3

Accountability Achievement Scale Results: *Policy Accountability* - Rule No. 3

Own-Source Revenue and (Unspecified) Debt (in Anticipation of Revenues) Must Match (Meet or Exceed) Current Expenditures (T)

RULE #3	STATE	Combined Total Rating (0 TO 10)
NO	Louisiana	2.29
NO	Maryland	4.14
NO	Montana	5.57
NO	New Hampshire	2.00
NO	New Jersey	2.29
NO	Pennsylvania	3.71
AVERAGE NO	**N = 6**	**3.33**
YES	Alabama	8.43
YES	Alaska	2.57
YES	Colorado	6.00
YES	Delaware	4.14
YES	Hawaii	4.00
YES	Illinois	6.29
YES	Indiana	5.71
YES	Maine	5.86
YES	Minnesota	8.00
YES	Mississippi	7.00
YES	Nebraska	5.86
YES	Nevada	3.43
YES	New York	2.67
YES	Ohio	3.00
YES	Tennessee	5.29
YES	Texas	8.71
YES	Utah	4.71
YES	Vermont	9.00
YES	Virginia	4.57
AVERAGE YES	**N = 19**	**5.54**

Appendix O 4

Accountability Achievement Scale Results: *Policy Accountability* - Rule No. 4

The Legislature Must Pass a Balanced Budget (P)

RULE #4	STATE	Combined Total Rating (0 TO 10)
NO	Indiana	5.71
NO	Maine	5.86
NO	Minnesota	8.00
NO	Nebraska	5.86
NO	Tennessee	5.29
NO	Vermont	9.00
NO	Virginia	4.57
AVERAGE NO	**N = 7**	**6.33**
YES	Alabama	8.43
YES	Alaska	2.57
YES	Colorado	6.00
YES	Delaware	4.14
YES	Hawaii	4.00
YES	Illinois	6.29
YES	Louisiana	2.29
YES	Maryland	4.14
YES	Mississippi	7.00
YES	Montana	5.57
YES	Nevada	3.43
YES	New Hampshire	2.00
YES	New Jersey	2.29
YES	New York	2.67
YES	Ohio	3.00
YES	Pennsylvania	3.71
YES	Texas	8.71
YES	Utah	4.71
AVERAGE YES	**N = 18**	**4.50**

Appendix O 5

Accountability Achievement Scale Results: *Policy Accountability* - Rule No. 5

A Limit (Control) is in Place on the Amount of Debt for Deficit Reduction (T)

RULE #5	STATE	Combined Total Rating (0 TO 10)
NO	Alaska	2.57
NO	Delaware	4.14
NO	Hawaii	4.00
NO	Indiana	5.71
NO	Louisiana	2.29
NO	Maine	5.86
NO	Maryland	4.14
NO	Minnesota	8.00
NO	Montana	5.57
NO	New Hampshire	2.00
NO	New Jersey	2.29
NO	New York	2.67
NO	Pennsylvania	3.71
NO	Vermont	9.00
NO	Virginia	4.57
AVERAGE NO	**N = 15**	**4.43**
YES	Alabama	8.43
YES	Colorado	6.00
YES	Illinois	6.29
YES	Mississippi	7.00
YES	Nebraska	5.86
YES	Nevada	3.43
YES	Ohio	3.00
YES	Tennessee	5.29
YES	Texas	8.71
YES	Utah	4.71
AVERAGE YES	**N = 10**	**5.87**

Appendix O 6

Accountability Achievement Scale Results: *Policy Accountability* - Rule No. 6

The Governor Must Sign a Balanced Budget (P)

RULE #6	STATE	Combined Total Rating (0 TO 10)
NO	Alabama	8.43
NO	Alaska	2.57
NO	Colorado	6.00
NO	Delaware	4.14
NO	Hawaii	4.00
NO	Illinois	6.29
NO	Indiana	5.71
NO	Louisiana	2.29
NO	Maine	5.86
NO	Maryland	4.14
NO	Minnesota	8.00
NO	Mississippi	7.00
NO	Montana	5.57
NO	Nebraska	5.86
NO	Nevada	3.43
NO	New Hampshire	2.00
NO	New Jersey	2.29
NO	New York	2.67
NO	Ohio	3.00
NO	Pennsylvania	3.71
NO	Tennessee	5.29
NO	Texas	8.71
NO	Utah	4.71
NO	Vermont	9.00
NO	Virginia	4.57
AVERAGE NO	**N = 25**	**5.02**

Appendix O 7

Accountability Achievement Scale Results: *Policy Accountability* - Rule No. 7

Controls are in Place on Supplementary Appropriations (T)

RULE #7	STATE	Combined Total Rating (0 TO 10)
NO	Alabama	8.43
NO	Colorado	6.00
NO	Indiana	5.71
NO	Louisiana	2.29
NO	Maine	5.86
NO	Minnesota	8.00
NO	Mississippi	7.00
NO	Nebraska	5.86
NO	New York	2.67
NO	Ohio	3.00
NO	Pennsylvania	3.71
NO	Tennessee	5.29
NO	Texas	8.71
NO	Utah	4.71
NO	Vermont	9.00
NO	Virginia	4.57
AVERAGE NO	**N = 16**	**5.68**
YES	Alaska	2.57
YES	Delaware	4.14
YES	Hawaii	4.00
YES	Illinois	6.29
YES	Maryland	4.14
YES	Montana	5.57
YES	Nevada	3.43
YES	New Hampshire	2.00
YES	New Jersey	2.29
AVERAGE YES	**N = 9**	**3.83**

Appendix O 8

Accountability Achievement Scale Results: *Policy Accountability* - Rule No. 8

With Fiscal-Year Controls are in Place to Avoid Deficit (T)

RULE #8	STATE	Combined Total Rating (0 TO 10)
NO	Delaware	4.14
NO	Illinois	6.29
NO	Indiana	5.71
NO	Maine	5.86
NO	Maryland	4.14
NO	Nevada	3.43
NO	New York	2.67
NO	Pennsylvania	3.71
NO	Vermont	9.00
NO	Virginia	4.57
AVERAGE NO	**N = 10**	**4.95**
YES	Alabama	8.43
YES	Alaska	2.57
YES	Colorado	6.00
YES	Hawaii	4.00
YES	Louisiana	2.29
YES	Minnesota	8.00
YES	Mississippi	7.00
YES	Montana	5.57
YES	Nebraska	5.86
YES	New Hampshire	2.00
YES	New Jersey	2.29
YES	Ohio	3.00
YES	Tennessee	5.29
YES	Texas	8.71
YES	Utah	4.71
AVERAGE YES	**N = 15**	**5.05**

Appendix O 9

Accountability Achievement Scale Results: *Policy Accountability* - Rule No. 9

No Deficit May be Carried Over to the Next Fiscal Year or Biennium (T)

RULE #9	STATE	Combined Total Rating (0 TO 10)
NO	Alaska	2.57
NO	Colorado	6.00
NO	Delaware	4.14
NO	Hawaii	4.00
NO	Illinois	6.29
NO	Indiana	5.71
NO	Louisiana	2.29
NO	Maine	5.86
NO	Maryland	4.14
NO	Minnesota	8.00
NO	Nebraska	5.86
NO	Nevada	3.43
NO	New Hampshire	2.00
NO	New Jersey	2.29
NO	New York	2.67
NO	Ohio	3.00
NO	Pennsylvania	3.71
NO	Tennessee	5.29
NO	Utah	4.71
NO	Vermont	9.00
NO	Virginia	4.57
AVERAGE NO	**N = 21**	**4.55**
YES	Alabama	8.43
YES	Mississippi	7.00
YES	Montana	5.57
YES	Texas	8.71
AVERAGE YES	**N = 4**	**7.43**