

State and Local Government Finances Summary: 2008

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Governments Division Briefs

G08-ALFIN

INTRODUCTION

This report is part of a continuing series designed to provide information on the structure, function, finances, and employment of our nation's nearly 90,000 state and local governments. The U.S. Census Bureau produces data quinquennially as part of the Census of Governments for years ending in "2" and "7." Additional statistics are produced annually and quarterly during the intercensal period from data collected in sample surveys. These surveys provide a wealth of information on state and local government employment and financial activity.

For Census Bureau statistical purposes, a government is defined as an organized entity subject to public accountability, whose officials are popularly elected or are appointed by public officials, and which has sufficient discretion in the management of its affairs to distinguish it as separate from the administrative structure of any other government unit.

This report presents data on state and local government finances based on information collected from the 2008 Annual Surveys of State and Local Government Finances and the 2007 Census of Governments: Finance. The 2008 surveys and the 2007 Census of Governments cover the following government finance activities: revenue by source, expenditures by characteristic and function, indebtedness by term, and cash and security holdings by purpose.

Data in this report refer to government fiscal years that ended between July 1,

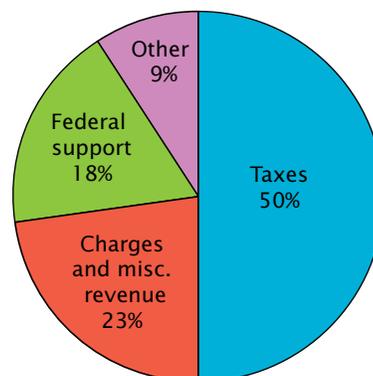
DID YOU KNOW?

State and local governments spent \$826.1 billion on education in 2008.

Source: 2008 Annual Surveys of State and Local Government Finances.

2006 and June 30, 2007 (2007), and July 1, 2007 and June 30, 2008 (2008). In fact, 46 of the 50 state governments have a fiscal year that runs from July 1 until June 30. However, four state governments are exceptions: Alabama and Michigan (September 30), New York (March 31), and Texas (August 31). Not all dependent agencies of a government necessarily share a fiscal period that coincides with the central state government. Totals for an individual government, in those instances, are the summation of finances for all agencies with a fiscal period

Figure 1.
Source of State and Local Government Revenue: 2008



Source: U.S. Census Bureau, 2008 Annual Surveys of State and Local Government Finances.

By
Jeffrey L. Barnett

ending between July 1, 2006 and June 30, 2007 (FY 2007), and July 1, 2007 and June 30, 2008 (FY 2008).¹

Government financial data are presented within four broad activity sectors, including general government, utilities, liquor stores, and insurance trust activities. The general government sector includes all government revenue and expenditure activities that are consistent with government functions, such as public safety, education, health, and welfare. These activities are distinct from business-like activities presented in the remaining three sectors. The utility sector includes water supply, electric power, gas supply systems, and transit facilities owned and operated by governments or operated under contract by a private firm, while the government maintains day-to-day financial oversight. The liquor store sector includes dispensaries operated by 17 state governments and by local governments in five states.² The insurance trust sector includes publicly-funded retirement systems for public employees and specified government social and life insurance programs, such as unemployment compensation, workers' compensation, federal social security (Old Age, Survivors, and Disability Insurance [OASDI]), and state medical and disability funds.³

DID YOU KNOW?

State governments collected \$358.5 billion in sales and gross receipt taxes in 2008.

Source: 2008 Annual Surveys of State and Local Government Finances.

STATE AND LOCAL GOVERNMENT FINANCE SUMMARY

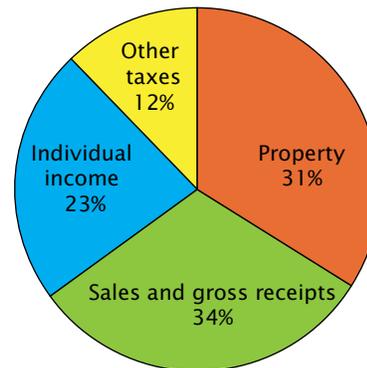
Revenues and expenditures comprise actual receipts and payments of a government and its agencies (net of correcting transactions and recoveries or refunds), including government-operated enterprises, utilities, and public trust funds. Transactions excluded as revenue or expenditure are debt issuance and retirement; loans and investments; agency and private trust transactions; and internal transfers between funds of a government. Aggregates for groups of governments exclude intergovernmental transactions between the governments involved.

¹ Throughout this report, all references to years (i.e., 2007 or 2008) refer to fiscal years.

² The state governments with liquor store operations are Alabama, Idaho, Iowa, Michigan, Mississippi, Montana, New Hampshire, North Carolina, Ohio, Oregon, Pennsylvania, Utah, Vermont, Virginia, Washington, West Virginia, and Wyoming. The local governments with liquor store operations are Alaska, Maryland, Minnesota, North Carolina, and South Dakota.

³ For more information, please refer to the Government Finance and Employment Classification Manual at <www.census.gov/govs/www/06classificationmanual/06_gfe_classmanual_toc.html>.

Figure 2.
State and Local Government Tax Revenue: 2008

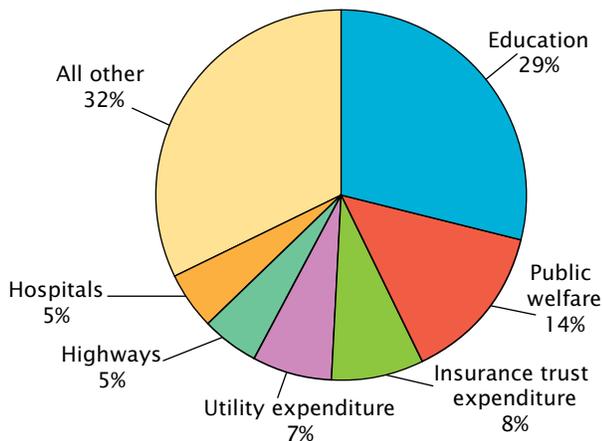


Source: U.S. Census Bureau, 2008 Annual Surveys of State and Local Government Finances.

- State and local government revenues declined 13.4 percent from 2007 to \$2.7 trillion in 2008. The decline was driven in large part by insurance trust revenue, which declined 85.2 percent in 2008 from \$595.5 billion to \$88.3 billion. The major shares of revenue for state and local governments were taxes (50.0 percent), charges and miscellaneous revenue (23.1 percent), federal support (18.1 percent), and other revenue (8.8 percent) as shown in Figure 1.
- In contrast to revenues, expenditures increased 6.5 percent to \$2.8 trillion for state and local governments in 2008. Education and public welfare comprised 43.4 percent of total state and local government expenditures, accounting for 29.1 percent and 14.3 percent, respectively.
- During the same time period, state and local indebtedness increased 5.8 percent to \$2.6 trillion, with local governments accounting for 60.6 percent of the total amount of state and local debt outstanding. Outstanding state indebtedness in 2008 was 39.4 percent of the combined total state and local indebtedness.
- Assets of state and local governments totaled \$5.4 trillion in 2008, with state governments accounting for 71.1 percent of assets and local governments accounting for the remainder at 28.9 percent. Employee retirement funds comprised the largest source of state government assets at \$2.6 trillion.

Figure 3.

State and Local Government Expenditures: 2008



Source: U.S. Census Bureau, 2008 Annual Surveys of State and Local Government Finances.

STATE AND LOCAL GOVERNMENT REVENUE

Taxes

Taxes consist of compulsory contributions exacted by governments for public purposes, including general revenue and/or regulation. However, this reporting category excludes employer and employee payments for retirement and social insurance purposes (classified as insurance trust revenue) and special assessments, which are classified as nontax general revenue.

Taxes represented the largest source of revenue for both state and local governments in 2008, representing 48.3 percent of total revenue at the state level and 35.8 percent of revenue for local governments.

- Among local governments, property taxes were most prominent, accounting for \$397.0 billion (72.3 percent) of the \$548.8 billion in tax revenue received.
- In contrast, state governments were most dependent on sales and gross receipts taxes and individual income taxes, which accounted for 81.5 percent of total state government tax revenue.
- As part of selective sales taxes, motor fuel, alcoholic beverage, and tobacco products taxes were overwhelmingly collected by state governments, with states making up 96.0 percent of the state and local total.
- Similarly, motor vehicle license fees and corporate income taxes were largely a state function, with state governments accounting for 92.4 percent and 87.8 percent of the respective state and local total.

Federal Intergovernmental Revenues

State and local governments also differ in dependence on federal government revenue. In 2008, local governments received 3.8 percent of their total revenue directly from the federal government. In contrast, state governments received 26.1 percent of their total revenue directly from the federal government. Additionally, a portion of federal support is passed through to the local governments; these pass-through funds are not measured separately in our statistics, and are instead classified as revenue from the state government.

Other Revenues

The balance of state and local revenue included revenue from current charges, miscellaneous revenue, utility revenue, liquor store revenue, and insurance trust revenue, with current charges being the largest of these other revenues for state and local governments at \$373.7 billion.

Typically, insurance trust revenue⁴ is the largest revenue generator in this category for state governments. However, in 2008 the largest component of this category for state governments was current charges at \$151.0 billion. Insurance trust revenue includes: public employee retirement systems, unemployment compensation systems, state government workers compensation systems, and other state government social insurance trusts. Current charges include revenue from entities such as higher education institutions and hospitals.

STATE AND LOCAL GOVERNMENT EXPENDITURES

The expenditure reporting categories comprise all amounts of money paid out by a government and its agencies, with the exception of amounts for debt retirement, and for loan, investment, agency, and private trust transactions.

- State and local government spending increased by 6.5 percent from 2007 to \$2.8 trillion in 2008. Education topped government spending (\$826.1 billion), followed by public welfare (\$404.6 billion), insurance trust expenditures (\$234.6 billion), utilities (\$193.4 billion), and highways (\$153.5 billion) as shown in Figure 3.
- Public welfare and education were the greatest expenditures for state governments in 2008 at

⁴ Data users should note that unrealized gains or losses on cash and security holdings are included as revenue for public employee retirement systems in Census Bureau statistics. As such, data users should consider market variation when examining insurance trust revenue and total revenues.

\$354.0 billion and \$232.2 billion, respectively. Public welfare includes support of and assistance to needy persons and the administration of such assistance. Vendor payments comprised the largest source of state public welfare spending at \$296.8 billion, or 83.8 percent of the total.

- For local governments, education and utility expenditures topped their spending at \$593.9 billion and \$167.3 billion, respectively. The percentage of spending on education differed for state and local governments, with education comprising 13.4 percent of state spending and 37.3 percent of local government spending.
- In 2008, states spent 20.4 percent of expenditures for public welfare, compared with local government expenditures at 3.2 percent.
- Public safety spending was dominated by local governments, with the exception of spending on corrections. Local governments comprised 86.6 percent of the state and local total spending on police protection. Spending on fire protection was an entirely local government function.
- Utility spending was also dominated by local governments, with spending on water supply and gas supply almost entirely conducted by local governments.

DID YOU KNOW?

Local governments spent \$557.4 billion on elementary and secondary education in 2008.

Source: 2008 Annual Surveys of State and Local Government Finances.

STATE AND LOCAL GOVERNMENT DEBT AND CASH AND INVESTMENTS

State and local debt comprises all interest-bearing short-term credit obligations and all long-term obligations incurred in the name of the government and all its dependent agencies, whether used for public or private purposes.

Cash and investments is dominated generally by public employee retirement trust funds which comprise 57.6 percent of the total category. It includes only the cash or security holdings of governments, excluding nonfinancial assets such as real or personal property.

- State and local governments combined had total debt outstanding of \$2.6 trillion in 2008, with the local share of the debt total at 60.6 percent, compared with the state share at 39.4 percent.

- State and local government cash and investments totaled \$5.4 trillion, with state governments representing 71.1 percent of the total and local governments totaling 28.9 percent of the total in 2008.
- In 2008, the largest share of all state government cash and investments was in public employee retirement trust funds, which accounted for 67.6 percent of state government cash and investments at \$2.6 trillion. For local governments, public employee retirement trust funds made up 33.1 percent of the local government total assets.

SOURCE AND ACCURACY OF THE DATA

The 2008 local government statistics in this survey are developed from a sample survey. Therefore, the local government totals, as well as national or state and local aggregates, are estimated amounts subject to sampling error.

The standard error is a measure of the variation among the estimates from all possible samples and thus is a measure of the precision with which an estimate from a particular sample approximates the average results of all possible samples. The coefficient of variation is the estimated standard error expressed as a percent of the estimated total or proportion.

State government finance data are not subject to sampling. Consequently, aggregates of state and local estimates displayed in this report are more reliable (on a relative standard error basis) than the local government estimates they include. Estimates of major national totals for local governments are subject to a computed sampling variability of generally less than one-half of 1 percent. State and local government totals are generally subject to sampling variability of less than 3 percent for each state.

The U.S. Census Bureau collects state and local government finance data by law under Title 13, U.S. Code, Sections 161 and 182.

NONSAMPLING ERROR

Although every effort is made in all phases of collection, processing, and tabulation to minimize errors, the data are subject to nonsampling errors such as the inability to obtain data for every variable from all units in the population of interest, inaccuracies in classification, response errors, misinterpretation of questions, mistakes in keying and coding, and coverage errors. Response to the sample survey is an important consideration in evaluating the quality of the estimates.

Although the original sources for finance statistics are accounting records of governments, the data derived from them are purely statistical in nature. For instance, the difference between a government's total revenue and total expenditure cannot be construed to be a "surplus" or "deficit."⁵

The Census Bureau develops these data to measure the economic activity of state and local governments in general. The definitions used in Census Bureau statistics about governments can vary considerably from definitions applied in standard accounting reports.

OVERALL UNIT RESPONSE RATE

The unit response rate of the 2008 Annual Survey of Local Government Finances was 91.5 percent. The overall unit response rate of the Annual Survey of State Government Finances was 100 percent for 2008.

TOTAL QUANTITY RESPONSE RATE

The total quantity response rate (TQRR) was calculated for certain key variables for the nation as a whole.

⁵ For more information, see <www.census.gov/govs/www/06classificationmanual/chapter03.html#p2c312>.

This response rate is computed separately for each key variable by calculating an estimate for the respondents for the key variable and dividing this estimated total by the estimate of the key variables for all units in the sample; the result is multiplied by 100.

The local government total quantity response rates for 2007 and 2008 are available in downloadable Excel files on the Web site: <www.census.gov/govs/estimate/>. The total quantity response rates for state governments were 100 percent for 2007 and 2008.

CONTACT INFORMATION

For additional information on State Government Finance data, please visit <www.census.gov/govs/state/>.

For additional information on Local Government Finance data, please visit <www.census.gov/govs/estimate/>.

Please contact the Outreach and Education Branch at 1-800-242-2184 (toll free) or e-mail at <govs.cms.inquiry@census.gov> with any inquiries about these data.

Appendix Table A-1.

State and Local Government Finances by Level of Government: 2008

(Dollars in thousands. Coefficients of variation in percentages)

Description	United States				
	State and local government amount ¹ 1	State and local government coefficient of variation 2	State government amount 3	Local government amount ¹ 4	Local government coefficient of variation 5
Revenue¹	2,660,474,770	0.04	1,619,127,732	1,530,813,774	0.08
General revenue ¹	2,425,778,485	0.04	1,513,903,945	1,401,341,276	0.08
Intergovernmental revenue ¹	481,380,023	0.06	446,109,032	524,737,727	0.10
From federal government	481,380,023	0.06	423,150,438	58,229,585	0.47
From state government ¹	(1)	(X)	–	466,508,142	0.10
From local governments ¹	(1)	(X)	22,958,594	(1)	(X)
General revenue from own sources	1,944,398,462	0.05	1,067,794,913	876,603,549	0.11
Taxes	1,330,411,772	0.03	781,647,244	548,764,528	0.06
Property	409,685,567	0.07	12,690,856	396,994,711	0.07
Sales and gross receipts	448,688,515	0.03	358,522,420	90,166,095	0.17
General sales	304,434,833	0.04	241,007,659	63,427,174	0.18
Selective sales	144,253,682	0.07	117,514,761	26,738,921	0.36
Motor fuel	37,901,692	0.08	36,476,852	1,424,840	2.15
Alcoholic beverage	5,763,336	0.08	5,292,681	470,655	0.94
Tobacco products	16,575,613	0.02	16,068,075	507,538	0.55
Public utilities	28,130,244	0.21	14,794,363	13,335,881	0.44
Other selective sales	55,882,797	0.12	44,882,790	11,000,007	0.60
Individual income	304,627,405	0.02	278,372,654	26,254,751	0.18
Corporate income	57,809,592	0.05	50,759,081	7,050,511	0.39
Motor vehicle license	21,344,261	0.12	19,718,724	1,625,537	1.57
Other taxes	88,256,432	0.15	61,583,509	26,672,923	0.50
Charges and miscellaneous general revenue	613,986,690	0.14	286,147,669	327,839,021	0.25
Current charges	373,669,111	0.13	151,001,985	222,667,126	0.23
Education	110,511,706	0.01	85,551,280	24,960,426	0.05
Institutions of higher education	94,664,686	0.00	84,416,909	10,247,777	0.04
School lunch sales (gross)	6,999,756	0.06	30,940	6,968,816	0.06
Hospitals	97,269,765	0.19	36,268,297	61,001,468	0.30
Highways	11,166,819	0.16	6,418,714	4,748,105	0.39
Air transportation (airports)	17,780,919	0.36	1,326,156	16,454,763	0.39
Parking facilities	1,956,920	0.48	19,103	1,937,817	0.49
Sea and inland port facilities	4,138,515	0.76	1,221,426	2,917,089	1.07
Natural resources	4,008,777	5.25	2,543,334	1,465,443	14.37
Parks and recreation	9,619,507	2.33	1,592,968	8,026,539	2.79
Housing and community development	5,646,414	0.84	676,338	4,970,076	0.95
Sewerage	38,063,526	0.37	44,668	38,018,858	0.37
Solid waste management	15,268,951	0.50	457,149	14,811,802	0.52
Other charges	58,237,292	0.47	14,882,552	43,354,740	0.63
Miscellaneous general revenue	240,317,579	0.23	135,145,684	105,171,895	0.54
Interest earnings	93,369,781	0.13	47,297,876	46,071,905	0.26
Special assessments	7,927,716	2.21	966,738	6,960,978	2.52
Sale of property	4,439,724	7.45	1,110,256	3,329,468	9.93
Other general revenue	134,580,358	0.29	85,770,814	48,809,544	0.81
Utility revenue	139,141,866	0.27	16,521,947	122,619,919	0.30
Water supply	45,418,161	0.79	240,277	45,177,884	0.79
Electric power	72,668,719	0.17	13,861,163	58,807,556	0.21
Gas supply	8,930,351	1.38	16,289	8,914,062	1.38
Transit	12,124,635	0.25	2,404,218	9,720,417	0.31
Liquor store revenue	7,242,744	0.40	6,128,282	1,114,462	2.59
Insurance trust revenue	88,311,675	0.24	82,573,558	5,738,117	3.74
Unemployment compensation	34,488,513	0.00	34,359,648	128,865	0.00
Employee retirement	26,273,465	0.82	20,664,213	5,609,252	3.82
Workers' compensation	18,695,989	0.00	18,695,989	–	0.00
Other insurance trust revenue	8,853,708	0.00	8,853,708	–	0.00

See footnote at end of table.

Appendix Table A-1.

State and Local Government Finances by Level of Government: 2008—Con.

(Dollars in thousands. Coefficients of variation in percentages)

Description	United States				
	State and local government amount ¹ 1	State and local government coefficient of variation 2	State government amount 3	Local government amount ¹ 4	Local government coefficient of variation 5
Expenditure¹	2,838,835,748	0.11	1,733,861,802	1,593,087,951	0.20
By character and object:					
Intergovernmental expenditure ¹	4,761,135	0.00	477,084,924	15,790,216	0.35
Direct expenditure	2,834,074,613	0.11	1,256,776,878	1,577,297,735	0.20
Current operations	2,095,771,553	0.09	863,372,166	1,232,399,387	0.15
Capital outlay	348,827,362	0.52	113,020,942	235,806,420	0.77
Construction	268,297,976	0.57	92,067,791	176,230,185	0.86
Other capital outlay	80,529,386	0.70	20,953,151	59,576,235	0.95
Assistance and subsidies	41,960,645	0.03	32,572,852	9,387,793	0.13
Interest on debt	112,931,339	0.33	46,717,232	66,214,107	0.57
Insurance benefits and repayments	234,583,714	0.03	201,093,686	33,490,028	0.18
Exhibit: Salaries and wages	800,891,942	0.07	229,818,658	571,073,284	0.10
Direct expenditure by function	2,834,074,613	0.11	1,256,776,878	1,577,297,735	0.20
Direct general expenditure	2,400,204,391	0.11	1,024,665,561	1,375,538,830	0.19
Capital outlay	307,447,573	0.56	107,057,892	200,389,681	0.87
Other direct general expenditure	2,092,756,818	0.07	917,607,669	1,175,149,149	0.12
Education services:					
Education	826,063,178	0.03	232,212,206	593,850,972	0.04
Capital outlay	97,854,772	0.21	24,704,829	73,149,943	0.28
Higher education	223,293,543	0.01	186,830,495	36,463,048	0.06
Capital outlay	26,952,717	0.07	22,493,693	4,459,024	0.45
Elementary and secondary	565,631,236	0.04	8,243,312	557,387,924	0.04
Capital outlay	70,282,533	0.29	1,591,614	68,690,919	0.30
Other education	37,138,399	0.00	37,138,399	—	0.00
Libraries	11,611,470	1.61	445,608	11,165,862	1.67
Social services and income maintenance:					
Public welfare	404,623,719	0.02	354,047,572	50,576,147	0.12
Cash assistance payments	20,568,986	0.06	11,181,193	9,387,793	0.13
Vendor payments	302,392,985	0.00	296,811,939	5,581,046	0.16
Other public welfare	81,661,748	0.08	46,054,440	35,607,308	0.18
Hospitals	128,853,219	0.20	51,937,541	76,915,678	0.33
Capital outlay	9,049,897	0.66	3,308,414	5,741,483	1.04
Health	79,704,063	0.21	40,033,167	39,670,896	0.42
Social insurance administration	4,088,785	0.00	4,071,956	16,829	0.00
Veterans' services	1,083,098	0.00	1,083,098	—	0.00
Transportation:					
Highways	153,514,687	0.25	90,644,565	62,870,122	0.61
Capital outlay	88,217,905	0.40	61,704,878	26,513,027	1.33
Air transportation (airports)	21,264,242	0.50	1,757,667	19,506,575	0.55
Parking facilities	1,602,479	0.65	7,909	1,594,570	0.65
Sea and inland port facilities	4,940,135	0.85	1,492,064	3,448,071	1.21
Public safety:					
Police protection	89,676,481	0.18	12,034,322	77,642,159	0.21
Fire protection	39,683,287	0.64	—	39,683,287	0.64
Correction	72,904,099	0.22	47,239,040	25,665,059	0.62
Capital outlay	3,549,967	3.32	1,953,631	1,596,336	7.38
Protective inspection and regulation	14,936,798	0.74	9,297,965	5,638,833	1.96
Environment and housing:					
Natural resources	29,916,526	2.67	19,942,068	9,974,458	8.02
Capital outlay	6,754,887	10.99	3,024,353	3,730,534	19.90
Parks and recreation	40,645,523	1.15	5,509,852	35,135,671	1.33
Capital outlay	11,671,758	3.92	1,192,486	10,479,272	4.36
Housing and community development	50,974,243	2.17	10,856,663	40,117,580	2.76

See footnote at end of table.

Appendix Table A-1.

State and Local Government Finances by Level of Government: 2008—Con.

(Dollars in thousands. Coefficients of variation in percentages)

Description	United States				
	State and local government amount ¹ 1	State and local government coefficient of variation 2	State government amount 3	Local government amount ¹ 4	Local government coefficient of variation 5
Environment and housing:—Con.					
Sewerage	46,678,848	0.98	1,272,666	45,406,182	1.01
Capital outlay	18,777,055	2.38	601,440	18,175,615	2.46
Solid waste management	23,756,966	0.47	2,438,631	21,318,335	0.52
Capital outlay	2,372,474	4.07	254,823	2,117,651	4.56
Governmental administration:					
Financial administration	40,994,582	0.27	23,233,998	17,760,584	0.63
Judicial and legal	41,450,902	0.09	20,442,128	21,008,774	0.18
General public buildings	15,091,402	0.90	3,565,073	11,526,329	1.18
Other governmental administration	29,460,307	1.10	4,861,052	24,599,255	1.31
Interest on general debt	100,055,452	0.37	44,719,371	55,336,081	0.67
General expenditure, not elsewhere classified:					
Miscellaneous commercial activities	5,656,056	3.64	1,647,572	4,008,484	5.13
Other and unallocable	120,973,844	0.95	39,871,807	81,102,037	1.42
Utility expenditure	193,352,869	0.73	26,072,981	167,279,888	0.85
Capital outlay	41,348,441	0.87	5,936,015	35,412,426	1.01
Water supply	55,214,708	1.30	354,255	54,860,453	1.30
Electric power	76,666,763	1.34	15,439,994	61,226,769	1.67
Gas supply	10,527,452	2.30	12,107	10,515,345	2.30
Transit	50,943,946	0.45	10,266,625	40,677,321	0.56
Liquor store expenditure	5,933,639	1.07	4,944,650	988,989	6.40
Insurance trust expenditure	234,583,714	0.03	201,093,686	33,490,028	0.18
Unemployment compensation	35,567,964	0.00	35,470,883	97,081	0.00
Employee retirement	180,057,751	0.03	146,664,804	33,392,947	0.19
Workers' compensation	12,052,535	0.00	12,052,535	—	0.00
Other insurance trust	6,905,464	0.00	6,905,464	—	0.00
Debt outstanding	2,550,934,283	0.29	1,004,180,935	1,546,753,348	0.48
Short-term	44,584,531	1.04	14,180,805	30,403,726	1.52
Long-term	2,506,349,752	0.29	990,000,130	1,516,349,622	0.49
Public debt for private purposes	588,168,910	0.33	378,966,175	209,202,735	0.93
Long-term debt issued	373,614,896	0.40	151,655,632	221,959,264	0.68
Long-term debt retired	244,740,276	0.71	93,233,933	151,506,343	1.14
Cash and security holdings	5,378,967,912	0.06	3,826,448,037	1,552,519,875	0.22
Insurance trust funds	3,247,708,242	0.03	2,732,775,260	514,932,982	0.17
Unemployment compensation	38,930,737	0.00	38,489,823	440,914	0.00
Employee retirement	3,099,916,707	0.03	2,585,424,639	514,492,068	0.17
Workers' compensation	93,145,944	0.00	93,145,944	—	0.00
Miscellaneous	15,714,854	0.00	15,714,854	—	0.00
Other than insurance trust funds	2,131,259,670	0.15	1,093,672,777	1,037,586,893	0.31
By purpose:					
Offsets to debt	744,257,859	0.21	459,687,881	284,569,978	0.55
Bond funds	231,483,123	0.58	54,368,828	177,114,295	0.76
Other	1,155,518,688	0.16	579,616,068	575,902,620	0.32

¹ Duplicative intergovernmental transactions are excluded.

Note: These data may not be comparable with statistics previously released under the State Government Finance Summary Report due to differences in the data collection and revision cycle.

Source: U.S. Census Bureau, Governments Division, 2008 Annual Surveys of State and Local Government Finances.

Data users who create their own estimates using data from this report should cite the U.S. Census Bureau as the source of the original data only. The data in this table are based on information from public records and contain no confidential data. The state government data in this table comes from a survey of all state governments and are not subject to sampling error. The 2008 local government data in this table are from a sample of local governments, and as such, are subject to sampling variability. Additional information on sampling and nonsampling error, response rates, and definitions may be found at <www2.census.gov/govs/estimate/2008_Local_Finance_Methodology.pdf> and <www2.census.gov/govs/state/08_methodology.pdf>.

Appendix Table A-2.

State and Local Government Finances: 2008 and 2007

(Dollars in thousands)

Description	2008 Amount ¹	2007 Amount	Change	
			Amount	Percent
Revenue²	2,660,474,770	3,072,644,555	-412,169,785	-13.4
General revenue ²	2,425,778,485	2,335,894,452	89,884,033	3.8
Intergovernmental revenue ²	481,380,023	467,949,366	13,430,657	2.9
From federal government	481,380,023	467,949,366	13,430,657	2.9
General revenue from own sources	1,944,398,462	1,867,945,086	76,453,376	4.1
Taxes	1,330,411,772	1,283,283,468	47,128,304	3.7
Property	409,685,567	389,573,069	20,112,498	5.2
Sales and gross receipts	448,688,515	439,585,901	9,102,614	2.1
General sales	304,434,833	299,649,609	4,785,224	1.6
Selective sales	144,253,682	139,936,292	4,317,390	3.1
Motor fuel	37,901,692	37,904,042	-2,350	0.0
Alcoholic beverage	5,763,336	5,619,556	143,780	2.6
Tobacco products	16,575,613	15,834,264	741,349	4.7
Public utilities	28,130,244	27,104,732	1,025,512	3.8
Other selective sales	55,882,797	53,473,698	2,409,099	4.5
Individual income	304,627,405	289,827,447	14,799,958	5.1
Corporate income	57,809,592	60,591,976	-2,782,384	-4.6
Motor vehicle license	21,344,261	21,042,718	301,543	1.4
Other taxes	88,256,432	82,662,357	5,594,075	6.8
Charges and miscellaneous general revenue	613,986,690	584,661,618	29,325,072	5.0
Current charges	373,669,111	351,824,268	21,844,843	6.2
Education	110,511,706	103,736,378	6,775,328	6.5
Institutions of higher education	94,664,686	88,432,817	6,231,869	7.0
School lunch sales (gross)	6,999,756	6,919,518	80,238	1.2
Hospitals	97,269,765	91,431,530	5,838,235	6.4
Highways	11,166,819	10,639,931	526,888	5.0
Air transportation (airports)	17,780,919	16,582,739	1,198,180	7.2
Parking facilities	1,956,920	1,824,648	132,272	7.2
Sea and inland port facilities	4,138,515	3,867,135	271,380	7.0
Natural resources	4,008,777	4,047,151	-38,374	-0.9
Parks and recreation	9,619,507	8,812,454	807,053	9.2
Housing and community development	5,646,414	5,435,049	211,365	3.9
Sewerage	38,063,526	36,157,204	1,906,322	5.3
Solid waste management	15,268,951	14,457,518	811,433	5.6
Other charges	58,237,292	54,832,531	3,404,761	6.2
Miscellaneous general revenue	240,317,579	232,837,350	7,480,229	3.2
Interest earnings	93,369,781	92,169,529	1,200,252	1.3
Special assessments	7,927,716	8,157,379	-229,663	-2.8
Sale of property	4,439,724	4,590,067	-150,343	-3.3
Other general revenue	134,580,358	127,920,375	6,659,983	5.2
Utility revenue	139,141,866	134,410,913	4,730,953	3.5
Water supply	45,418,161	43,651,776	1,766,385	4.0
Electric power	72,668,719	70,493,683	2,175,036	3.1
Gas supply	8,930,351	8,697,944	232,407	2.7
Transit	12,124,635	11,567,510	557,125	4.8
Liquor store revenue	7,242,744	6,823,339	419,405	6.1
Insurance trust revenue	88,311,675	595,515,851	-507,204,176	-85.2
Unemployment compensation	34,488,513	34,186,073	302,440	0.9
Employee retirement	26,273,465	532,153,635	-505,880,170	-95.1
Workers' compensation	18,695,989	19,798,108	-1,102,119	-5.6
Other insurance trust revenue	8,853,708	9,378,035	-524,327	-5.6

See footnotes at end of table.

Appendix Table A-2.

State and Local Government Finances: 2008 and 2007

(Dollars in thousands)

Finances	2008 Amount ¹	2007 Amount	Change	
			Amount	Percent
Expenditure²	2,838,835,748	2,665,881,094	172,954,654	6.5
Intergovernmental expenditure ²	4,761,135	4,670,648	90,487	1.9
Direct expenditure	2,834,074,613	2,661,210,446	172,864,167	6.5
Current operation	2,095,771,553	1,977,229,147	118,542,406	6.0
Capital outlay	348,827,362	324,466,501	24,360,861	7.5
Construction	268,297,976	253,858,465	14,439,511	5.7
Other capital outlay	80,529,386	70,608,036	9,921,350	14.1
Assistance and subsidies	41,960,645	39,801,980	2,158,665	5.4
Interest on debt	112,931,339	106,060,882	6,870,457	6.5
Insurance benefits and repayments	234,583,714	213,651,936	20,931,778	9.8
Exhibit: salaries and wages	800,891,942	761,990,678	38,901,264	5.1
Direct expenditure by function	2,834,074,613	2,661,210,446	172,864,167	6.5
Direct general expenditure	2,400,204,391	2,258,228,996	141,975,395	6.3
Capital outlay	307,447,573	286,204,955	21,242,618	7.4
Other direct general expenditure	2,092,756,818	1,972,024,041	120,732,777	6.1
Education	826,063,178	774,373,119	51,690,059	6.7
Capital outlay	97,854,772	91,465,510	6,389,262	7.0
Higher education	223,293,543	204,705,521	18,588,022	9.1
Capital outlay	26,952,717	25,356,445	1,596,272	6.3
Elementary and secondary education	565,631,236	534,905,058	30,726,178	5.7
Capital outlay	70,282,533	65,466,575	4,815,958	7.4
Other education	37,138,399	34,762,540	2,375,859	6.8
Libraries	11,611,470	10,789,075	822,395	7.6
Public welfare	404,623,719	384,768,806	19,854,913	5.2
Cash assistance payments	20,568,986	19,955,307	613,679	3.1
Vendor payments	302,392,985	286,478,378	15,914,607	5.6
Other public welfare	81,661,748	78,335,121	3,326,627	4.2
Hospitals	128,853,219	118,876,032	9,977,187	8.4
Capital outlay	9,049,897	7,608,492	1,441,405	18.9
Health	79,704,063	74,195,576	5,508,487	7.4
Social insurance administration	4,088,785	3,981,370	107,415	2.7
Veterans' services	1,083,098	1,030,506	52,592	5.1
Highways	153,514,687	144,713,401	8,801,286	6.1
Capital outlay	88,217,905	83,288,715	4,929,190	5.9
Air transportation (airports)	21,264,242	20,060,999	1,203,243	6.0
Parking facilities	1,602,479	1,442,304	160,175	11.1
Sea and inland port facilities	4,940,135	4,759,306	180,829	3.8
Police protection	89,676,481	84,088,330	5,588,151	6.6
Fire protection	39,683,287	36,827,892	2,855,395	7.8
Correction	72,904,099	68,092,078	4,812,021	7.1
Capital outlay	3,549,967	3,224,343	325,624	10.1
Protective inspection and regulation	14,936,798	14,250,204	686,594	4.8
Natural resources	29,916,526	28,716,774	1,199,752	4.2
Capital outlay	6,754,887	6,371,539	383,348	6.0
Parks and recreation	40,645,523	37,526,461	3,119,062	8.3
Capital outlay	11,671,758	10,084,856	1,586,902	15.7
Housing and community development	50,974,243	45,937,241	5,037,002	11.0
Sewerage	46,678,848	44,197,226	2,481,622	5.6
Capital outlay	18,777,055	17,683,252	1,093,803	6.2

See footnotes at end of table.

Appendix Table A-2.

State and Local Government Finances: 2008 and 2007—Con.

(Dollars in thousands)

Finances	2008 Amount ¹	2007 Amount	Change	
			Amount	Percent
Solid waste management	23,756,966	22,818,574	938,392	4.1
Capital outlay	2,372,474	2,314,211	58,263	2.5
Financial administration	40,994,582	39,631,477	1,363,105	3.4
Judicial and legal	41,450,902	38,735,623	2,715,279	7.0
General public buildings	15,091,402	13,925,527	1,165,875	8.4
Other governmental administration	29,460,307	27,103,426	2,356,881	8.7
Interest on general debt	100,055,452	93,586,115	6,469,337	6.9
Miscellaneous commercial activities	5,656,056	4,788,240	867,816	18.1
Other and unallocable	120,973,844	119,013,314	1,960,530	1.6
Utility expenditure	193,352,869	183,726,634	9,626,235	5.2
Capital outlay	41,348,441	38,230,148	3,118,293	8.2
Water supply	55,214,708	54,330,726	883,982	1.6
Electric power	76,666,763	69,736,250	6,930,513	9.9
Gas supply	10,527,452	12,072,672	-1,545,220	-12.8
Transit	50,943,946	47,586,986	3,356,960	7.1
Liquor store expenditure	5,933,639	5,602,880	330,759	5.9
Insurance trust expenditure	234,583,714	213,651,936	20,931,778	9.8
Unemployment compensation	35,567,964	28,933,602	6,634,362	22.9
Employee retirement	180,057,751	166,974,509	13,083,242	7.8
Workers' compensation	12,052,535	11,923,512	129,023	1.1
Other insurance trust	6,905,464	5,820,313	1,085,151	18.6
Debt outstanding	2,550,934,283	2,411,298,345	139,635,938	5.8
Short-term debt outstanding	44,584,531	31,939,117	12,645,414	39.6
Long-term debt outstanding	2,506,349,752	2,379,359,228	126,990,524	5.3
Public debt for private purposes	588,168,910	553,770,734	34,398,176	6.2
Long-term debt issued	373,614,896	386,464,910	-12,850,014	-3.3
Long-term debt retired	244,740,276	227,545,052	17,195,224	7.6
Cash and security holdings	5,378,967,912	5,470,664,127	-91,696,215	-1.7
Insurance trust funds	3,247,708,242	3,407,283,134	-159,574,892	-4.7
Unemployment compensation	38,930,737	40,212,929	-1,282,192	-3.2
Employee retirement	3,099,916,707	3,269,705,951	-169,789,244	-5.2
Workers' compensation	93,145,944	84,169,211	8,976,733	10.7
Miscellaneous	15,714,854	13,195,043	2,519,811	19.1
Other than insurance trust funds	2,131,259,670	2,063,380,993	67,878,677	3.3
Offsets to debt	744,257,859	706,028,036	38,229,823	5.4
Bond funds	231,483,123	217,345,611	14,137,512	6.5
Other	1,155,518,688	1,140,007,346	15,511,342	1.4

¹ Coefficients of variation may be found at <www.census.gov/govs/estimate/>.² Duplicative intergovernmental transactions are excluded.

Note: These data may not be comparable with statistics previously released under the State Government Finance Summary Report due to differences in the data collection and revision cycle.

Source: U.S. Census Bureau, Governments Division, 2008 Annual Surveys of State and Local Government Finances.

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