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AN UPDATE ON STATE BUDGET CUTS

At Least 42 States Have Imposed Cuts That Hurt Vulnerable Residents; Federal Economic Recovery Funds and State Tax Increases Are Reducing the Harm

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With tax revenue declining as a result of the recession and budget reserves largely drained, the vast majority of states are making spending cuts that hurt families and reduce necessary services. These cuts, in turn, will make the recession worse because families and businesses have less to spend in their local economies. Federal recovery act dollars and funds raised from tax increases are greatly reducing the extent, severity, and economic impact of these cuts, but only to a point.

The cuts enacted in at least 42 states plus the District of Columbia are occurring in all major areas of state services, including health care (28 states), services to the elderly and disabled (24 states and the District of Columbia), K-12 education (26 states and the District of Columbia), higher education (35 states), and other areas. States are making these cuts because the recession has caused declining revenues from income taxes, sales taxes, and other revenue sources used to pay for these services. At the same time, the need for these services has not declined and has, in fact, risen as the number of families facing economic difficulties increases.

The budgetary pressures that have led states to implement cuts are intensifying and are unlikely to recede any time soon. This is leading to increasingly deep cuts. In recent weeks, Hawaii announced that the state's teachers would be furloughed for 17 days this year, shortening the school year by over three weeks. The new Michigan budget cuts state funding for higher education financial aid by over 60 percent, completely eliminating several financial aid programs. Virginia and Iowa announced layoffs of hundreds of state workers. A growing number of states are proposing additional cuts to close emerging mid-year budget gaps. Even deeper cuts are likely for the upcoming fiscal year, which starts July 1, 2010, due to the combination of continuing economic weakness and expiring federal aid.

Cuts to state services not only harm vulnerable residents but also worsen the recession — and dampen the recovery — by reducing overall economic activity. When states cut spending, they lay off employees, cancel contracts with vendors, reduce payments to businesses and nonprofits that provide services, and cut benefit payments to individuals. *All* of these steps remove demand from

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the economy. For instance, at least 42 states and the District of Columbia have reduced overall wages paid to state workers, by laying off workers, requiring them to take unpaid leave (furloughs), freezing new hires, or similar actions. State and local governments have eliminated 184,000 jobs since August 2008, federal data show. Such measures are reducing not only the level and quality of service available to state residents but also the purchasing power of workers' families, which in turn affects local businesses.

States are taking actions to mitigate the extent of these cuts. Most states are enacting or considering tax increases. More than 30 states in 2009 are addressing their budget shortfalls in part by increasing taxes. Like budget cuts, tax increases remove demand from the economy, by reducing the amount of money people have to spend. But tax increases can be less detrimental to state economies than budget cuts because some of the tax increases affect upper-income households so are likely to result in reduced saving rather than reduced consumption. Many more states will need to consider tax increases or other revenue measures, as well as such steps as tapping state rainy day funds, as a way to minimize harmful budget cuts.

The cuts in state-funded services — and resulting harm to families' well-being and to state economies — would be much greater had not the federal government enacted the American Recovery and Reinvestment Act in February. The measure is providing roughly \$140 billion over two-and-a-half years to help states pay for education, health care, public safety, and other key services. In some cases, it is possible to identify specific services that were slated for cuts but have been protected by the federal funds; these include child care in Alabama and Arizona, public safety funding in Washington, prescription drugs for seniors and tuition assistance in New York, and education funding in a number of states. The Department of Education found that more than 255,000 education jobs and nearly 63,000 jobs in other areas have been retained or created through the Fiscal Stabilization Fund in the Recovery Act, for a total of 318,000 jobs saved or created through September 30 by the Fiscal Stabilization Fund.² In other cases, the specific "what-if" cannot be identified. But it is indisputable that families and communities would be facing much more serious consequences from state cuts without the recovery act funds.

The Deep Recession Is Creating Widespread Deficits

The national recession is producing both declines in state and local revenues and increased need for public programs as residents lose jobs, income, and health insurance. The imbalance between available revenues and what is needed for services led most states to face budget gaps in the now ended 2009 fiscal year. The vast majority of states also faced (or are facing) additional shortfalls projected for the 2010 fiscal year, which in most states began July 1, 2009. Even more budget gaps are projected for fiscal year 2011. Total shortfalls for 2010 and 2011 are likely to exceed \$350 billion.³

² Total education funding through ARRA, including both fiscal relief and programmatic funding, was found to have created or saved 326,593 education jobs. US Department of Education, "American Recovery and Reinvestment Act Report: Summary of Programs and State-by-State Data," November 2, 2009.

³ See Elizabeth McNichol and Nicholas Johnson, "Recession Continues to Batter State Budgets; State Responses Could Slow Recovery," Center on Budget and Policy Priorities, November 19, 2009.

Virtually all states are required to balance their operating budgets each year or each biennium. Unlike the federal government, states cannot maintain services during an economic downturn by running a deficit. States had record reserves heading into this recession, but those have mostly been drawn down. Since federal economic recovery funds are closing, on average, about 30 to 40 percent of budget gaps, states must address remaining shortfalls with a combination of spending cuts and/or tax increases.

State Budget Cuts

States began cutting their budgets last spring, as the recession brought sharply weakened revenues. The cuts have intensified as the economy has worsened. Even as the need for state-funded services has risen, states have cut funding for services by 4 percent for fiscal year 2009 and an additional 4.8 percent for 2010, according to preliminary estimates by the National Association of State Budget Officers. These cuts are affecting important services. At least 42 states to date plus the District of Columbia have reduced services since the recession began. Service cuts with particular ramifications for vulnerable populations have occurred in the following areas:

- **Public health programs:** At least 28 states have implemented cuts that will restrict low-income children's or families' eligibility for health insurance or reduce their access to health care services. For example, **Rhode Island** eliminated health coverage for 1,000 low-income parents; **Minnesota** is cancelling a health insurance program for 29,500 low-income adults; and **California** is increasing costs borne by families of nearly 1 million children that participate in its state children's health insurance program. **Washington** is increasing premiums by an average of 70 percent for a health plan serving low-income residents.
- **Programs for the elderly and disabled:** At least 24 states plus the District of Columbia are cutting medical, rehabilitative, home care, or other services needed by low-income people who are elderly or have disabilities, or significantly increasing the cost of these services. For example, **Ohio** has made deep cuts to community mental health services, **Rhode Island** is requiring low-income elderly people to pay more for adult daycare, and **Arizona** eliminated temporary health insurance for people with serious medical problems.
- **K-12 education:** At least 26 states and the District of Columbia are cutting aid to K-12 schools and various education programs. **California, Michigan, and Mississippi** have made significant cuts to school aid. Hawaii is furloughing teachers for 17 days this year. A cut in funding means that as many as 10,000 children in **Illinois** may lose eligibility for early childhood education, and **Massachusetts** is reducing funding for a number of early care programs.
- **Higher education:** At least 35 states have cut assistance to public colleges and universities, resulting in reduction in faculty and staff in addition to tuition increases. Tuition at all 11 public universities in **Florida** increased by 15 percent for the 2009-2010 school year. Students in Washington and other states face significant tuition increases as well, costing families hundreds of dollars per year. **Michigan** and **New Mexico** have made deep cuts to need-based financial aid programs.

- **State workforces:** At least 42 states and the District of Columbia have made cuts affecting state government employees. At least 26 states have instituted hiring freezes, 14 states and the District of Columbia have announced lay-offs, 22 have reduced state worker wages, and several have delayed scheduled pay increases (including cost of living adjustments). In total, state and local governments have eliminated a total of 184,000 jobs over the last year, according to the U.S. Bureau of Labor Statistics. Additional workers have lost pay and benefits.

These measures are described in more detail in the Appendix.

The Role of Revenue Increases and Federal Dollars

Several states facing large budget shortfalls have averted deep cuts in vital services by enacting temporary or permanent revenue increases.

- In late 2007 and 2008, some 10 states enacted tax increases, closed loopholes, restricted tax credits, or implemented other revenue-raising measures. Major packages were enacted in **Maryland, Michigan, and New York.**
- So far in 2009, at least 30 states have raised taxes, sometimes quite significantly. Increases have been enacted or are under consideration in personal income, business, sales, and excise taxes. Major state revenue packages are being enacted this year in **California, Connecticut, Delaware, Hawaii, Nevada, New Jersey, North Carolina, and Wisconsin.**

States also are using funds made available in the federal economic recovery law passed in February to avert spending cuts. The law gave states roughly \$140 billion over a two-and-a-half year period to help fund ongoing programs, including K-12 education, higher education, and health care. The money is addressing approximately 30 percent to 40 percent of states' 2009 and 2010 budget shortfalls, and will be sufficient to offset about 20 percent or less of 2011 shortfalls. In state after state, it is abundantly clear that spending and service cuts in health care, education, human services, public safety, and other areas would have been much deeper had the federal funds not been available.

The 2009 tax measures and states' use of federal recovery funds are detailed in separate Center on Budget and Policy Priorities analyses.⁴

⁴ "Tax Measures Help Balance State Budgets," revised July 9, 2009 and "Federal Fiscal Relief Is Working as Intended," revised June 29, 2009.

AT LEAST 42 STATES AND THE DISTRICT OF COLUMBIA HAVE CUT SERVICES

	Public Health (28)	Elderly/ Disabled (24 plus DC)	K-12 and Early Education (26)	Higher Education (35)	State Workforce (42 plus DC)
Alabama		X	X	X	X
Alaska					
Arizona	X	X	X	X	X
Arkansas					
California	X	X	X	X	X
Colorado	X				X
Connecticut			X	X	X
Delaware			X		X
Florida	X	X	X	X	X
Georgia	X	X	X	X	X
Hawaii			X	X	X
Idaho	X		X	X	X
Illinois	X		X	X	X
Indiana	X				
Iowa			X	X	X
Kansas		X	X	X	X
Kentucky			X	X	X
Louisiana	X	X		X	X
Maine	X	X	X	X	X
Maryland	X	X	X	X	X
Massachusetts	X	X	X	X	X
Michigan	X	X	X	X	X
Minnesota	X	X		X	X
Mississippi			X	X	X
Missouri	X	X			X
Montana					
Nebraska					
Nevada	X		X	X	X
New Hampshire	X				X
New Jersey	X			X	X
New Mexico		X		X	X
New York	X			X	X
North Carolina	X	X		X	X
North Dakota					
Ohio	X	X	X	X	X
Oklahoma				X	X
Oregon			X		X
Pennsylvania		X		X	X
Rhode Island	X	X	X	X	X
South Carolina	X	X	X	X	X
South Dakota					X
Tennessee	X	X		X	X
Texas					
Utah	X	X	X	X	X
Vermont		X		X	X
Virginia		X	X	X	X
Washington	X	X	X	X	X
West Virginia					
Wisconsin	X			X	X
Wyoming	X				X
Dist. of Columbia		X	X		X

Appendix: Budget Cuts by Area

At least 42 states plus the District of Columbia have enacted budget cuts that will affect services for children, the elderly, the disabled, and families, as well as the quality of education and access to higher education (See table on page 5). Those cuts are detailed below.

Public Health Programs

At least 28 states have implemented cuts that will restrict eligibility for health insurance programs and/or access to health care services.

- Nearly 10,000 working parents in **Arizona** lost health care coverage that they received through KidsCare, the state's CHIP program, due to a lack of funding for the parental component of the program. The state is also reducing its Medicaid rolls by requiring some adult beneficiaries to reapply for benefits more frequently. (Research has shown such added paperwork requirements cause many eligible people to lose coverage.)
- In the state's latest budget agreement, **California** cut funding for the Healthy Families program, the state's CHIP program. To make up for the lost funds, the nearly 1 million children in the program will have to pay more for visits to health care providers, and many will have to pay higher premiums as well. These cost increases may cause some families to drop from the program. In addition to these changes, the state cut nearly all funding for services supporting HIV/AIDS patients, and it completely eliminated funding for the state's domestic violence shelter program and maternal, child and adolescent health programs.
- **Massachusetts** sharply cut funding for subsidized health insurance for close to 28,000 legal immigrants. The affected individuals will receive at best a level of health coverage that falls far short of basic health insurance.
- **Minnesota** has eliminated funding for its General Assistance Medical Care program, which provides health care to 29,500 low-income persons between the ages of 21 and 64 who have no dependent children and do not qualify for federal health care programs.
- **Rhode Island** has reduced the maximum income level at which parents can receive public health insurance to 175 percent of the federal poverty line from 185 percent, eliminating coverage for approximately 1,000 parents. More than 7,800 other low-income families are paying higher monthly premiums for public health insurance.
- **Utah** cut Medicaid funding for physical therapy, occupational therapy, and speech and hearing therapy services for adults – as well as Medicaid provider rates for hospitals, skilled nursing, and dentists.
- **Washington** is increasing premiums by an average of 70 percent for a health plan serving low-income residents. Premiums for the poorest plan members — those earning up to 125 percent of the poverty line — will double. The premium increase is expected to cause between 7,000 and 17,000 enrollees to leave the program.

- Several states, including **California, Michigan, Nevada, and Utah**, have dropped coverage of dental and/or vision services for adult Medicaid recipients.
- Other states that have enacted cuts in Medicaid or CHIP include **Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Louisiana, Maine, Maryland, Massachusetts, Michigan, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, South Carolina, Tennessee, Wisconsin, and Wyoming**. Cuts include reduced or frozen reimbursements to health care providers.

Programs for the Elderly and Disabled

At least 24 states and the District of Columbia have cut medical, rehabilitative, home care, or other services needed by low-income people who are elderly or have disabilities or significantly increased the amounts that such people must pay for services.

- **Alabama** has ended homemaker services for approximately 1,100 older adults. These services often allow people to stay in their own homes and avoid nursing home care.
- **Arizona** has eliminated temporary health insurance for people with disabilities who are coping with serious medical problems. The state also eliminated general assistance, a program designed to provide time-limited cash assistance to adults with physical or mental disabilities. In addition, in February 2009 the state eliminated independent living supports for 450 elderly residents and respite-care funding for 130 caregivers. It also established a waiting list for vocational rehabilitation services, affecting 2,100 disabled individuals.
- **Florida** has cut Medicaid reimbursements to hospitals and community-based services for the elderly, such as meals and homemaker services.
- **Georgia** has reduced such programs for the elderly as services for people with Alzheimer's Disease, elder service centers, prescription drug assistance, and elder support.
- In **Massachusetts**, the governor has ordered cuts in programs for elders, including home care, geriatric mental health services, and prescription drug assistance.
- **Minnesota** has capped enrollment at current levels for a program that provides expanded health services and care coordination for people with disabilities.
- **New Mexico** has cut cash assistance payments for low-income disabled residents by one-third. The state provides these payments to an average of 2,100 disabled individuals each month who cannot work and are not eligible for Temporary Assistance to Needy Families.
- **Ohio** has eliminated virtually all state funding for mental health treatment for individuals who are not eligible for the state's Medicaid program.
- In **Rhode Island**, low-income elderly people must pay higher rates for subsidized adult day care. This is estimated to affect more than 1,200 people with incomes below \$20,000.

- **Tennessee** has reduced community-based services for people with intellectual disabilities and cut nursing services for some adults with serious disabilities.
- **Vermont** has reduced some home-based services, such as housekeeping and shopping, for people who are elderly or disabled. Such services help people stay in their own homes and possibly delay or avoid more expensive nursing home care.
- **Virginia** has decreased reimbursements for special hospitals serving people with needs relating to mental health, mental retardation, or substance abuse. The state also reduced pass-through grants for various aging programs and funding for local mental health providers.
- Other states that have capped or reduced funding for programs that serve people who have disabilities or are elderly include **California**, the **District of Columbia**, **Kansas**, **Louisiana**, **Maine**, **Maryland**, **Michigan**, **Missouri**, **North Carolina**, **Pennsylvania**, **South Carolina**, **Utah**, and **Washington**.

K-12 Education and Other Childhood Education Programs

At least 26 states and the District of Columbia have implemented cuts to K-12 education.

- **California** is reducing K-12 education aid to local school districts by billions of dollars. It also is cutting a variety of other programs, such as adult literacy instruction, and is reducing funding for some grants and programs aimed at helping high-needs students.
- In enacting its FY 2010 budget **Georgia** made a \$112 million cut to the equalization component of the state's education aid formula established to help close the gap in funding between wealthier and poorer school districts. The state has since made an additional \$332 million mid-year cut to state education aid funding.
- Due to budget cuts **Hawaii** teachers must take 17 furlough days during the current school year. Classes will be cancelled on these furlough days, shortening the school year by more than three weeks.
- **Illinois** has reduced funding for early childhood education by 10 percent. As many as 10,000 children could lose eligibility for the program as a result.
- **Maryland** cut funding for a school breakfast pilot program, professional development for principals and educators, health clinics, gifted and talented summer centers, and math and science initiatives.
- **Michigan** cut its FY 2010 school aid budget by \$382 million (2.9 percent) from the prior fiscal year, resulting in a \$165 per-pupil spending reduction.
- **Mississippi** cut its FY 2010 funding for K-12 education by nearly 5 percent. The vast majority of the funding cut came out of the Mississippi Adequate Education Program, the state's school funding formula, used to determine adequate funding levels needed in every district in the state.

- **Massachusetts** enacted cuts to Head Start, universal pre-kindergarten programs, and early intervention services to help special-needs children develop appropriately and be ready for school. The state also cut K-12 funding, including spending for mentoring, teacher training, reimbursements for special education residential schools, services for disabled students, and programs for gifted and talented students.
- In **Nevada**, the governor has ordered various cuts to K-12 education, including delaying an all-day kindergarten expansion, cutting per pupil expenditures by \$400 in a pilot program, eliminating funds for gifted and talented programs and a magnet program for students who are deaf or hard of hearing. Additionally, young children with developmental delays will lose more than 15,000 hours of needed services.
- **Rhode Island** cut state aid for K-12 education and reduced the number of children who can be served by Head Start and similar services by more than 550.
- State education grants to school districts and education programs have also been cut in **Alabama, Arizona, Connecticut, Delaware, the District of Columbia, Florida, Idaho, Iowa, Kansas, Kentucky, Maine, Ohio, Oregon, South Carolina, Utah, Virginia, and Washington.**

Colleges and Universities

At least 35 states have implemented cuts to public colleges and universities and/or made large increases in college tuition to make up for insufficient state funding.

- As a direct result of state budget cuts, the **California** State University system is cutting enrollment by 10,000 students. The University of California system is reducing California resident freshman enrollment by 2,300 students for next year. The state recently enacted hundreds of millions of dollars in additional cuts to funding for state universities and community colleges.
- **Florida** has cut university budgets and community college funding. The University of Florida has announced it will eliminate 150 this year, resulting in over 50 layoffs of staff and faculty. Florida State University plans to lay off up to 200 faculty and staff members. Tuition at all 11 Florida public universities will rise by 15 percent in the 2009-2010 school year.
- **Michigan's** newly passed budget included an overall reduction in financial aid programs from the prior fiscal year of \$135 million (a cut of over 61 percent), including an \$18 million decrease in competitive scholarships and an outright elimination of nursing scholarships, the Michigan Work-Study Program, the Part-Time Independent Student Program, the Michigan Education Opportunity Grants, and the Michigan Promise Scholarships. In addition, the state reduced funding for university operations by 0.4 percent from the previous fiscal year.
- **New Mexico** has eliminated over 80 percent of the funding for the College Affordability Endowment Fund, a need-based scholarship program that serves 2,366 students who do not qualify for other state grants or scholarships.

- At the State University of **New York**, resident undergraduate tuition increased by 14 percent (over \$600 per year) beginning with the spring 2009 semester.
- **Virginia's** community colleges recently implemented a mid-year tuition increase in response to state budget cuts. The tuition increase will take effect during the spring 2010 semester.
- Budget cuts reduced state funding for the University of **Washington** by 26 percent for the current biennium. Washington State University is increasing tuition by almost 30 percent over two years.
- Other states cutting higher education operating funding and financial aid include **Alabama, Arizona Connecticut, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Nevada, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Vermont, and Wisconsin.**

Cuts in Other Services

States also are making cuts in a variety of other programs, including those for very poor families and other vulnerable populations.

- **Arizona** is reducing TANF cash assistance grants for 38,500 low-income families, eliminating substance abuse services for 1,400 parents and guardians, and decreasing homeless shelter capacity by 1,100 individuals.
- **California** is eliminating cost-of-living adjustments to cash assistance programs for low-income families and cutting child care subsidies.
- In **Connecticut**, the governor has ordered budget cuts to programs that help prevent child abuse and provide legal services for foster children.
- The **District of Columbia** cut its homeless services funding by more than \$12 million, or 20 percent. It also reduced its cash assistance payments to needy families and cut funding for services that help low-income residents stay in their own homes and communities.
- **Illinois** has reduced funding for child welfare, mental health, youth services, and other programs.
- In **Maine**, the governor has cut funding for homeless shelters.
- **Maryland** has cut reimbursement rates for institutions that provide services to abused and neglected children.
- **Massachusetts** is cutting TANF funding by tightening eligibility requirements for the program. The eligibility restrictions that the state imposes will likely mean that several thousand families will lose their cash assistance benefits or have those benefits significantly reduced.

- **Minnesota's** governor has announced he will cut the state's renter's credit by 27 percent, an average of \$129. The credit provides a tax refund to over 270,000 low- and moderate-income Minnesota renters.
- The **Nevada** welfare agency will make it harder for low-income families to receive cash assistance and health insurance, with the expected result that fewer families will receive those benefits. For instance, the state will require some families that have lost benefits to wait longer before reapplying.
- **Rhode Island** has cut funds for affordable housing, eliminated health insurance for home-based child care providers, restricted TANF cash assistance for children, reduced health insurance for retired state workers, and cut support to localities by \$10 million.
- The **South Carolina** Department of Juvenile Justice has lost almost one-fourth of its state funding since July, resulting in over 260 layoffs and the closing of five group homes, two dormitories, and 25 after-school programs.
- To operate within a reduced budget, the Chief Justice in **Vermont** ordered the court system to close for half a day each week.
- **Texas** has cut the number of children in a child care subsidy program by about 4,000 and increased waiting lists.
- A number of other states are making cuts to child care assistance programs including **Arizona, Massachusetts, and Ohio.**

Some states, such as **Connecticut, Delaware, Maryland, Michigan, Minnesota, New Jersey, New York, Ohio, Rhode Island, Virginia,** and **Wisconsin** have implemented cuts to localities, leading to local concerns about reductions in funding for policing, meals for the elderly, hospice care, services for veterans and seniors, and other services.

Cuts in State Government Workforces

At least 42 states plus the District of Columbia are eliminating or not filling various state jobs, imposing mandatory furloughs (time off without pay), or making other cuts affecting their state workforce. Such steps can make it more difficult for residents to obtain state services. Cutting staff — whether on a permanent or temporary basis — also may contribute to increased unemployment.

- A number of states are imposing furloughs and/or pay cuts for some state employees. These include **Arizona, California, Colorado, Georgia, Hawaii, Idaho, Iowa, Kentucky, Maryland, Massachusetts, Michigan, Nevada, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, Utah, and Virginia.**
- **Iowa** will lay off nearly 800 state employees due to a recent across-the-board state agency cut of 10 percent.

- **New Jersey** has eliminated 2,000 state positions by encouraging early retirement, leaving vacancies unfilled, and laying off staff.
- In **Maryland's** latest round of budget cuts the governor eliminated 363.5 positions from the state work force, including 202 through layoffs. Most of these positions come from the Health, Public Safety, and Transportation departments.
- The **Tennessee** governor has announced elimination of over 2,000 state positions, about 5 percent of the state workforce. Some 1,500 employees accepted buy-outs for early retirement.
- In **Washington**, a hiring freeze imposed by the governor in August caused the state's workforce to decline by more than 1,400. In early January the state replaced the freeze with a cap on the number of budgeted positions at each state agency; the state's workforce is expected to fall by another 2,600 under the cap.
- **Virginia's** governor recently announced plans to lay off almost 600 state workers. These layoffs come on top of hundreds of previous layoffs that the state has already undertaken.
- Hiring freezes have also been ordered in **Alabama, Arizona, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Hawaii, Iowa, Kansas, Louisiana, Maine, Michigan, Minnesota, Mississippi, New Hampshire, New Mexico, New York, North Carolina, Pennsylvania, South Dakota, Vermont, Wisconsin, and Wyoming.**
- Additional states — such as **Arizona, Florida, Illinois, Maine, Massachusetts, Michigan, Missouri, Ohio, South Carolina, and Wisconsin** plus the **District of Columbia** — have laid off or announced plans to lay off state employees.

The U.S. Bureau of Labor Statistics confirms that these cuts are having a significant direct impact on employment. The total number of people employed by state and local governments fell by 184,000 from October 2008 to October 2009, at a time when the need for the services produced by those governments was increasing. These employment numbers are in addition to other measures such as furloughs and cuts to benefits and wages that also reduce workers' purchasing power and thereby undermine the ability of the national economy to recover.