Center on Budget and Policy Priorities

820 First Street NE, Suite 510
Washington, DC 20002

Tel: 202-408-1080
Fax: 202-408-1056

center@cbpp.org
www.cbpp.org

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HOUSE STIMULUS PLAN EFFECTIVELY TARGETS FISCAL RELIEF TO STATES

By Iris J. Lav, Jason Levitis, and Edwin Park

The House Leadership's new stimulus proposal includes more than $14 billion in fiscal relief for states. This is designed to help states avert budget cuts and tax increases that they otherwise will have to institute to balance their budgets but that will make the economic downturn worse by withdrawing demand from the economy.

States must balance their operating budgets each year, even in recessions. State revenues are stagnating or declining in the current weak economic climate. Yet the need for various services is increasing as people lose their jobs. The result is that states are being forced to balance their budgets by cutting programs and services and raising taxes, actions that reduce demand in the economy as states purchase fewer goods and services, increase people's tax burdens, and/or lay off workers. A recent Goldman Sachs report noted that Goldman Sachs analysts see a significant risk of a longer recession caused by a number of factors including "a drag from weaker state and local spending."[1]

Fiscal woes are not, however, uniform across states. Some states face severe budget crises and the need to impose very large spending cuts or tax increases. Others face less severe, but still significant budget problems. A third group of states — particularly those with mineral wealth — are faring better.

In recognition of this reality, the House stimulus plan targets most of its fiscal relief to the states with the weakest economies. It divides states into three levels of assistance, based on three measures of state economic conditions. Under the plan, states facing the most serious economic hardship by these measures will receive the highest level of aid, states showing intermediate economic hardship will receive an intermediate level of aid, and states showing little economic hardship on these measures (but still potentially facing some fiscal stress) will receive the lowest level of aid. All states receive some assistance, since even states flush with oil revenue today are likely to face some problems now or in the near future in other sectors of their economies or in some parts of their states.

[1] Goldman Sachs US Economic Research, "Financial Conditions: Tighter than They Appear," *US Economics Analyst*, August 29, 2008.

The three economic indicators that the House plan uses to target fiscal relief are: 1) changes in the level of employment in a state, which affects income and sales tax revenues; 2) increases in housing foreclosures, which affect sales and property tax revenues; and 3) increases in the number of residents in poverty, as measured by increases in food stamp participation. For each of these indicators, the legislation compares the most recent data available to data from two years earlier, before the downturn began.

Targeting fiscal relief to states on the basis of these factors effectively focuses federal dollars where they are needed most. Demonstration by a state of economic distress in all three of these indicators is highly correlated with state fiscal hardship. Of the 25 states that fall into the highest level of assistance under the House plan, all but one faced deficits for fiscal year 2009, now project deficits for 2010, or both.[2] The fiscal year 2009 deficits that these states had to close averaged approximately 11 percent of their general fund budgets. The majority of states in the second level of assistance also face deficits.

The House proposal provides fiscal relief through a temporary increase in the federal share of Medicaid program costs. This is a sound strategy, and is similar to the state fiscal relief that Congress provided in 2003. When people lose jobs and income, more of them become eligible for public health insurance programs such as Medicaid and the State Children's Health Insurance Program (SCHIP).[3] But states suffering from stagnant or declining revenues cannot accommodate this need and typically take actions to limit or reduce enrollment or to limit the extent to which health services can be accessed through these programs. In the economic downturn that occurred in the early part of this decade, 34 states cut their health care programs, and 1 million low-income people lost eligibility for Medicaid and SCHIP. Yet once Congress enacted a temporary increase in the federal Medicaid matching rate, most states were able to avert further health care cuts (including no additional state reductions in eligibility), and in some cases, were able to reverse some previously enacted cuts.[4] In the current downturn, 13 states already have cut health care programs, and deepening state fiscal problems strongly suggest more cuts in health care and other programs (especially education) are in the offing if federal assistance is not forthcoming.

State Fiscal Distress

States are experiencing major budget problems. As states worked to enact budgets for fiscal year 2009 — which began on July 1, 2008 in most states — 29 states had to close deficits totaling about $48 billion, or 9 percent of these states' general fund budgets. States took a variety of actions to close these deficits, including cutting programs and services, raising taxes, and drawing down reserves. Nevertheless, by early September 2008, new, mid-year deficits for 2009 had emerged in 15

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[2] The levels of assistance assigned to each state in this report may differ slightly from those that will be effective under the House legislation. There are two reasons for this. First, the foreclosure figures may be taken from a different source than is used in this report. Second, this report is based on the most recent data available now. The legislation specifies use of the most recent data available, so it is possible that updated data will change the level of assistance for a few states.

[3] See, for example, Stan Dorn, Bowen Garrett, John Holahan, and Aimee Williams, "Medicaid, SCHIP and Economic Downturn: Policy Challenges and Policy Responses," Kaiser Commission on Medicaid and the Uninsured, April 2008.

[4] Victoria Wachino, Robin Rudowitz, and Molly O'Malley, "Financing Health Coverage: The Fiscal Relief Experience," Kaiser Commission on Medicaid and the Uninsured, November 2005.

states, on top of the deficits states closed when they enacted their 2009 budgets. In addition, at least 13 states already are projecting deficits for fiscal year 2010, a number likely to climb much higher over the next six months.[5]

The budget cuts and tax increases states are instituting to close deficits can lengthen and deepen the economic downturn and impede recovery.[6] Federal assistance can lessen states' need to take these harmful, pro-cyclical actions.

How the Levels of Assistance Would Work

No one economic measure can capture the fiscal pressures that states face. While lagging revenues always play a major role in the state fiscal problems that occur during economic downturns, states vary in their reliance on income and consumption taxes, in their division of responsibility and financing between state and local governments, and in their local (and in some cases, state) reliance on property taxes. In addition, budgetary pressure is generated by increases in the number of poor and near-poor families that become eligible in economic downturns for programs such as Medicaid and SCHIP. The House stimulus plan balances these factors in allocating fiscal relief.

The plan relies on three indicators of state economic conditions: employment, poverty (as represented by food stamp participation), and foreclosure rates. Each is an important predictor of state fiscal circumstances. Changes in employment are closely related to changes in state income and sales tax collections. The change in the number of food stamp recipients is the single best early warning measure of what is happening to poverty in a state, which in turn is correlated with spending on Medicaid, SCHIP, and other programs that serve the poor and near-poor. Change in the foreclosure rate is related to sales tax revenues: people who feel they are losing home equity value are likely to reduce their consumption, and foreclosures also lead to a reduction in the purchase of building materials and home furnishings. An increase in foreclosures also affects property tax revenues, since property taxes are not paid on many foreclosed properties.[7] For each of the three indicators, the House plan would compare the most recent three months of available data to data from two years earlier, before the downturn began. (See Appendix for the data this report uses in its analysis.[8])

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[5] See Elizabeth C. McNichol and Iris Lav, "29 States Faced Total Budget Shortfall of at Least $48 Billion in 2009," CBPP, *Updated* Aug. 5, 2008, and Elizabeth McNichol and Iris J. Lav, "State Budget Troubles Worsen," CBPP, *Updated* Sept. 26, 2008.

[6] See Nicholas Johnson, Elizabeth Hudgins, and Jeremy Koulish, "Facing Deficits, Many States Are Imposing Cuts That Hurt Vulnerable Residents," CBPP, *Updated* Sept. 26, 2008.

[7] For more information on the three measures and why they represent a sound way to target fiscal relief, see Iris J. Lav, Jason Levitis, and Elizabeth McNichol, "Economic Data Can Be Used to Target State Fiscal Relief Effectively," CBPP, *Updated* July 9, 2008.

[8] For employment, this report compares total employment during the three months ending in July 2008 with total employment in the same three months of 2006. For foreclosures, it compares the foreclosure rate on June 30, 2008 with the rate on June 30, 2006. For poverty, it compares food stamp participation in the three months ending June 2008 with participation in the same three months in 2006. As noted in footnote 2 above, if the legislation is enacted, the data used to actually calculate the assistance may be more recent, and the foreclosure data may be slightly different depending on what source is used.

States would be assigned to a level of assistance based on the number of indicators on which they show economic distress. The specific indicators are defined as: employment growth of less than 2 percent; foreclosure rate growth of more than 60 percent; and food stamp caseload growth of more than 4 percent. States meeting all three criteria are assigned to the highest level of assistance, which we refer to here as "Tier A." States that meet two of the three criteria are designated as being in "Tier B." States meeting one or none of the criteria are placed in "Tier C."

The formula also recognizes that a state can be in severe economic stress if, for example, it has a massive increase in foreclosures, even if its food stamp rolls have not yet increased. Thus, states with extremely slow employment growth — defined as either an employment *decline* or employment growth of less than 0.25 percent — or a particularly high increase in their foreclosure rate (defined as an increase of more than 200 percent) receive an "extra point." The extra point could move them from Tier C to Tier B or from Tier B to Tier A.[9]

The Tiers Target Federal Aid to the States That Need It Most

This method of targeting based on economic data closely reflects fiscal distress in the states. According to the most recent data now available:

- Some 25 states fall into Tier A: Arizona, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nevada, New Hampshire, New Jersey, New York, Ohio, Oregon, Rhode Island, Tennessee, Vermont, Virginia, and Wisconsin.

- Of these 25 states, 24 had to close budget deficits for fiscal year 2009, already project deficits for fiscal year 2010,[10] or both.[11] The 2009 deficits in these states equal approximately 11 percent of annual general fund expenditures, a huge hole in these states' budgets.[12] At least 14 of these states, after having cut spending, increased taxes, or dipped into rainy day funds to balance their budgets for 2009, are now predicting additional fiscal year 2009 shortfalls that will require them to take further contractionary steps — and thereby heighten the drag on the economy.[13] (The number of states in this situation is expected to rise in the months ahead.)

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[9] These thresholds were chosen to reflect the level of economic conditions that appear to be causing deficits in the states. There are 33 states with employment growth of less than 2 percent (and 10 states with employment declines or employment growth of less than 0.25 percent). There are 30 states with a foreclosure rate increase greater than 60 percent (and 13 states with a foreclosure rate increase exceeding 200 percent). There are 39 states with food stamp caseload increases of more than 4 percent.

[10] Unlike the federal government, states cannot run deficits in their operating budgets when the economy turns down; they must cut expenditures, raise taxes, or draw down reserve funds to balance their budgets. Thus, our count of states that projected deficits for FY 2009 includes those that have already taken such actions to close their deficits, as well as states that have yet to finalize their FY 2009 budgets.

[11] Missouri is the only one of these states that has not reported or projected a deficit.

[12] The 11 percent includes the initial FY 2009 gaps and the mid-year gaps in the states for which the mid-year gaps are quantified. The initial gaps equal 10 percent of the states' general fund budgets.

[13] It also includes one state, Hawaii, that did not have a deficit at the time of the enactment of its FY 2009 budget but has had a 2009 deficit open up since.

TABLE 1. STATE AID THROUGH FMAP INCREASE UNDER HOUSE PLAN – ILLUSTRATIVE ESTIMATES

		Points Awarded Due to Change in:						
STATE	**State Budget Condition**	**Total Employment**	**Foreclosure Inventory**	**Food Stamp Caseload**	**Total Points**	**Qualifying Tier**	**FMAP Increase**	**Increase in Federal Aid ($ millions)**
Alabama	D	1	0	1	2	B	2%	$97
Alaska		1	1	0	2	B	2%	$52
Arizona	D	2	2	1	5	A	4%	$451
Arkansas	D	1	0	0	1	C	1%	$54
California	D	1	2	1	4	A	4%	$1,950
Colorado		0	1	0	1	C	1%	$39
Connecticut	D	1	2	1	4	A	4%	$226
Delaware	D	1	1	1	3	A	4%	$60
District of Columbia	D	0	2	0	2	B	2%	$39
Florida	D	2	2	1	5	A	4%	$991
Georgia	D	1	1	1	3	A	4%	$330
Hawaii	D	1	2	1	4	A	4%	$75
Idaho		0	1	1	2	B	2%	$33
Illinois	D	1	1	1	3	A	4%	$606
Indiana		1	0	1	2	B	2%	$146
Iowa	D	1	0	1	2	B	2%	$70
Kansas	d	0	0	1	1	C	1%	$30
Kentucky	D	1	0	1	2	B	2%	$121
Louisiana		0	0	0	0	C	1%	$170
Maine	D	1	1	1	3	A	4%	$106
Maryland	D	1	2	1	4	A	4%	$294
Massachusetts	D	1	2	1	4	A	4%	$593
Michigan	D	2	1	1	4	A	4%	$435
Minnesota	D	1	1	1	3	A	4%	$363
Mississippi	D	1	0	1	2	B	2%	$114
Missouri		1	1	1	3	A	4%	$376
Montana		0	1	0	1	C	1%	$13
Nebraska		0	0	0	0	C	1%	$21
Nevada	D	2	2	1	5	A	4%	$101
New Hampshire	D	0	2	1	3	A	4%	$58
New Jersey	D	2	2	1	5	A	4%	$393
New Mexico		0	0	0	0	C	1%	$52
New York	D	1	1	1	3	A	4%	$2,440
North Carolina		0	0	1	1	C	1%	$131
North Dakota		0	0	1	1	C	1%	$11
Ohio	D	2	0	1	3	A	4%	$659
Oklahoma	D	0	0	0	0	C	1%	$98
Oregon	d	1	1	1	3	A	4%	$173
Pennsylvania		1	0	1	2	B	2%	$426
Rhode Island	D	2	2	1	5	A	4%	$90
South Carolina	D	0	0	1	1	C	1%	$47
South Dakota		0	0	1	1	C	1%	$8
Tennessee	D	2	0	1	3	A	4%	$379
Texas		0	0	0	0	C	1%	$570
Utah		0	1	0	1	C	1%	$33
Vermont	D	2	1	1	4	A	4%	$55
Virginia	D	1	2	1	4	A	4%	$279
Washington	d	0	1	1	2	B	2%	$180
West Virginia		1	0	1	2	B	2%	$73
Wisconsin	D	2	1	1	4	A	4%	$264
Wyoming		0	0	0	0	C	1%	$6
Total		**43**	**43**	**39**				$14,410

D = has projected a deficit for FY 2009; d = has projected a deficit for FY 2010

Note: These estimates may differ from the levels of aid under the House legislation. There are at least two reasons for this. First, the foreclosure figures may be taken from a different source. Second, the legislation specifies use of the most recent data, so newer data may be used.

Sources: For state budget conditions, see Elizabeth McNichol and Iris J. Lav, "State Budget Troubles Worsen," CBPP, Sept. 8, 2008.

The state aid figures are CBPP calculations based on states' projections of Medicaid spending in fiscal year 2009 and fiscal year 2010, adjusted to reflect the Congressional Budget Office's (CBO) estimate of the aggregate cost of the House bill's FMAP increase. The table excludes a small amount (about $29 million) that is estimated to go to U.S. territories. The total CBO estimate for the FMAP increase provision is $14.41 billion.

Sources for the employment, foreclosure, and food stamp data may be found in the Appendix.

Senate Leadership's Stimulus Proposal Also Includes State Fiscal Relief

The Senate Leadership has also unveiled a new stimulus proposal that includes fiscal relief for the states. The Senate proposal provides a total of nearly $20 billion in state fiscal relief, a larger amount than under the House proposal. Unlike the House proposal, however, the proposal provides the same level of assistance to all states.

The Senate stimulus proposal would provide a temporary increase of 4 percentage points in all states' FMAP for a period of 15 months starting October 1, 2008. Similar to the requirement under the House proposal, in order for states to qualify for the increase in their FMAP, they must not have Medicaid eligibility levels that were more restrictive than the levels that were in effect on September 1, 2008. States would also be "held harmless" for any decreases that might have occurred because of the annual recalculation of the FMAP. Each state's 2009 FMAP would be set at least as high as its 2008 FMAP, and each state's 2010 FMAP would be set at least as high as its 2009 FMAP for the first quarter of fiscal year 2010.

- Eleven states fall into tier B: Alabama, Alaska, District of Columbia, Idaho, Indiana, Iowa, Kentucky, Mississippi, Pennsylvania, Washington, and West Virginia. Five of these states — Alabama, the District of Columbia, Iowa, Kentucky, and Mississippi — had deficits in fiscal 2009; Washington projects a deficit for 2010. Idaho and Pennsylvania have weakening fiscal conditions and could face deficits soon.

A few states that expect to face deficits are not among those showing the greatest economic distress under the three indicators. Three of the 16 states in Tier C — Arkansas, Oklahoma, and South Carolina — had to close fiscal year 2009 deficits, and one other state, Kansas, is projecting a deficit for fiscal year 2010. Deficits in these states may stem from policy choices rather than economic stress or may be caused by economic factors not captured by these three indicators.

The Fiscal Relief the Proposal Would Provide

The legislation provides more than $14 billion in fiscal relief to states, in the form of a temporary increase in the federal share of Medicaid costs (known technically as an increase in the FMAP, or federal Medicaid matching percentage) for 14 months starting on October 1, 2008 (the start of federal fiscal year 2009).[14] For states in Tier A, their FMAP would increase by 4 percentage points. For example, if the federal government is paying for 50 percent of a state's Medicaid costs, it would pay 54 percent of these costs during the period that the stimulus plan would cover. For states in Tier B, the FMAP would rise by 2 percentage points. States in Tier C would get a 1 percentage point increase.[15] (To receive any increased FMAP, a state must not have Medicaid eligibility levels that are more restrictive than were in effect on July 1, 2008.[16] States that have already restricted

[14] The Congressional Budget Office estimates the aggregate cost of the FMAP increase provision to be $14.41 billion. The estimates in this paper exclude a small share of this that would go to U.S. territories — about $29 million.

[15] In addition to this targeted assistance, all states would be "held harmless" for any decreases that might have occurred because of the normal annual recalculation of the FMAP. Each state's 2009 FMAP would be set at least as high as its 2008 FMAP and each state's 2010 FMAP would be set at least as high as its 2009 FMAP for the first two months of fiscal year 2010.

[16] Restrictions on eligibility include changes that make it more difficult for recipients to meet procedural requirements for enrollment or periodic renewal of their coverage.

eligibility since July 1 would be allowed to reverse their actions and still qualify for an increased FMAP in the first calendar quarter they have restored their Medicaid eligibility.)

While the data used to target the fiscal relief reflect state circumstances for a specific period of time, the House plan also contemplates looking at the data for each calendar quarter that the enhanced FMAP is in effect. If a state reaches the thresholds for a higher tier, it will move into that tier and receive the relief at the higher level for the remainder of 14 months.[17]

Table 1 shows estimates of the legislation's aid to each state based on current data. According to these illustrative estimates, the 25 Tier A states would receive 81.5 percent of the benefit, the 11 Tier B states would receive 9.6 percent of the benefit, and the 15 Tier C states would receive 8.9 percent of the benefit.[18]

[17] States would not, however, move down to a lower tier if they began to recover during fiscal year 2009 or the first two months of fiscal year 2010.

[18] These figures are Center on Budget and Policy Priorities estimates based on states' projection of Medicaid spending.

Appendix: Estimated Points Awarded Based on Economic Indicators

ESTIMATED POINTS AWARDED BASED ON STATE TRENDS IN TOTAL EMPLOYMENT, 2006-2008						
			Total Employment			
Rank	STATE	State Budget Condition	May - July 2006 Average (in thousands)	May - July 2008 Average (in thousands)	Percent Change	Points
1	Michigan	D	4,344	4,226	-2.71%	2
2	Rhode Island	D	496	485	-2.32%	2
3	Florida	D	7,955	7,896	-0.74%	2
4	Ohio	D	5,467	5,441	-0.47%	2
5	New Jersey	D	4,109	4,104	-0.12%	2
6	Arizona	D	2,615	2,614	-0.05%	2
7	Tennessee	D	2,784	2,787	0.11%	2
8	Nevada	D	1,286	1,287	0.11%	2
9	Vermont	D	306	307	0.18%	2
10	Wisconsin	D	2,894	2,900	0.20%	2
.... Bonus Point Threshold					**0.25%**	
11	Indiana		2,970	2,978	0.26%	1
12	Delaware	D	440	441	0.28%	1
13	Maine	D	624	626	0.30%	1
14	California	D	15,084	15,151	0.44%	1
15	West Virginia		758	763	0.63%	1
16	Missouri		2,785	2,803	0.65%	1
17	Arkansas	D	1,199	1,207	0.69%	1
18	Minnesota	D	2,784	2,804	0.73%	1
19	Illinois	D	5,975	6,028	0.89%	1
20	Pennsylvania		5,776	5,828	0.91%	1
21	Alaska		332	335	1.03%	1
22	Mississippi	D	1,138	1,151	1.16%	1
23	Virginia	D	3,749	3,795	1.24%	1
24	Iowa	D	1,513	1,533	1.33%	1
25	Hawaii	D	617	625	1.35%	1
26	Connecticut	D	1,686	1,711	1.46%	1
27	Massachusetts	D	3,267	3,316	1.50%	1
28	Georgia	D	4,082	4,147	1.58%	1
29	Alabama	D	1,984	2,016	1.65%	1
30	Oregon	d	1,710	1,739	1.67%	1
31	Maryland	D	2,607	2,654	1.82%	1
32	Kentucky	D	1,850	1,884	1.84%	1
33	New York	D	8,654	8,820	1.92%	1
.... Indicator Threshold					**2.00%**	
34	New Mexico		834	852	2.25%	0
35	New Hampshire	D	647	662	2.30%	0
36	Idaho		645	660	2.33%	0
37	Kansas	d	1,354	1,388	2.52%	0
38	District of Columbia	D	690	708	2.65%	0
39	North Dakota		353	363	2.73%	0
40	Oklahoma	D	1,539	1,582	2.79%	0
41	Nebraska		952	979	2.79%	0
42	Montana		444	457	2.87%	0
43	South Carolina	D	1,902	1,963	3.22%	0
44	South Dakota		405	419	3.32%	0
45	North Carolina		4,031	4,175	3.58%	0
46	Washington	d	2,873	2,979	3.69%	0
47	Colorado		2,289	2,374	3.71%	0
48	Utah		1,201	1,263	5.16%	0
49	Louisiana		1,850	1,945	5.16%	0
50	Texas		10,049	10,606	5.54%	0
51	Wyoming		284	302	6.41%	0
	Total		**136,180**	**138,078**	**1.39%**	**43**

D = has projected a deficit for FY 2009; d = has projected a deficit for FY 2010

Note: Points awarded under the House legislation may be different due to more recent data becoming available.

Source: BLS Current Employer Statistics Survey (Establishment Survey), available at http://www.bls.gov/data/home.htm. July 2008 data are preliminary.

ESTIMATED POINTS AWARDED BASED ON STATE TRENDS IN FORECLOSURE INVENTORIES, 2006-2008				
Rank	**STATE**		**Percent Change in Foreclosure Inventory, 2006 - 2008**	**Points**
1	California	D	1330%	2
2	Arizona	D	1317%	2
3	Florida	D	1100%	2
4	Nevada	D	993%	2
5	Hawaii	D	545%	2
6	Virginia	D	484%	2
7	District of Columbia	D	363%	2
8	Rhode Island	D	335%	2
9	Maryland	D	310%	2
10	New Jersey	D	233%	2
11	New Hampshire	D	230%	2
12	Massachusetts	D	229%	2
13	Connecticut	D	205%	2
.... Bonus Point Threshold			**200%**	
15	Minnesota	D	199%	1
16	Oregon	d	197%	1
17	Idaho		196%	1
18	Maine	D	167%	1
19	Washington	d	160%	1
20	New York	D	159%	1
21	Illinois	D	144%	1
22	Vermont	D	137%	1
23	Delaware	D	133%	1
24	Alaska		121%	1
25	Wisconsin	D	120%	1
26	Montana		107%	1
27	Michigan	D	91%	1
28	Colorado		84%	1
29	Georgia	D	82%	1
30	Utah		66%	1
31	Missouri		62%	1
.... Indicator Threshold			**60%**	
32	North Dakota		60%	0
34	Nebraska		52%	0
35	Wyoming		51%	0
36	West Virginia		51%	0
37	Alabama	D	50%	0
37	New Mexico		50%	0
39	Iowa	D	47%	0
40	South Dakota		46%	0
41	Kentucky	D	42%	0
42	Louisiana		38%	0
43	Indiana		29%	0
44	Oklahoma	D	29%	0
45	Pennsylvania		29%	0
46	Texas		27%	0
47	Ohio	D	27%	0
48	Arkansas	D	26%	0
49	Tennessee	D	26%	0
50	South Carolina	D	25%	0
51	Kansas	d	22%	0
52	North Carolina		18%	0
53	Mississippi	D	14%	0

D = has projected a deficit for FY 2009; d = has projected a deficit for FY 2010

Note: Points awarded under the House legislation may be different due to using a different data source and/or more recent data becoming available.

Source: Mortgage Bankers National Delinquency Survey, Reprinted by permission of the Mortgage Bankers Association. For more information, contact the Mortgage Bankers Association, 1919 Pennsylvania Avenue, N.W., Washington, D.C. 20006, (202) 557-2700, www.mortgagebankers.org.

ESTIMATED POINTS AWARDED BASED ON STATE TRENDS IN FOOD STAMP CASELOAD, 2006-2008						
			Food Stamp Caseload			
Rank	STATE		Apr. - June 2006 Average (in thousands)	Apr. - June 2008 Average (in thousands)	Percent Change	Points
1	Nevada	D	117	148	26.41%	1
2	Florida	D	1,219	1,474	20.90%	1
3	Maryland	D	304	363	19.53%	1
4	Arizona	D	533	637	19.48%	1
5	Vermont	D	47	56	19.30%	1
6	Rhode Island	D	73	87	18.58%	1
7	Massachusetts	D	432	508	17.49%	1
8	Wisconsin	D	371	435	17.35%	1
9	Delaware	D	66	76	15.12%	1
10	North Dakota		43	49	14.24%	1
11	New Hampshire	D	57	65	13.84%	1
12	Hawaii	D	86	97	12.95%	1
13	Missouri		792	894	12.91%	1
14	California	D	1,998	2,250	12.63%	1
15	Mississippi	D	397	445	12.32%	1
16	Iowa	D	228	256	12.20%	1
17	Idaho		92	103	12.01%	1
18	South Carolina	D	529	592	11.84%	1
19	Michigan	D	1,141	1,275	11.75%	1
20	Minnesota	D	266	297	11.72%	1
21	North Carolina		849	947	11.53%	1
22	Georgia	D	925	1,029	11.20%	1
23	Maine	D	159	176	10.71%	1
24	Oregon	d	435	479	10.18%	1
25	Pennsylvania		1,093	1,196	9.47%	1
26	New York	D	1,792	1,962	9.46%	1
27	Ohio	D	1,064	1,161	9.13%	1
28	New Jersey	D	405	440	8.66%	1
29	South Dakota		59	64	8.54%	1
30	Virginia	D	505	547	8.41%	1
31	Kentucky	D	586	635	8.33%	1
32	Indiana		575	622	8.13%	1
33	Alabama	D	534	573	7.19%	1
34	Connecticut	D	211	226	7.01%	1
35	Washington	d	540	578	6.94%	1
36	Illinois	D	1,224	1,305	6.57%	1
37	Tennessee	D	864	914	5.76%	1
38	West Virginia		266	278	4.54%	1
39	Kansas	d	181	189	4.25%	1
.... Indicator Threshold					4.00%	
40	Utah		132	136	3.20%	0
41	District of Columbia	D	87	89	2.91%	0
42	Louisiana		646	655	1.44%	0
43	Alaska		61	61	1.31%	0
44	Nebraska		120	121	0.94%	0
45	Arkansas	D	380	379	-0.15%	0
46	Texas		2,475	2,453	-0.89%	0
47	Montana		82	81	-0.90%	0
48	Colorado		257	254	-1.04%	0
49	New Mexico		245	242	-1.28%	0
50	Oklahoma	D	431	415	-3.56%	0
51	Wyoming		24	23	-5.19%	0
	Total		25,996	28,337	9.00%	39

D = has projected a deficit for FY 2009; d = has projected a deficit for FY 2010

Note: Points awarded under the House legislation may be different due to more recent data becoming available.

Source: USDA Food and Nutrition Service Data, available at http://www.fns.usda.gov/pd/29fslatest.htm. (Previous months' data on file.)