

State Budgets Under Stress

Impacts on Unemployment Insurance and Medicaid

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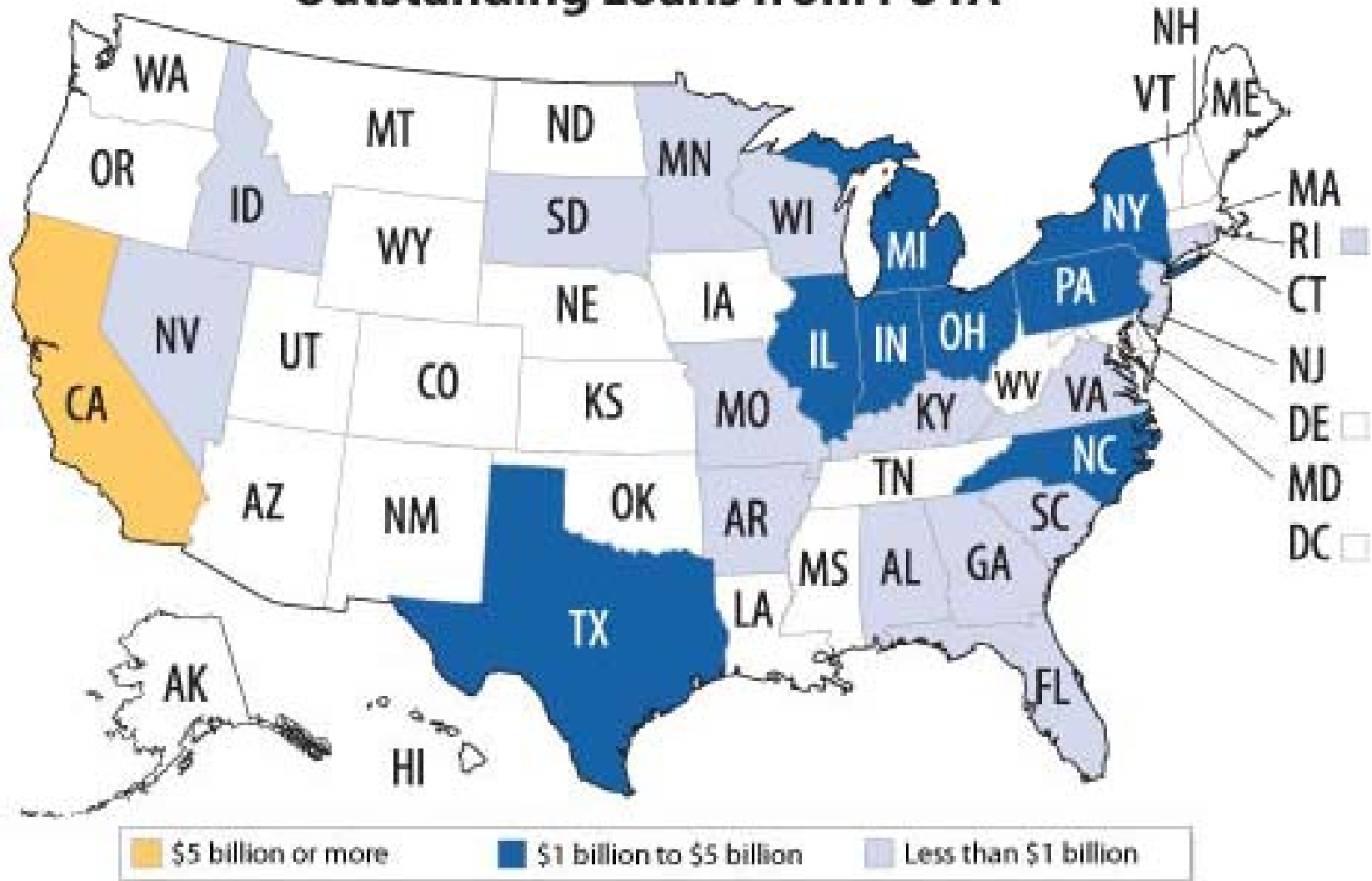
www.cbpp.org

At National Academy of Social Insurance

January 21, 2010

UNEMPLOYMENT INSURANCE

Outstanding Loans from FUTA



Notes: As of January 14, 2010. Total outstanding loan amount is \$28.7 billion.

State Unemployment Accounts

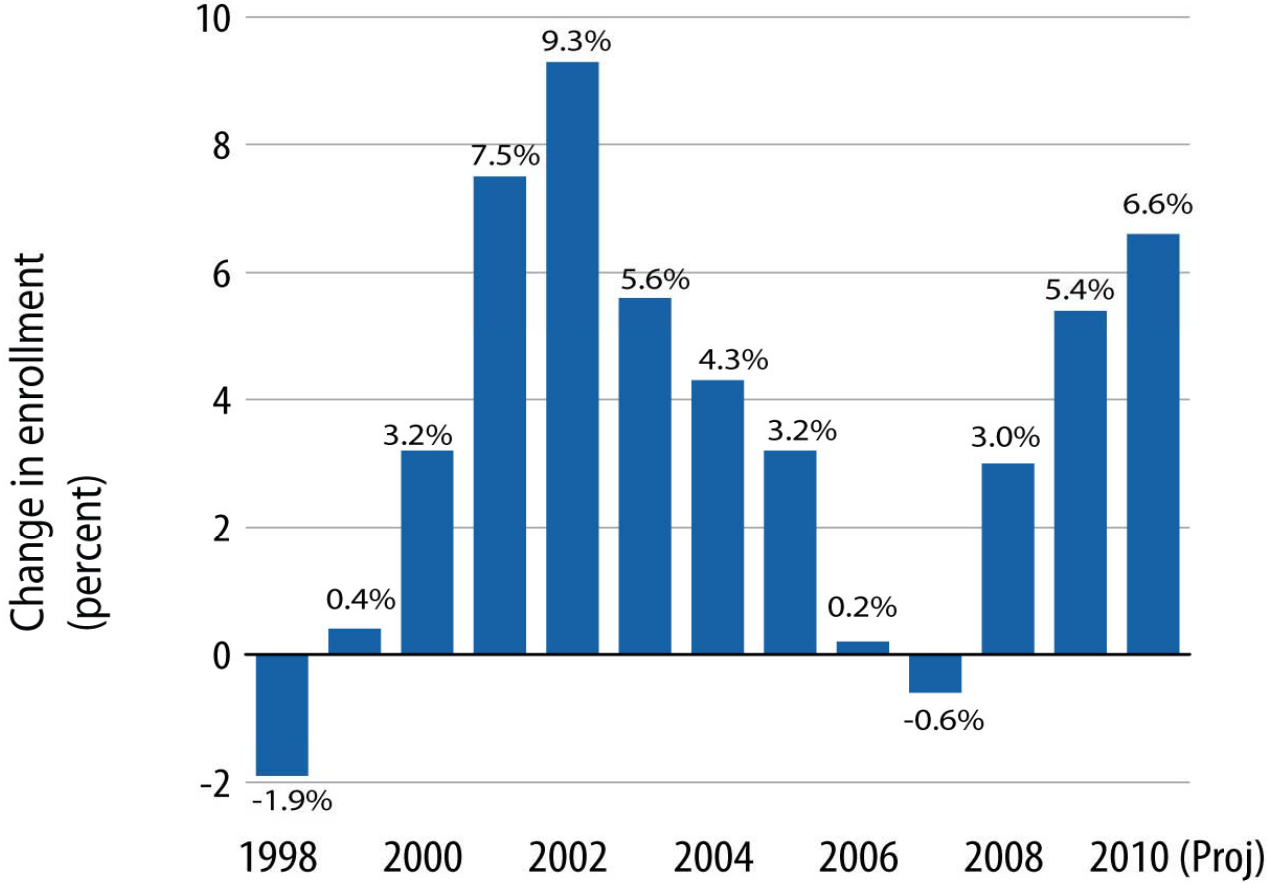
billions of dollars

Fiscal Years	2010	2011	2012	2013	2014
Outstanding Loans	\$61	\$86	\$90	\$85	\$73
Loan Repayments	\$4	\$19	\$26	\$28	\$28
Benefits Paid	\$101	\$84	\$70	\$64	\$57

Source: US Department of Labor

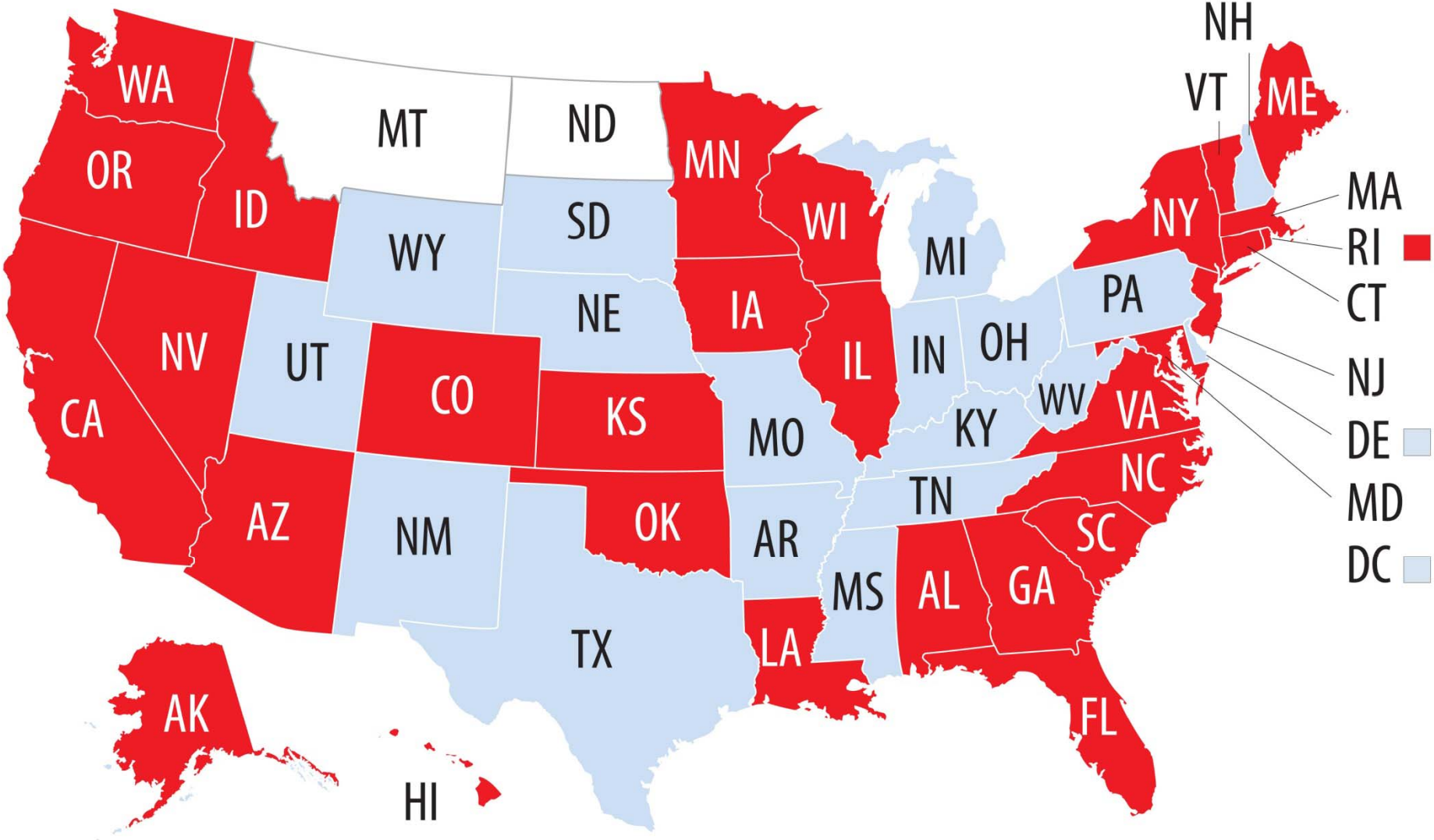
MEDICAID AND BUDGET SHORTFALLS

Medicaid Enrollment Is Rising.



Source: The Kaiser Commission on Medicaid and the Uninsured.

48 States Face Budget Shortfalls.

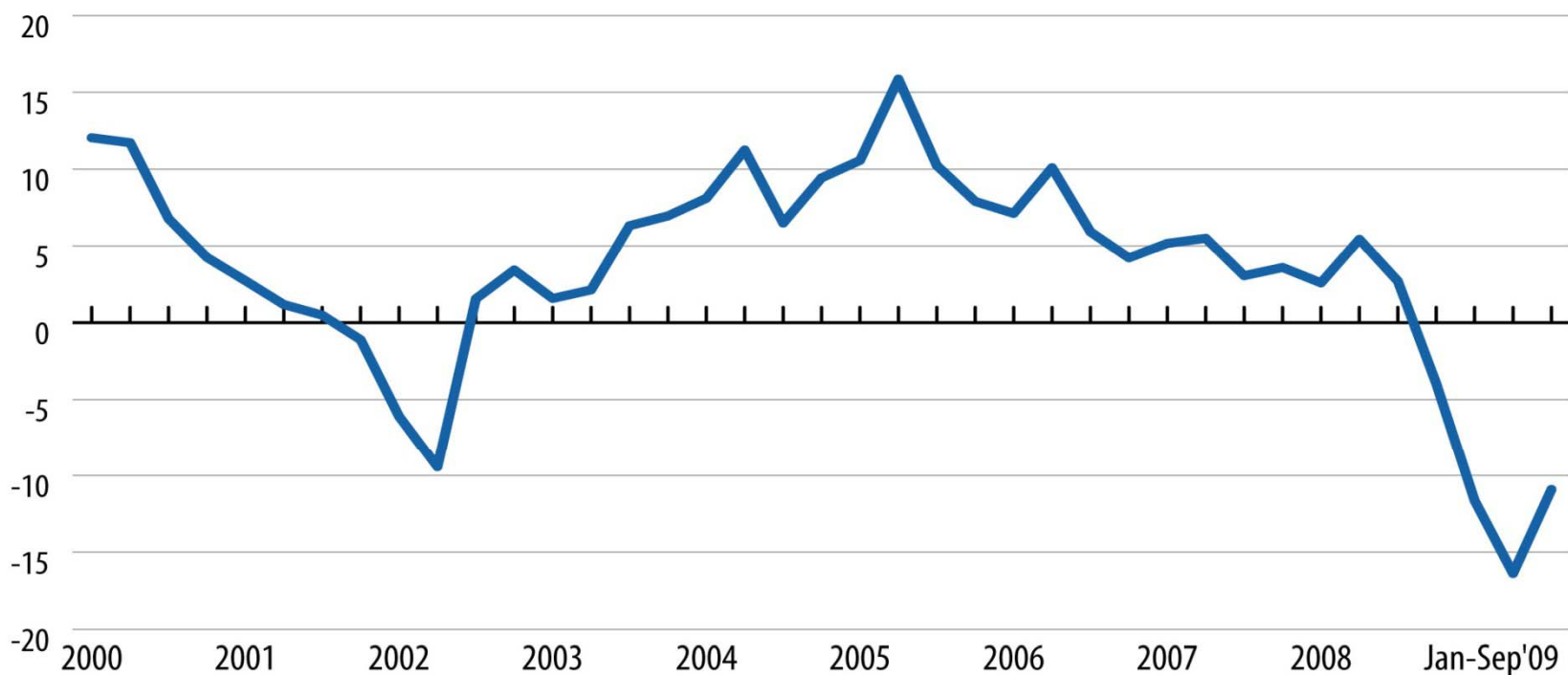


Shortfalls as share of FY09 General Fund Expenditures.



State Tax Revenues Decline Sharply during Recessions.

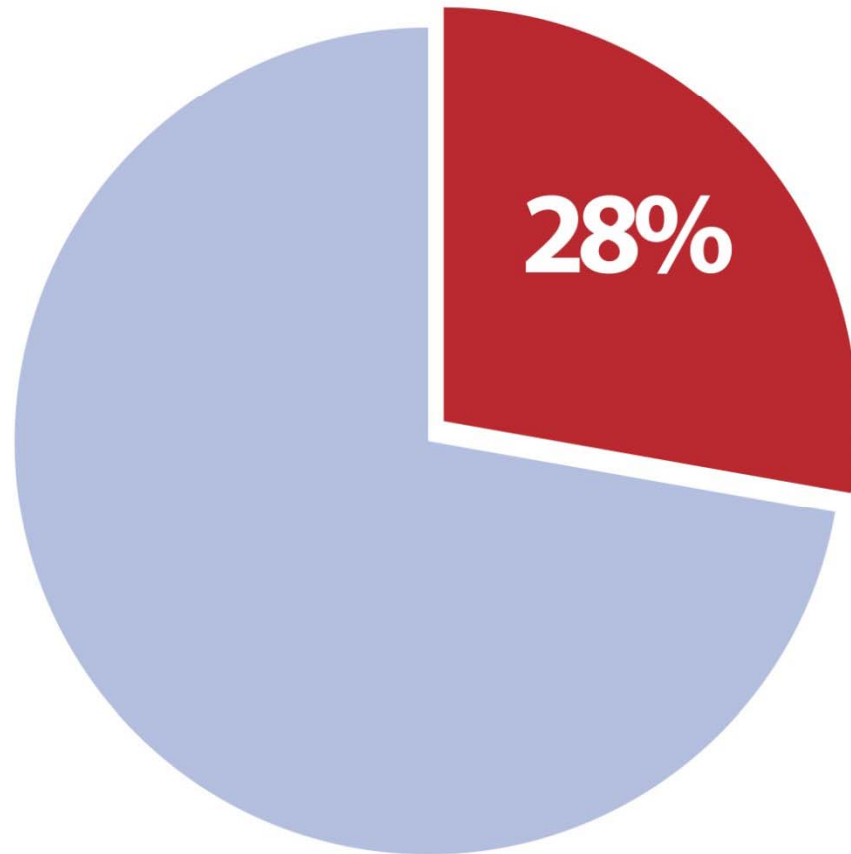
Percent change in quarterly total tax revenues from 2000 to the first 9 months of 2009.*



Source: The Census Bureau.

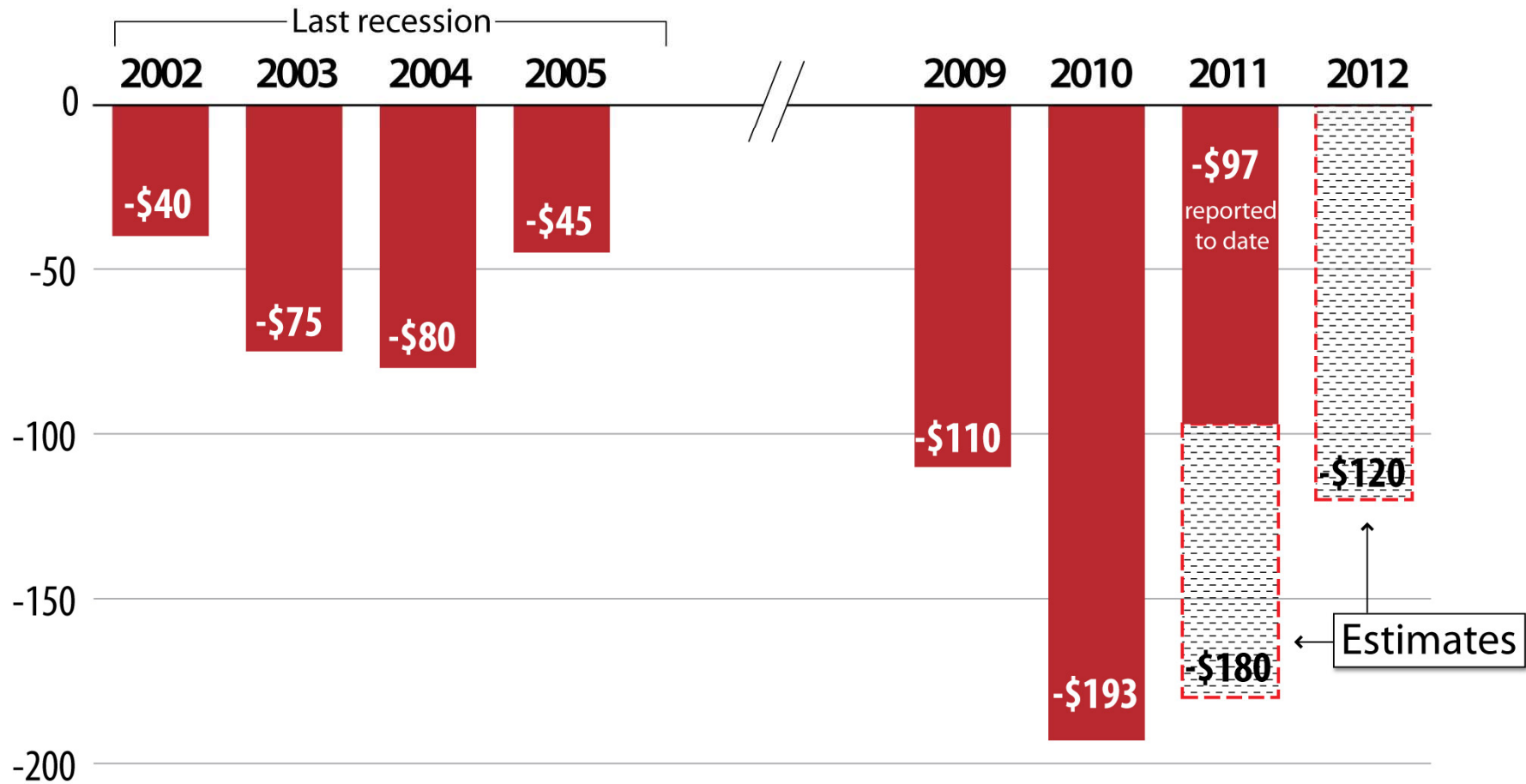
* Changes are on a year-over-year basis.

2010 Shortfalls As a Share of State Budgets



How Bad Will It Get?

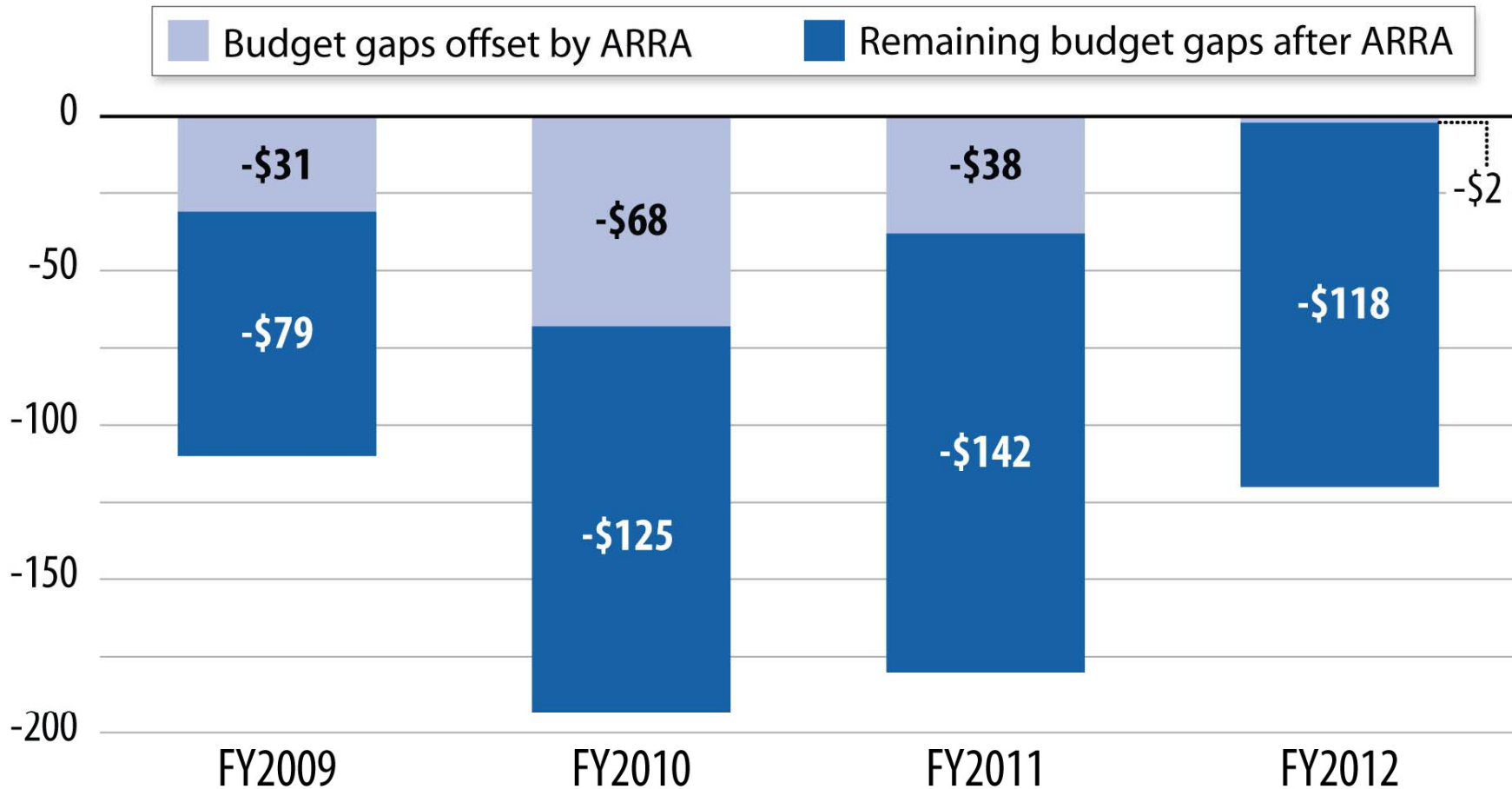
Total state budget shortfall in each fiscal year, in billions



Source: CBPP survey

ARRA Reduces State Budget Gaps, But Large Deficits Remain

Budget shortfalls in billions



Sources: Shortfalls data from CBPP; ARRA data from Congressional Budget Office and CBPP.