
The State Budget: Difficult Choices & Our Future



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Education



Transportation



Libraries, Parks & Recreation



Public Safety



Clean Air & Safe Drinking Water



Prisons & the Courts



Health Care & Public Health

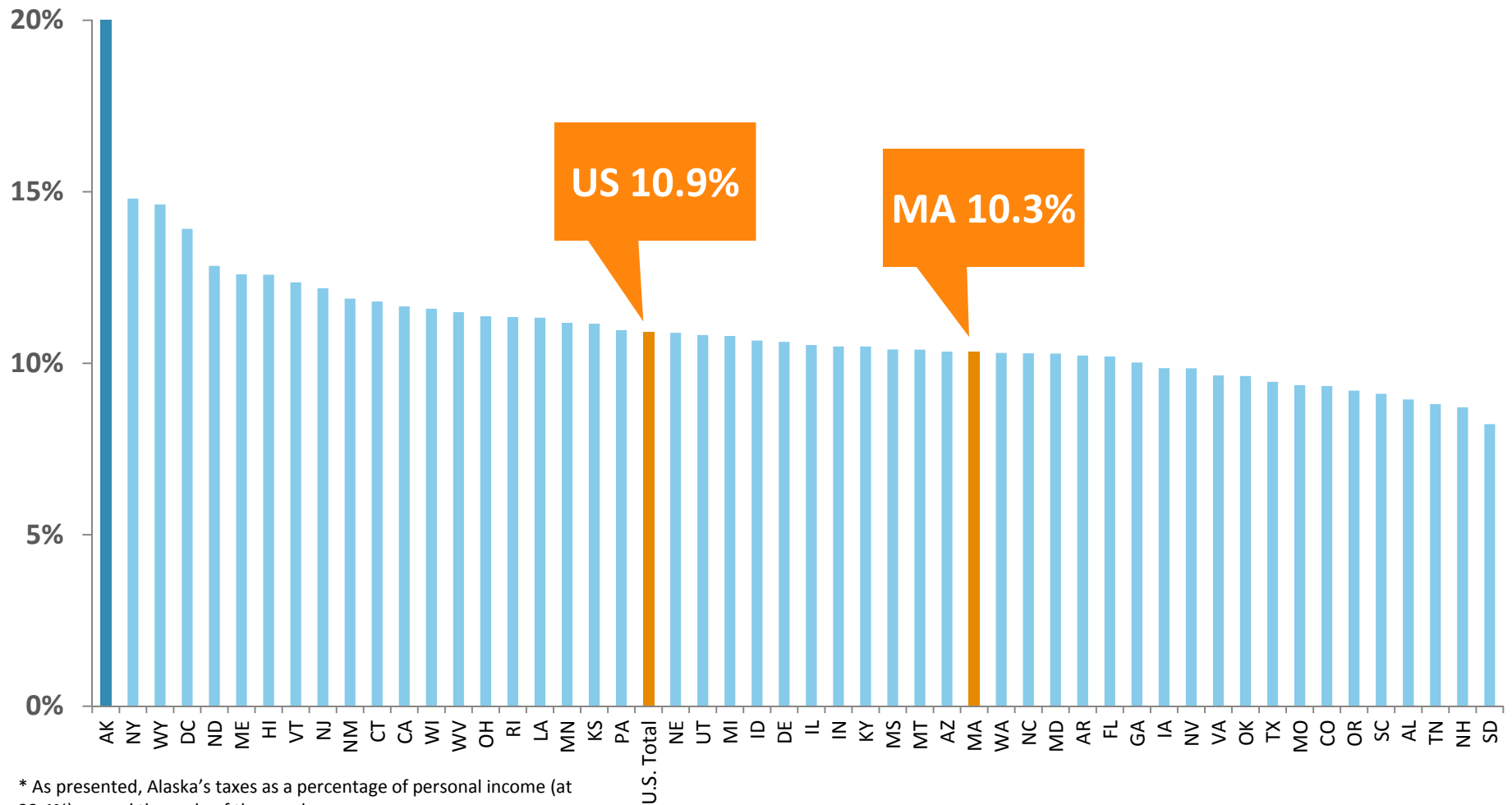


Human Services



MA Taxes Lower Than U.S. Average

Taxes as Percent of Personal Income, 2008

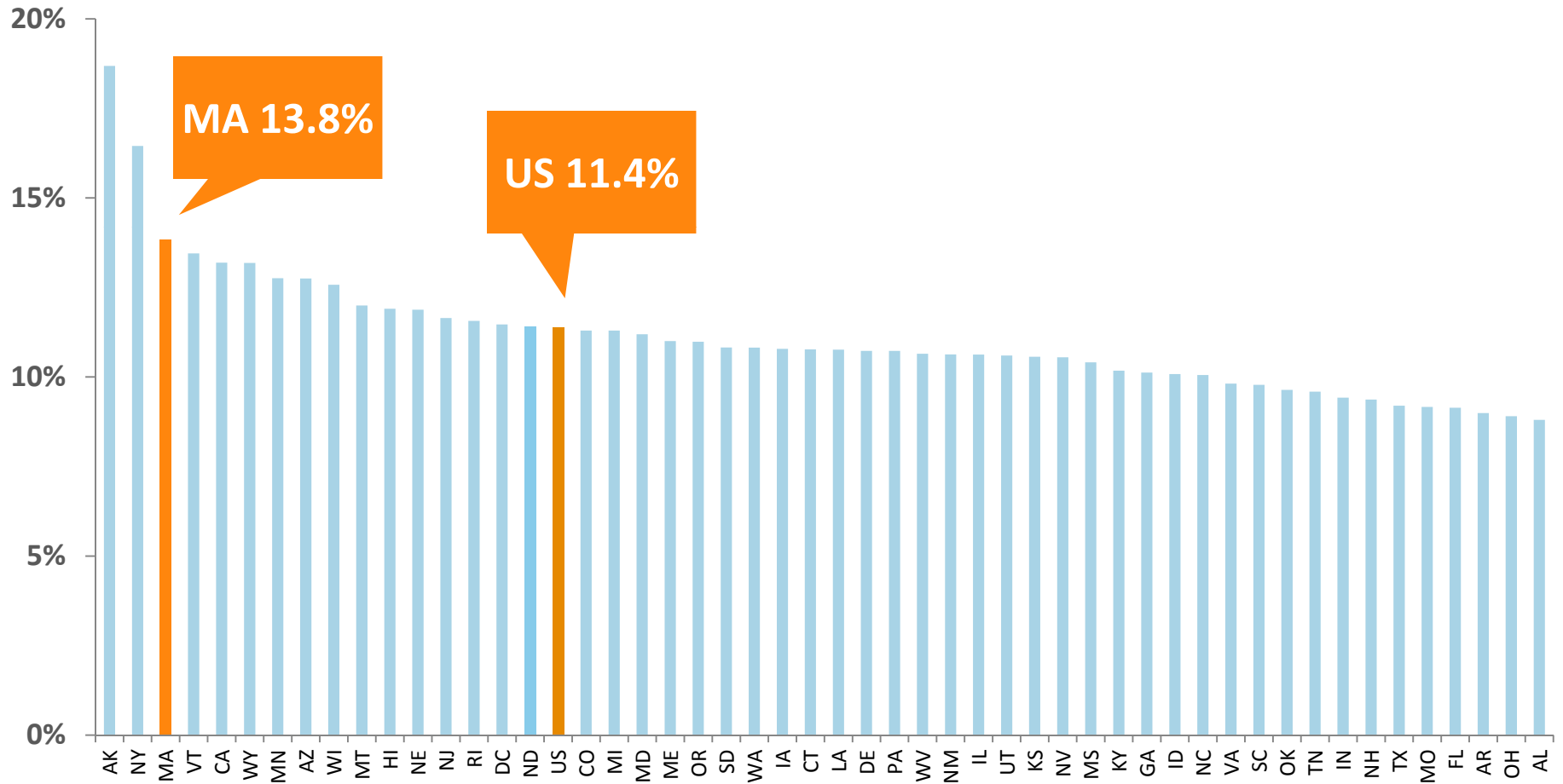


* As presented, Alaska's taxes as a percentage of personal income (at 33.4%) exceed the scale of the graph

Why We Are Called Taxachusetts:

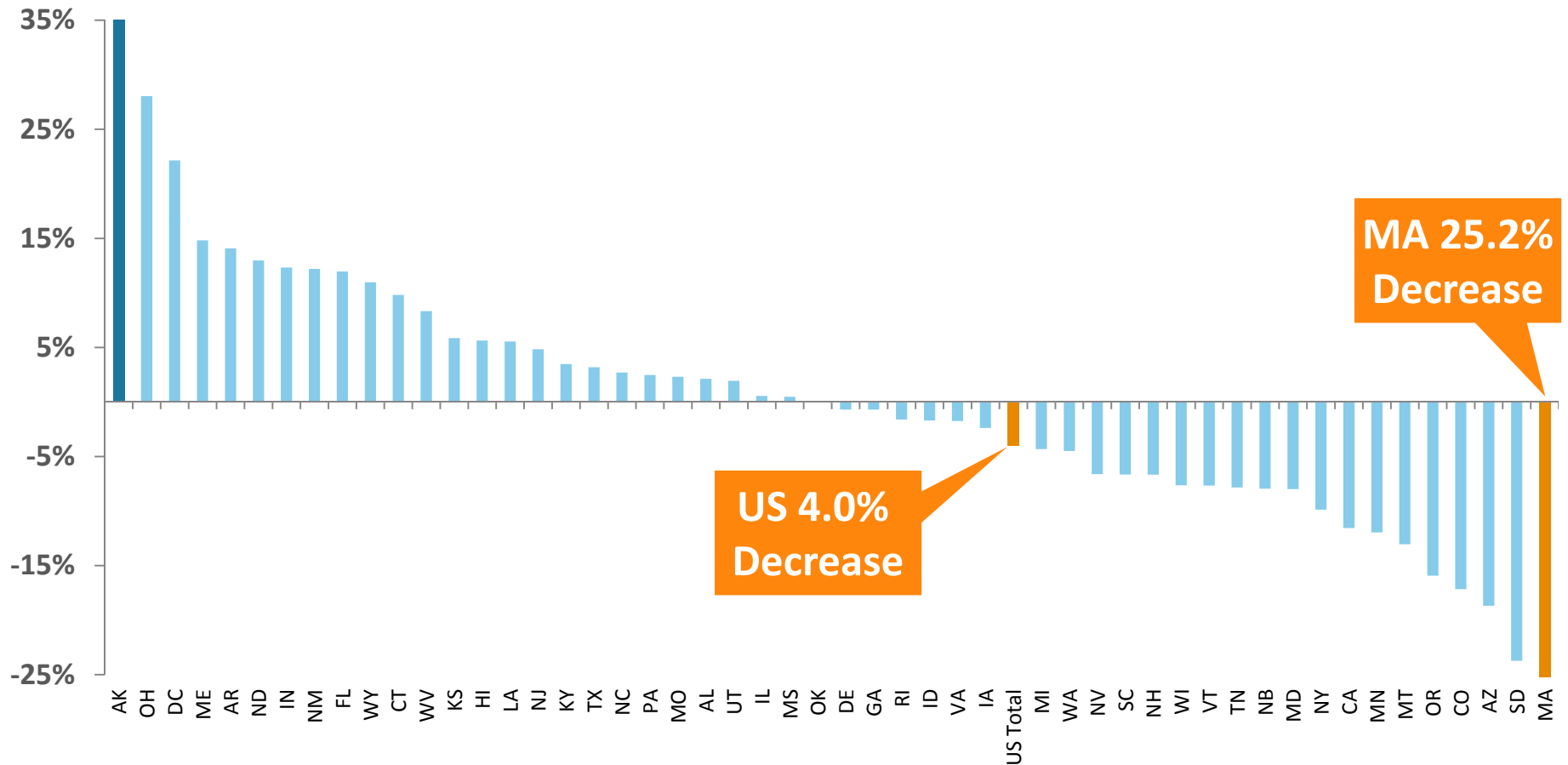
Total State and Local Taxes in Fiscal Year 1977

Taxes as Percent of Personal Income



Taxes Declined More in MA Than Any Other State: 1977-2008

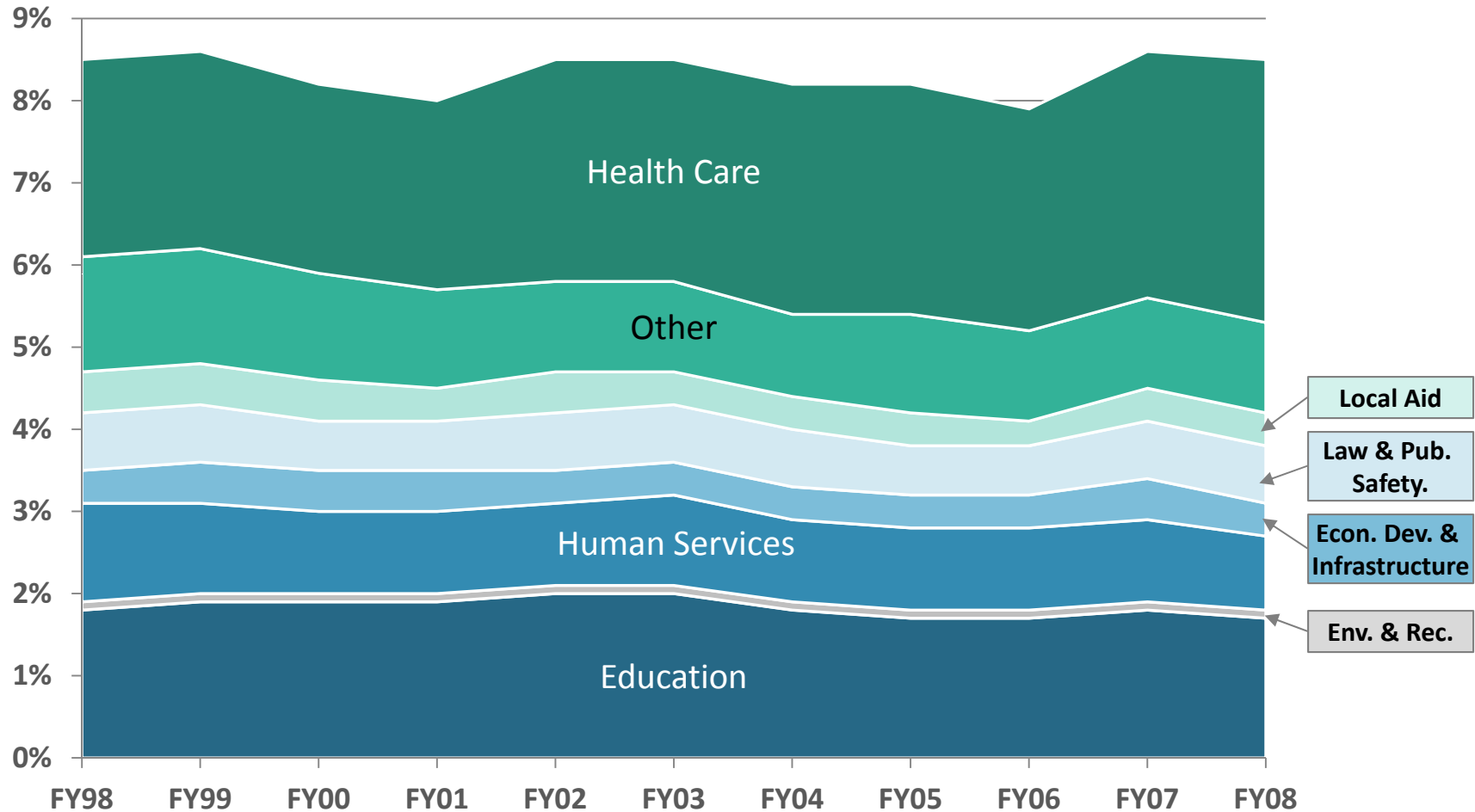
Taxes as Percent of Personal Income



* As presented, Alaska's taxes as a percentage of personal income (at 78%) exceed the scale of the graph

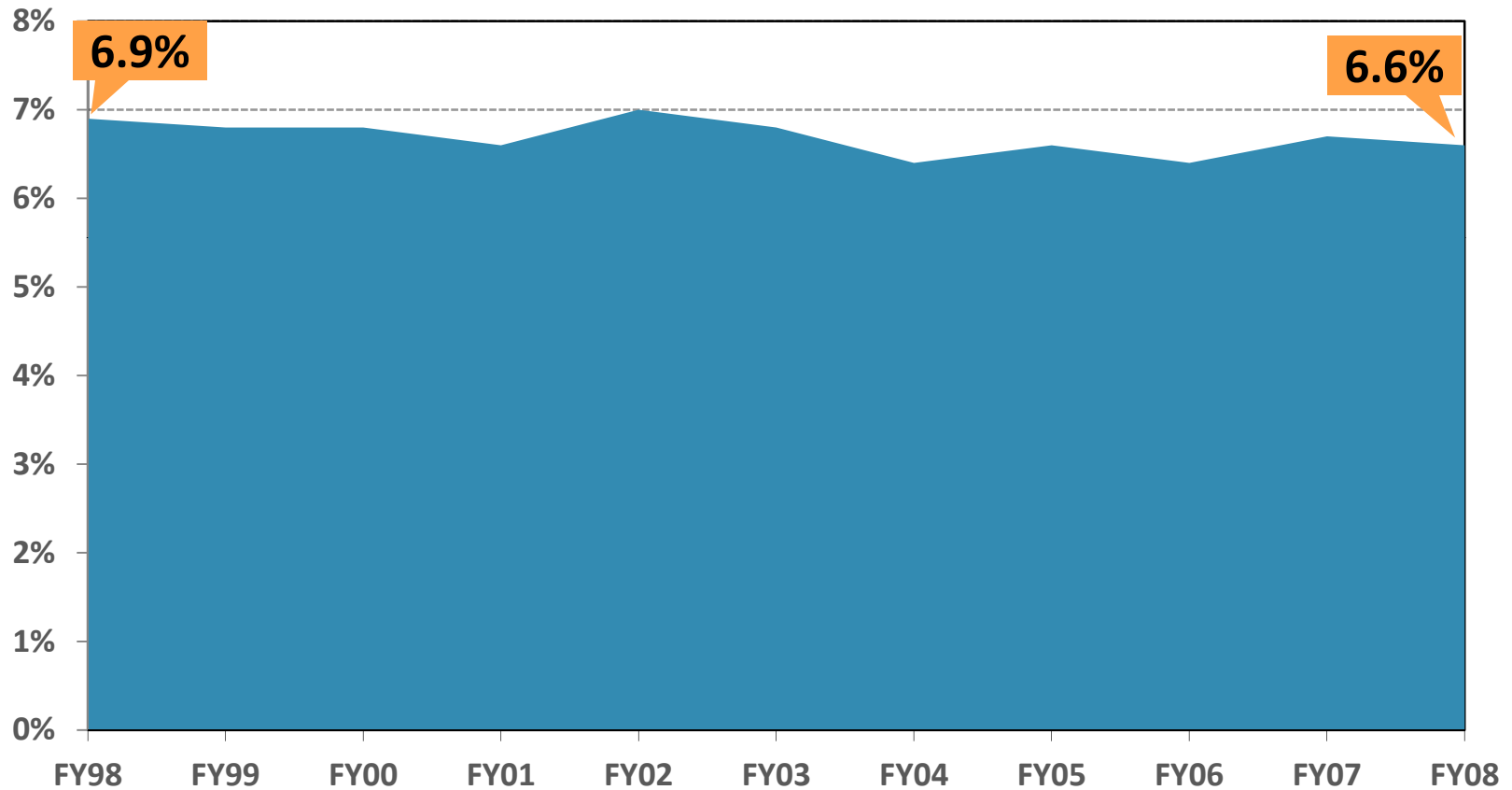
Spending Mostly Stayed Constant

% of Total Personal Income



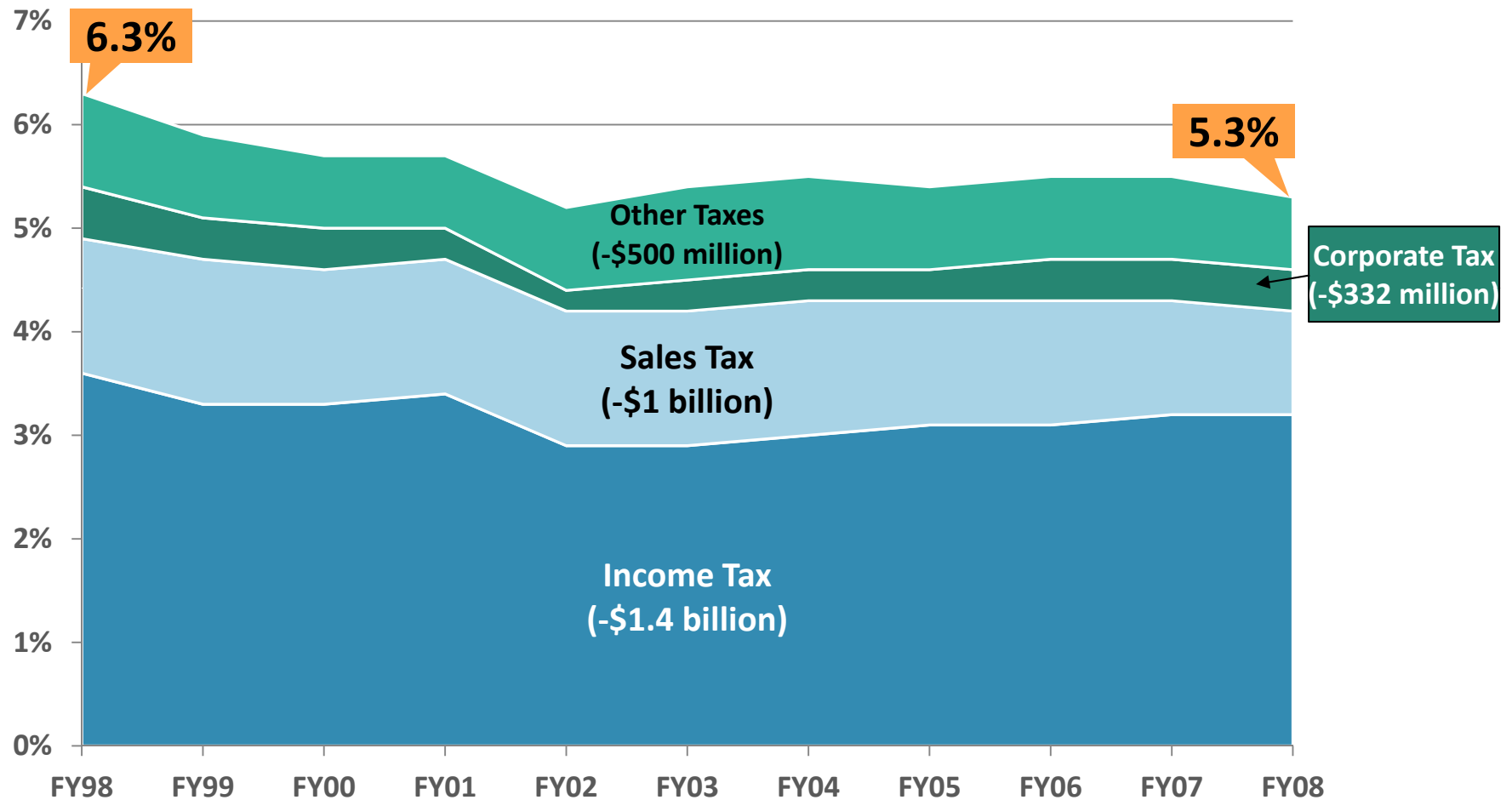
State's Own Spending Declined

% of Total Personal Income



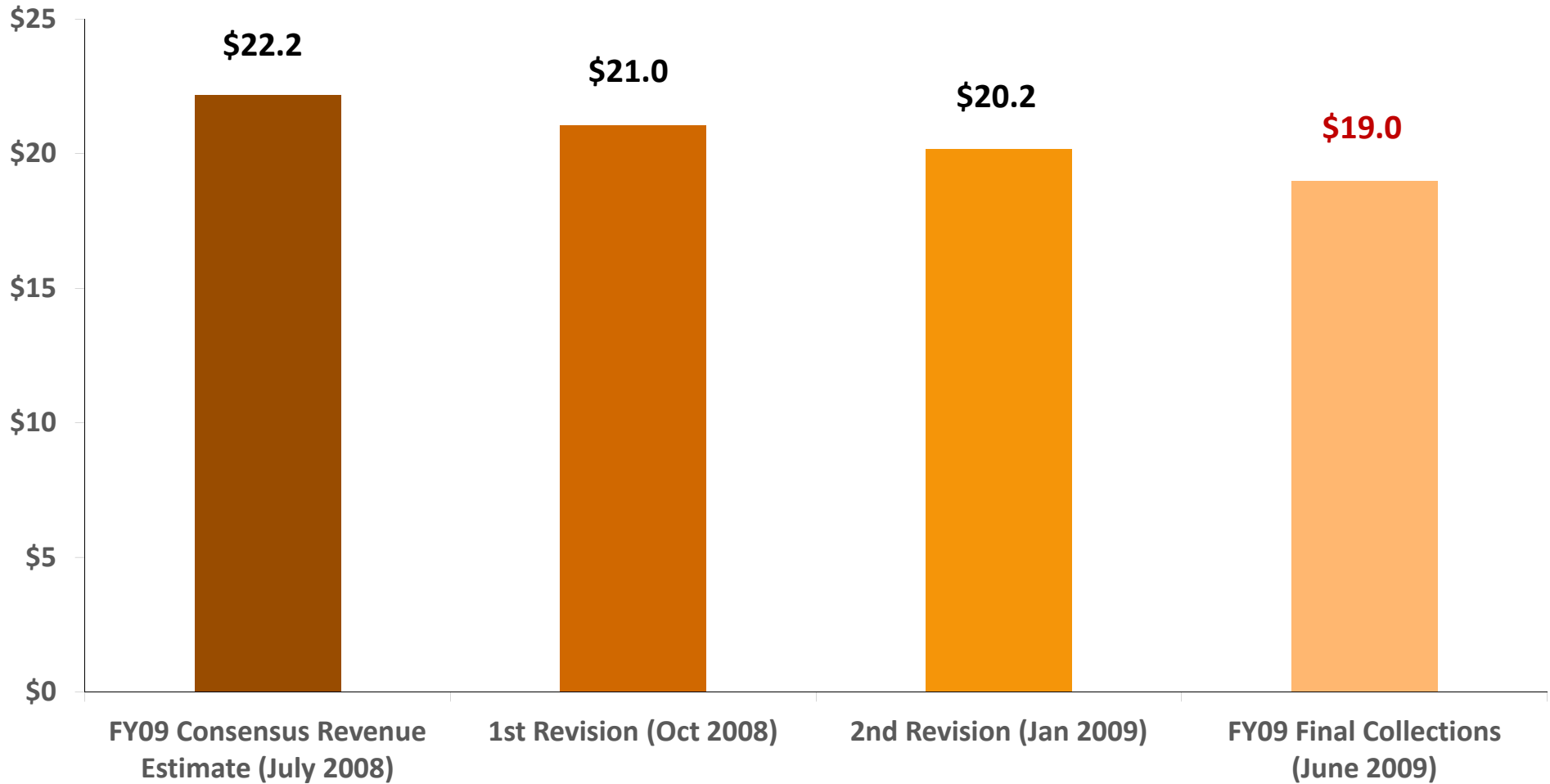
State Tax Revenues Declined

% of Total Personal Income



Revenue Plunges in FY09 as Recession Hits

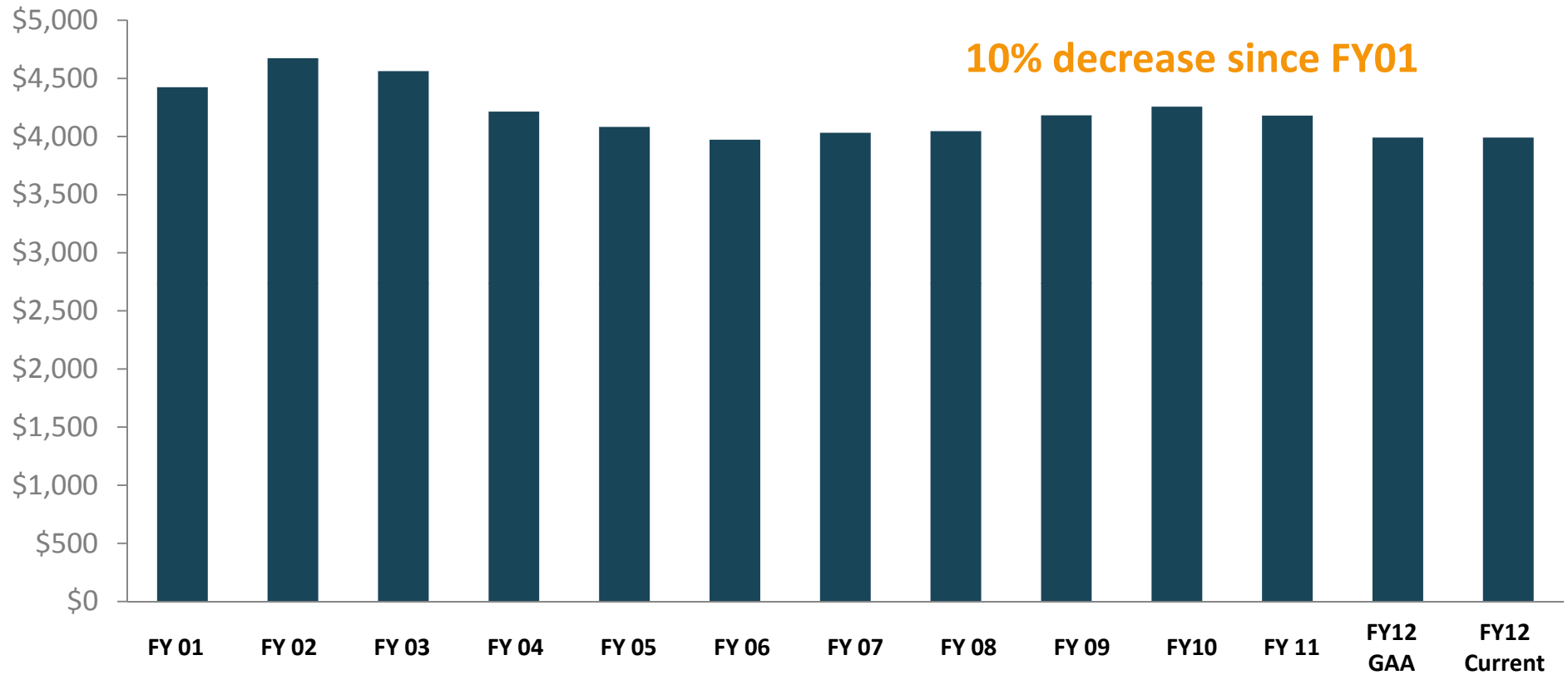
Total Annual Tax Revenue (billions), in FY12 dollars



*Final collection total (from Auditor's revenue report) includes only those tax categories counted in the official Consensus Revenue Estimate.

Chapter 70 Education Aid

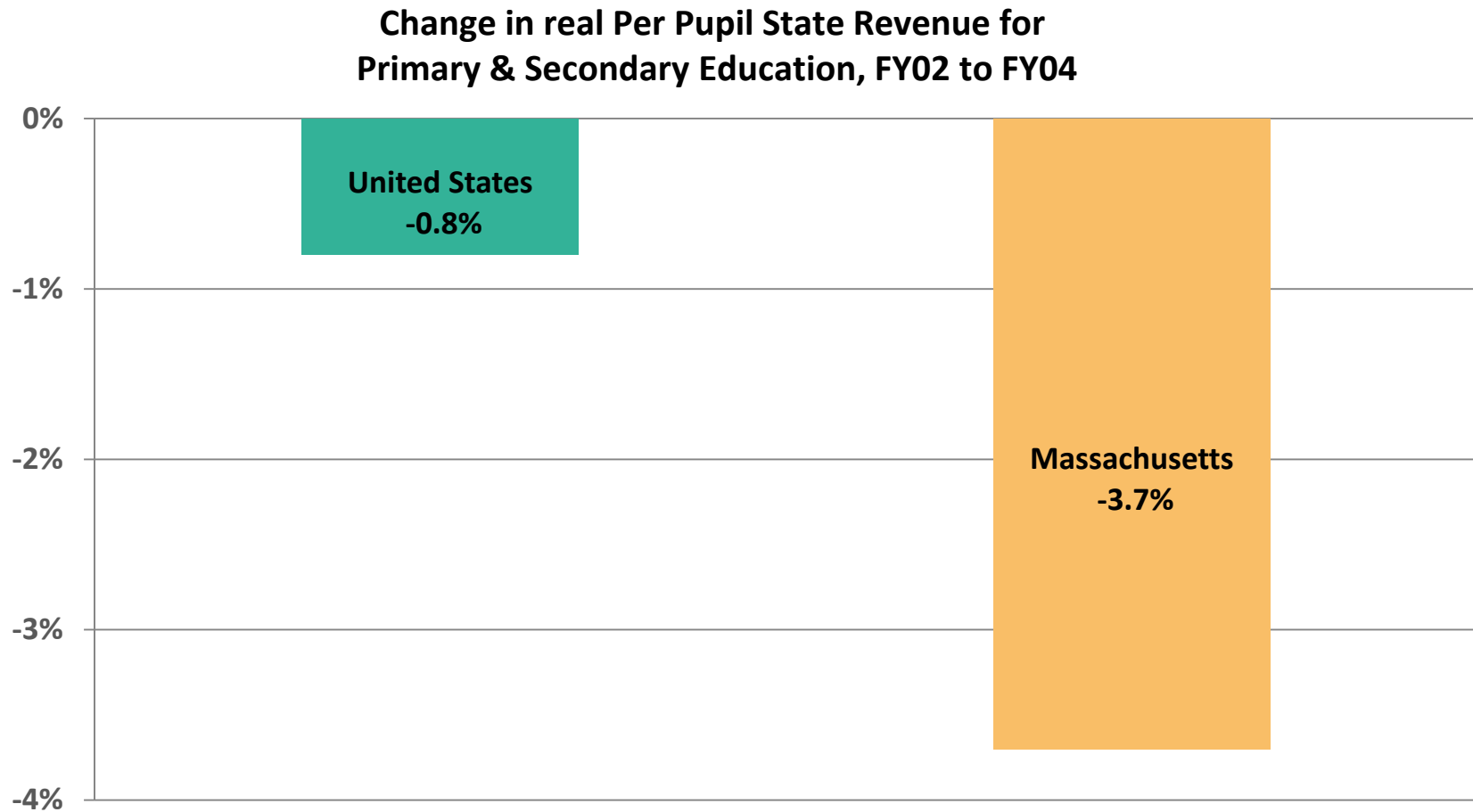
Millions, Inflation Adjusted



	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12 GAA	FY 12 Current
Real	4,424	4,673	4,563	4,215	4,083	3,973	4,032	4,046	4,182	4,256	4,180	3,991	3,991
Nominal	2,991	3,219	3,259	3,111	3,183	3,289	3,506	3,726	3,949	4,042	4,074	3,991	3,991

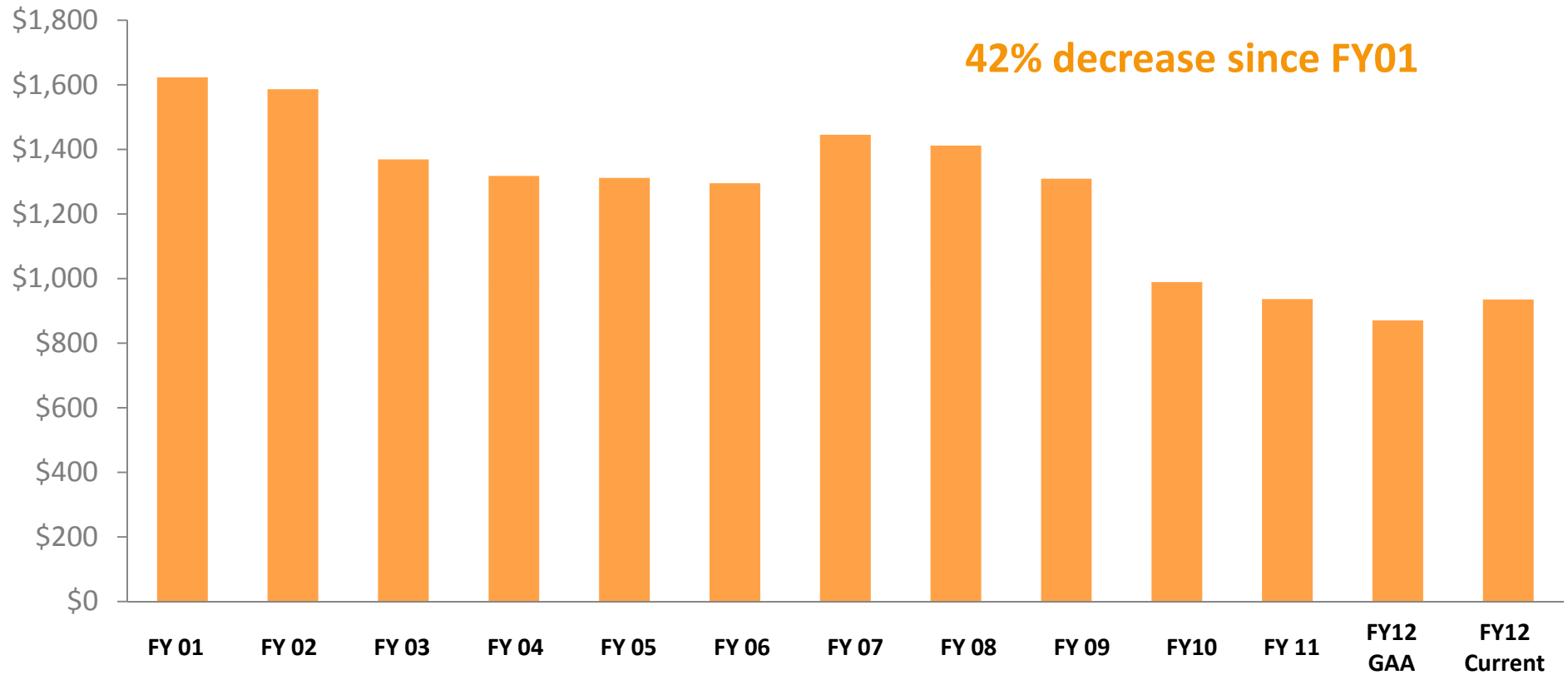
Includes ARRA funding; Adjusted using the inflation factor identified in Chapter 70

During the Last Fiscal Crisis We Cut State Education Aid More Than Most States



Local Aid

Millions, Inflation Adjusted

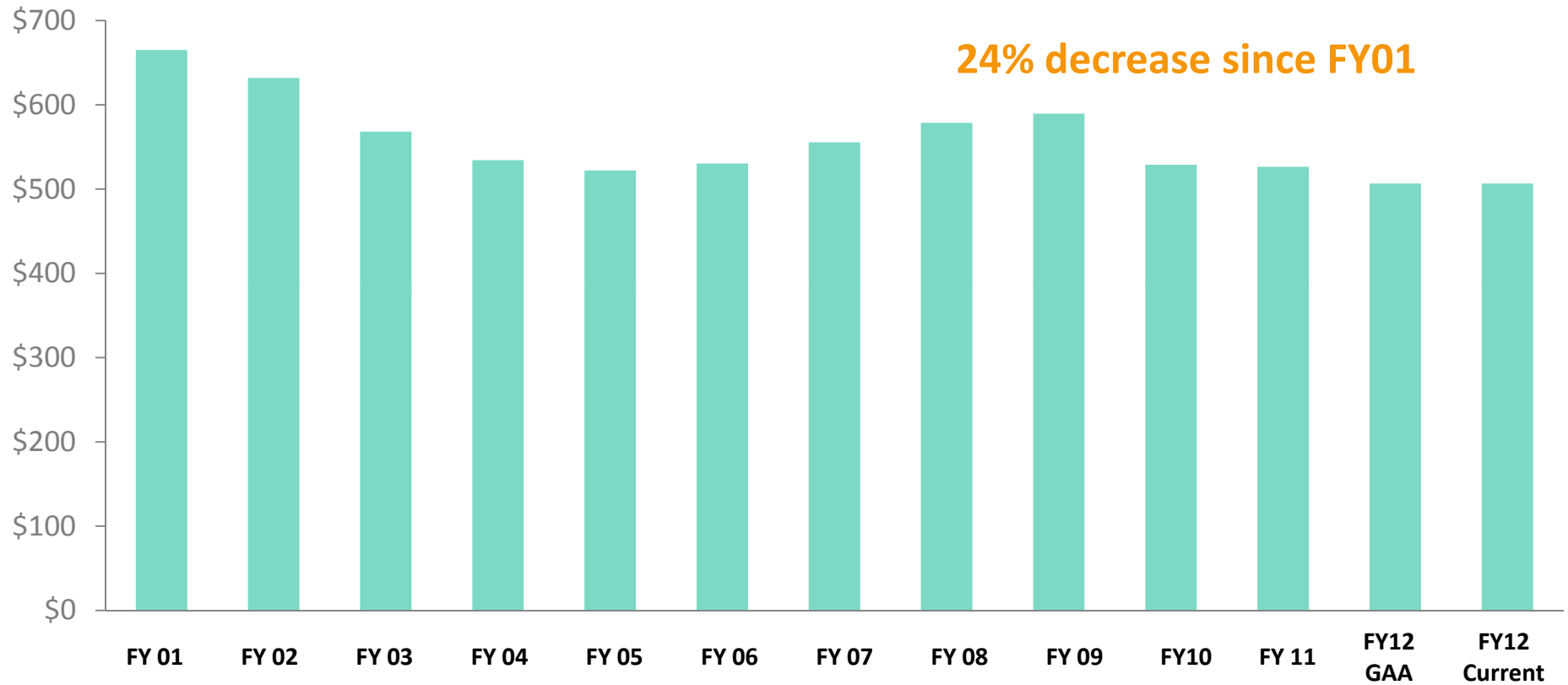


	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12 GAA	FY 12 Current
Real	1,623	1,586	1,369	1,318	1,312	1,295	1,445	1,412	1,309	989	936	870	935
Nominal	1,279	1,272	1,122	1,104	1,132	1,160	1,328	1,345	1,265	965	925	870	935

Includes ARRA funding; Adjusted using the Consumer Price Index

Early Education & Care

Millions, Inflation Adjusted

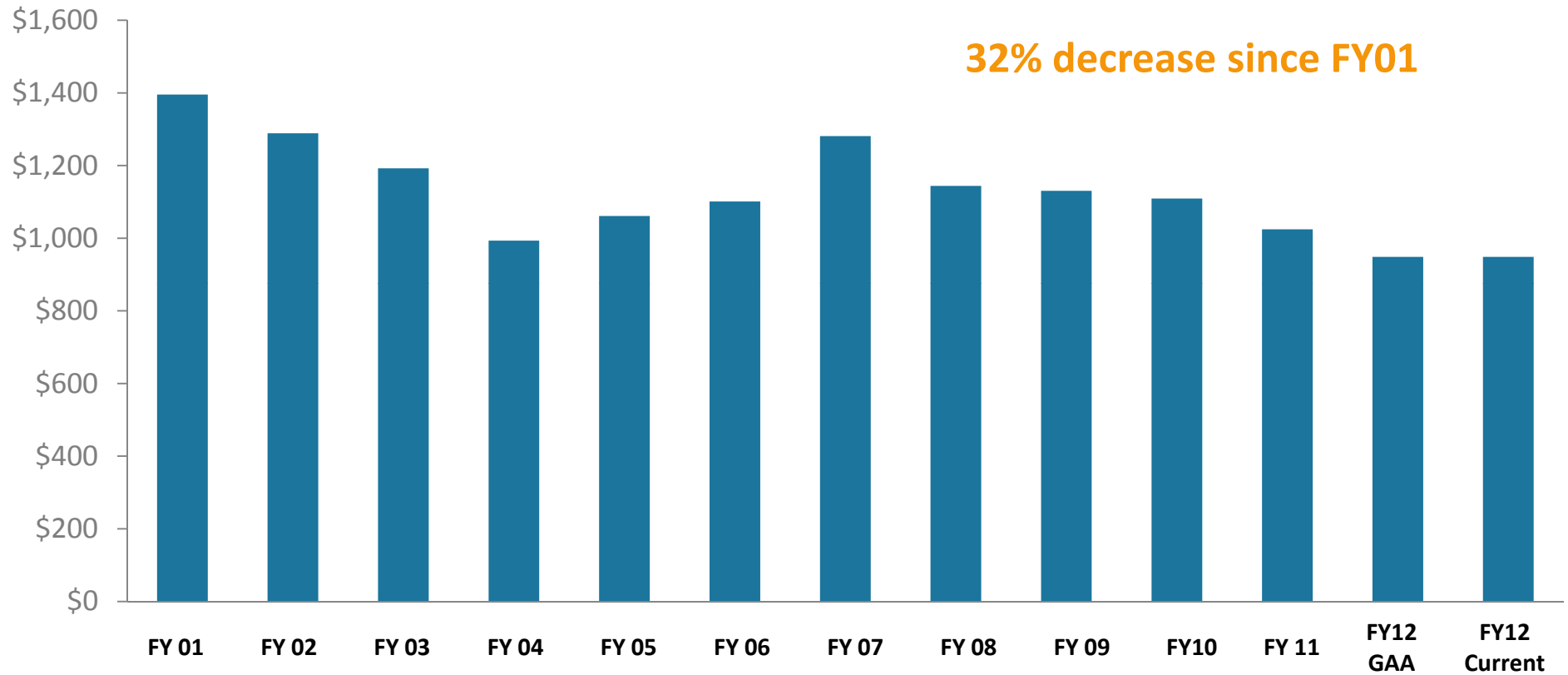


Real	665	632	568	534	522	530	556	579	590	529	526	507	507
Nominal	524	507	466	447	450	475	510	551	569	516	520	507	507

Includes ARRA funding; Adjusted using the Consumer Price Index

Higher Education

Millions, Inflation Adjusted

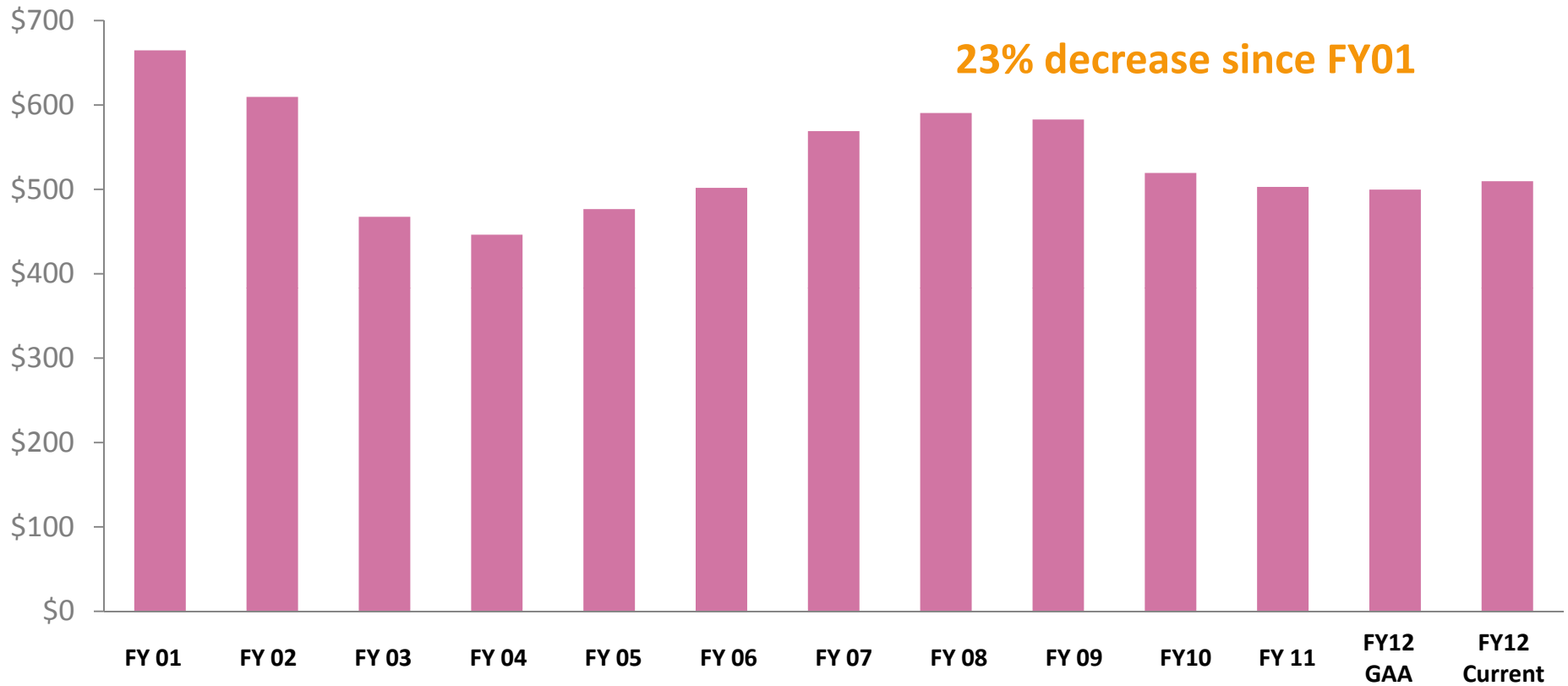


	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12 GAA	FY 12 Current
Real	1,396	1,289	1,193	993	1,061	1,101	1,281	1,144	1,130	1,109	1,024	948	948
Nominal	1,100	1,034	977	832	915	986	1,177	1,090	1,092	1,082	1,012	948	948

Includes ARRA funding; Adjusted using the Consumer Price Index

Public Health

Millions, Inflation Adjusted

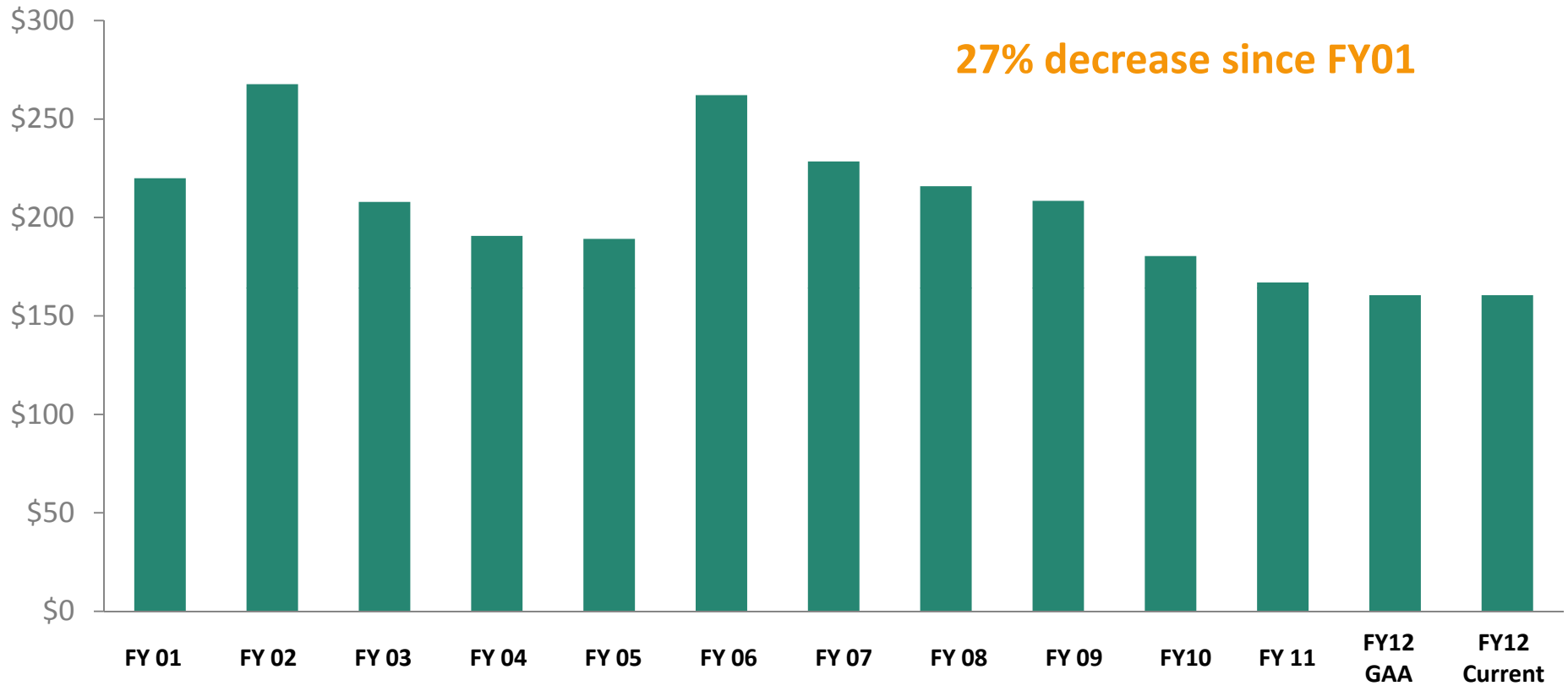


	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12 GAA	FY 12 Current
Real	665	610	468	446	477	502	569	591	583	519	503	500	510
Nominal	524	489	383	374	411	449	523	563	563	507	497	500	510

Includes ARRA funding; Adjusted using the Consumer Price Index

Environment & Recreation

Millions, Inflation Adjusted



Real	220	268	208	191	189	262	228	216	208	180	167	161	161
Nominal	173	215	170	160	163	235	210	206	201	176	165	161	161

Includes ARRA funding; Adjusted using the Consumer Price Index

A Tax System Should Be...

Adequate

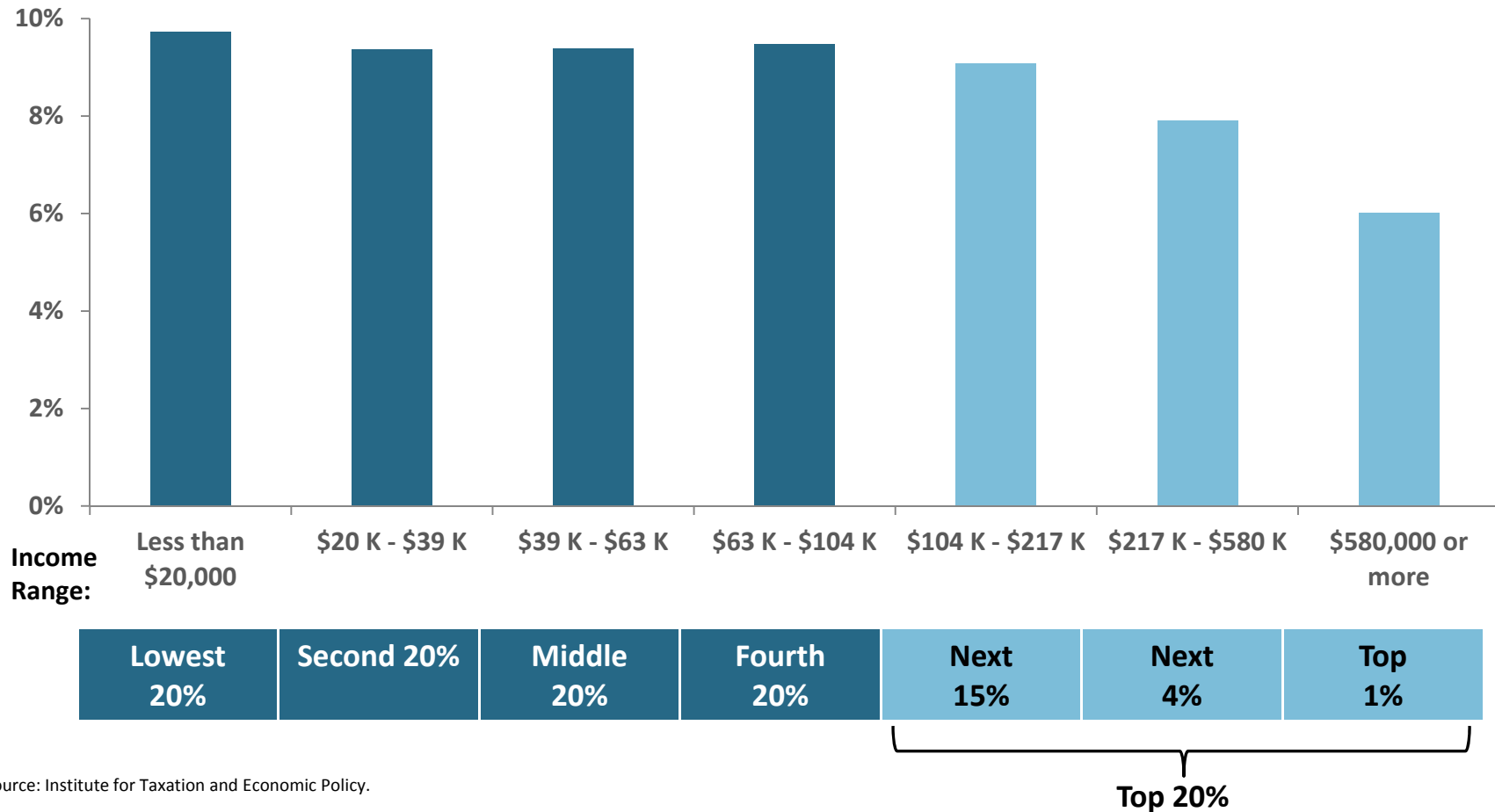
Stable

Simple/Efficient

Fair

State and Local Taxes are Regressive

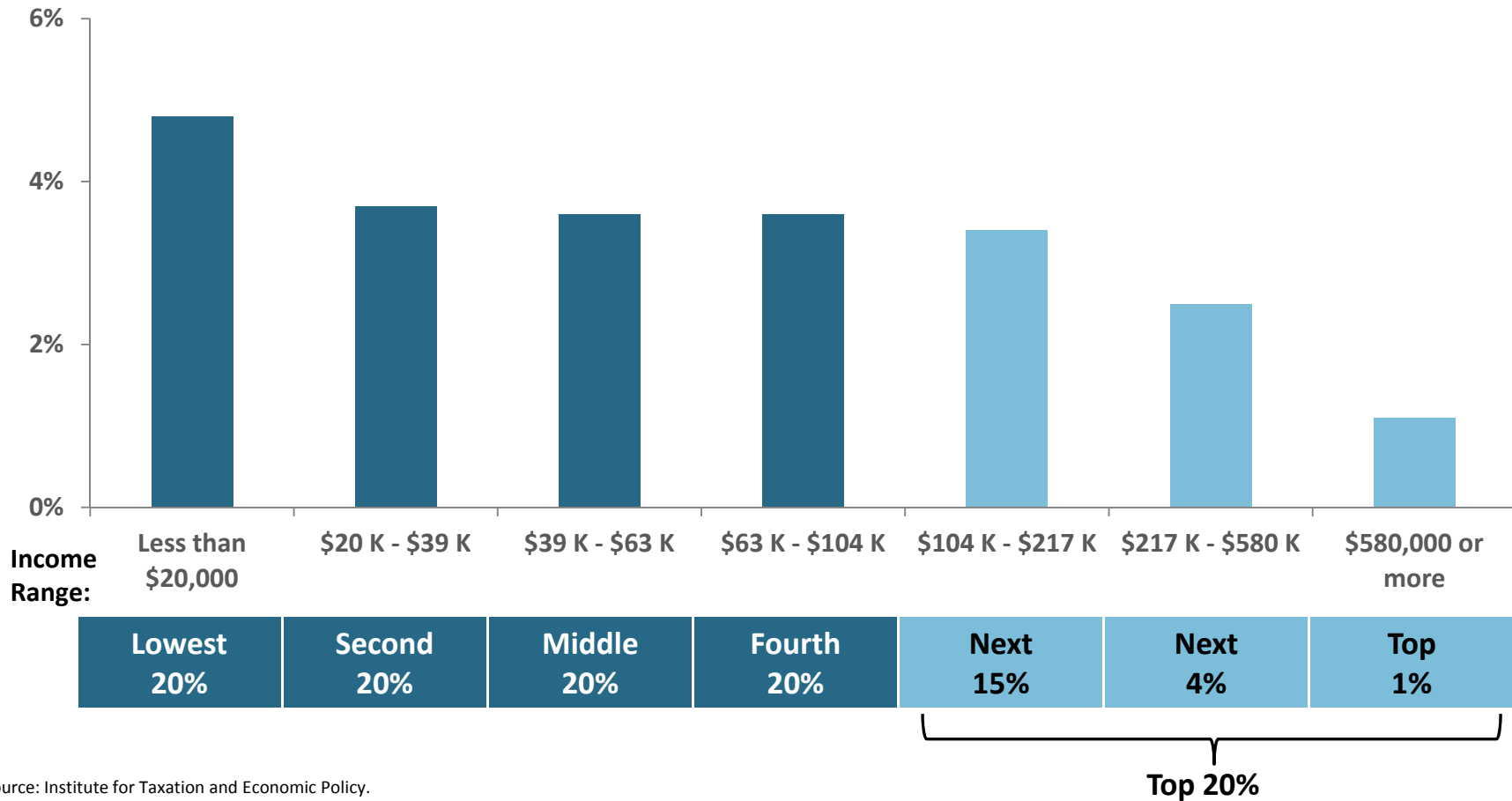
Percent of Personal Income Paid in State and Local Taxes, 2010



Source: Institute for Taxation and Economic Policy.

The Property Tax is Regressive

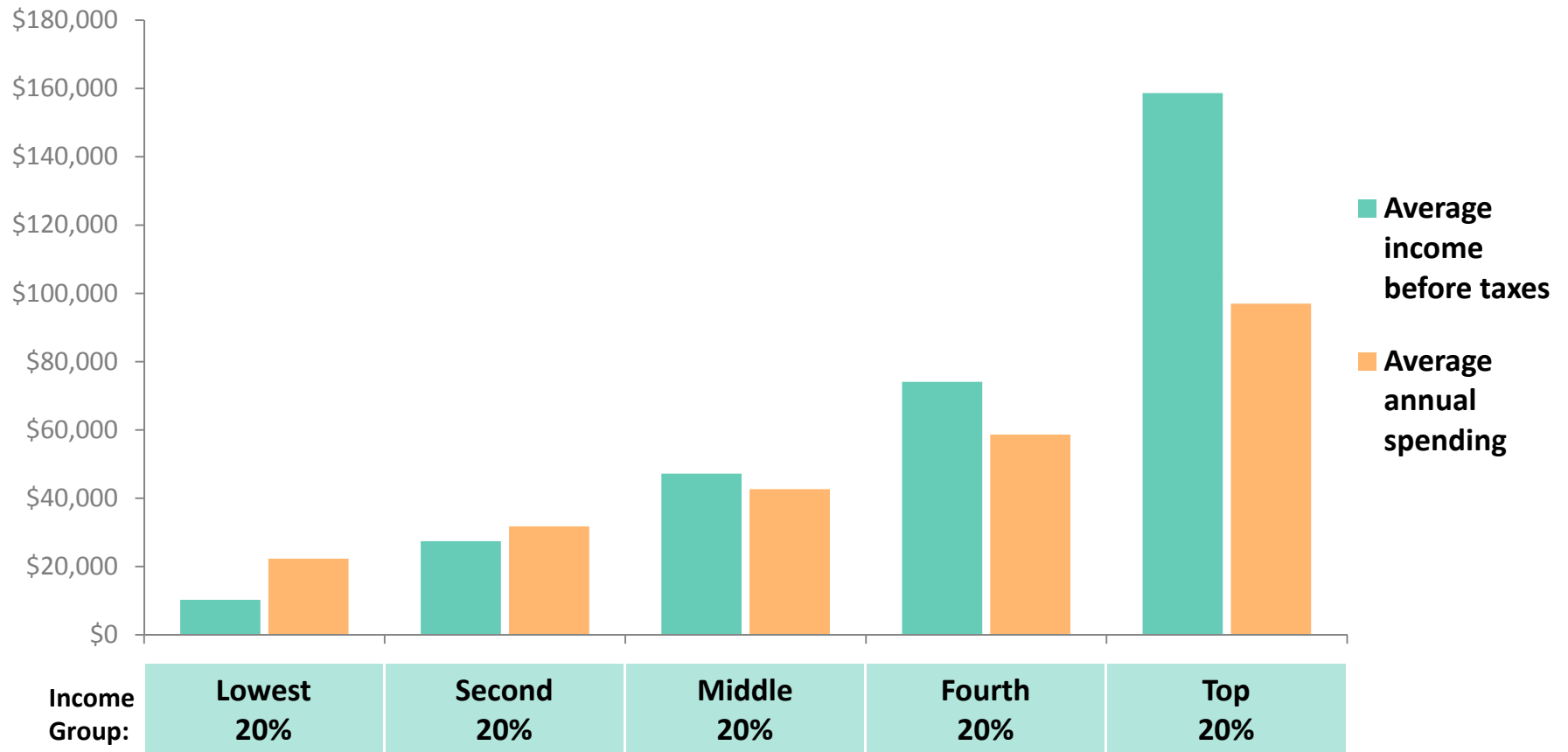
Percent of Personal Income Paid in Property Tax, 2010



Source: Institute for Taxation and Economic Policy.

Sales Tax -- Regressive

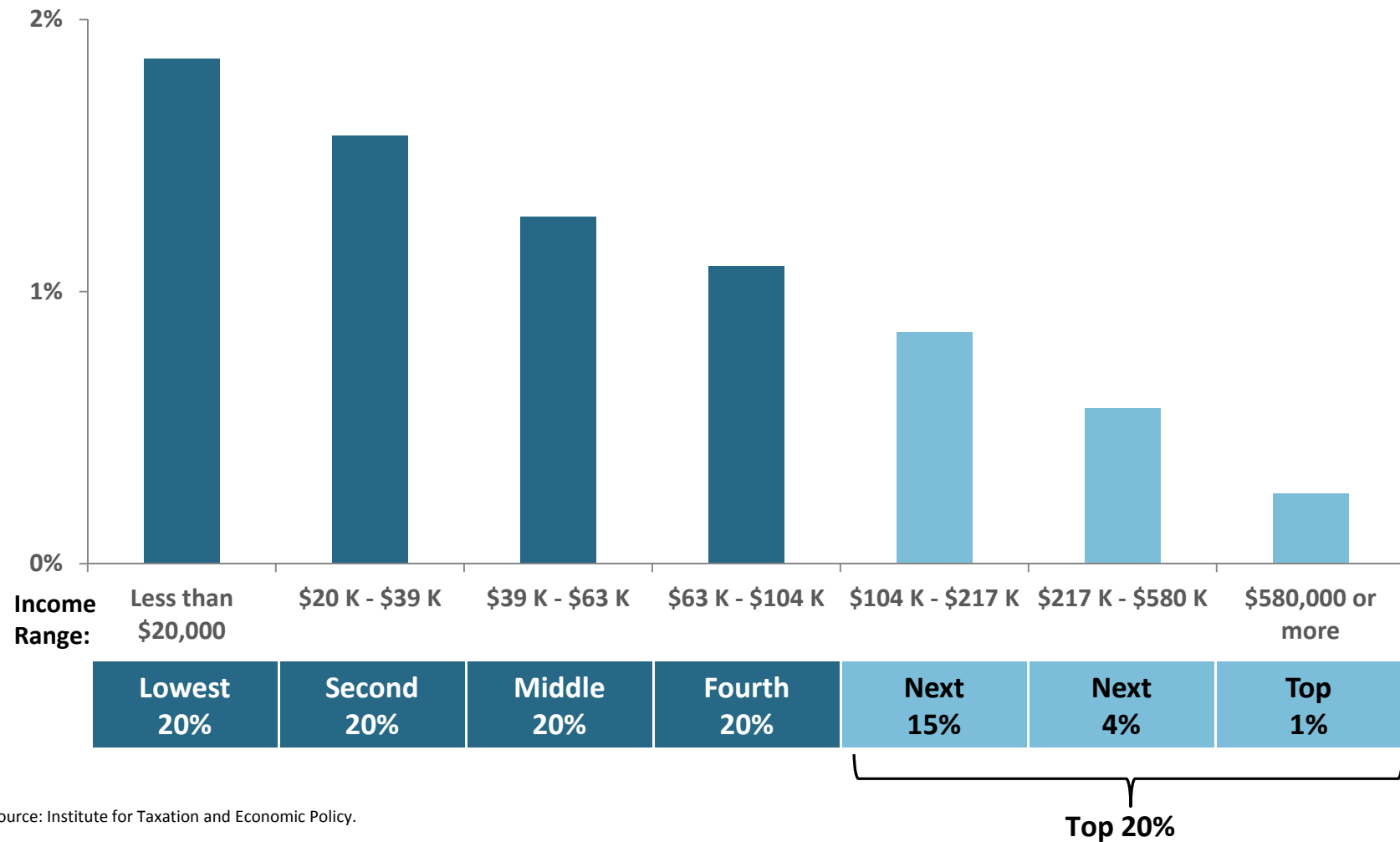
Average Income & Average Spending, U.S. 2008



Source: Bureau of Labor Statistics, Consumer Expenditures Survey, 2008

Who Pays Sales Taxes in Massachusetts

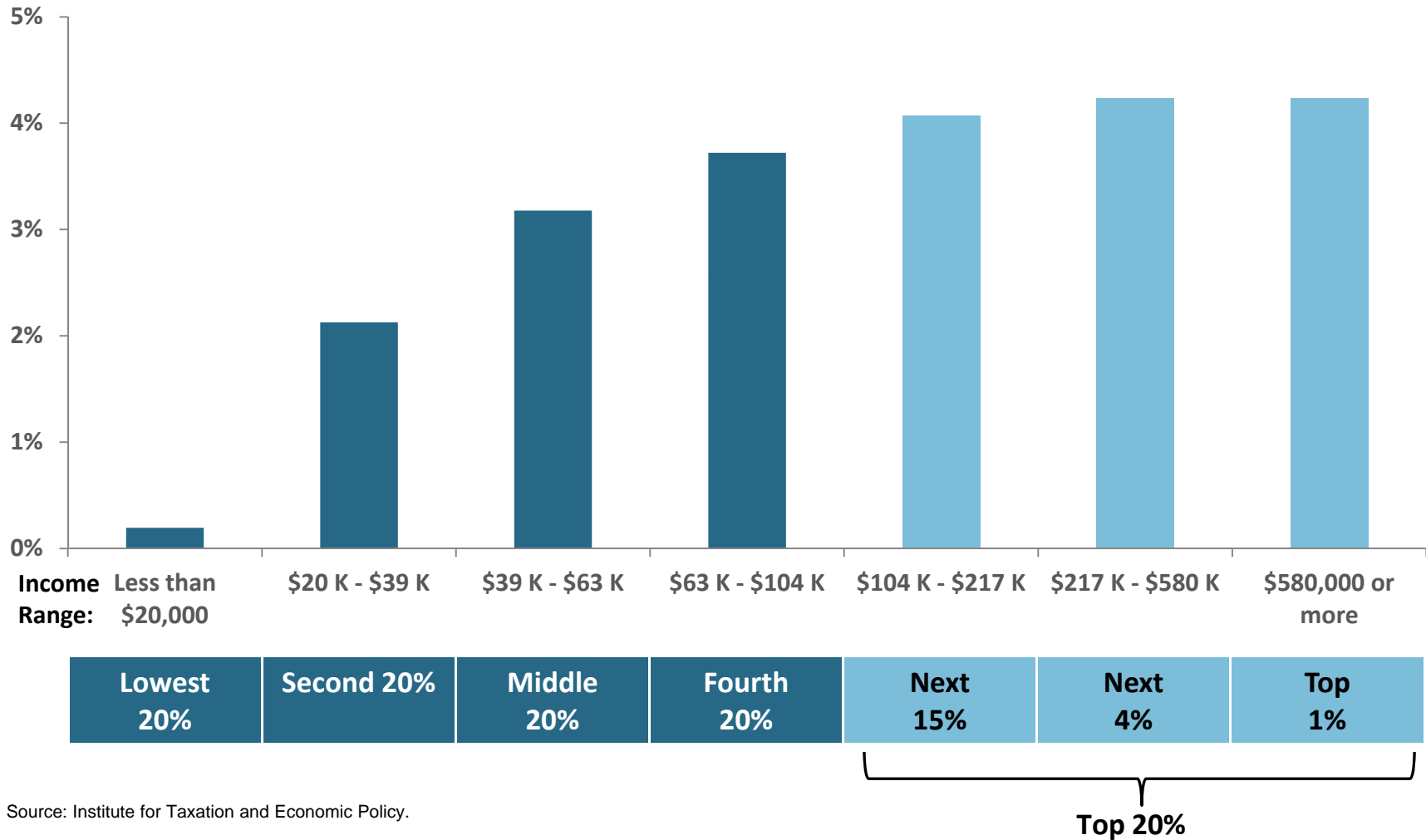
Percent of Personal Income Paid in Sales Tax, 2010



Source: Institute for Taxation and Economic Policy.

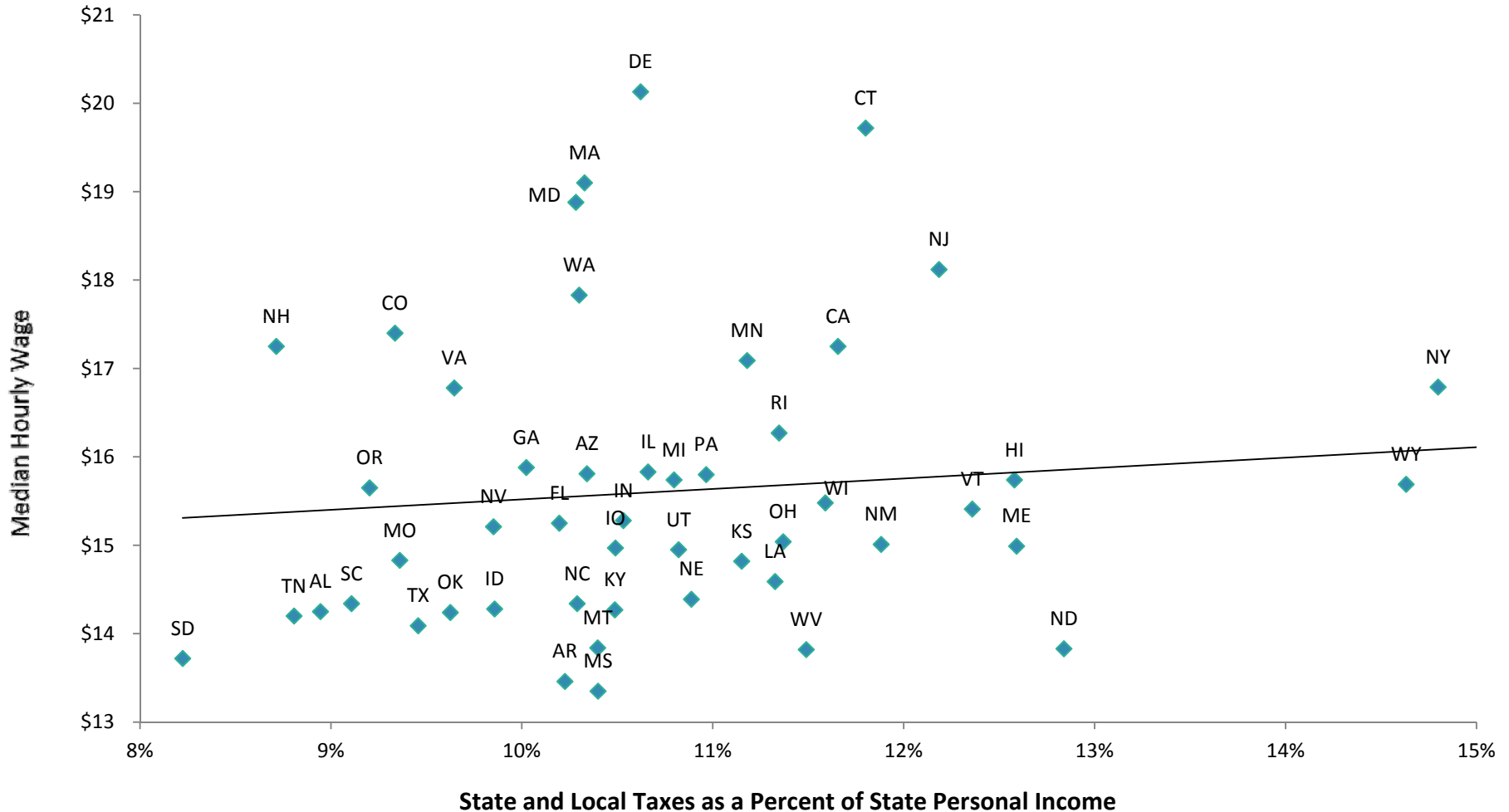
MA Income Tax: Progressive

Percent of Personal Income Paid in Personal Income Tax, 2010



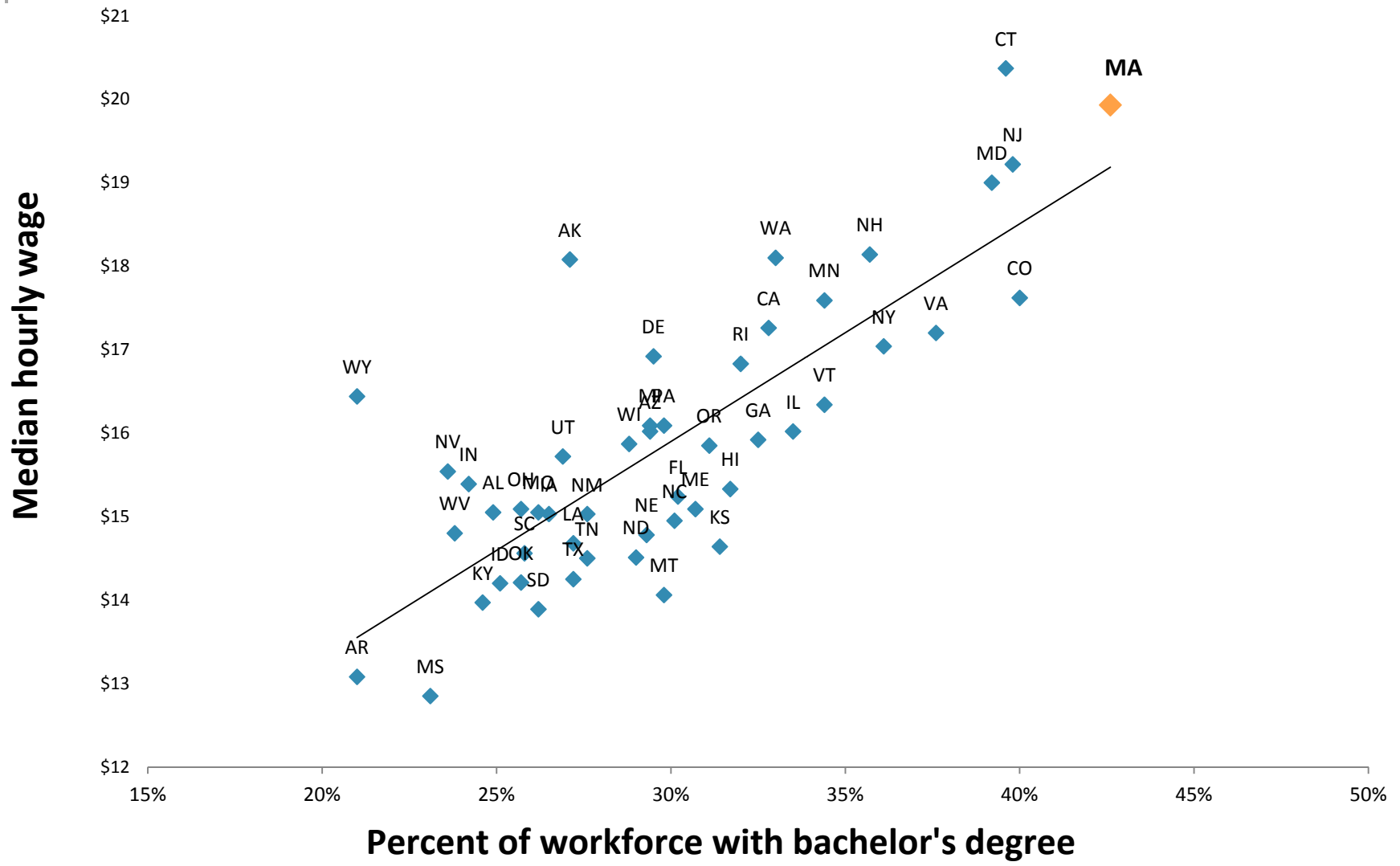
No Clear Relationship Between Tax Levels and Wages

Correlation Between Tax Levels and Median Hourly Wage, 2008



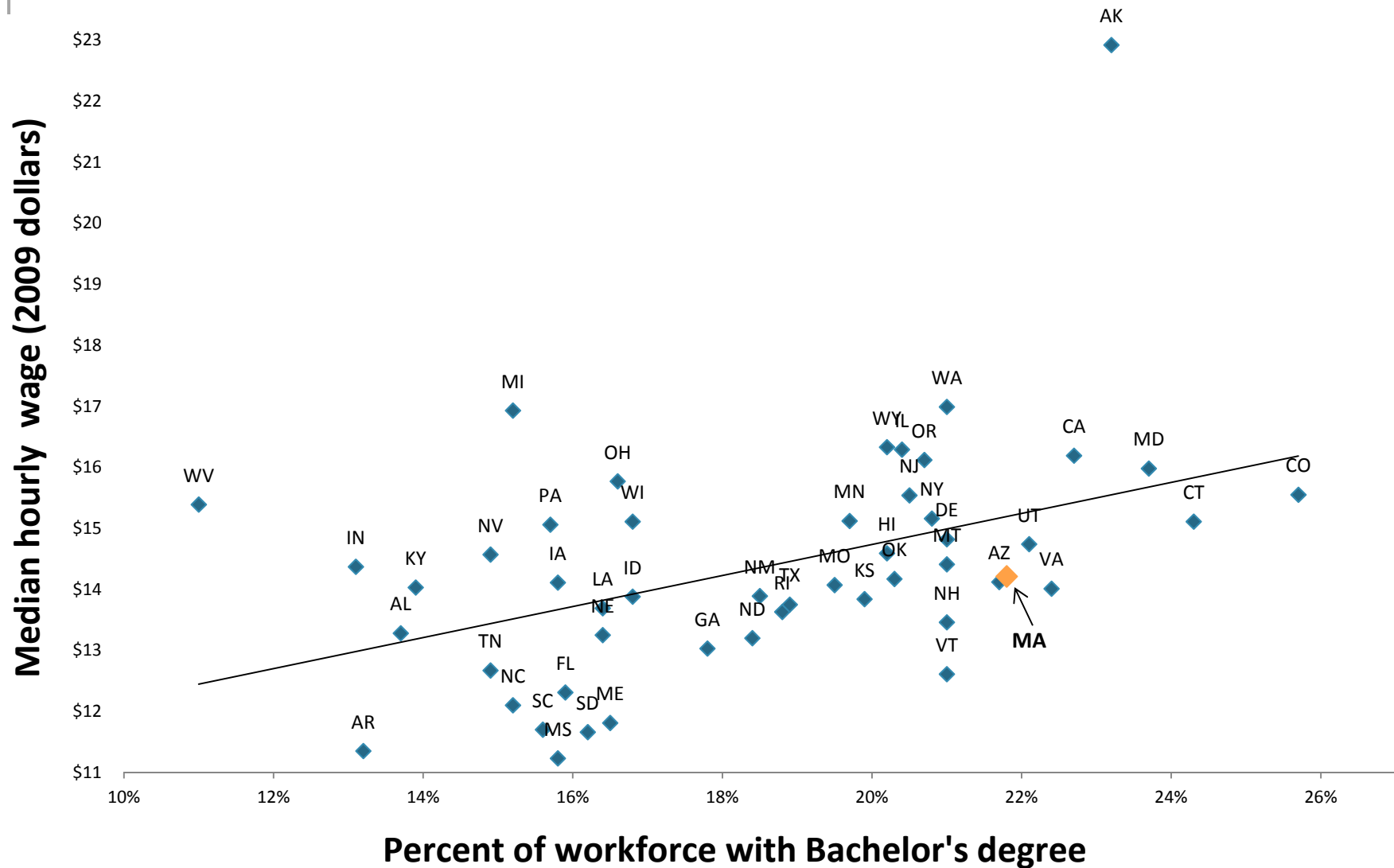
SOURCE: Economic Policy Institute analysis of 2008 Current Population Survey data.

Strong Correlation Between Education and Wages, 2009



Source: Economic Policy Institute analysis of Current Population Survey.

Weaker Correlation Between Education and Wages 30 Years Ago, 1979



Source: Economic Policy Institute analysis of Current Population Survey.