State Fiscal and Economic Outlook

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Southern Legislative Conference (SLC)
Introduction to CSG
Part I: National Economy and Fiscal Position of the States
Part II: State Strategies to Balance Budgets
Part III: Structural Flaws in State Tax Systems
Part IV: Looming Expenditure Categories
Part V: “Green Shoots of Growth”
Part I: National Economic Position

Length of Contraction Period (in months)

Note: While the NBER has not officially announced an end date for the Great Recession, many economists believe it ended in July 2009.
Part I: National Economic Position

Credit Freezes

Revenue Shortfalls

Confidence Drops

Output Declines

Housing/Mortgage Meltdown
Part I: National Economic Position

U.S. Gross domestic product (GDP): 2007 (2nd quarter) - 2010 (1st quarter)
Part I: National Economic Position

National Unemployment Rate, January 2009 - June 2010

Unemployment Rate

Jan 7.7
Feb 8.2
Mar 8.6
Apr 8.9
May 9.4
Jun 9.5
Jul 9.4
Aug 9.7
Sep 9.8
Oct 10.1
Nov 10
Dec 10
Jan 9.7
Feb 9.7
Mar 9.7
Apr 9.9
May 9.7
Jun 9.5

2009 2010
Part I: National Economic Position

National Employment Situation: Nonfarm Payroll Employment, January 2009 - June 2010

<table>
<thead>
<tr>
<th>Month</th>
<th>Nonfarm Payroll Employment (in 1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 2009</td>
<td>-598</td>
</tr>
<tr>
<td>Mar 2009</td>
<td>-663</td>
</tr>
<tr>
<td>May 2009</td>
<td>-345</td>
</tr>
<tr>
<td>Jul 2009</td>
<td>-247</td>
</tr>
<tr>
<td>Sep 2009</td>
<td>-263</td>
</tr>
<tr>
<td>Nov 2009</td>
<td>-11</td>
</tr>
<tr>
<td>Jan 2010</td>
<td>162</td>
</tr>
<tr>
<td>Mar 2010</td>
<td>431</td>
</tr>
<tr>
<td>May 2010</td>
<td>125</td>
</tr>
<tr>
<td>Jun 2010</td>
<td>-125</td>
</tr>
</tbody>
</table>
Part I: National Economic Position

- Foreclosure Filings:
  - January – June 2010 saw a decline by 5 percent compared to July 2009 – December 2010
  - June 2010 compared to May 2010 saw a decline by nearly 3 percent and a decrease of nearly 7 percent compared to June 2009

- Housing Starts:
  - Dropped 5 percent in June 2009, the lowest since October 2009 and the second straight month of declines in groundbreaking activity
  - A positive sign was an unexpected 2.1 percent rise in applications for building permits
Part I: National Economic Position

Dow Jones Industrial Average (^DJI)

10:58 AM EDT: 10,346.29 ↑ 23.99 (0.23%)
Part I: National Economic Position

Corporate Profits, Second Quarter 2010

- Delta Posts Profit, Sees More Revenue Growth
- Halliburton Profit Jumps, Ban to Hurt 2010 Results
- Citigroup Earnings Slide 37%, Still Beat Expectations
- Mattel Profit Misses Views, Hurt by Weak Euro
- Google Earnings Fall Short of Expectations
- JPMorgan Profit Beats Second Quarter Forecasts
- Family Dollar Profit Higher, but Forecast Falls Short
- State Street Projects Earnings Beat; Stock Soars
- Hasbro's Profit Tops Street on Cost Controls
- Marriott Beats Street, Raises Earnings Forecast
- Bank of America's Profit Falls but Beats Estimates
- GE Ends Long Profit Slump, but Revenue Falls Short
- KB Home Loss Narrows, but Falls Short of Views
- AMD Profit, Revenue Easily Beat Wall Street Expectations
- CSX Profit Jumps 36%, Beats Forecasts
- Alcoa Starts Earnings Season by Beating Street Expectations
Part I: National Economic Position

Current Reading: 52.9
Change: -9.8

Consumer Confidence Index

Data Courtesy The Conference Board

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States in the Red

Most states have addressed or still face gaps in their budgets totaling $196 billion for fiscal year 2010, while tax revenue grew by 2.5% in the first quarter of 2010 marking the first year-over-year increase since the third quarter of 2008.

Source: Center on Budget and Policy Priorities
Part I: State Fiscal Position

Year-Over-Year Percent Change in Real State Taxes and Local Taxes
Percent Change of Four-Quarter Average

Sources: U.S. Census Bureau (tax revenue) and Bureau of Economic Analysis (GDP price index).
Notes: (1) 4-quarter average of percent change in real tax revenue; (2) No adjustments for legislative changes.
Medicaid Growth Rates:
- Increase of 6.6 percent in FY 2009
- Increase of 10.5 percent in FY 2010
- Increase of 1 percent in FY 2011

Unemployment Insurance Trust Fund Balances:
- Quarter 1 2008 – About $33 billion
- Quarter 1 2009 – About $21 billion
- Quarter 1 2010 – About $7 billion
Part I: State Fiscal Position

Total state budget shortfall in each fiscal year, in billions

Source: CBPP survey
### Part I: State Fiscal Position

**PROJECTED SHORTFALLS:**

<table>
<thead>
<tr>
<th>State</th>
<th>Shortfall as a Percent of FY 2010 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minnesota</td>
<td>14.6%</td>
</tr>
<tr>
<td>Iowa</td>
<td>18.6%</td>
</tr>
<tr>
<td>Indiana</td>
<td>9.9%</td>
</tr>
<tr>
<td>Utah</td>
<td>15.6%</td>
</tr>
<tr>
<td>Michigan</td>
<td>8.8%</td>
</tr>
<tr>
<td>Kentucky</td>
<td>9.1%</td>
</tr>
<tr>
<td>Virginia</td>
<td>8.2%</td>
</tr>
<tr>
<td>Oregon</td>
<td>29%</td>
</tr>
<tr>
<td>Missouri</td>
<td>9.3%</td>
</tr>
</tbody>
</table>

**FISCAL YEAR 2011**

<table>
<thead>
<tr>
<th>State</th>
<th>Shortfall as a Percent of FY 2010 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>35.3%</td>
</tr>
<tr>
<td>Connecticut</td>
<td>29.2%</td>
</tr>
<tr>
<td>Florida</td>
<td>22.2%</td>
</tr>
<tr>
<td>Georgia</td>
<td>24.3%</td>
</tr>
<tr>
<td>Illinois</td>
<td>36.1%</td>
</tr>
<tr>
<td>Nevada</td>
<td>56.6%</td>
</tr>
<tr>
<td>New Jersey</td>
<td>37.4%</td>
</tr>
<tr>
<td>South Carolina</td>
<td>22.6%</td>
</tr>
<tr>
<td>Vermont</td>
<td>31.1%</td>
</tr>
</tbody>
</table>
Part I: State Fiscal Position

General Fund Revenue: FY 2007-FY 2011 (in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2007</td>
<td>$655</td>
</tr>
<tr>
<td>FY 2008</td>
<td>$680</td>
</tr>
<tr>
<td>FY 2009</td>
<td>$621</td>
</tr>
<tr>
<td>FY 2010</td>
<td>$608</td>
</tr>
<tr>
<td>FY 2011</td>
<td>$627</td>
</tr>
</tbody>
</table>

* FY 2007, 2008, and 2009 are actual. FY 2010 is estimated and FY 2011 is proposed.
Part I: State Fiscal Position

General Fund Spending: FY 2007-FY 2011 (in billions)

* FY 2007, 2008, and 2009 are actual. FY 2010 is estimated and FY 2011 is proposed.
### Part I: State Fiscal Position

**State Expenditures, FY 2008 vs. FY 2011:**
- Increase in 11 states (ND at 38% and WI at 2%)
- Zero increase in 2 states (NV and NY)
- Decrease in 37 states (SD at -2% and SC at -32%)
- U.S. Average was -7%

<table>
<thead>
<tr>
<th>State</th>
<th>FY 2008</th>
<th>FY 2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>MN</td>
<td>$17,139</td>
<td>$15,267</td>
<td>-11%</td>
</tr>
<tr>
<td>IA</td>
<td>$5,847</td>
<td>$5,662</td>
<td>-3%</td>
</tr>
<tr>
<td>IN</td>
<td>$12,800</td>
<td>$13,572</td>
<td>6%</td>
</tr>
<tr>
<td>UT</td>
<td>$5,887</td>
<td>$4,803</td>
<td>-18%</td>
</tr>
<tr>
<td>MI</td>
<td>$9,900</td>
<td>$7,870</td>
<td>-21%</td>
</tr>
<tr>
<td>KY</td>
<td>$9,458</td>
<td>$8,874</td>
<td>-6%</td>
</tr>
<tr>
<td>VA</td>
<td>$17,263</td>
<td>$14,846</td>
<td>-14%</td>
</tr>
<tr>
<td>OR</td>
<td>$7,258</td>
<td>$6,969</td>
<td>-4%</td>
</tr>
<tr>
<td>MO</td>
<td>$8,203</td>
<td>$7,804</td>
<td>-5%</td>
</tr>
</tbody>
</table>

Source: [http://www.nasbo.org/LinkClick.aspx?fileticket=gxz234BlUbo%3d&tabid=38](http://www.nasbo.org/LinkClick.aspx?fileticket=gxz234BlUbo%3d&tabid=38) (pages 33-42)
Part I: State Fiscal Position

Civilian Labor Force and Unemployment by State, Seasonally Adjusted
June 2010, Preliminary

Source:
Part I: State Fiscal Position

Years When Per Capita Income Went Down

- United States

1930 1933 1938 1949 1954

Source: Southern Regional Education Board
Part I: State Fiscal Position

Top Ten Foreclosure States: January - June 2010

Key:
State Abbreviation
1 of every X Households in Foreclosures
Part II: State Strategies to Balance Budgets

1. Slashing Spending
2. Tapping Rainy Day Funds
3. Expanding Gaming
4. Increasing Borrowing
5. Raiding State Funds
6. Raising Taxes and Fees
1. Proposed FY 2011 Program Area Cuts

- K-12 Education – 31 states
- Higher Education – 31 states
- Public Assistance – 20 states
- Medicaid – 26 states
- Corrections – 28 states
- Transportation – 11 states
- Other – 31 states
Part II: State Strategies to Balance Budgets – Tapping Rainy Day Funds

<table>
<thead>
<tr>
<th>State Balances</th>
<th>FY 2009</th>
<th>FY 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecticut</td>
<td>$1.4 billion</td>
<td>0</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>$841 million</td>
<td>$520 million</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>$755 million</td>
<td>0</td>
</tr>
<tr>
<td>Indiana</td>
<td>$365 million</td>
<td>0</td>
</tr>
<tr>
<td>Alabama</td>
<td>$188 million</td>
<td>0</td>
</tr>
<tr>
<td>Georgia</td>
<td>$217 million</td>
<td>0</td>
</tr>
<tr>
<td>Kentucky</td>
<td>$7 million</td>
<td>0</td>
</tr>
<tr>
<td>Virginia</td>
<td>$575 million</td>
<td>$301 million</td>
</tr>
</tbody>
</table>

Source: [http://www.nasbo.org/LinkClick.asp?fileticket=gxz234BlUbo%3d&tabid=38](http://www.nasbo.org/LinkClick.asp?fileticket=gxz234BlUbo%3d&tabid=38) (page 65)
Part II: State Strategies to Balance Budgets – Expanding Gaming

States’ revenue from legalized gambling

State tax revenues from gambling activities increased for 10 years before dropping as the recession hit. Much of the growth can be attributed to the proliferation of legalized gambling facilities in that time, particularly racetrack casinos (“racinos”). The long trend of rising gambling revenue has tempted states to legalize and tax gambling to plug budget deficits.

SOURCE: Rockefeller Institute
Part II: State Strategies to Balance Budgets – Expanding Gaming

Legalized gambling across the states

 SOURCES: North American Association of State and Provincial Lotteries; American Gaming Association; National Indian Gaming Commission

RICH CLABAUGH/STAFF
- Pennsylvania – installed 25,000 slot machines in last few years
- New York – added 4,500 video lottery terminals to the Aqueduct Racetrack
- Connecticut – seeks to add Keno in restaurants
- Florida – joined Power Ball last year and placed lottery terminals in grocery stores
- Maryland – installing 10,000 slot machines
- Kansas – Promotes Dodge City and its 600 slot machines
- Missouri – Casinos updated slots with 3-D graphics
Part II: State Strategies to Balance Budgets – Increased Borrowing

Total Net Tax-Supported Debt of the 50 States ($B)

Source: Moody’s Investors Service
## Status of State Borrowing Levels: Moody’s (2010)

<table>
<thead>
<tr>
<th>State</th>
<th>Per Capita Net Tax-Supported Debt</th>
<th>National Ranking</th>
<th>Credit Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecticut</td>
<td>$4,859</td>
<td>1</td>
<td>Aa2</td>
</tr>
<tr>
<td>Minnesota</td>
<td>$1,037</td>
<td>23</td>
<td>Aa1</td>
</tr>
<tr>
<td>Iowa</td>
<td>$73</td>
<td>49</td>
<td>Aaa</td>
</tr>
<tr>
<td>Indiana</td>
<td>$492</td>
<td>41</td>
<td>Aaa</td>
</tr>
<tr>
<td>Utah</td>
<td>$957</td>
<td>24</td>
<td>Aaa</td>
</tr>
<tr>
<td>Michigan</td>
<td>$748</td>
<td>34</td>
<td>Aa2</td>
</tr>
<tr>
<td>Kentucky</td>
<td>$1,685</td>
<td>13</td>
<td>Aa1</td>
</tr>
<tr>
<td>Virginia</td>
<td>$895</td>
<td>29</td>
<td>Aaa</td>
</tr>
<tr>
<td>Oregon</td>
<td>$1,859</td>
<td>10</td>
<td>Aa1</td>
</tr>
<tr>
<td>Missouri</td>
<td>$780</td>
<td>31</td>
<td>Aaa</td>
</tr>
</tbody>
</table>
Part II: State Strategies to Balance Budgets – Raiding Funds

- Louisiana - $182 million from 40 dedicated funds
- New Jersey - $128 million raided from the Retail Margin Fund
- Florida – House proposed sweeping $798 million while Senate proposed sweeping $295 million
- New York and New Hampshire – Diverted tens of millions from their Regional Greenhouse Gas Initiative Funds
- New York – Raided $1.1 million in state’s Cemetery Fund
- Hawaii – Sought to raid city transit funds
Part II: Strategies to Balance Budgets – Raising Taxes and Fees

- States with highest per capita tax hikes since 2009:
  - New York (2009-2011) - $8.2 billion, $419 per capita
  - California - $11.5 billion, $312 per capita
  - Delaware - $253 million, $286 per capita
  - Connecticut - $777 million, $221 per capita
  - Wisconsin - $900 million, $159 per capita
  - Arizona - $1 billion, $154 per capita
  - Kansas - $425 million, $151 per capita
  - Washington - $982 million, $147 per capita
  - Oregon - $541 million, $141 per capita
  - Massachusetts - $890 million, $135 per capita
  - New Hampshire - $161 million, $121 per capita
States Raising Other Taxes:

- Tobacco taxes have gone up in Hawaii, New Mexico, New York, South Carolina, Utah and Washington in 2010
- Current overall states’ cigarette tax average is $1.45 per pack
- Soda taxes have gone up in Washington, Colorado, Maine and proposed in New York, Mississippi and New Mexico in 2010
1. U.S. Economy Dominated by Service Sector Now
2. Rapid Growth in E-Commerce
3. Explosion in Sales Tax Exemptions
Part III: Structural Flaws in State Tax Systems – Service Sector’s Dominance

Number of Services Taxed by Top 15 States

Source: Federation of Tax Administrators
Part III: Structural Flaws in State Tax Systems – Service Sector’s Dominance

Number of Services Taxed by State

Source: Federation of Tax Administrators
Part III: Structural Flaws in State Tax Systems – Service Sector’s Dominance

Professional Services Taxation in the United States

Source: Federation of Tax Administrators

States that tax professional services
States that do not tax professional services
Estimated Quarterly U.S. Retail E-commerce Sales as a Percent of Total Quarterly Retail Sales:
1st Quarter 2001 – 1st Quarter 2010

Source: U.S. Census Bureau, Department of Commerce
Part III: Structural Flaws in State Tax Systems – E-Commerce

- University of Tennessee Study
  - Total State and Local Sales and Use Tax Revenue Losses from E-Commerce Sales (2007 - 2012):
    - $52.1 billion
    - Minnesota – $1.1 billion
    - Iowa – $405.3 million
    - Indiana – $892.8 million
    - Utah – $404.3 million
    - Michigan – $646.7 million
    - Kentucky – $502.5 million
    - Virginia – $946 million
    - Missouri - $963 million
Wisconsin – At least $3.9 billion, a year (in 2006) covering computer services, legal services, advertising, accounting and public relations;

Texas – In FY 2009, totaled $30 billion ranging from tattoos and pedicures to food, water and healthcare to aircraft sales, aircraft spare parts;

Kansas – 99 exemptions costing $4.2 billion in FY 2009 covering machinery and equipment, utilities, labor service, youth/educational activities;

Georgia – Former Gov. Roy Barnes, who is running for re-election in 2010, cited $10.9 billion in exemptions that need to be reviewed (as of 2006).
Part IV: Looming Expenditure Categories

1. Healthcare
2. Education
3. Public Pensions
4. Emergency management
5. Infrastructure
6. Transportation
7. Unemployment Insurance
Virginia – State employees hired after July 1, 2010, must pay 5 percent of their salary towards the state retirement system;

Minnesota – Vesting periods increased from three years to five years;

Iowa – For most public employees, the final average salary period revised making it 5 years instead of 3 years;

Florida – legislation making it harder to “double dip”;

Illinois – Raised retirement age to 67, highest of any state;

Colorado – Imposing pension cuts not only on future employees but also on current employees and even people who have already retired.
### Category and Grade

<table>
<thead>
<tr>
<th>Category</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drinking Water</td>
<td>D</td>
</tr>
<tr>
<td>Schools</td>
<td>D</td>
</tr>
<tr>
<td>Levees</td>
<td>D-</td>
</tr>
<tr>
<td>Public Parks</td>
<td>C-</td>
</tr>
<tr>
<td>Roads</td>
<td>D-</td>
</tr>
<tr>
<td>Rail</td>
<td>C-</td>
</tr>
<tr>
<td>Wastewater</td>
<td>D-</td>
</tr>
<tr>
<td>Bridges</td>
<td>C</td>
</tr>
<tr>
<td>Aviation</td>
<td>D</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>C+</td>
</tr>
<tr>
<td>Dams</td>
<td>D</td>
</tr>
<tr>
<td>Inland Waterways</td>
<td>D-</td>
</tr>
<tr>
<td>Hazardous Waste</td>
<td>D</td>
</tr>
<tr>
<td>Transit</td>
<td>D</td>
</tr>
<tr>
<td>Energy</td>
<td>D+</td>
</tr>
</tbody>
</table>

- In 2009, the American Society of Civil Engineers (ASCE) issued a comprehensive report that graded different elements of our nation’s infrastructure.
Part IV: Looming Expenditure Categories – Unemployment Insurance
### Part IV: Looming Expenditure Categories – Unemployment Insurance

<table>
<thead>
<tr>
<th>State</th>
<th>AHCM</th>
<th>HCM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minnesota</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Iowa</td>
<td>0.43</td>
<td>0.36</td>
</tr>
<tr>
<td>Indiana</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Utah</td>
<td>0.87</td>
<td>0.71</td>
</tr>
<tr>
<td>Michigan</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Kentucky</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Virginia</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Oregon</td>
<td>0.75</td>
<td>0.65</td>
</tr>
<tr>
<td>Missouri</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
</tbody>
</table>

N.A. = These states have outstanding debt exceeding their fund balances

- The Unemployment Insurance (UI) trust funds in most states are in distress
- UI trust fund solvency levels tracked by AHCM and HCM levels
- The recommended threshold for both measures = 1
<table>
<thead>
<tr>
<th>State</th>
<th>Outstanding Loan Amount from the Federal Unemployment Account (As of July 21, 2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minnesota</td>
<td>$647.1 Million</td>
</tr>
<tr>
<td>Iowa</td>
<td>0</td>
</tr>
<tr>
<td>Indiana</td>
<td>$1.8 Billion</td>
</tr>
<tr>
<td>Utah</td>
<td>0</td>
</tr>
<tr>
<td>Michigan</td>
<td>$3.8 Billion</td>
</tr>
<tr>
<td>Kentucky</td>
<td>$795.1 Million</td>
</tr>
<tr>
<td>Virginia</td>
<td>$346.9 Million</td>
</tr>
<tr>
<td>Oregon</td>
<td>0</td>
</tr>
<tr>
<td>Missouri</td>
<td>$722.1 Million</td>
</tr>
</tbody>
</table>
Part V: “Green Shoots of Growth”
Part V: “Green Shoots of Growth” - Solar

- Tipton, Indiana - solar manufacturing facility at abandoned auto factory with 850 jobs;
- Dublin, Georgia - German-based Mage Solar manufacturing facility for solar modules with 350 jobs;
- Oregon – state department of transportation will open the world’s largest “solar highway” to power freeway lights;
- Senatobia, Mississippi - a $175 million solar panel facility that will create 512 jobs;
- Tennessee - now a dominant force in the solar industry with 3 major facilities in the last 18 months with plant investment totaling $2.5 billion.
Greenville, South Carolina – GE Energy’s manufactures wind turbine generators and has shipped over 10,000 units;

Akron, Ohio - Karder Machine, a $30 million plant to manufacture and assemble giant three-bladed wind turbines that will create 400 jobs initially;

Gainesville, Georgia – a German company will make wind turbine gearboxes and generate 215 new jobs;
• Oregon – GE Energy will supply wind turbines to the nation’s largest wind farm, a $2 billion project that will employ 400 during construction and 35 during operation;

• Fort Smith, Arkansas - Mitsubishi will construct a $100 million wind turbine manufacturing facility that will employ about 400 workers;

• Iowa – Study documented that wind energy accounts for up to 20 percent of the state’s total electricity production now.
NCRC, a $1.5 billion private-public venture created to foster collaboration and further knowledge in biotechnology, nutrition, agriculture, and health;

Anchored by the David H. Murdock Research Institute, a nonprofit foundation that will house over $150 million of state-of-the-art scientific equipment;

Partial client list includes Anatomics, Carolinas Medical Center, Dole Foods Research & Development Group, Inception Micro Angel Fund, Lab Corp, Pharmaceutical Product Development and Red Hat;

Universities involved include Duke, UNC Chapel Hill, NC State, UNC Charlotte, NC Central, NC A&T, UNC Greensboro and Rowan Cabarrus Community College.
• College Station, Texas - Public and private resources to create vaccines for the nation’s next pandemic threat much faster. *Project GreenVax*, a $61 million operation will manufacture the influenza vaccine in nine months instead of the usual five years;

• Georgia - In Norcross, a blood-testing center will hire 125 scientists, technicians and support staff for a laboratory while in Union City, a $70 million cancer-fighting lab will open and hire 300.
Drive to Move South

• Smyrna, Tennessee - Nissan is spending nearly $2 billion on a project to build a lithium-ion battery plant that will power a new mass-market electric car, the Leaf, also to be produced at the plant;

• Blue Springs, Mississippi - In June 2010, Toyota announced that it would resume construction at this $1.3 billion plant building compact cars while hiring 2,000 direct employees;

• Canton, Mississippi - Nissan announced that it would begin manufacturing new light commercial vans (for companies like FedEx) in early 2011;
Drive to Move South

- Charlotte, North Carolina - Celgard, the lithium-ion battery manufacturer for automobiles, continues to flourish and a recent expansion will lead to 200 new direct jobs and more than 1,000 jobs among contractors and suppliers; and

- La Grange, Georgia – A Kia parts supplier announced a nearly $9 million investment that would result in 173 new jobs, adding to the 3,000 new direct jobs created by the automaker Kia in western Georgia.
Dayton, Ohio - *Tech Town*, a former GM manufacturing site, will be a high-tech hub housing both startups and industry veterans like Boeing and General Dynamics;

In Austin, Texas, Samsung will build a $3.6 billion chip plant expansion, adding 500 new jobs;

In North Charleston, South Carolina, Boeing will manufacture the new 787 *Dreamliner*, the world’s lightest aircraft in its class, and create more than the estimated direct 3,800 jobs;
Atlanta, Georgia – Georgia is home to more than 60 game companies and more than 2,000 college students enrolled in classes teaching video game design and development;

Columbia, Missouri - IBM will establish a new technology service delivery center creating 800 new direct jobs joining similar IBM centers in Dubuque, Iowa and Lansing, Michigan; and

In first quarter of 2010:
- Google added about 800 new jobs;
- Amazon has added 1,800;
- Intel plans to hire as much as 2,000 employees by end 2010; and
- Since February 2010, New York securities firms have added 2,000 jobs.
Part V: “Green Shoots of Growth” - Exports

- U.S. exports totaled $739.5 billion during the January-through-May period of 2010, up nearly 18 percent from the same period of 2009.

- The May export figure is the strongest year-to-date, as well as the strongest monthly performance since September 2008;

- What are some of these exports? NUTS. USDA documents that in 2009 China bought $737 million in tree nuts from the United States, a rise from a mere $89 million five years earlier.

- Container traffic at Georgia’s ports, for instance, is up 25 percent in the first five months of the year compared to the same period last year.
Thank You

For Additional Information or Questions,
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