

Public School Funding: State Aid and Property Taxes

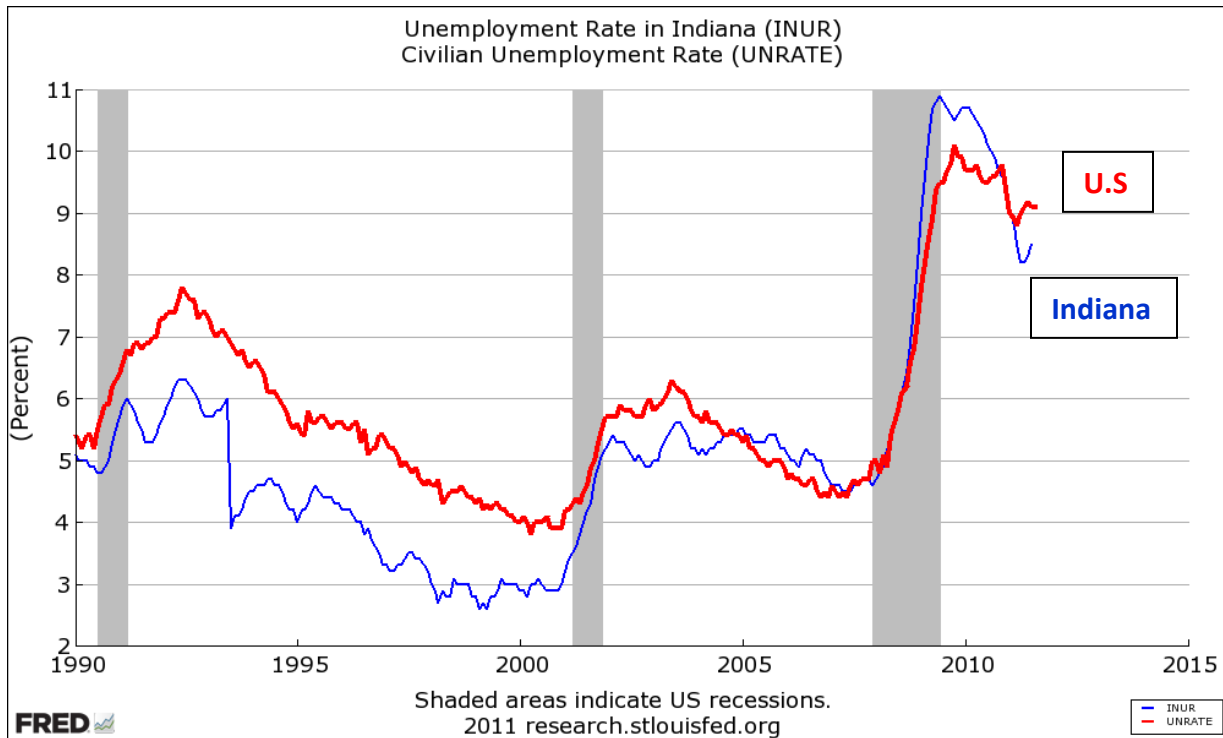
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September 23, 2011

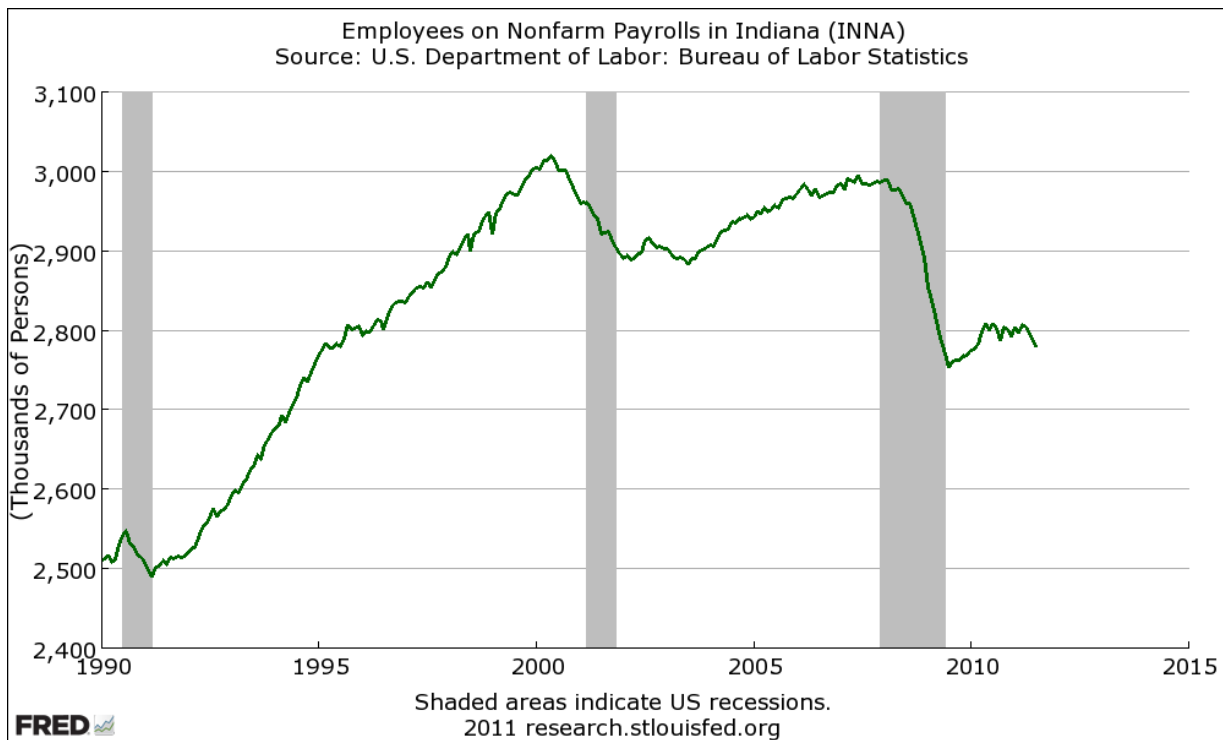
For more information

DeBoer's Indiana Local Government Information Website:
www.agecon.purdue.edu/crd/Localgov

Unemployment Rate, Indiana and U.S., 1990-2011, Monthly



Nonfarm Payroll Employment, Indiana, 1990-2011, Monthly



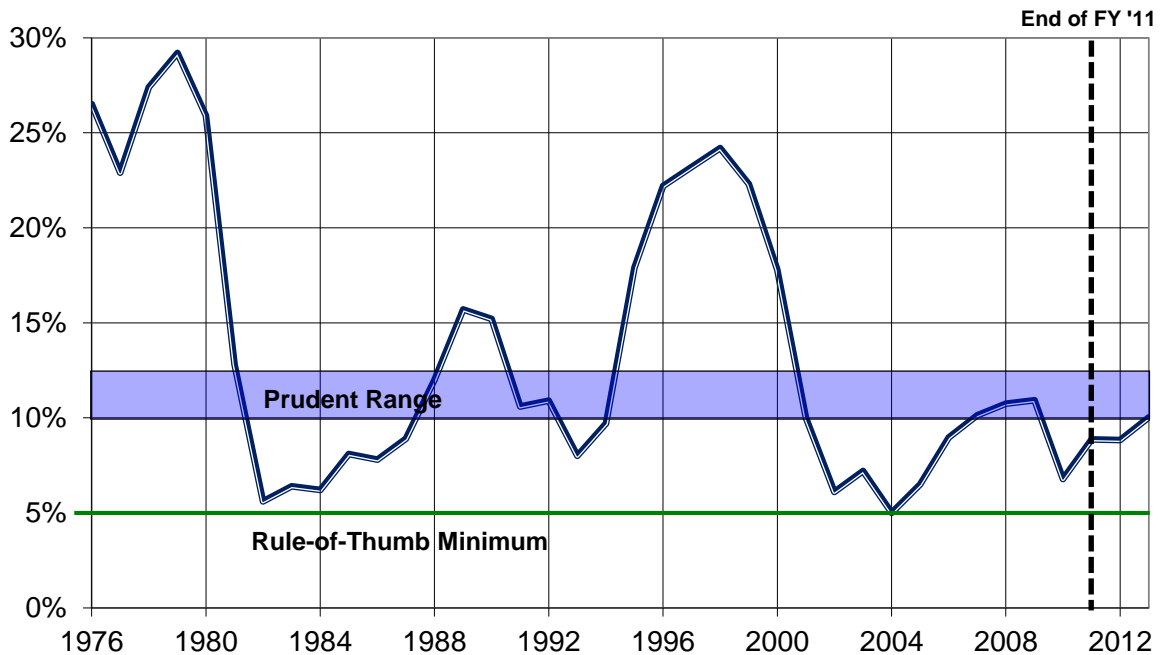
Indiana State Budget Summary, FY 2007-2013

(millions of dollars, updated through July 2011 closeout)

	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Budget 2012	Budget 2013	Avg. Ann Change 2011-13
Start of Year Balances	1,089	1,286	1,413	1,420	831	1,182	1,220	-
Revenues	12,703	13,203	13,052	12,317	13,384	13,862	14,378	3.6%
Sales Tax	5,379	5,686	6,153	5,915	6,218	6,518	6,796	4.6%
Individual Income Tax	4,616	4,838	4,314	3,876	4,586	4,774	5,051	5.0%
Corporate Income Tax	987	910	839	592	705	687	692	-0.9%
Gaming	625	583	621	680	677	700	667	-0.7%
Appropriations	12,359	12,986	14,436	14,423	14,466	13,997	14,335	-0.5%
K-12 Education	4,647	4,830	6,169	7,450	7,584	7,285	7,352	-1.5%
Higher Education	1,588	1,654	1,744	1,725	1,755	1,696	1,702	-1.5%
Medicaid	1,525	1,587	1,664	1,848	1,874	1,858	2,024	3.9%
Property Tax Relief	2,189	2,308	1,699	136	21	-	-	-100.0%
Current Year Surplus/Deficit	345	217	(1,384)	(2,106)	(1,082)	(134)	43	
ARRA Total	-	-	992	683	501	-	-	
Total Reversions/Transfers	(148)	(89)	399	834	932	173	171	
Balances Used (Saved)	(196)	(128)	(6)	589	(351)	(38)	(214)	
End of Year Balances	1,286	1,413	1,420	831	1,182	1,220	1,433	
Total Balances % of Revenue	10.1%	10.7%	10.9%	6.7%	8.8%	8.8%	10.0%	
Appropriations less Reversions	12,240	12,854	14,079	13,754	13,538	13,855	14,194	
Percent Change	2.4%	5.0%	9.5%	-2.3%	-1.6%	2.3%	2.5%	

Prepared by Larry DeBoer, Department of Agricultural Economics, Purdue University, September 2011.

Indiana State Fund Balances as Share of Operating Revenues, FY 1976-2011, and Budgeted 2012-13



End-of-Month Revenue Report
 August 31, 2011
 Targets per April 15, 2011, Forecast
 Indiana State Budget Agency

	Comparison to Monthly Targets				Comparison to Prior Year-to-Date			
	Forecast Revenue Y-T-D	Actual Revenue Y-T-D	Difference Amount	Difference Percent	Actual Revenue Prior Y-T-D	Actual Revenue Current Y-T-D	Change Amount	Change Percent
Major Taxes								
Sales & Use ¹	\$1,100.7	\$1,112.6	\$11.9	1.1%	\$1,037.3	\$1,112.6	\$75.3	7.3%
Individual AGI	\$648.6	\$681.4	\$32.8	5.1%	\$615.6	\$681.4	\$65.9	10.7%
Corporate - AGI, URT, USUT, FIT	\$21.7	\$19.9	-\$1.8	-8.4%	\$22.0	\$19.9	-\$2.2	-9.8%
Riverboat Wagering	\$33.6	\$25.1	-\$8.5	-25.3%	\$33.7	\$25.1	-\$8.6	-25.6%
Racino Wagering	\$21.3	\$19.3	-\$2.0	-9.5%	\$20.3	\$19.3	-\$1.0	-4.9%
Subtotal Major Taxes	\$1,826.0	\$1,858.3	\$32.3	1.8%	\$1,728.9	\$1,858.3	\$129.4	7.5%
Other Revenue								
Pre-HEA 1001-2011 Cigarette ²	\$48.0	\$47.0	-\$1.0	-2.1%	\$50.0	\$47.0	-\$3.0	-6.1%
Pre-HEA 1001-2011 Cigarette - Retiree Fund ²	\$4.8	\$4.7	-\$0.1	-2.2%	\$0.0	\$4.7	\$4.7	N/A
Insurance	\$6.4	\$8.1	\$1.6	25.3%	\$5.1	\$8.1	\$3.0	59.8%
Inheritance	\$35.4	\$43.7	\$8.4	23.6%	\$32.7	\$43.7	\$11.1	33.9%
Alcoholic Beverages	\$3.0	\$2.9	-\$0.1	-3.3%	\$2.9	\$2.9	\$0.0	-1.2%
Riverboat Admissions	\$4.0	\$3.9	-\$0.1	-1.9%	\$4.2	\$3.9	-\$0.3	-7.4%
Interest	\$6.6	\$5.7	-\$0.9	-14.1%	\$7.4	\$5.7	-\$1.7	-23.0%
MV, CVET & FIT Recapture ³	\$0.0	\$0.0	\$0.0	N/A	\$0.0	\$0.0	\$0.0	N/A
Miscellaneous Revenue	\$26.7	\$22.3	-\$4.4	-16.5%	\$23.5	\$22.3	-\$1.2	-5.1%
Subtotal Other Revenue	\$134.9	\$138.3	\$3.4	2.5%	\$125.7	\$138.3	\$12.6	10.0%
Total General Fund	\$1,960.9	\$1,996.6	\$35.7	1.8%	\$1,854.6	\$1,996.6	\$142.0	7.7%

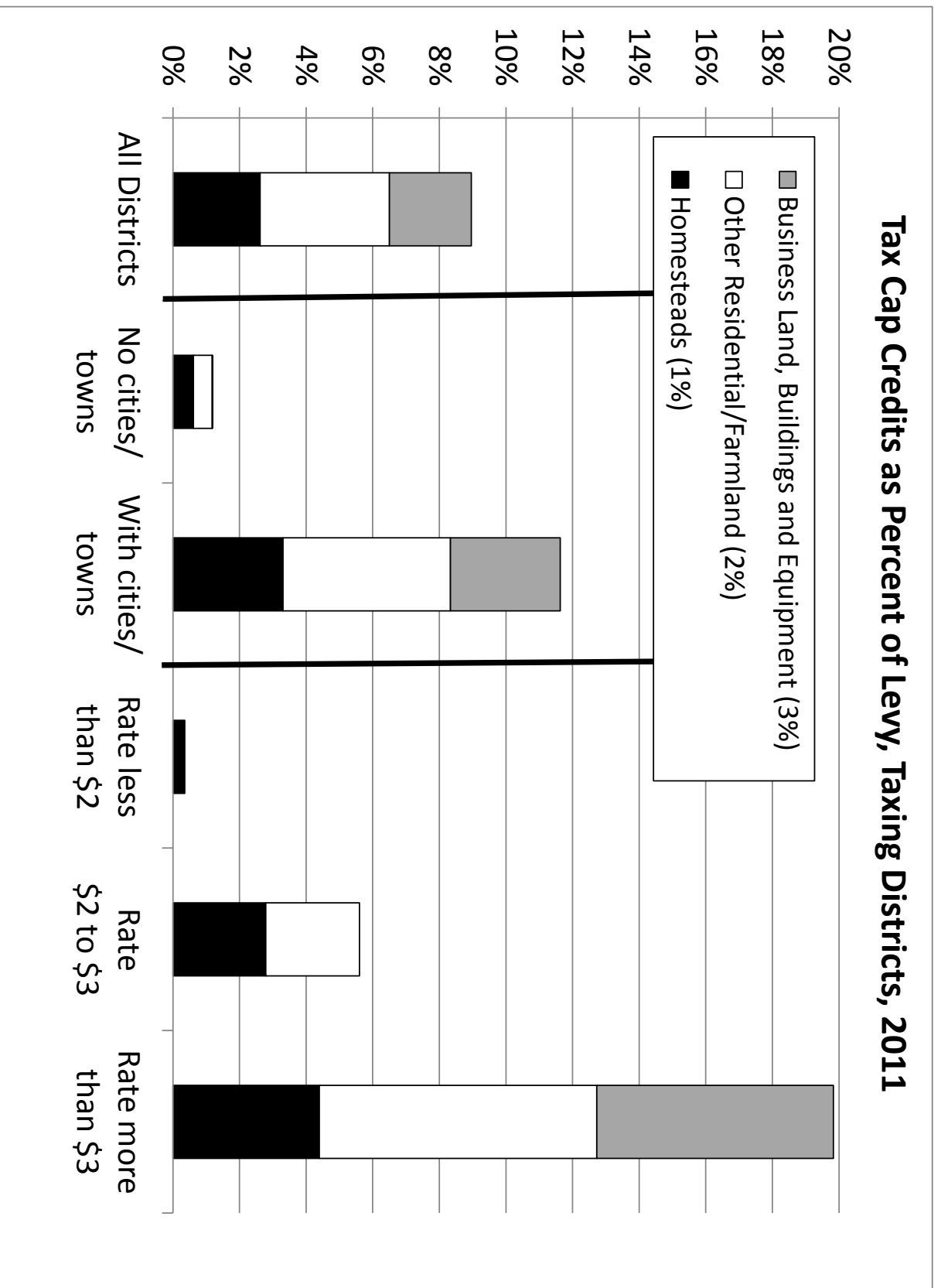
Tax Cap Credits by County, 2010 and 2011

County	2010 Tax Cap Credits	2011 Tax Cap Credits	Change	2010 Pct. Of Levy	2011 Pct. Of Levy	Change
1 Adams	1,110,145	1,303,736	193,590	3.8%	4.4%	0.6%
2 Allen	24,631,711	34,994,690	10,362,978	7.0%	9.7%	2.8%
3 Bartholomew	3,438,788	3,279,377	-159,410	4.1%	3.8%	-0.3%
4 Benton	273,469	284,685	11,216	2.5%	2.6%	0.1%
5 Blackford	1,555,292	1,425,467	-129,826	14.4%	13.2%	-1.1%
6 Boone	2,621,757	4,036,629	1,414,872	3.6%	5.4%	1.8%
7 Brown	139	8,667	8,528	0.0%	0.1%	0.1%
8 Carroll	891,964	748,757	-143,207	5.1%	4.6%	-0.5%
9 Cass	5,915,537	3,597,347	-2,318,190	16.9%	10.4%	-6.5%
10 Clark	3,349,106	5,127,478	1,778,372	3.3%	4.7%	1.4%
11 Clay	2,452	17,558	15,105	0.0%	0.1%	0.1%
12 Clinton	2,244,586	3,307,806	1,063,220	7.9%	10.9%	3.1%
13 Crawford	967,247	1,233,792	266,545	12.0%	14.6%	2.6%
14 Daviess	2,679,883	3,339,160	659,277	10.3%	12.3%	2.0%
15 Dearborn	636,873	475,095	-161,777	1.4%	1.1%	-0.3%
16 Decatur	298,506	382,015	83,508	1.4%	1.7%	0.3%
17 DeKalb	609,930	876,295	266,365	1.6%	2.1%	0.5%
18 Delaware	25,474,251	28,854,152	3,379,900	22.6%	25.1%	2.5%
19 Dubois	921,577	1,335,616	414,039	2.3%	3.1%	0.8%
20 Elkhart	14,952,499	20,984,244	6,031,745	6.9%	9.7%	2.8%
21 Fayette	3,121,304	3,983,412	862,108	14.4%	18.1%	3.7%
22 Floyd	1,156,656	1,911,329	754,673	1.9%	3.0%	1.0%
23 Fountain	363,576	313,519	-50,057	2.8%	2.5%	-0.3%
24 Franklin	3,054	18,185	15,131	0.0%	0.1%	0.1%
25 Fulton	64,563	85,459	20,897	0.4%	0.5%	0.1%
26 Gibson	1,573,746	1,010,350	-563,396	3.7%	2.5%	-1.2%
27 Grant	1,381,212	2,274,092	892,880	2.3%	3.8%	1.4%
28 Greene	1,464,857	1,818,975	354,118	7.7%	9.1%	1.4%
29 Hamilton	14,895,060	22,118,937	7,223,877	3.9%	5.2%	1.3%
30 Hancock	5,062,615	5,269,505	206,890	7.7%	7.6%	-0.1%
31 Harrison	99,320	32,328	-66,992	0.5%	0.2%	-0.3%
32 Hendricks	10,636,378	19,479,806	8,843,428	5.7%	9.9%	4.3%
33 Henry	4,020,809	4,871,769	850,960	10.7%	12.9%	2.1%
34 Howard	4,447,869	7,897,508	3,449,638	4.7%	8.3%	3.7%
35 Huntington	3,842,559	4,653,791	811,232	11.8%	13.7%	1.9%
36 Jackson	260,567	630,276	369,709	0.8%	1.8%	1.0%
37 Jasper	11	3,544	3,534	0.0%	0.0%	0.0%
38 Jay	480,956	569,990	89,035	2.5%	2.9%	0.4%
39 Jefferson	798,824	1,257,911	459,087	3.0%	4.6%	1.5%
40 Jennings	644,114	741,615	97,502	3.3%	3.9%	0.5%
41 Johnson	10,295,916	11,945,653	1,649,738	7.6%	8.7%	1.1%
42 Knox	5,253,582	7,256,309	2,002,726	15.9%	19.4%	3.6%
43 Kosciusko	891,463	858,811	-32,652	1.3%	1.2%	-0.1%
44 LaGrange	139,935	227,701	87,766	0.5%	0.9%	0.3%
45 Lake	101,084,193	114,333,700	13,249,507	13.4%	16.7%	3.3%
46 LaPorte						

Tax Cap Credits by County, 2010 and 2011

County	2010 Tax Cap Credits	2011 Tax Cap Credits	Change	2010 Pct. Of Levy	2011 Pct. Of Levy	Change
47 Lawrence	2,810,294	2,718,904	-91,390	7.8%	7.7%	-0.2%
48 Madison	29,026,487	32,403,049	3,376,562	22.9%	24.5%	1.6%
49 Marion	79,244,942	134,624,752	55,379,810	7.9%	12.7%	4.8%
50 Marshall	769,587	830,452	60,865	1.9%	2.0%	0.1%
51 Martin	163,836	255,870	92,034	2.8%	4.3%	1.4%
52 Miami	2,089,488	1,851,774	-237,713	8.7%	8.2%	-0.6%
53 Monroe	174,392	505,961	331,570	0.2%	0.4%	0.3%
54 Montgomery	2,713,556	3,289,554	575,998	6.7%	7.6%	0.9%
55 Morgan	29,117	46,689	17,573	0.1%	0.1%	0.0%
56 Newton	332,195	362,132	29,937	2.2%	2.4%	0.2%
57 Noble	507,372	1,509,753	1,002,381	1.3%	3.7%	2.4%
58 Ohio	136	1,051	915	0.0%	0.0%	0.0%
59 Orange	32,685	22,895	-9,789	0.3%	0.2%	-0.1%
60 Owen	250,187	387,494	137,307	1.9%	2.9%	1.0%
61 Parke	66,061	35,251	-30,810	0.6%	0.3%	-0.3%
62 Perry	1,200,399	1,133,920	-66,479	8.3%	7.9%	-0.4%
63 Pike	357,720	476,667	118,947	2.7%	3.4%	0.7%
64 Porter	3,826,272	7,910,037	4,083,765	2.1%	4.1%	2.1%
65 Posey	646,573	524,394	-122,179	2.2%	1.8%	-0.4%
66 Pulaski	5,888	12,310	6,422	0.1%	0.1%	0.1%
67 Putnam	329,299	298,490	-30,809	1.2%	1.1%	-0.2%
68 Randolph	2,490,612	2,803,393	312,781	11.6%	13.1%	1.4%
69 Ripley	8,911	14,234	5,324	0.1%	0.1%	0.0%
70 Rush	1,551,770	1,510,552	-41,218	9.6%	9.6%	0.0%
71 St. Joseph	35,578,971	45,269,912	9,690,941	10.7%	13.2%	2.5%
72 Scott	678,081	1,084,067	405,986	4.0%	6.2%	2.2%
73 Shelby	1,232,389	1,202,080	-30,309	2.8%	2.9%	0.1%
74 Spencer	72,262	84,543	12,282	0.3%	0.4%	0.0%
75 Starke	354,243	425,552	71,309	2.0%	2.5%	0.4%
76 Steuben	15,082	67,697	52,614	0.0%	0.2%	0.2%
77 Sullivan	689,893	714,184	24,291	3.8%	3.8%	0.0%
78 Switzerland	9,979	8,273	-1,706	0.2%	0.1%	0.0%
79 Tippecanoe	4,332,109	5,995,744	1,663,635	2.8%	3.8%	1.0%
80 Tipton	401,099	808,195	407,096	2.7%	5.2%	2.5%
81 Union	353,189	533,328	180,139	5.3%	7.9%	2.6%
82 Vanderburgh	6,239,348	8,132,815	1,893,468	3.7%	4.5%	0.9%
83 Vermillion	593,225	895,388	302,164	3.9%	5.8%	2.0%
84 Vigo	15,064,227	13,922,610	-1,141,617	14.6%	13.3%	-1.3%
85 Wabash	60,578	169,676	109,098	0.3%	0.7%	0.5%
86 Warren	17,904	20,140	2,236	0.2%	0.3%	0.0%
87 Warrick	909,526	619,081	-290,445	1.9%	1.3%	-0.6%
88 Washington	857,402	1,126,976	269,574	4.8%	6.0%	1.2%
89 Wayne	5,486,825	5,580,886	94,061	8.5%	8.8%	0.3%
90 Wells	74,212	56,391	-17,821	0.4%	0.3%	-0.1%
91 White	233,592	374,794	141,202	1.0%	1.5%	0.5%
92 Whitley	230,047	348,376	118,329	1.0%	1.4%	0.4%
INDIANA TOTAL	466,670,811	610,147,328	143,476,518	7.2%	9.2%	2.0%

Tax Cap Credits as Percent of Levy, Taxing Districts, 2011



Percent Change in Taxable Assessed Value, 2010-2011

(91 Counties)

Increase in Unemployment Rate, 2007-2009	Agriculture Share in A.V.			All Ag Shares
	Less than 10%	10% to 20%	More than 20%	
Less than 5%	-0.2%	2.7%	3.2%	1.5%
5% to 7%	-2.1%	0.9%	2.4%	0.9%
More than 7%	-4.4%	-0.9%	1.1%	-0.5%
All Unemployment Changes	-1.5%	0.9%	2.2%	0.8%

Counties with bigger increases in unemployment and less farmland saw the biggest decreases in taxable assessed value.

Number of Counties with Changes in Rates, Net Assessed Values and Levies, 2010-2011

(91 Counties)

Pct. Change in Average Tax Rate, 2010-2011	Levy Percent Change		Net A.V. Pct. Change		All
	Less Than 2%	2% or More	Less Than 2%	2% or More	
Less than -2%	20	1	8	13	21
-2% to +2%	19	11	21	9	30
More than 2%	13	27	39	1	40
All Tax Rate Changes	52	39	68	23	91

Counties with decreases or only small increases in assessed value were more likely to have bigger increases in tax rates.

Average Change in Tax Cap Credits as Percent of Levy, 2010-11

(91 Counties)

Rate Change	2010 Rate, Dollars per \$100 AV		
	Less than \$2.00	\$2.00 or More	All Rates
Less than -2%	0.0%	-0.1%	0.0%
-2% to +2%	0.4%	0.5%	0.4%
More than 2%	0.7%	2.2%	1.5%
All Rate Changes	0.4%	1.1%	0.8%

Counties with bigger tax rate increases saw bigger increases in tax cap credits, especially where the tax rate was already above \$2 per \$100 assessed value.

Jurisdictions with the greatest economic difficulties (rising unemployment), who share their taxpayers with cities or towns (lower share of agriculture, higher existing tax rates), tend to lose more revenue to tax cap credits. The property tax is susceptible to recession in urban areas.

Percent Change in Indiana Home Price Index, quarterly, from previous year, 1985-2011

