

Purdue Cooperative Extension Service

The Outlook for Indiana's State Budget, 2011-2013

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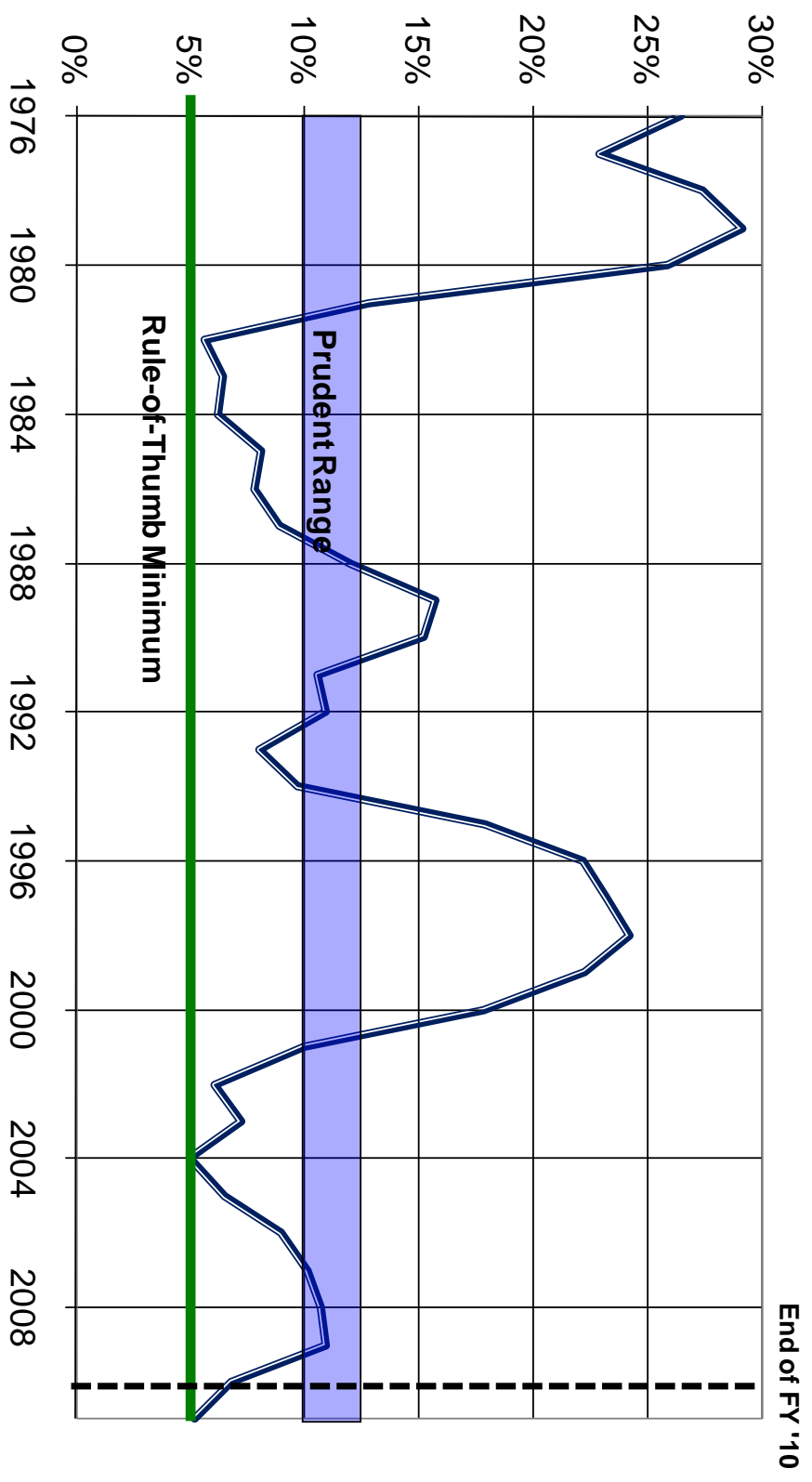
For more information

DeBoer's Indiana Local Government Information website:
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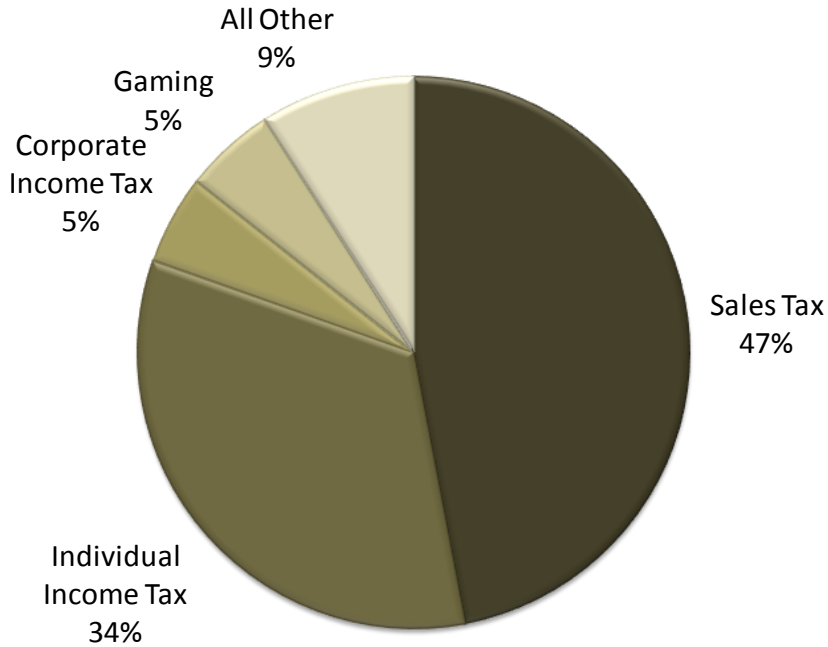
Indiana State Budget Summary, FY 2000-2011
(millions of dollars, updated through December 2010 Revenue Forecast)

	Actual 2000	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Budget 2011	Avg. Ann. Change 2000-09	2009-11
Start of Year Balances	1,991	1,638	910	534	720	533	750	1,089	1,286	1,413	1,420	831		
Revenues														
Sales Tax	3,651	3,687	3,761	4,172	4,721	4,960	5,226	5,379	5,686	6,153	5,915	6,133	6.0%	-0.2%
Individual Income Tax	3,753	3,780	3,541	3,644	3,808	4,213	4,322	4,616	4,838	4,314	3,876	4,355	1.6%	0.5%
Corporate Income Tax	985	855	709	729	645	825	925	987	910	839	592	682	-1.8%	-9.9%
Gaming	-	-	-	431	602	585	590	625	583	621	680	700		6.2%
All Other	810	801	784	1,072	1,143	905	1,370	1,096	1,187	1,125	1,255	1,179	3.7%	2.4%
Total	9,200	9,123	8,796	10,049	10,918	11,489	12,434	12,703	13,203	13,052	12,317	13,049	4.0%	0.0%
Appropriations														
K-12 Education	3,905	4,182	4,185	4,380	4,247	4,512	4,582	4,647	4,830	6,169	7,450	7,584	5.2%	10.9%
Higher Education	1,331	1,390	1,411	1,440	1,474	1,528	1,544	1,588	1,654	1,744	1,725	1,755	3.0%	0.3%
Medicaid	1,042	1,144	1,171	1,249	1,266	1,383	1,455	1,525	1,587	1,664	1,848	1,874	5.3%	6.1%
Property Tax Relief	1,057	1,154	1,180	1,157	2,097	2,143	2,189	2,189	2,308	1,699	136	36	5.4%	-85.5%
Health & Social Services	757	774	858	855	767	768	836	860	943	1,237	1,354	1,354	5.6%	4.6%
Public Safety	621	623	678	681	695	697	718	718	721	801	781	801	2.9%	-0.3%
All Other	1,005	923	824	1,136	763	719	787	831	943	1,122	1,089	1,052	1.2%	-3.2%
Total	9,718	10,190	10,307	10,898	11,310	11,750	12,075	12,359	12,986	14,436	14,383	14,450	4.5%	0.0%
Current Year Surplus/Deficit	(518)	(1,067)	(1,511)	(850)	(392)	(262)	359	345	217	(1,384)	(2,066)	(1,401)		
ARRA Medicaid										405	573	466		
ARRA Fiscal Stabilization										587	110	35		
ARRA Total										992	683	501		
Transfers from (to) Other Funds	30	236	617	376	138	257	12	70	19	73	165	1		1
Reversions	134	103	145	323	63	222	125	119	133	357	630	747		747
Payment Delays (Reversals)	-	-	374	337	3	-	(156)	(337)	(241)	(31)	-	-		-
Total Adjustments	165	339	1,135	1,036	204	479	(20)	(148)	(89)	399	794	747		747
End of Year Balances														
General Fund	833	19	0	137	0	119	411	537	593	55	831	678		678
Education Fund	265	265	265	305	291	291	317	317	400	942	-	-		-
Medicaid Reserve	-	100	-	-	-	24	34	88	58	58	-	-		-
Rainy Day Fund	540	526	269	279	242	317	328	344	363	365	-	1		1
Total	1,638	910	534	720	533	750	1,089	1,286	1,413	1,420	831	678		678
Total Balances % of Revenue	17.8%	10.0%	6.1%	7.2%	4.9%	6.5%	8.8%	10.1%	10.7%	10.9%	6.7%	5.2%		5.2%
5% of Revenue	460	456	440	502	546	574	622	635	660	653	616	652		652
Payment Delay Liability	-	-	372	711	712	726	622	286	31	-	1	-		-
Appropriations less Reversions	9,584	10,087	10,162	10,575	11,247	11,528	11,950	12,240	12,854	14,079	13,754	13,704		13,704
Percent Change		5.2%	0.7%	4.1%	6.4%	2.5%	3.7%	2.4%	5.0%	9.5%	-2.3%	-0.4%		-0.4%

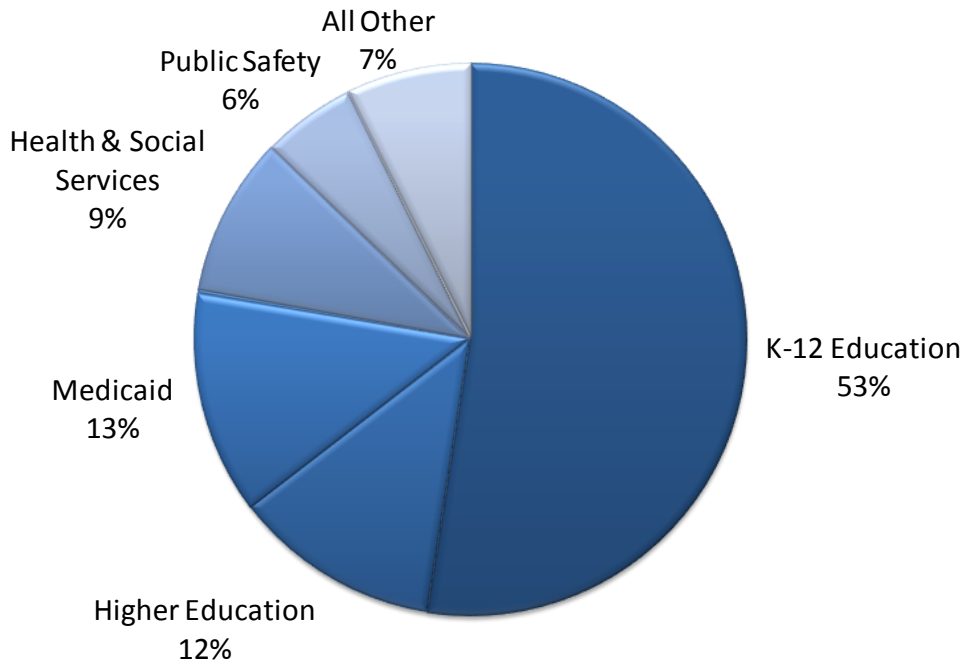
Indiana State Fund Balances as Share of Operating Revenues, FY 1976-2010 and Budgeted 2011



Indiana State Budget, Appropriations, Fiscal Year 2011
Total Appropriations: \$13,049 million



Indiana State Budget, Appropriations, Fiscal Year 2011
Total Appropriations: \$14,450 million



Indiana Revenue Projections and Actual Revenues, 1996-2013

Fiscal Year	Budget Forecast*		December Forecast		Actual Revenue		
	Year	Forecast Revenue	Year	Forecast Revenue	Actual Revenue	Difference from Budget Forecast	Pct. Chng. From Previous
1996	1995	7,099.1	1995	7,469.1	7,513.0	413.9	6.3%
1997	1995	7,426.6	1995	7,788.1	7,970.2	543.6	6.1%
1998	1997	8,124.5	1997	8,244.9	8,421.4	296.9	5.7%
1999	1997	8,441.8	1997	8,647.2	8,883.2	441.4	5.5%
2000	1999	9,301.6	1999	9,178.3	9,142.7	(158.9)	2.9%
2001	1999	9,773.3	1999	9,641.7	9,052.0	(721.3)	-1.0%
2002	2001	9,545.4	2001	9,005.5	8,708.9	(836.5)	-3.8%
2003(1)	2001-02	10,992.5	2001-02	10,960.3	9,880.1	(1,112.4)	13.4%
2004	2003	10,692.5	2003	10,561.5	10,619.9	(72.6)	7.5%
2005	2003	11,192.3	2003	11,001.8	11,436.5	244.2	7.7%
2006	2005	11,757.4	2005	11,712.7	12,060.7	303.3	5.5%
2007	2005	12,378.3	2005	12,348.9	12,626.2	247.9	4.7%
2008(2)	2007-8	12,969.2	2007-08	13,003.1	13,082.2	113.0	3.6%
2009(2)	2007-8	14,374.2	2007-08	14,109.1	12,935.3	(1,438.9)	-1.1%
2010	2009	13,115.1	2009	12,076.2	12,186.7	(928.4)	-5.8%
Fiscal Years Not Yet Completed							
2011	2009	13,632.6	2009	12,835.7	12,951.2	(681.4)	6.3%
2012	2011	13,401.8					3.5%
2013	2011	13,945.5					4.1%

Notes:

* Budget Forecast is the last revenue forecast before the budget is passed, usually made in April (May in 2009).

(1) 2003 Budget and December forecasts are adjusted for added revenues predicted for the 2002 tax reform, including sales tax, corporate tax and gaming tax reforms.

(2) 2008 and 2009 budget forecasts are adjusted for added revenues predicted for 2008 tax reform, primarily sales tax increases.

Difference from forecast and percent change from previous for fiscal years not yet completed are based on the most recent forecast.

Sources: Indiana State Budget Agency, Revenue Forecast Statements and Fiscal Year Closeouts, 1995-2010.

Compiled by Larry DeBoer, Purdue University, December 2010.

Table 1. Business as Usual Budget and Normal Revenue Growth 2012-13

	Budget	Projections			Pct. Chng.		
	2009	2010	2011	2012	2013	2009-11	2011-13
Start of Year Balances	1,413	1,419	1,334	1,008	188		
Revenues							
Sales Tax	6,153	6,132	6,438	6,696	6,964	2.3%	4.0%
Individual Income Tax	4,314	4,289	4,547	4,729	4,918	2.7%	4.0%
Corporate Income Tax	839	800	819	852	886	-1.2%	4.0%
Gaming	621	646	661	687	715	3.1%	4.0%
All Other	1,125	1,322	1,140	1,186	1,233	0.7%	4.0%
Total	13,052	13,189	13,606	14,150	14,716	2.1%	4.0%
Appropriations							
K-12 Education	6,169	7,584	7,669	7,937	8,215	11.5%	3.5%
Higher Education	1,744	1,726	1,756	1,820	1,888	0.3%	3.7%
Medicaid	1,664	1,821	1,874	1,975	2,082	6.1%	5.4%
Property Tax Relief	1,699	90	-	-	-	-100.0%	0.0%
Health & Social Services	1,237	1,354	1,354	1,401	1,451	4.6%	3.5%
Public Safety	801	781	796	821	847	-0.3%	3.2%
All Other	1,122	1,122	1,064	1,084	1,105	-2.6%	1.9%
Total	14,436	14,478	14,512	15,040	15,587	0.3%	3.6%
Current Year Surplus/Deficit	(1,385)	(1,289)	(906)	(890)	(871)		
ARRA Medicaid	405	549	289				
ARRA Fiscal Stabilisation	587	276	221				
Total	992	825	510				
Transfers from (to) Other Funds	73	16	20	20	20		
Reversions	357	363	50	50	50		
Payment Delays (Reversals)	(31)	-	-				
Total Adjustments	399	379	70	70	70		
End of Year Balances							
General Fund	55	185	144	(677)	(1,478)		
Tuition Reserve	942	721	425	425	425		
Medicaid Reserve	58	58	58	58	58		
Rainy Day Fund	365	371	382	382	382		
Total	1,419	1,334	1,008	188	(613)		
Total Balances % of Revenue	10.9%	10.1%	7.4%	1.3%	-4.2%		

Revenue Forecast and Governor's Proposed Budget, 2012-13
(millions of dollars)

	Actual 2010	Budget 2011	Revenue Forecast		Avg. Ann. Change 2011-13
			Governor's Budget 2012	2013	
Start of Year Balances	1,420	831	678	640	
Revenues					
Sales Tax	5,915	6,133	6,337	6,624	3.9%
Individual Income Tax	3,876	4,355	4,620	4,897	6.0%
Corporate Income Tax	592	682	688	695	0.9%
Gaming	680	700	722	698	-0.2%
All Other	1,255	1,179	1,113	1,111	-2.9%
Total	12,317	13,049	13,480	14,024	3.7%
Appropriations					
K-12 Education	7,450	7,584	7,253	7,271	-2.1%
Higher Education	1,725	1,755	1,653	1,646	-3.2%
Medicaid	1,848	1,874	1,864	2,009	3.5%
Property Tax Relief	136	36	-	-	-100.0%
Health & Social Services	1,354	1,354	1,223	1,224	-4.9%
Public Safety	781	796	757	765	-1.9%
All Other	1,089	1,052	1,025	1,079	1.3%
Total	14,383	14,450	13,774	13,993	-1.6%
Current Year Surplus/Deficit	(2,066)	(1,401)	(295)	31	
ARRA Medicaid	573	466	-	-	
ARRA Fiscal Stabilization	110	35	-	-	
ARRA Total	683	501	-	-	
Transfers from (to) Other Funds	165	1	231	30	
Reversions	630	747	25	25	
Payment Delays (Reversals)	-	-	-	-	
Total Adjustments	794	747	256	55	
End of Year Balances					
General Fund	831	678	635	717	
Education Fund	-	-	-	-	
Medicaid Reserve	-	-	-	-	
Rainy Day Fund	-	1	5	8	
Total	831	678	640	725	
Total Balances % of Revenue	6.7%	5.2%	4.7%	5.2%	
5% of Revenue	616	652	674	701	
Payment Delay Liability	-	-	-	-	
Appropriations less Reversions	13,754	13,704	13,749	13,968	
Percent Change	-2.3%	-0.4%	0.3%	1.6%	

**Indiana State Budget Revenues and Appropriations,
Actual 2000-10, Budgeted 2011 and Governor's Budget 2012-13**
(millions of dollars)

