


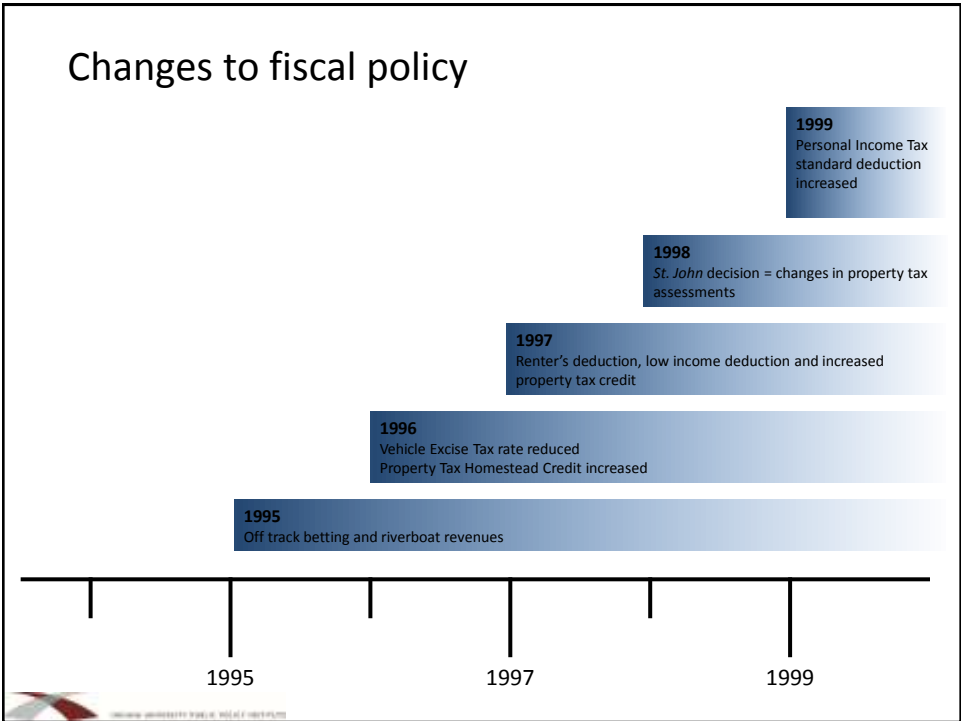
Indiana State and Local Public Finance

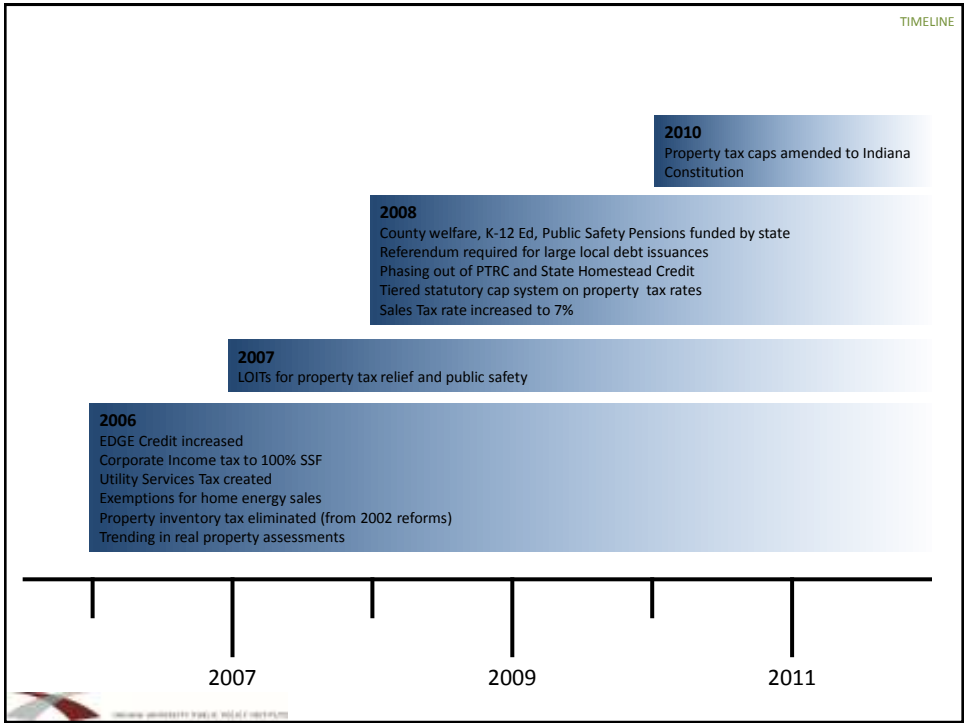
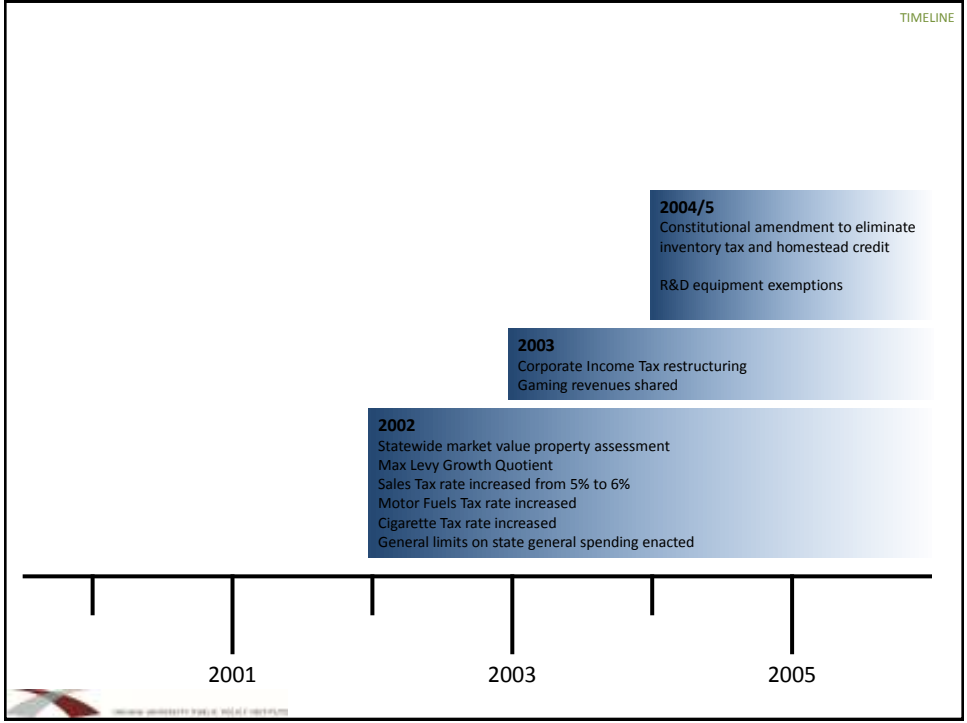
Past, Present, Future

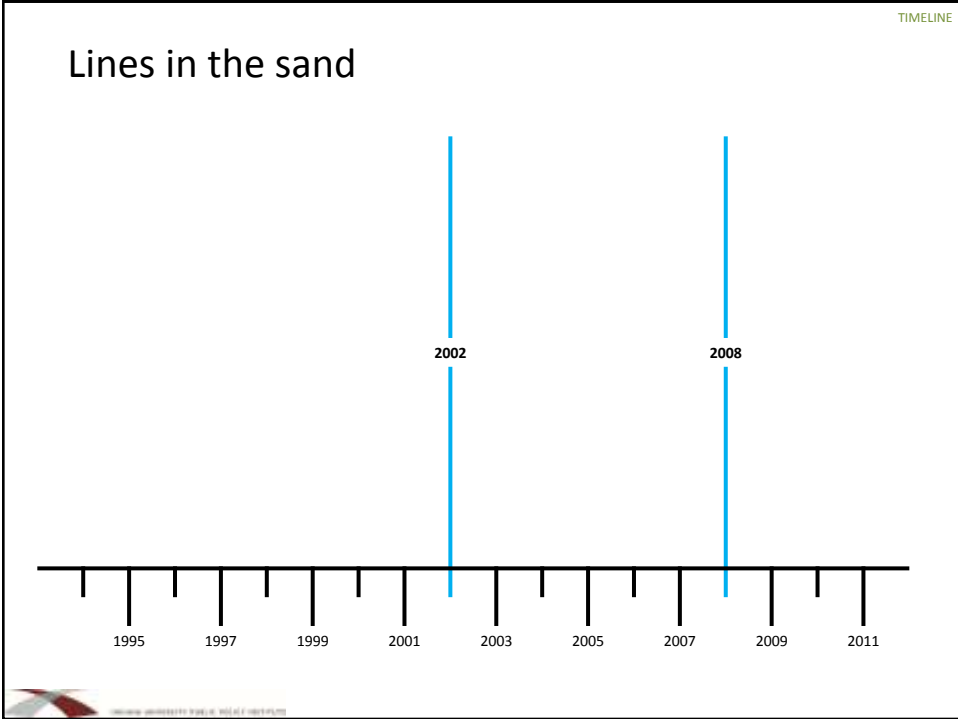
Matt Nagle
IU Public Policy Institute



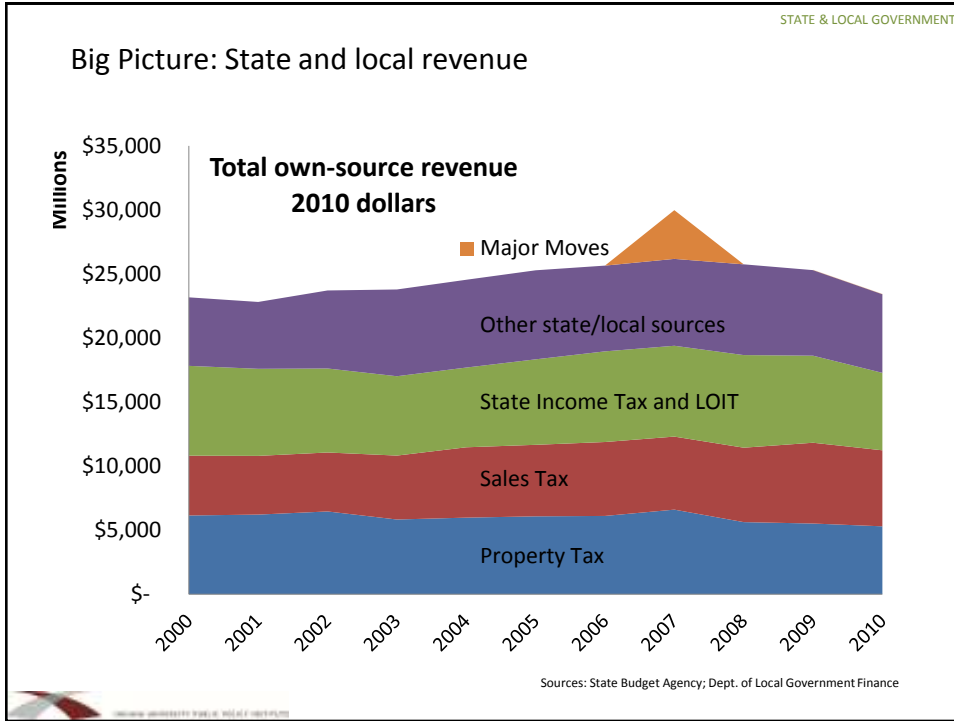
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The Big Picture: State and Local Government

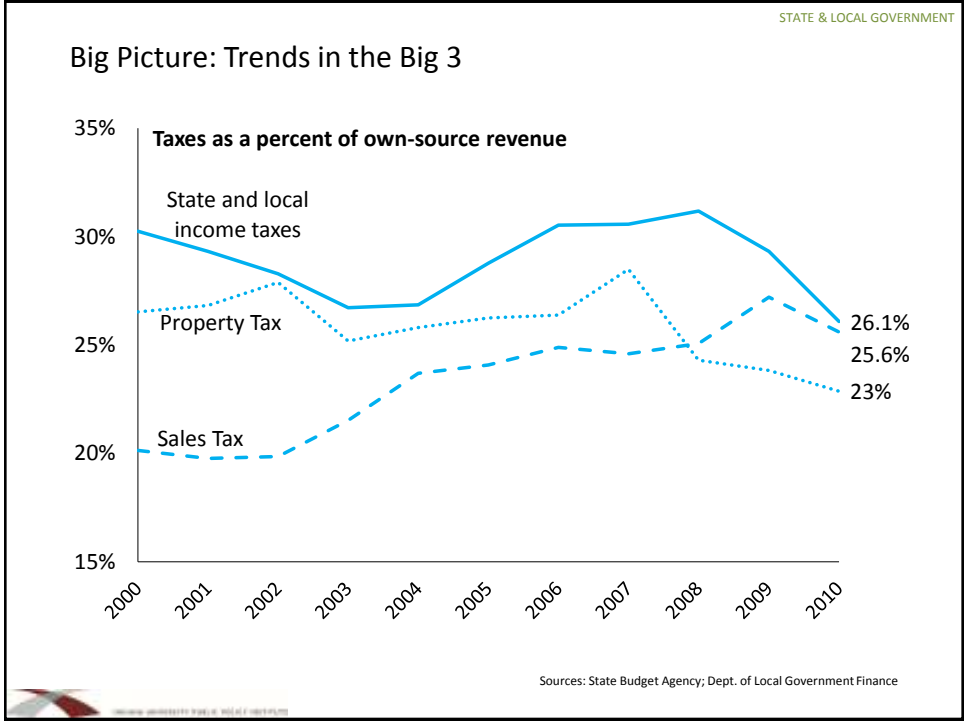


STATE & LOCAL GOVERNMENT

Big Picture: Income in context

Year	As % Indiana personal income		Per capita	
	Revenue	Appropriations	Revenue	Appropriations
2000	10.9%	10.5%	\$ 3,858	\$ 3,642
2001	10.8	10.8	3,805	3,723
2002	11.2	10.6	3,745	3,670
2003	11.0	10.6	3,927	3,725
2004	11.2	11.1	4,044	3,915
2005	11.6	11.0	4,069	3,829
2006	11.5	10.7	4,230	3,805
2007	11.6	11.0	4,336	3,919
2008	11.4	10.9	4,256	3,865
2009	11.4	10.7	3,724	3,697
2010	10.3	9.6	3,499	3,358

Sources: State Budget Agency; Dept. of Local Government Finance; Bureau of Labor Statistics; US Census Bureau



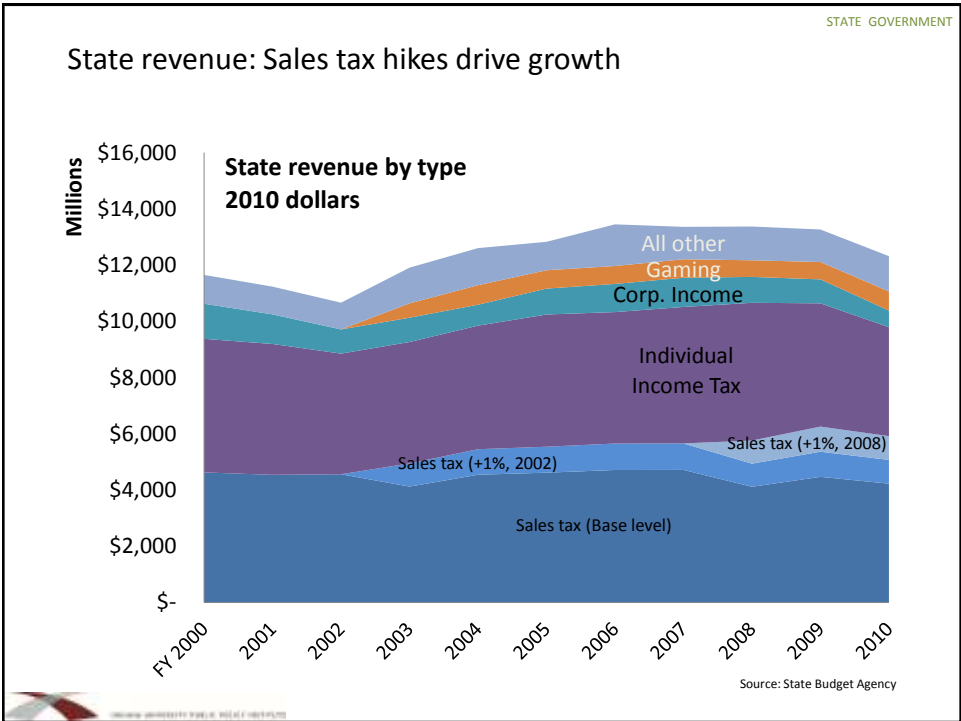
STATE & LOCAL GOVERNMENT

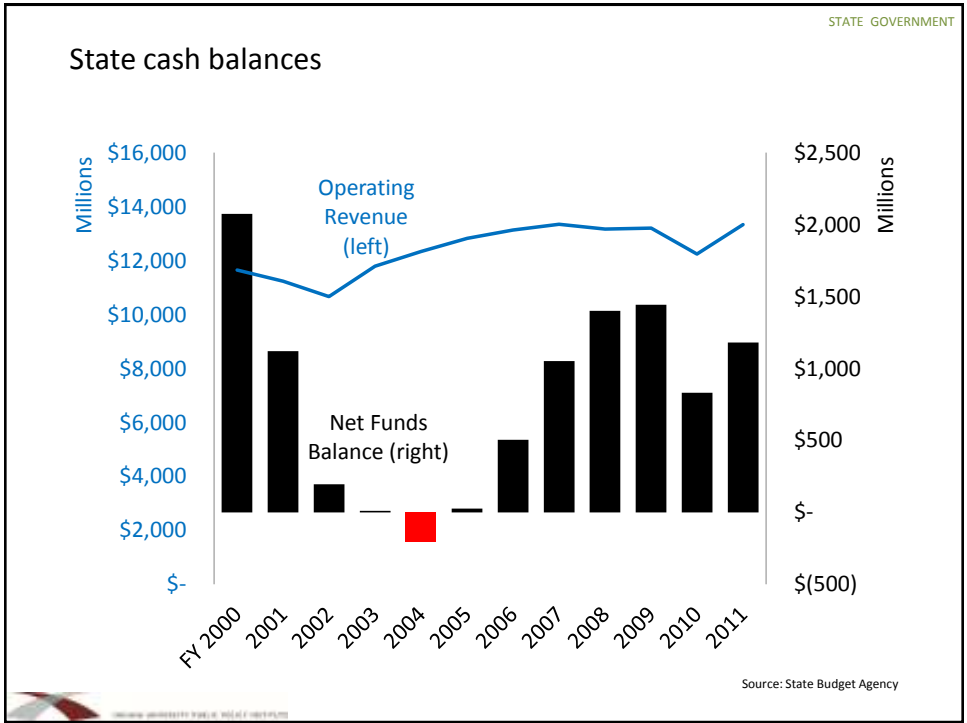
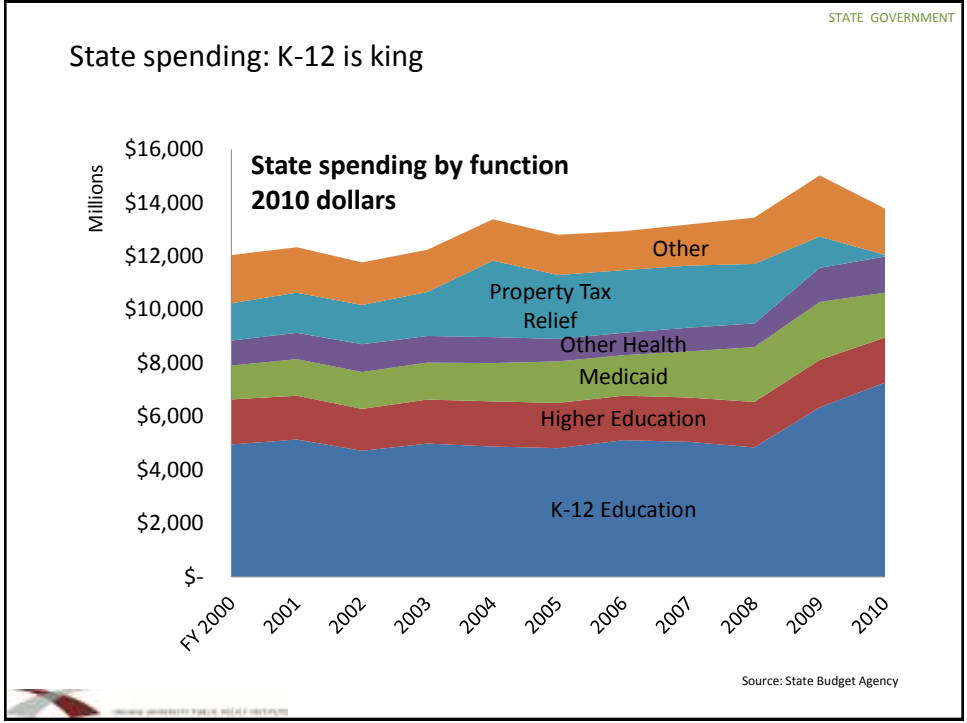
Big Picture: Revenue portfolio

Revenue class (State + Local)	2010 Revenue (millions)	Annual % change (inflation-adjusted)			Total % change (inflation- adj.)
		2000-08	2009-10	2000-10	2000-10
Sales Tax	\$ 5,936	2.8 %	-5.9 %	2.4 %	27.1 %
Property Tax (Net)	5,304	-1.1	-4	-1.5	-13.8
Individual Income Tax	3,875	0.4	-11.6	-2	-18.5
LOITs	1,589	4.2	2.4	4.6	56.7
Gaming taxes	875	5.3	-1.3	4.4	53.9
Motor fuels taxes	760	-0.6	-6.4	-2.1	-19
Corporate Income Tax	583	-3.7	-32.3	-7.3	-53.3
All revenue sources	23,428	1.3	-7.4	0.1	1.1

Sources: State Budget Agency; Dept. of Local Government Finance

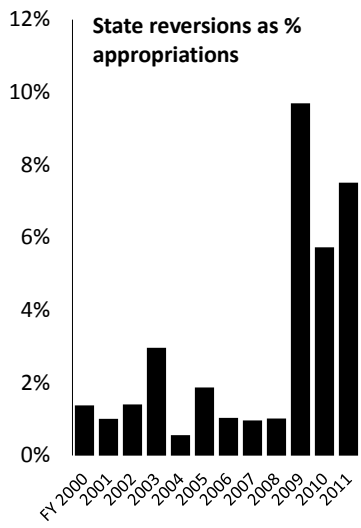
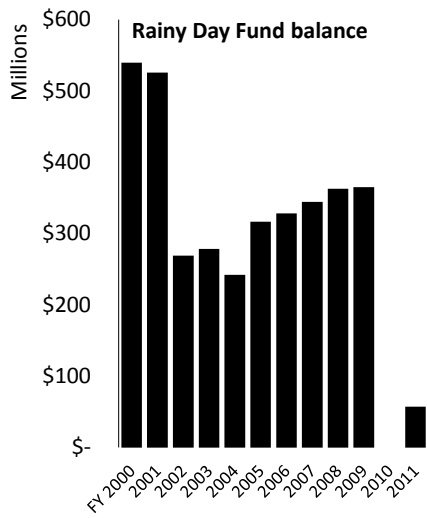
The State Picture





STATE GOVERNMENT

Policy decisions to make up for stagnant revenue

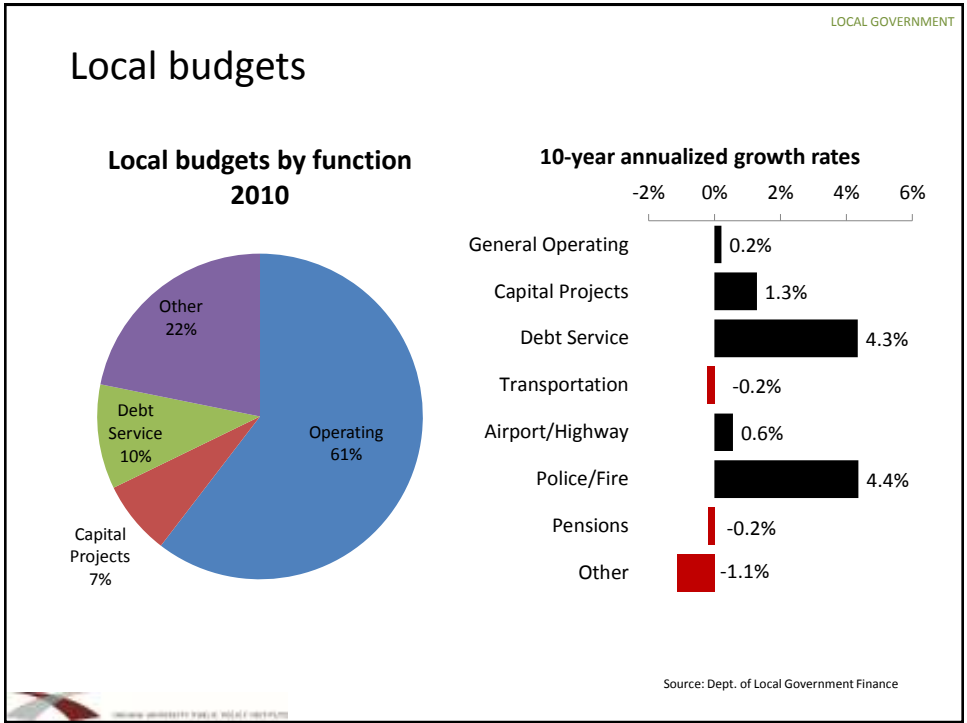
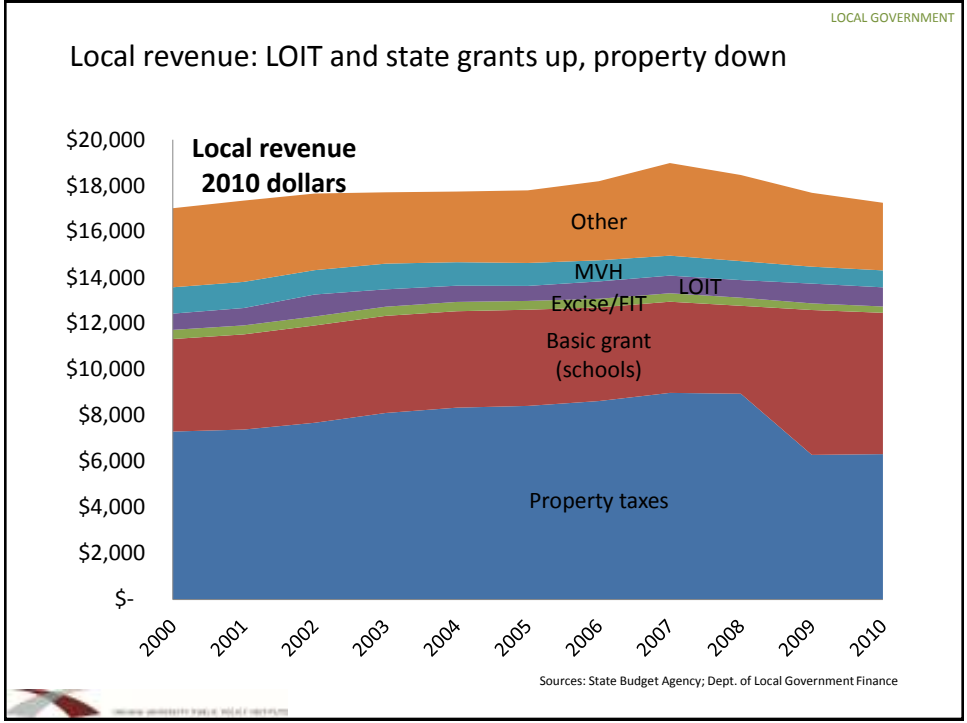


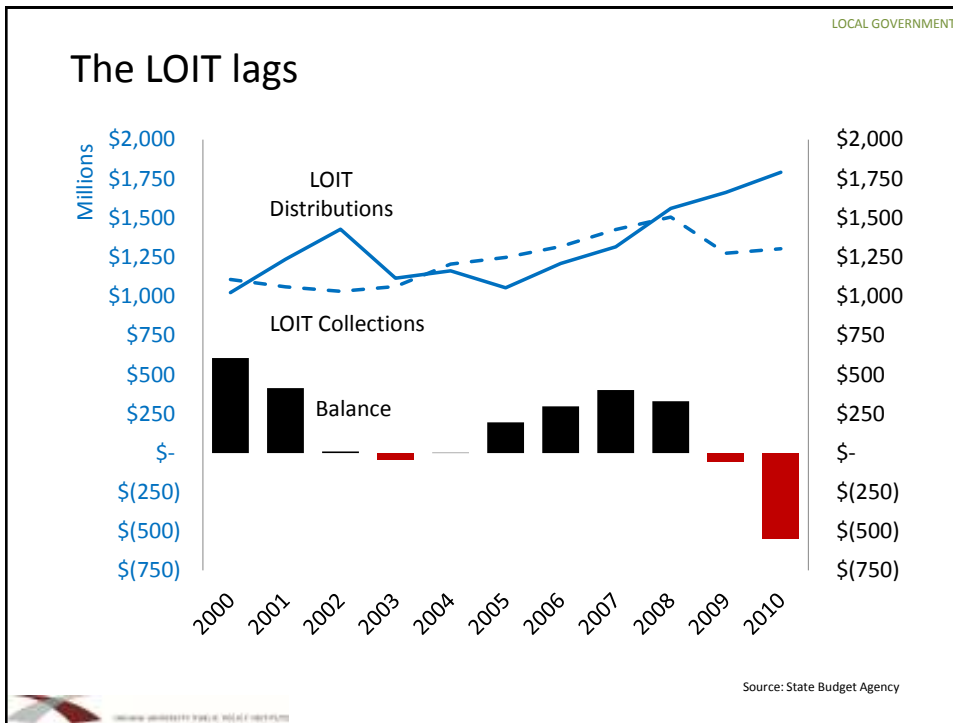
Source: State Budget Agency



The Local Picture







LOCAL GOVERNMENT

Replenishing the LOIT bank account

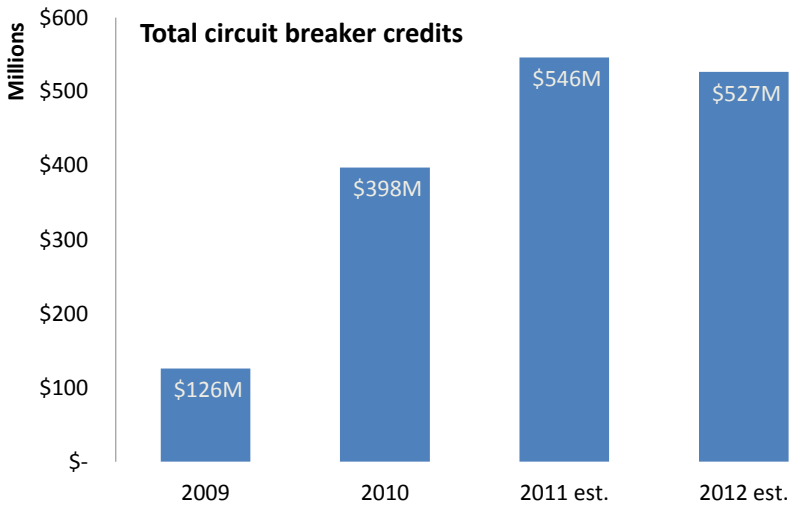
% change in LOIT Certified Distribution	CY2008 - 2010			CY2011 - 2012		
	Number of counties	Total \$ change (000s)	Average \$ change per county	Number of counties	Total \$ change (000s)	Average \$ change per county
More than 10% drop	1	\$ (2,069)	\$ (2,069)	1	\$ (2,878)	\$ (2,879)
5 to 10% drop	3	\$ (3,074)	\$ (1,025)	7	\$ (9,551)	\$ (1,365)
Under 5% drop	5	\$ (1,023)	\$ (206)	28	\$ (16,481)	\$ (589)
No change	0			46		
Under 5% increase	27	\$ 11,320	\$ 419	7	\$ 732	\$ 105
5 to 10% increase	33	\$ 36,466	\$ 1,105	2	\$ 475	\$ 238
More than 10% incr.	22	\$ 41,480	\$ 1,885	0		
TOTAL*	91	\$ 83,095	\$ 913	91	\$ (27,704)	\$ (304)

* Lake County not available

Source: State Budget Agency

LOCAL GOVERNMENT

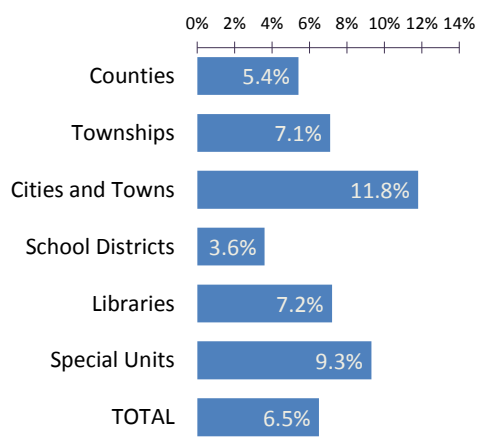
Property tax caps: Levy losses



Source: Legislative Services Agency

LOCAL GOVERNMENT

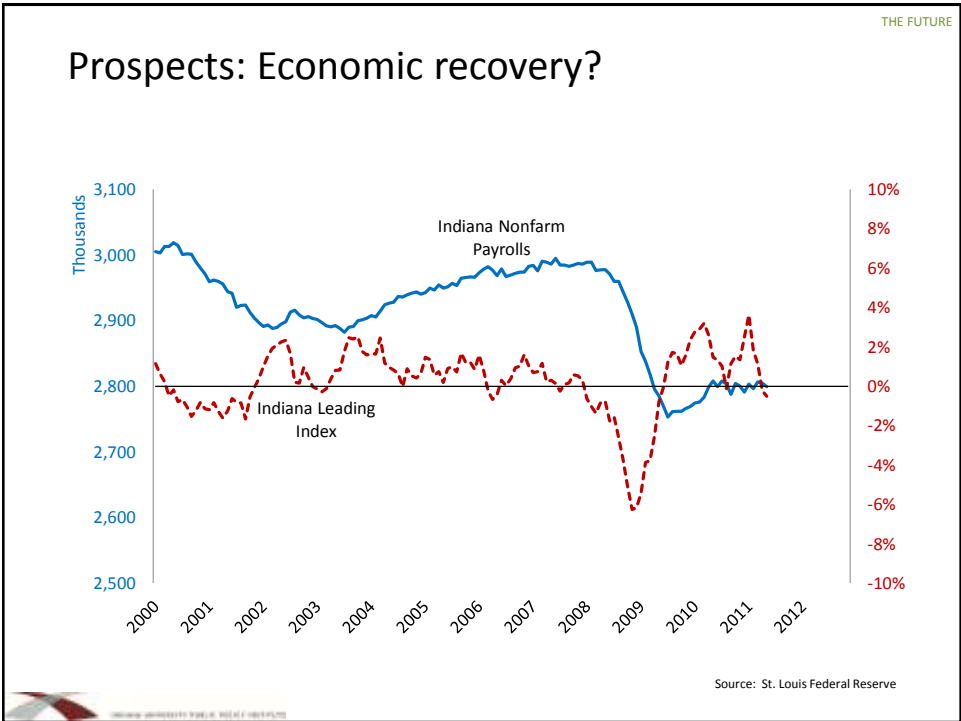

Circuit breaker credits as % gross levy (2010)



Source: Legislative Services Agency

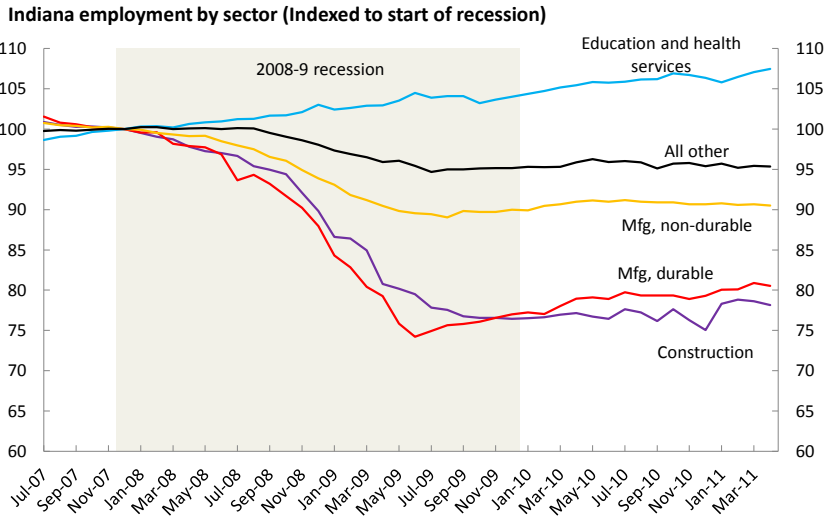
THE FUTURE

Prospects for fiscal sustainability



THE FUTURE

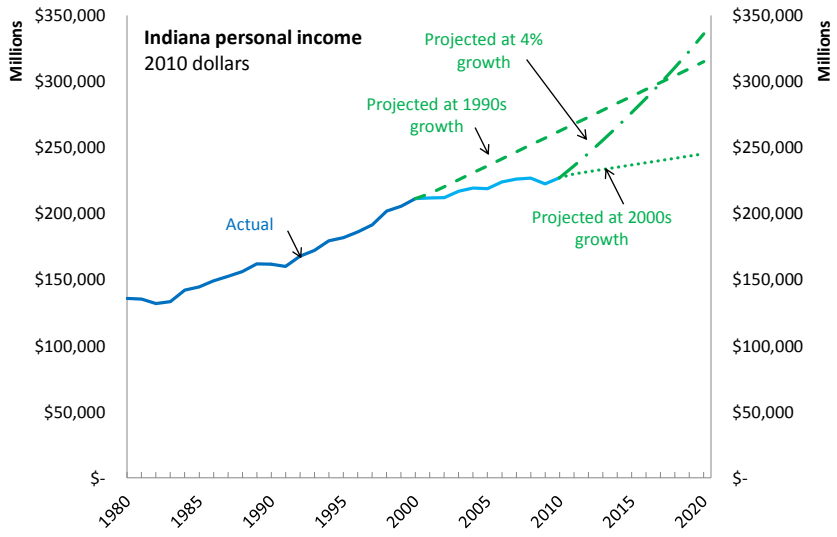
Prospects: Jobs recovery?



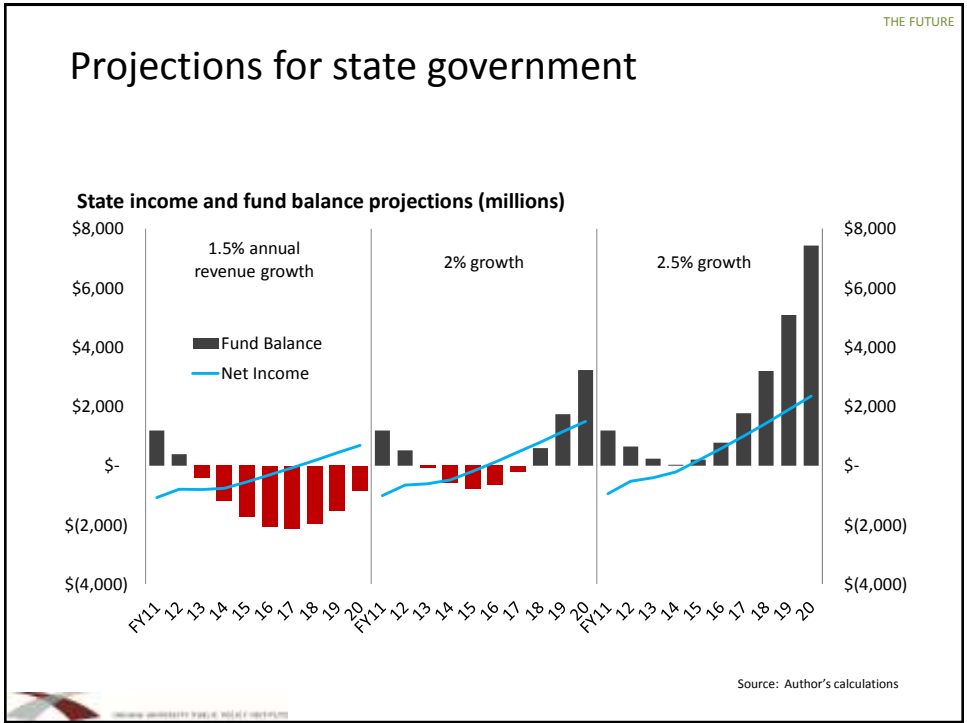
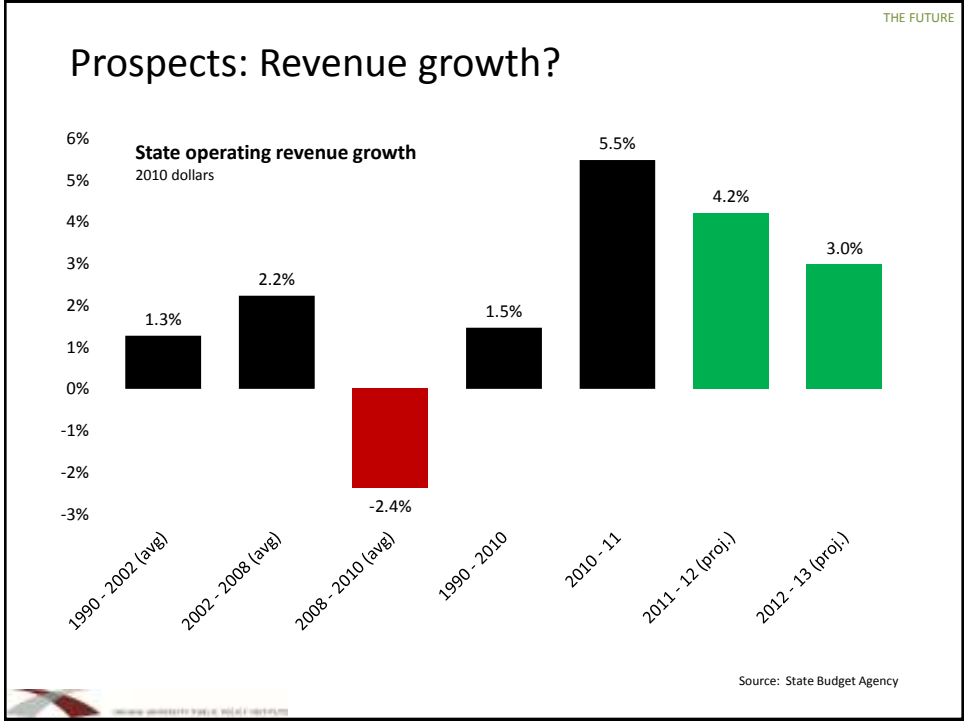
Source: Bureau of Labor Statistics

THE FUTURE

Prospects: Income growth?



Source: Bureau of Labor Statistics



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