



Fiscal Policy BRIEF

November 15, 1992

State Debt, 1981-1991

Although the State of Indiana operates under a constitutional prohibition against general obligation (full faith and credit) debt, it does issue substantial debt through various statutory authorities created for the purpose of providing debt financing of various capital projects (higher education facilities, state office buildings, highways, prisons, etc.).

Between 1981 and 1991, Indiana state

debt outstanding rose 352 percent, from \$1,024 million in 1981 to \$4,624 million in 1991, placing Indiana fifth among the states in percentage growth of debt during this period, far exceeding the national average of 156 percent.

While total state debt in Indiana has been growing rapidly, per capita state debt remains low relative to that in other states. In 1991, per capita state debt was \$824.24, placing Indiana 40th,

well below the national average of \$1,373.54. In 1982, with per capita state debt of \$186.50, Indiana ranked 46th, with the national average at \$596.91.

Although it cannot yet be said that Indiana state debt is large by comparison with most other states, it is nevertheless the case that between 1981 and 1991 it grew at a rate of more than double the national average and has been doubling every five years.

State Debt Outstanding 1981-1991
(dollars in millions)
Ranked according to percentage growth, 1981-1991

State	1981	1986	1991	% incr. (decr.) 1981-86	% incr. (decr.) 1981-91
1. Ariz.	\$ 140	\$ 1,473	\$ 2,540	952.1%	1,714.3%
2. Nebr.	246	1,309	1,596	432.1	548.8
3. Mont.	303	1,240	1,611	309.2	431.7
4. N.D.	212	743	964	250.5	354.7
5. IND.	1,024	2,180	4,624	112.9	351.6
6. Mo.	1,335	3,751	5,775	181.0	332.6
7. N.H.	1,039	2,384	4,127	129.5	297.2
8. Fla.	2,816	5,680	11,084	101.7	293.6
9. Ark.	472	1,087	1,764	130.3	273.7
10. Colo.	713	1,998	2,659	180.2	272.9
11. Iowa	439	1,601	1,620	264.7	269.0
12. Wash.	1,793	3,572	6,520	99.2	263.6
13. Cal.	8,983	20,122	31,956	124.0	255.7
14. Mass.	6,283	11,844	21,102	88.5	235.9
15. Utah	578	1,325	1,911	129.2	230.6
16. Ala.	1,320	3,752	4,214	184.2	219.2
17. Me.	834	1,558	2,585	86.8	210.0
18. Nev.	555	1,224	1,708	120.5	207.8
19. Va.	2,142	3,843	6,500	79.4	203.5
20. Del.	1,064	2,635	3,215	147.7	202.2
21. Ida.	379	658	1,122	73.6	196.0
22. Conn.	4,411	7,317	13,006	65.9	194.9
23. La.	3,489	10,479	10,729	200.3	194.6
24. Mich.	3,471	7,084	10,109	104.1	191.2
25. Tex.	2,652	5,432	7,687	104.8	189.9

Fiscal Policy **BRIEF**

State Debt Outstanding 1981-1991 (continued)

State	1981	1986	1991	% Incr. (decr.)	
				1981-1986	1981-1991
26. Ga.	\$ 1,378	\$ 2,451	\$ 3,652	77.9 %	165.0 %
27. Ill.	6,920	11,988	18,238	73.2	163.6
28. N.C.	1,351	2,606	3,490	92.9	158.3
U.S.	134,847	247,715	345,554	83.7	156.3
29. Wis.	2,591	4,660	6,625	79.9	155.7
30. R.I.	1,725	2,950	4,393	71.0	154.7
31. S.D.	693	1,303	1,754	88.0	153.1
32. N.J.	7,620	16,899	19,039	121.8	149.9
33. Ohio	4,715	8,859	11,367	87.9	141.1
34. N.M.	762	2,137	1,752	180.5	129.9
35. Haw.	1,854	2,828	4,202	52.2	126.7
36. Vt.	673	984	1,486	46.2	120.8
37. Ak.	2,400	6,961	5,291	190.0	120.5
38. Okla.	1,733	3,830	3,730	121.0	115.2
39. N.Y.	24,657	36,371	51,804	47.5	110.1
40. Wyo.	451	825	922	82.9	104.4
41. Ky.	3,028	4,110	6,024	35.7	98.9
42. Tenn.	1,473	2,156	2,790	46.4	89.4
43. Md.	3,982	5,410	7,528	35.9	89.1
44. Pa.	6,330	7,802	11,640	23.3	83.9
45. Miss.	794	1,184	1,413	49.1	78.0
46. S.C.	2,467	3,726	4,189	51.0	69.8
47. Minn.	2,396	3,760	3,941	56.9	64.5
48. W.Va.	1,842	2,132	2,770	15.7	50.4
49. Ore.	5,900	7,142	6,451	21.1	9.3
50. Kan.	420	352	337	(16.2)	(19.8)

Source: U.S. Dept. of Commerce, Bureau of the Census, *State Government Finances: 1981, 1986, 1991*.

A Word About the Data

The figures in the accompanying table come from U.S. Bureau of the Census reports which define debt as:

All long-term credit obligations of the government and its agencies whether backed by the government's full faith and credit or nonguaranteed, and all interest-bearing short-term obligations.

Includes judgments, mortgages, and revenue bonds, as well as general obligation bonds, notes and interest-bearing warrants. Excludes noninterest-bearing short-term obligations, interfund obligations, amounts owed in a trust or agency capacity, leases, advances, and contingent loans from other governments, and rights of individuals to benefits from government-administered employee retirement funds.

Board of Directors

Niel C. Ellerbrook, Chairman
 Charles Schalliol, Vice Chairman
 Charles Winger, Treasurer
 Allan Rachles, Secretary
 Charles Arthur
 A. Gerald Backstrom
 Donald E. Coovert
 Francina A. Dlouhy
 John S. Hayford
 David A. Kelly
 Robert D. Kraft
 R. Mark Lubbers
 Gregg McManus
 Wallace T. Miller Jr.
 D. William Moreau Jr.
 Terry A.M. Mumford
 I. Donald Penson
 Stephen Rahn
 Gregory Schenkel
 Daniel B. Seitz
 Miles Stipanovich Jr.
 William A. Zielke
 Earl M. Ryan, President

**Indiana
 Fiscal
 Policy
 Institute**



Indiana Fiscal Policy Institute

251 N. Illinois Street, Suite 980
 Indianapolis, Indiana 46204
 (317) 237-2890

Non-Profit
 U.S. Postage
 PAID
 Permit #8
 Indianapolis, IN