



Indiana's Fiscal Year Closeout Better Than Expected, But ...

Last issue, we talked about July 1 being the start of the **State of Indiana's** new fiscal year with a new [biennial budget](#) in effect.

The beginning of a new fiscal year marks the end of another. State fiscal leaders were pleased it ended with a larger surplus than expected - and \$2.5 billion in reserves - due to higher revenues than forecasted.

The surplus for the **Fiscal Year 2025** [closeout](#) was \$337 million, \$170 million more than anticipated only a few months ago. However, nearly all that additional revenue comes from \$160 million in advanced tax payments usually paid later this year. Almost \$78 million came from reversions by state agencies to the state's general fund.

"Hoosiers can remain confident that our financial footing is stable, despite a year marked by economic fluctuations and a lower-than-expected forecast," said State Comptroller **Elise Nieshalla**. "Our reserve continues to serve as a practical safeguard, reflecting Indiana's commitment to fiscal responsibility."

The State's \$2.5 billion reserve could fund Indiana government for approximately 40 days. And the latest forecast showed a bigger dip in state revenues in the second year of the current biennium.

So, Indiana's fiscal situation remains tight.

The downstream impact of the "Big Beautiful Bill" and a rescissions package

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passed by Congress last week are expected to cost Indiana [hundreds of millions](#) of dollars. Republicans are determined to "live within our means" while Democrats are concerned that programs such as Medicaid and food assistance will be harmed.

Gov. **Mike Braun** expressed confidence that Indiana would rise to the challenge of doing more with less from the federal government as state revenues slow.

"We'll find ways, even if it puts the burden on us to do it better and more efficiently," said Braun.

Odds & Ends

The **Indiana Supreme Court** unanimously [denied](#) a motion by Attorney General **Todd Rokita** to have a second disciplinary complaint against him dismissed.

The Indiana **Department of Workforce Development** announced plans to [layoff](#) 123 employees. The cuts include 18 administrative positions, 48 workforce program positions and 57 unemployment insurance positions.

The **U.S. Department of Defense** and Rep. **Andre Carson** (D-Indianapolis) have confirmed that [Camp Atterbury](#) will be used to house ICE detainees.

According to the latest **ILEARN test results**, Indiana students are [improving](#) in math while English language scores remain flat.

In a worrisome trend, Indiana's **college-going rate** for high school seniors has [fallen](#) to under 52%.

Indiana's **unemployment rate** is [below](#) the national average for the fifth month in a row.

The **Indiana BMV** is rolling out a new, minimalist "[blackout](#)" license plate for a fee.

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