Inflation Adjusted Per Capita Spending

Joint Finance-Appropriation Committee

Noah Peterson
Budget & Policy Analyst

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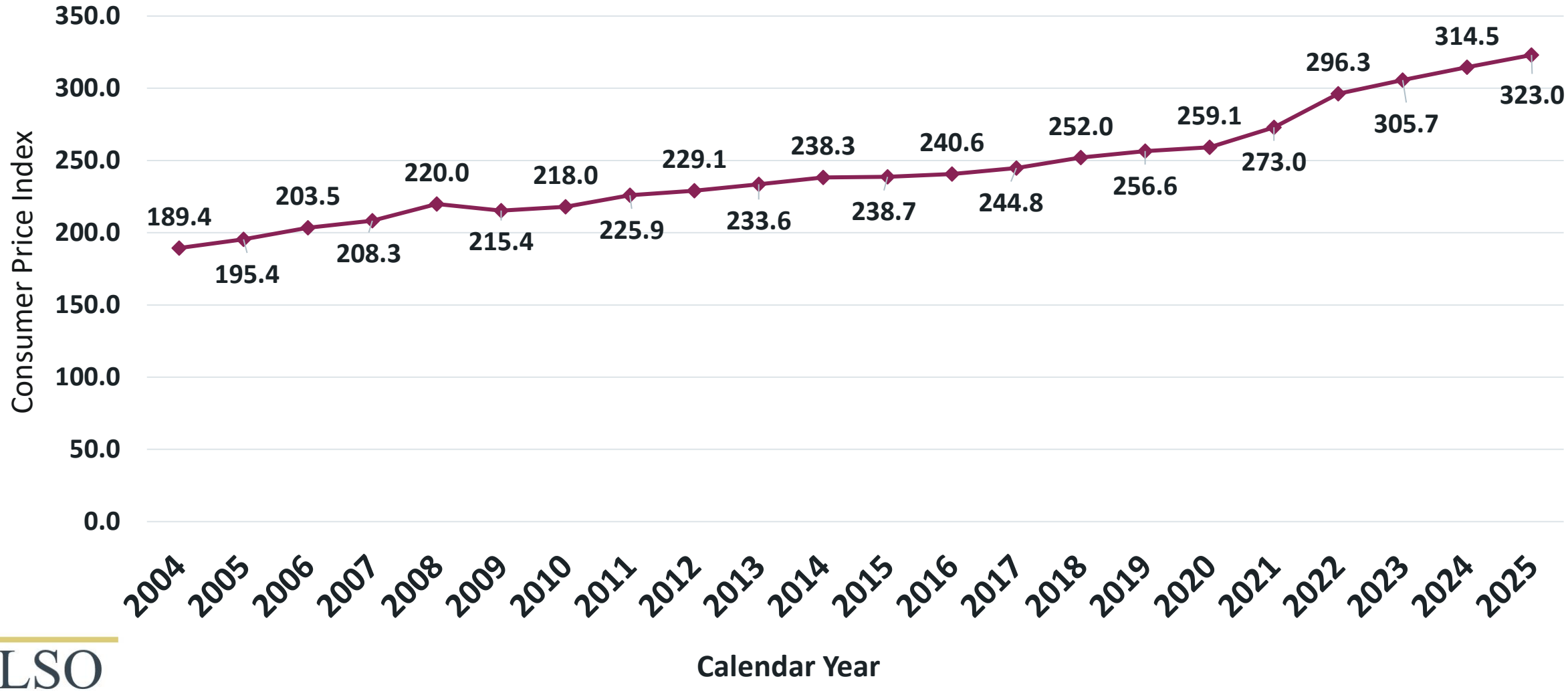
Methodology & Defining Terms

- Measuring budget growth by accounting for major factors outside the Legislature's control: inflation and population.
- Key Terms:
  - Nominal Value:
    - The stated or face value of something that has **not** been adjusted for inflation.
  - Real Value:
    - The value of something that **has** been adjusted for inflation.
    - Allows for comparisons across time.

Methodology/Formula

- Two Steps:
  1) Dividing nominal budget or expenditure values by Idaho's total population.
     - This results in per capita values for appropriations and expenditures.
  2) Converting per capita nominal values into real values using the Consumer Price Index (CPI)
     - All Real/Inflation Adjusted values are represented in 2025 dollars.
     - CPI values used from year in which fiscal year began.
       - Example: To adjust a FY 2010 value for inflation, use the CPI from 2009.
- Formula for Per Capita & Inflation Adjusted Figures:
  - (Nominal Figure*Inflation Factor)/Population
- How to calculate Inflation Factor:
  - $z_n = CPI_{2025} / CPI_n$
  - $z_n = i_n \times i_{n+1} \times \ldots \times i_{2025}$, z = Inflation Factor, n = Fiscal Year, i = Single Year Inflation

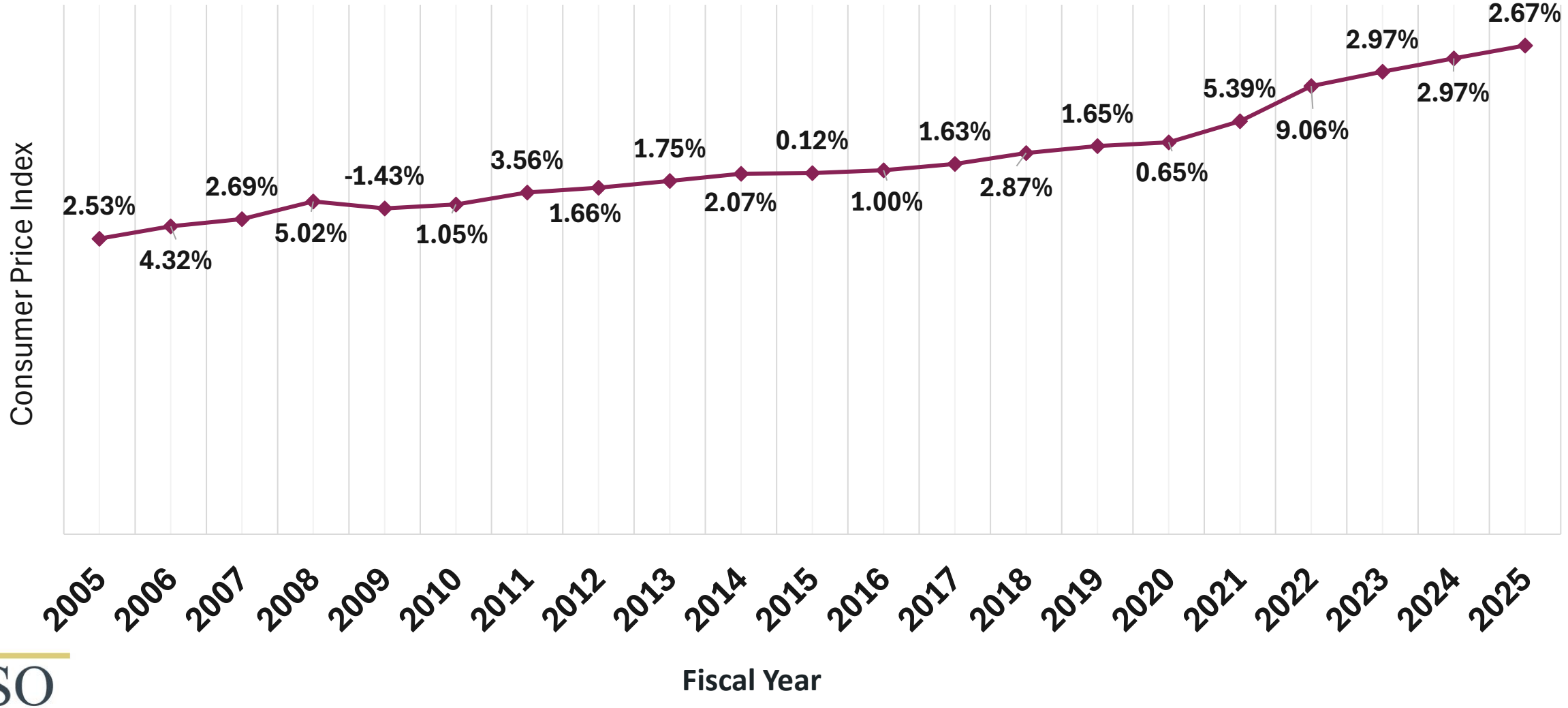
Consumer Price Index (CPI)



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Source: U.S. Bureau of Labor Statistics. https://data.bls.gov/timeseries/CUUR0000SA0?years_option=all_years
CPI Values taken from July of listed calendar year.

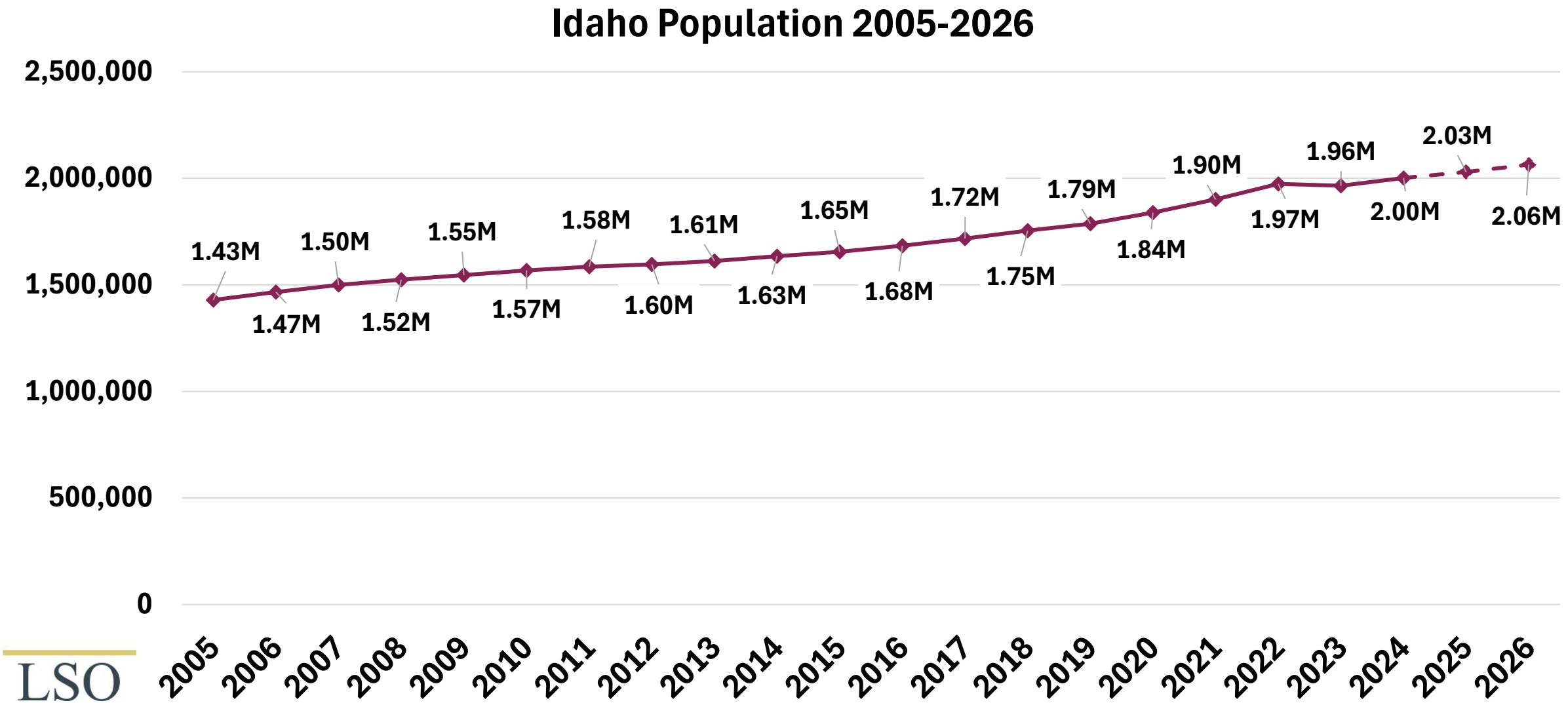
Inflation by Fiscal Year Using CPI



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Source: U.S. Bureau of Labor Statistics. https://data.bls.gov/timeseries/CUUR0000SA0?years_option=all_years
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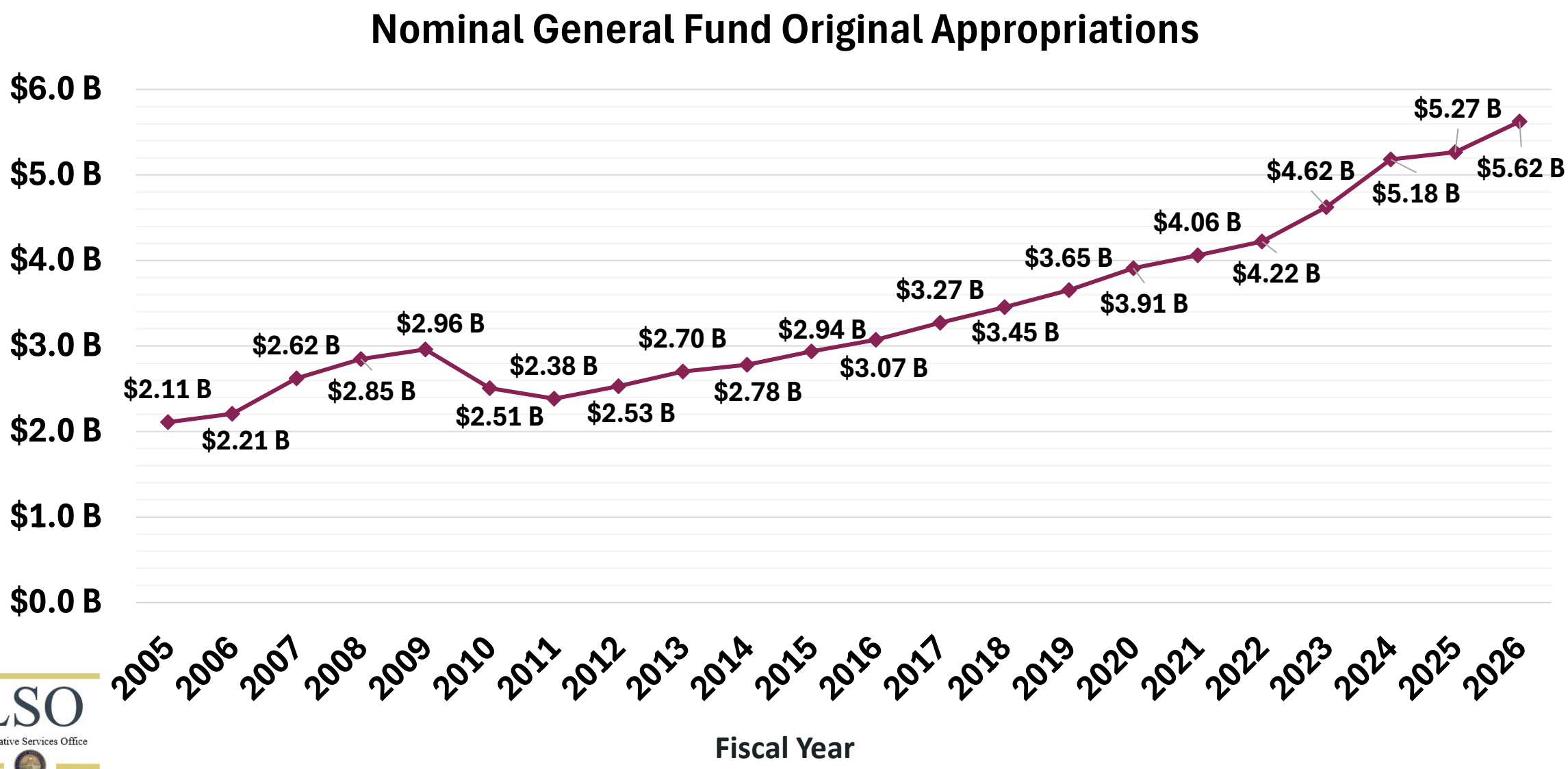
Idaho Population Growth



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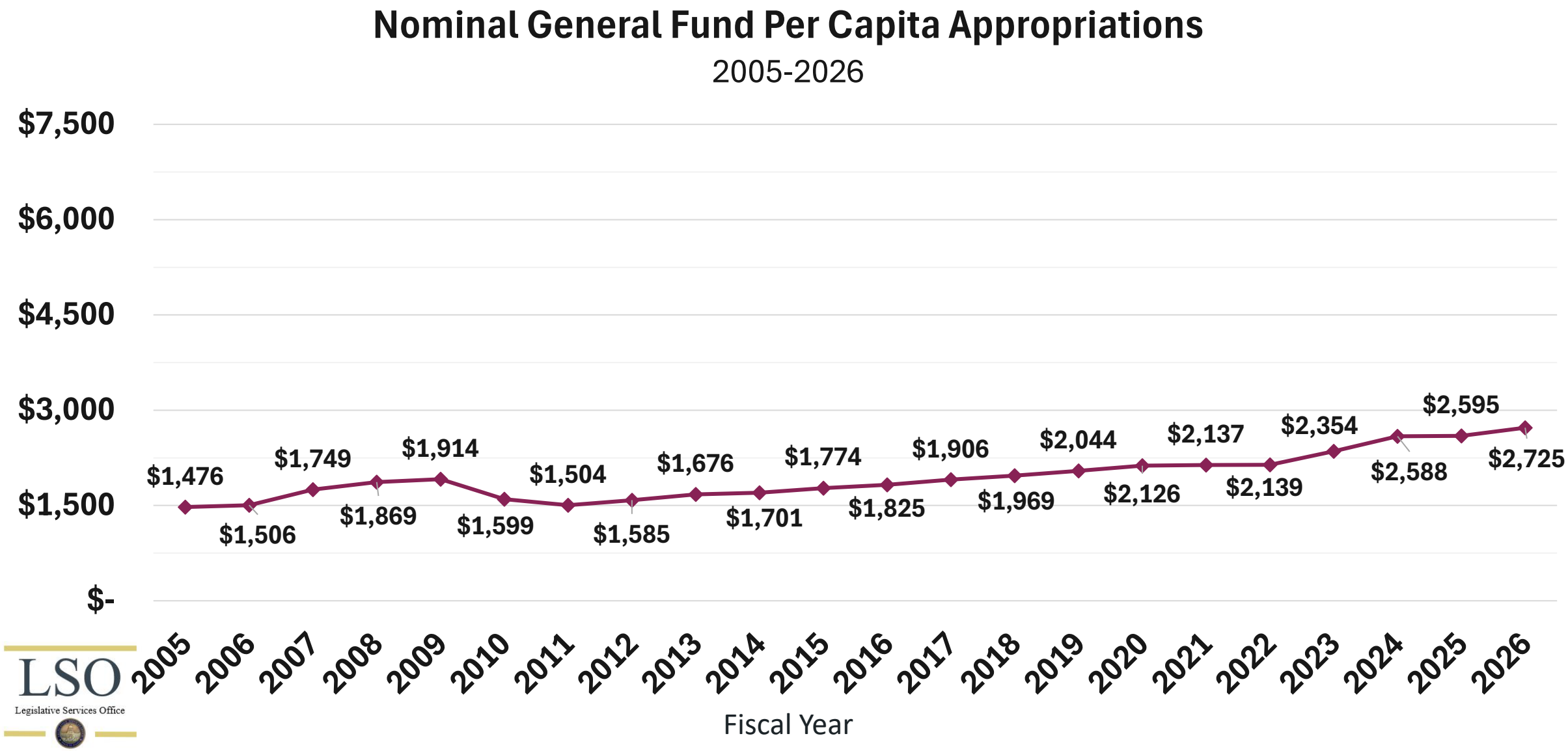
Source: United States Census Bureau. 2010 and 2020 populations counts are official. All other years 2005-2024 estimated by the US. Census Bureau. 2025 and 2026 population projections by the Idaho Division of Financial Management.

Nominal General Fund Original Appropriations



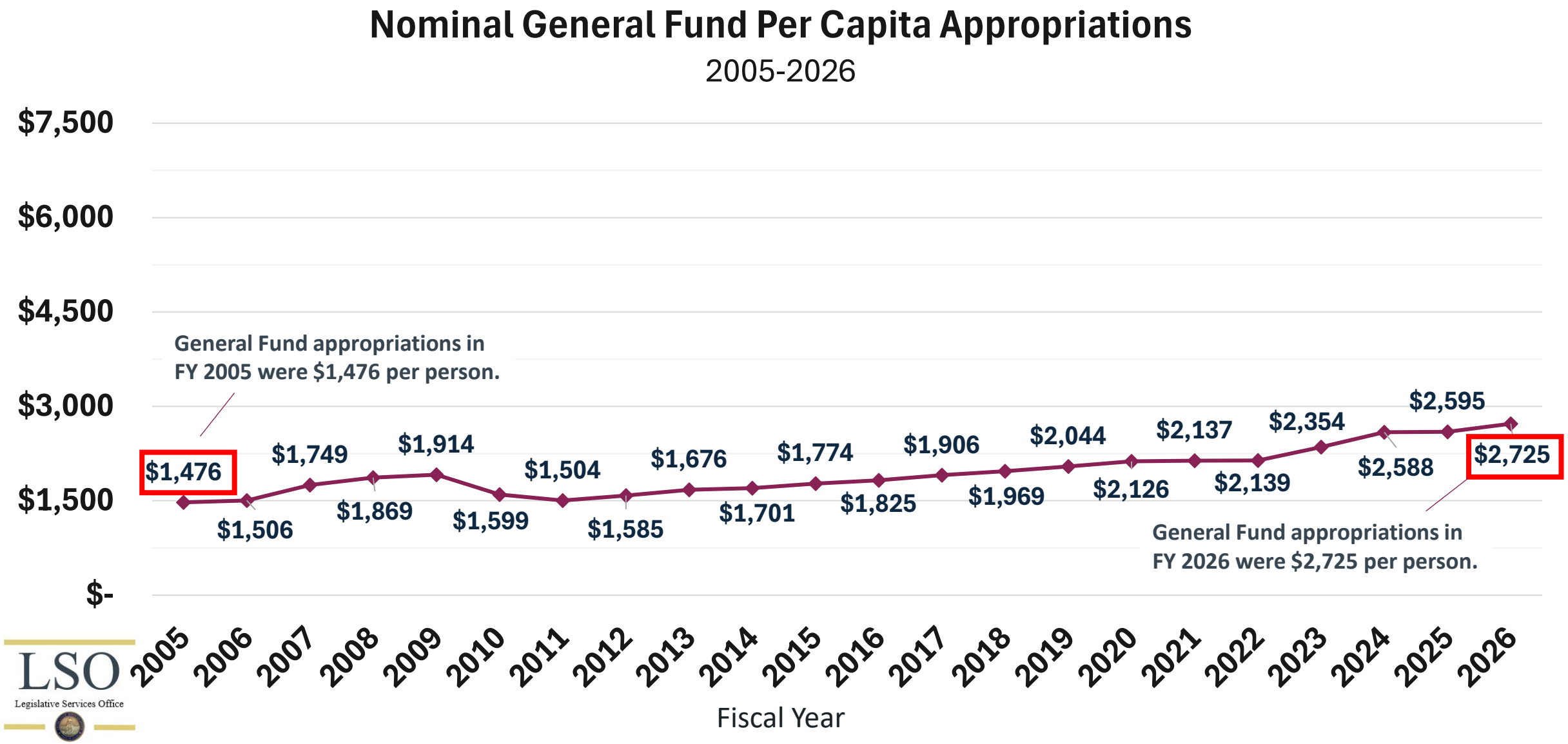
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Nominal General Fund Per Capita Appropriations



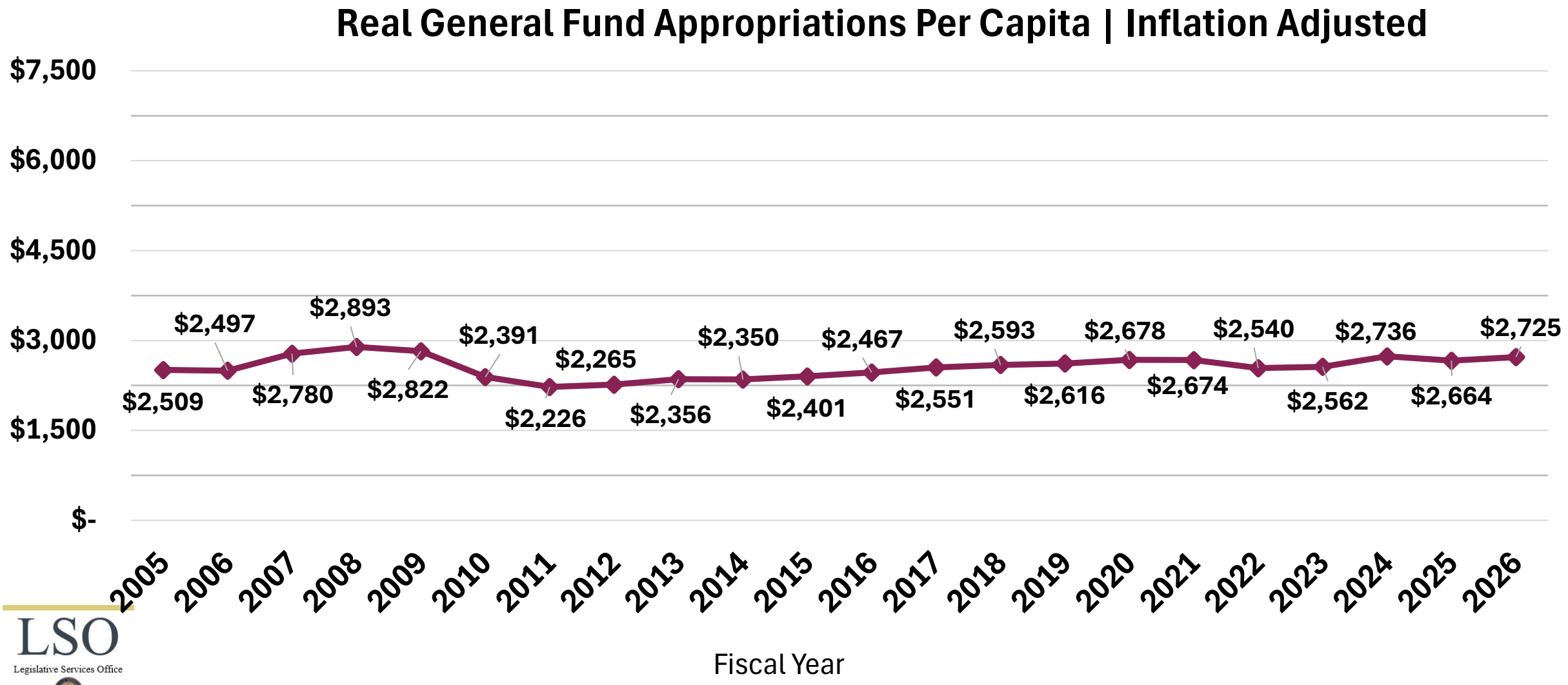
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Nominal General Fund Per Capita Appropriations



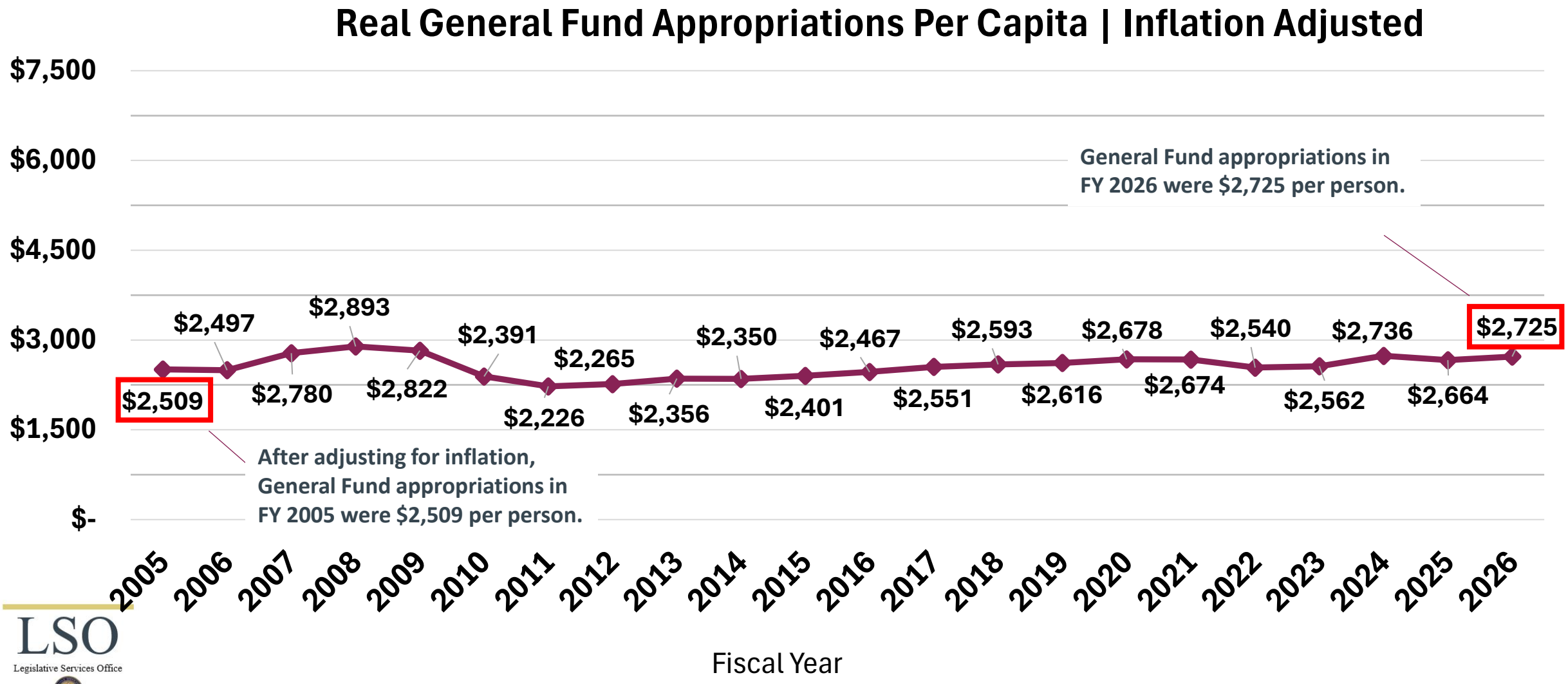
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Per Capita General Fund Appropriations (Adjusted for Inflation)



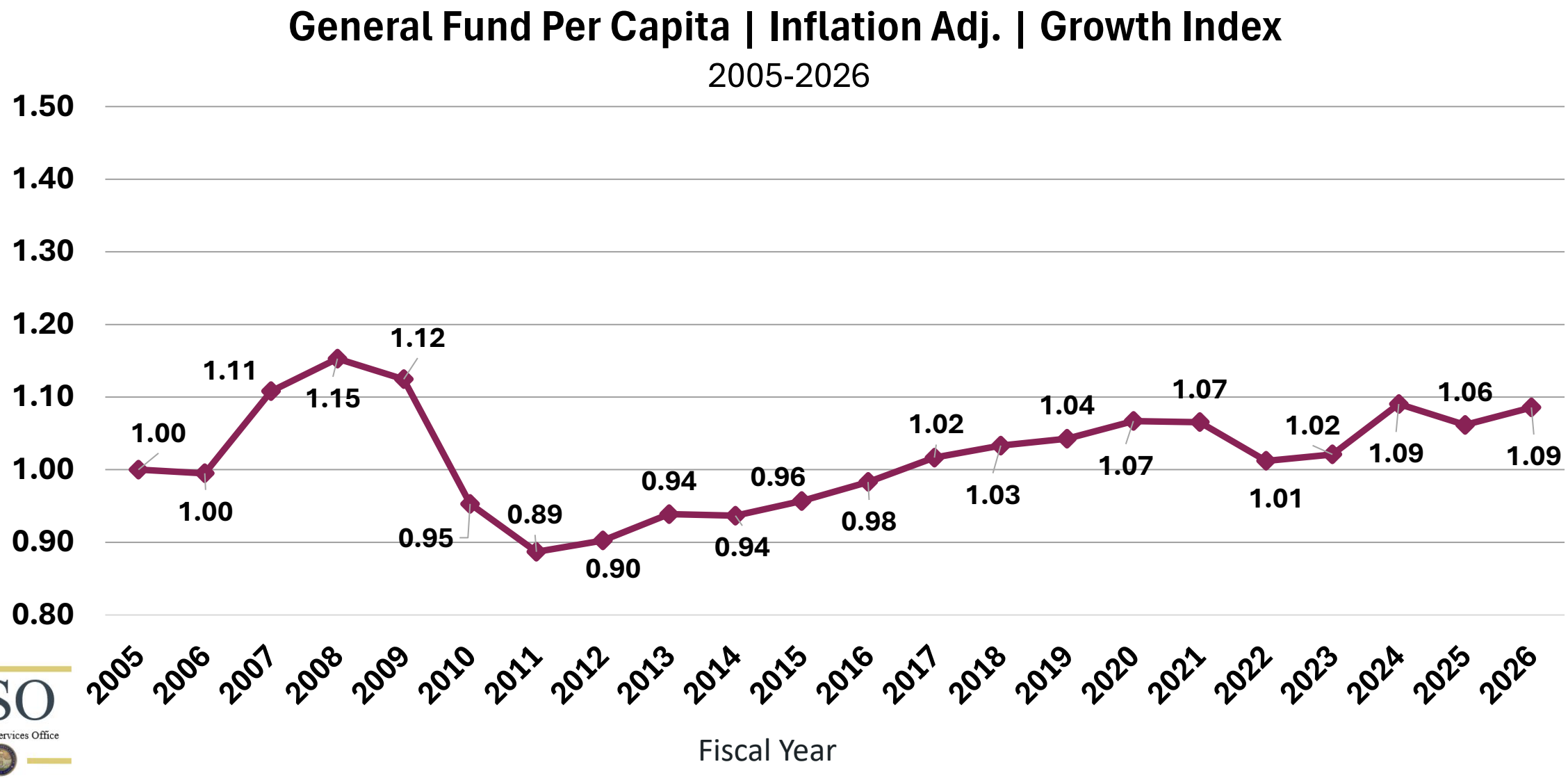
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Per Capita General Fund Appropriations (Adjusted for Inflation)



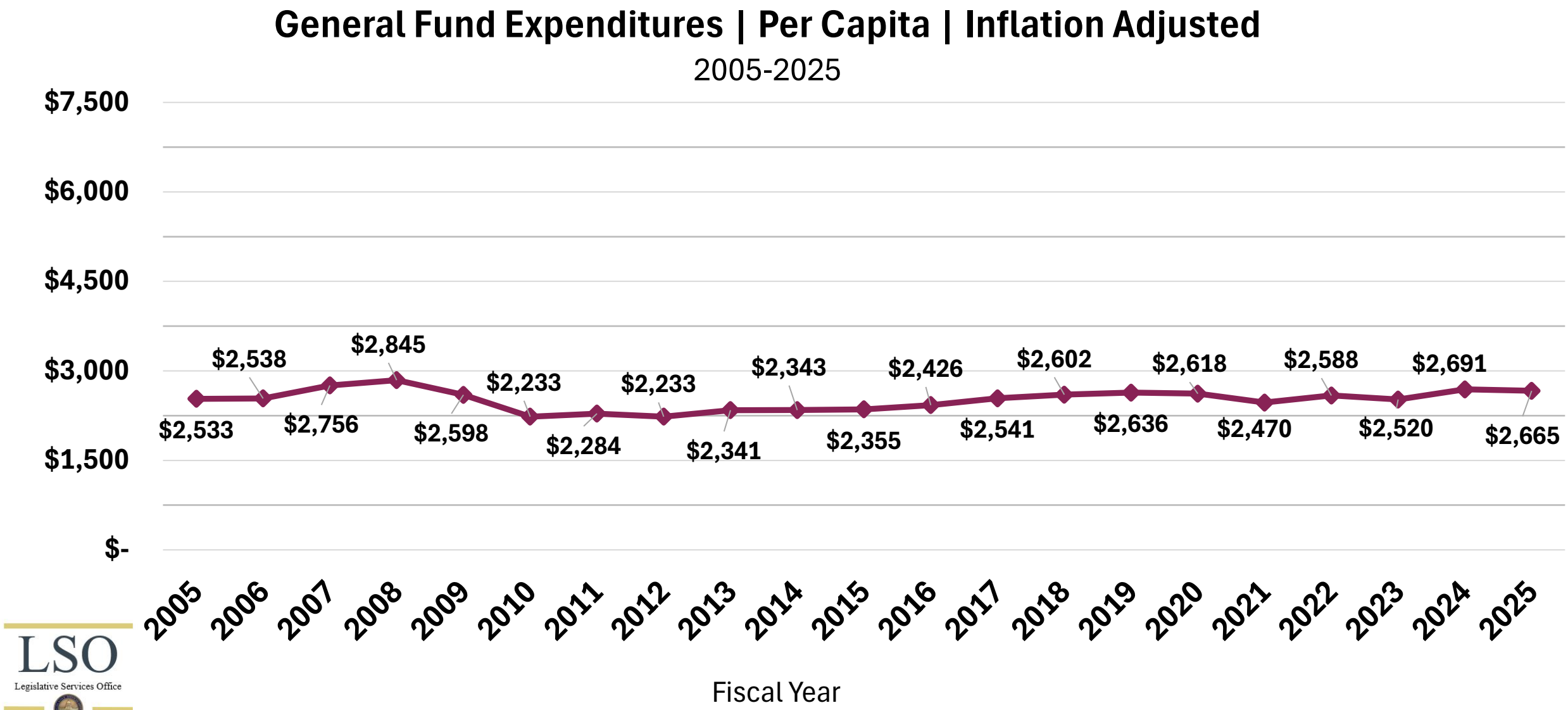
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General Fund Appropriations Index



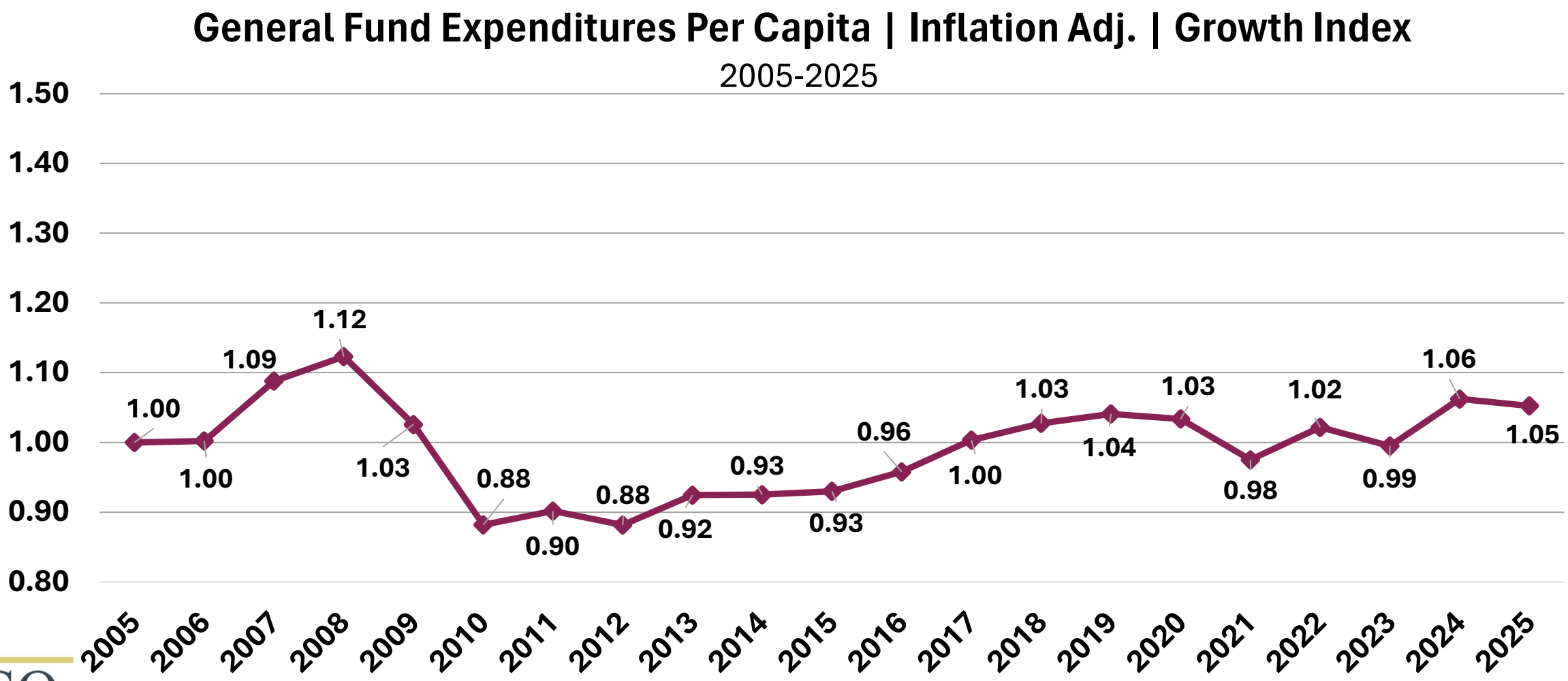
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Per Capita General Fund Expenditures (Adjusted for Inflation)



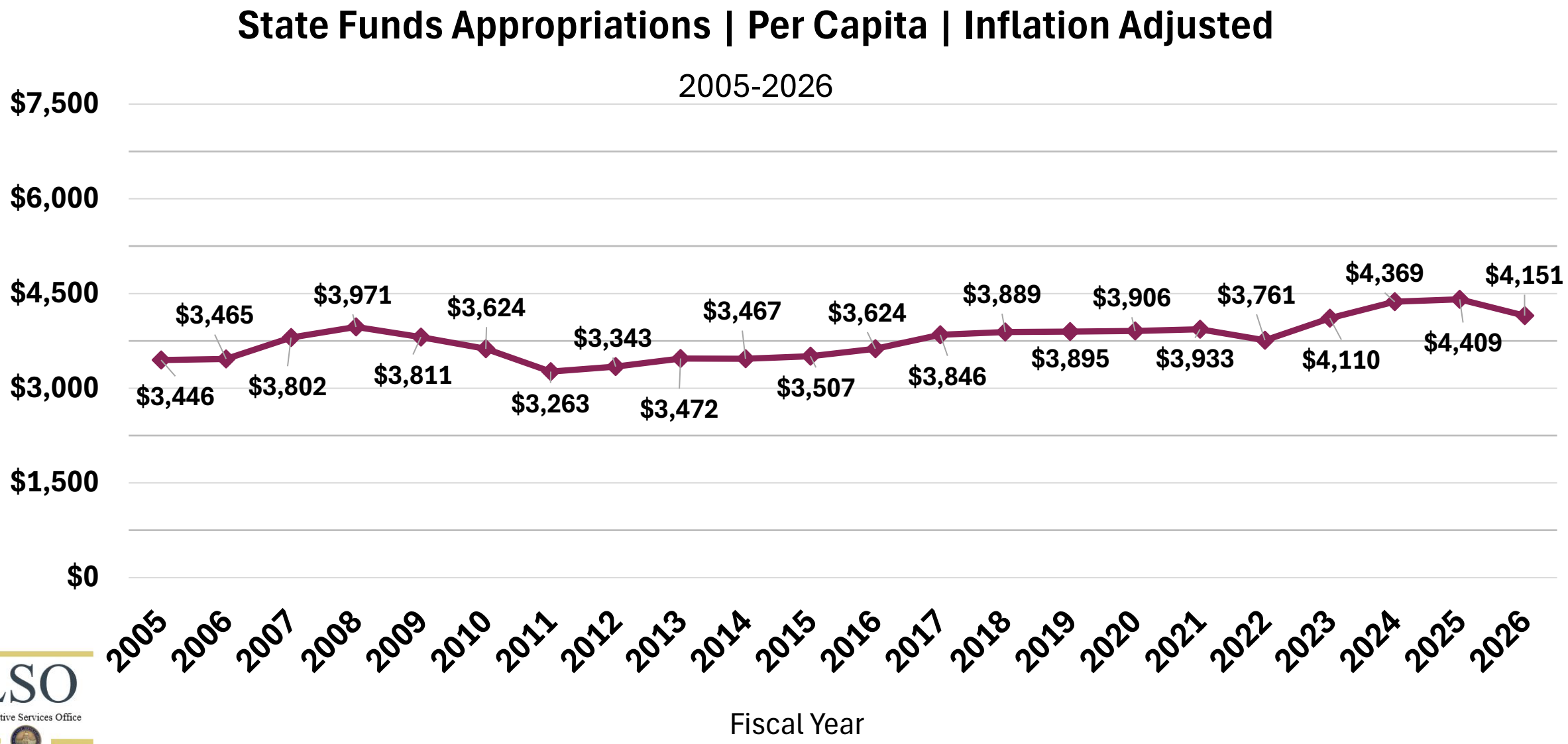
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General Fund Expenditures Index



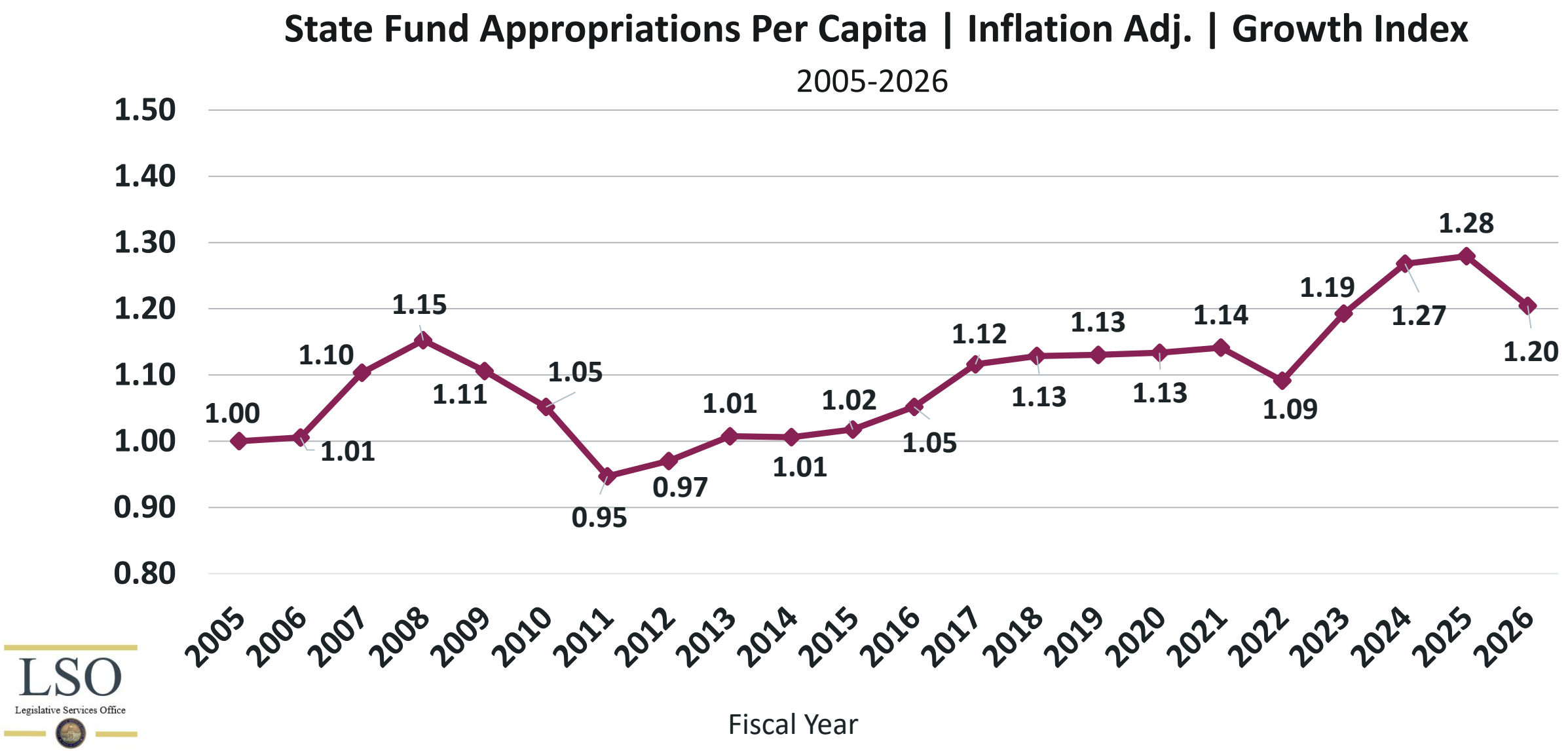
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State Fund (Gen/Ded) Appropriations Per Capita (Inflation Adjusted)



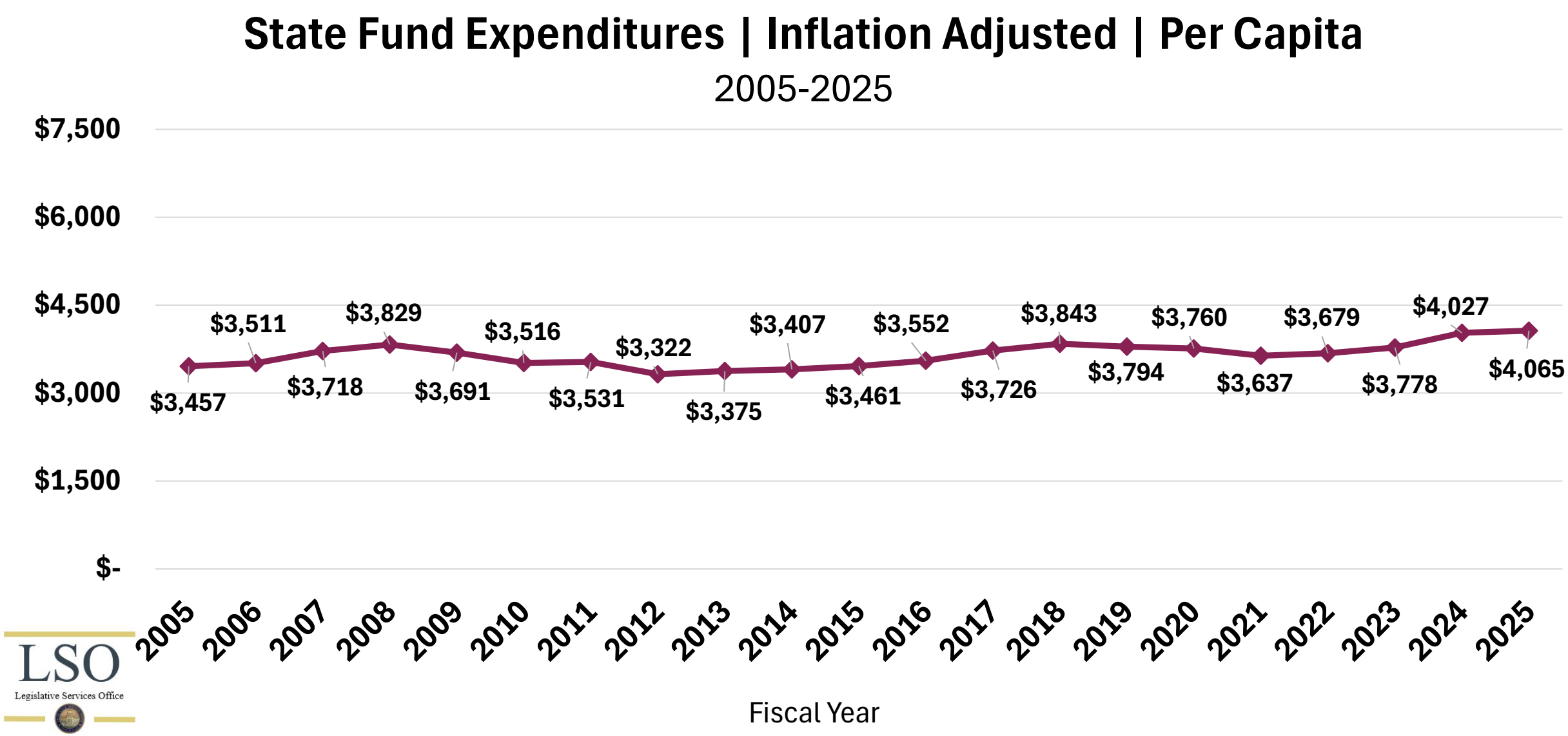
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State Fund Appropriation Index



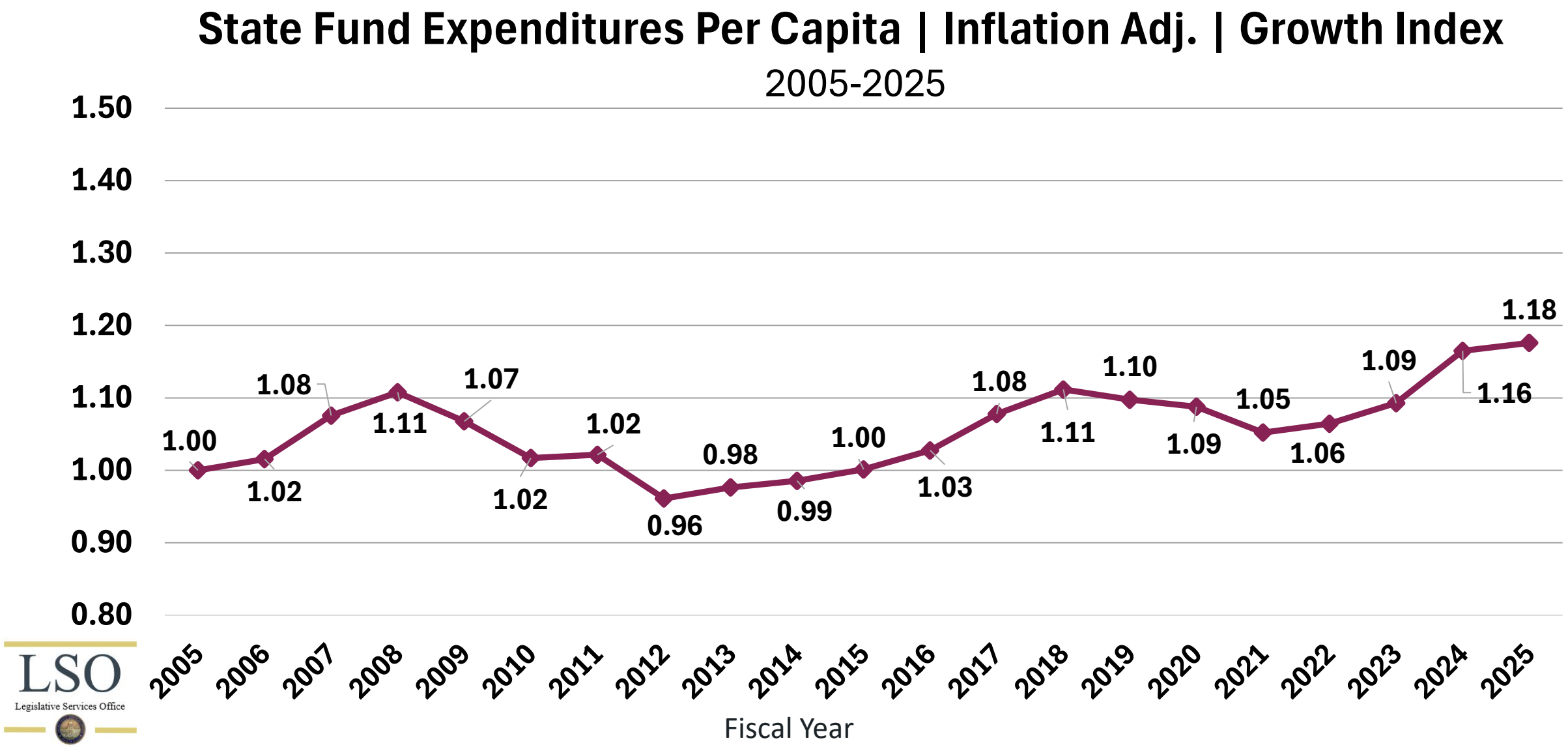
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State Fund Expenditures Per Capita (Inflation Adjusted)



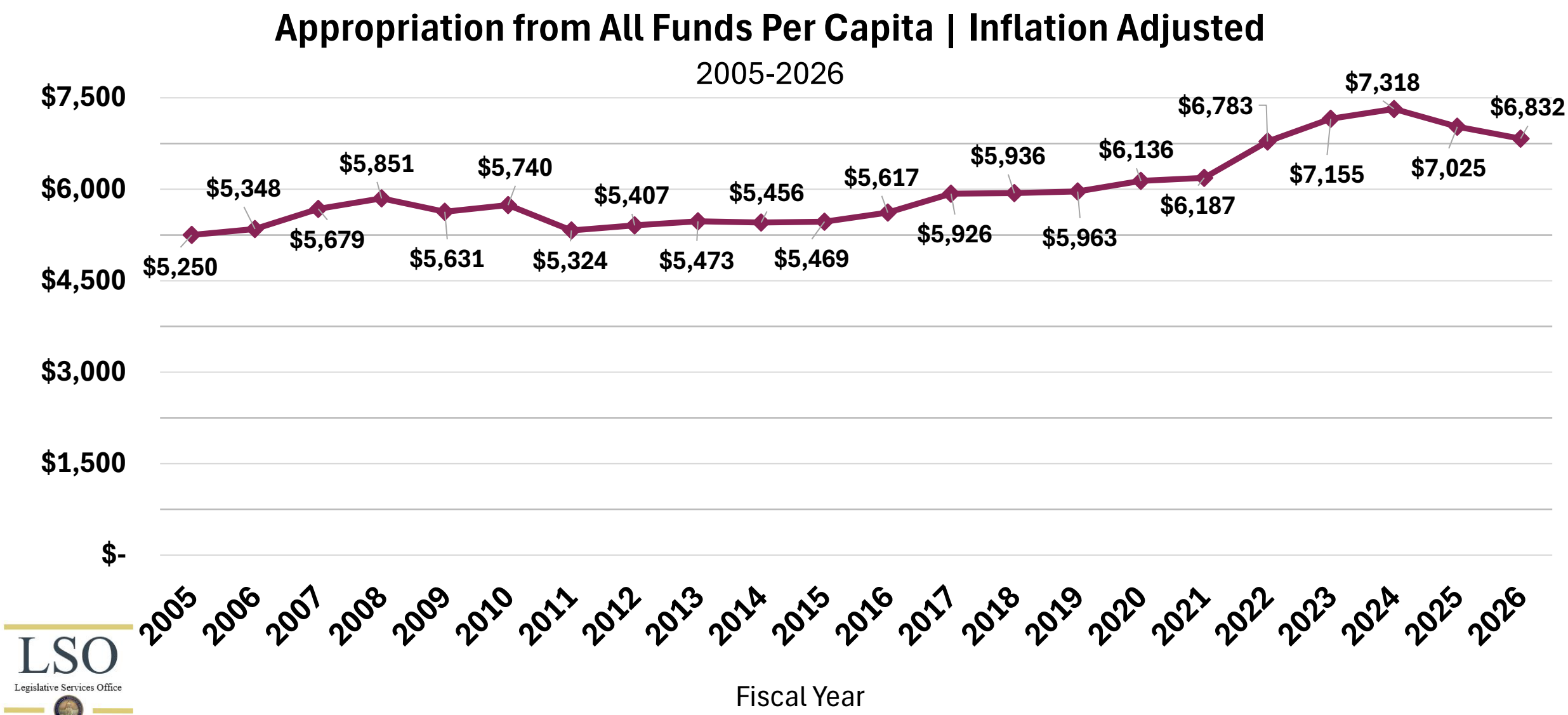
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State Fund Adjusted Expenditure Index



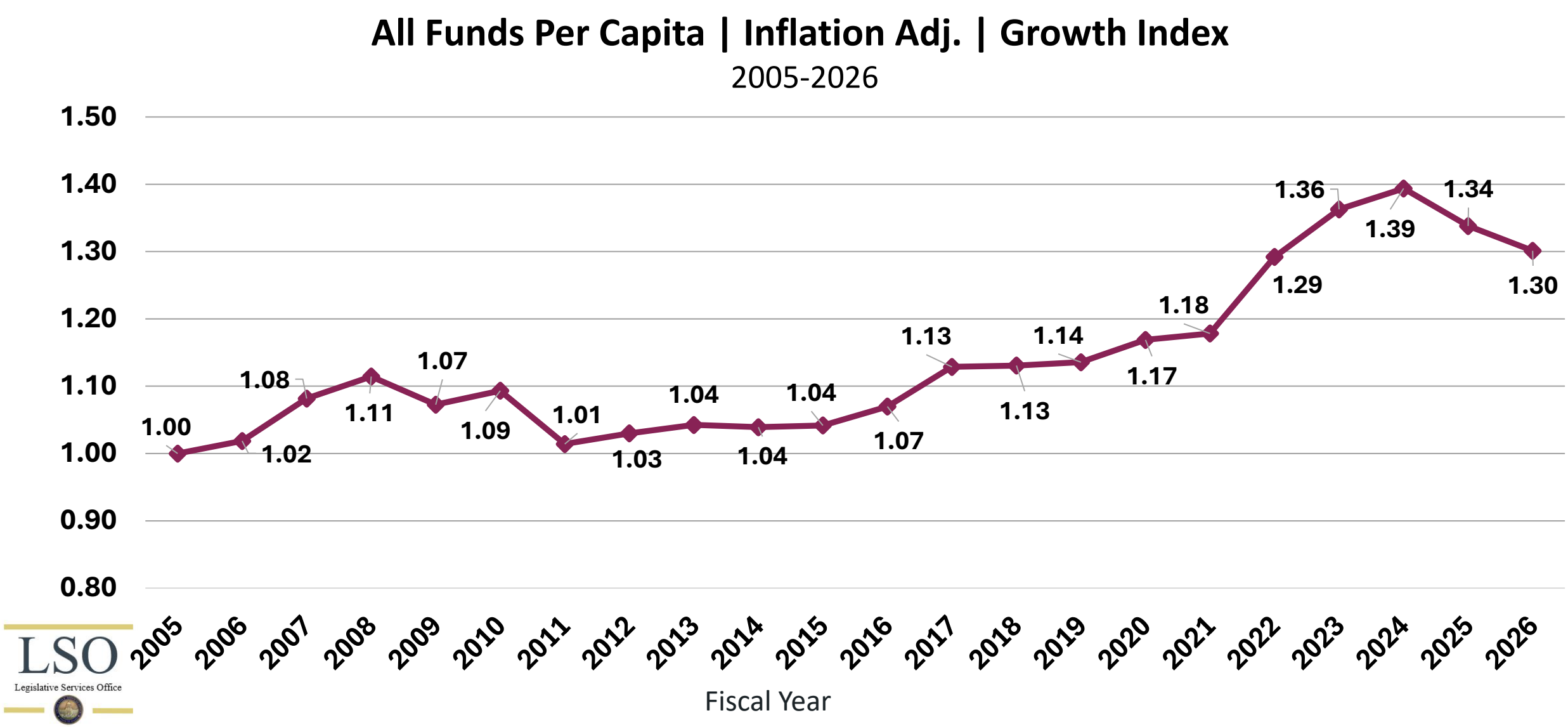
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Appropriations Per Capita from All Funds (GDF) (Inflation Adjusted)



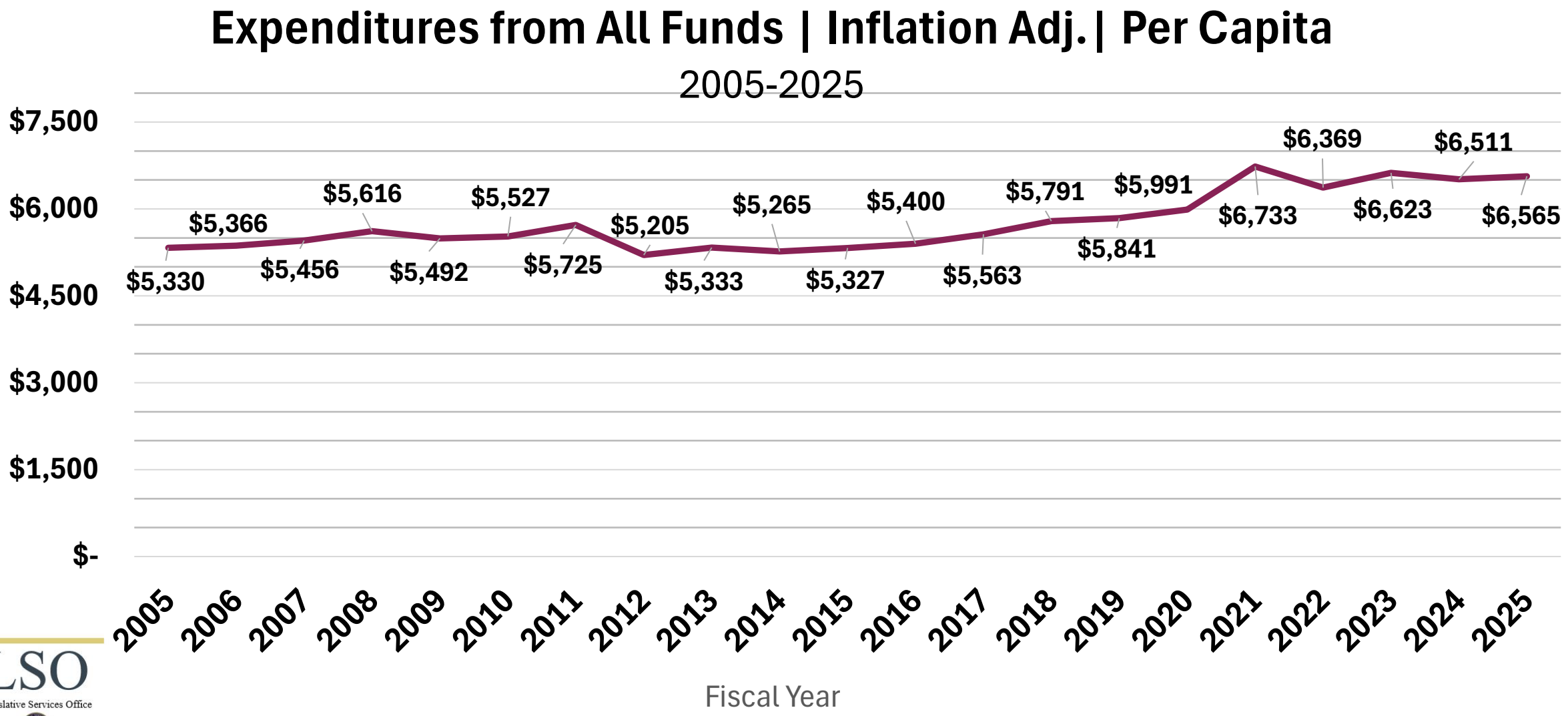
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All Funds (GDF) Appropriation Index



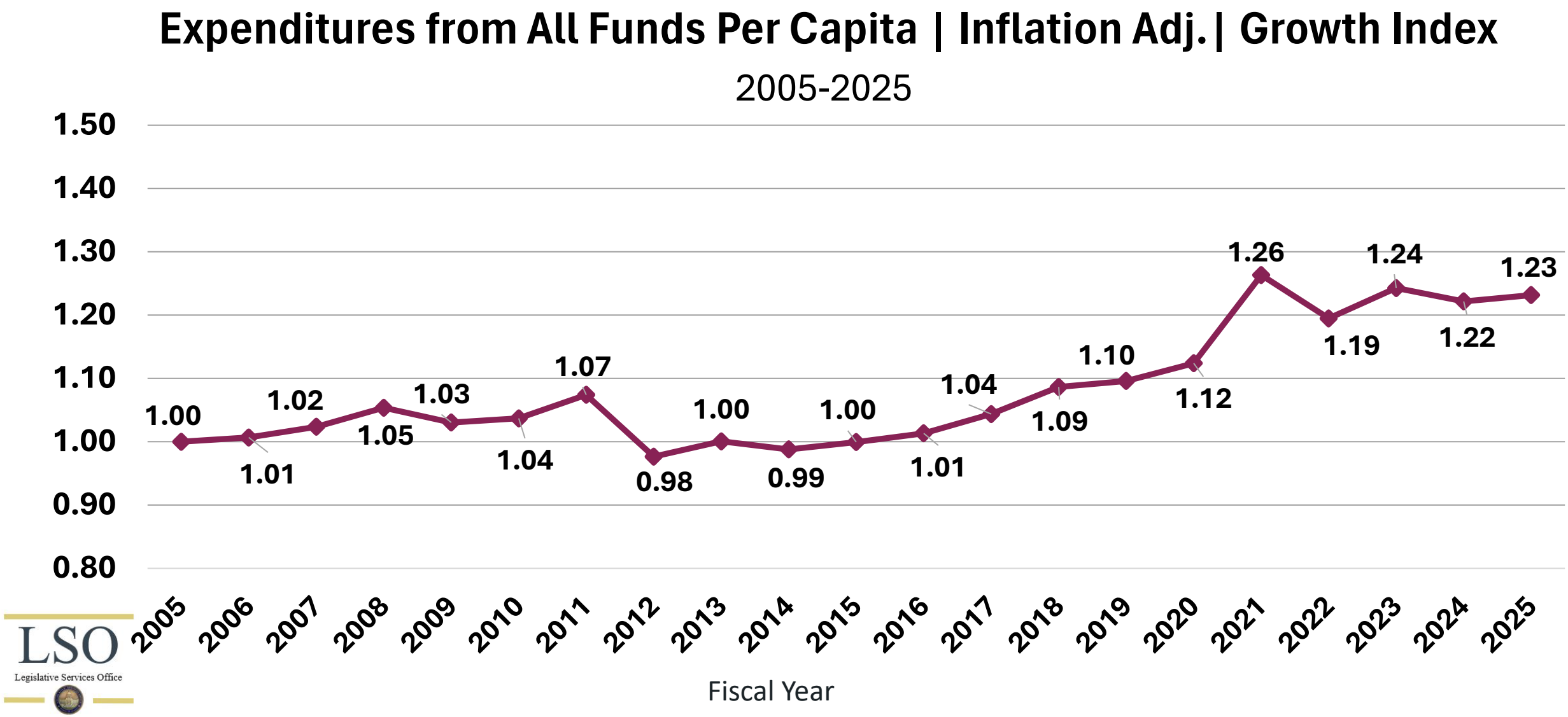
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Expenditures from All Appropriated Funds (Inflation Adjusted)



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All Appropriated Funds Expenditure Index

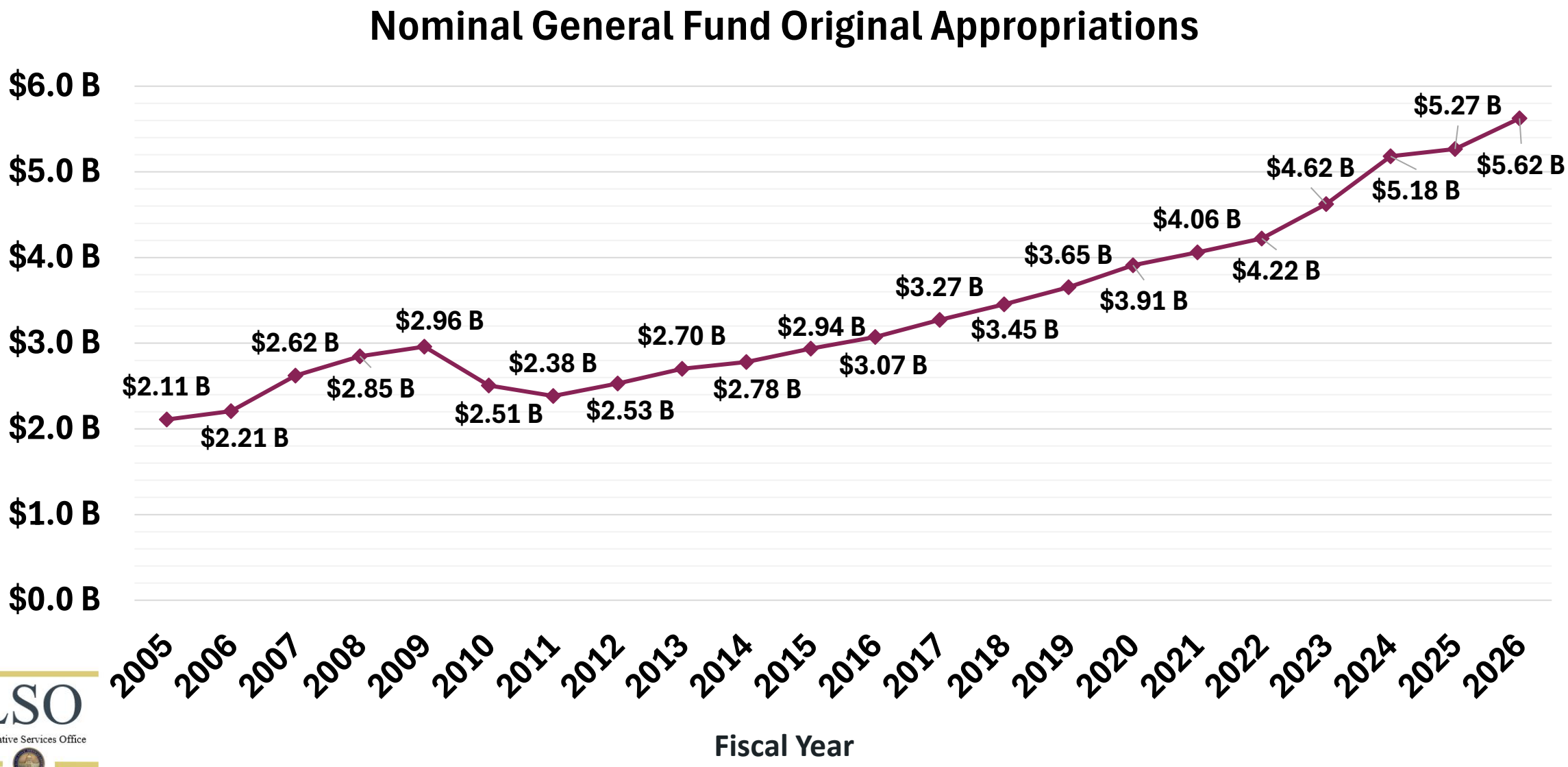


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Please feel free to contact me with any questions at (208) 334-4749 or npeterson@LSO.Idaho.gov

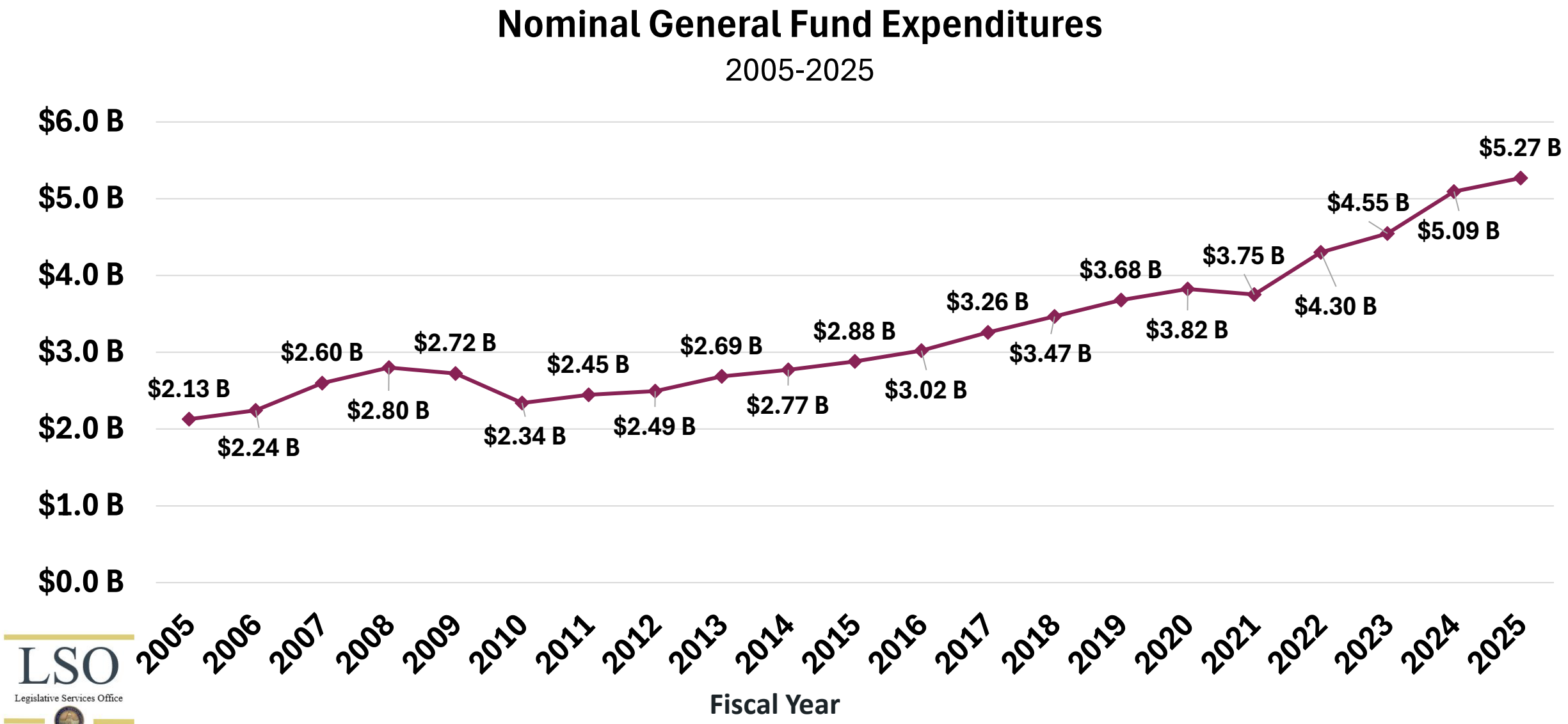
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Original General Fund Original Appropriations (Nominal)



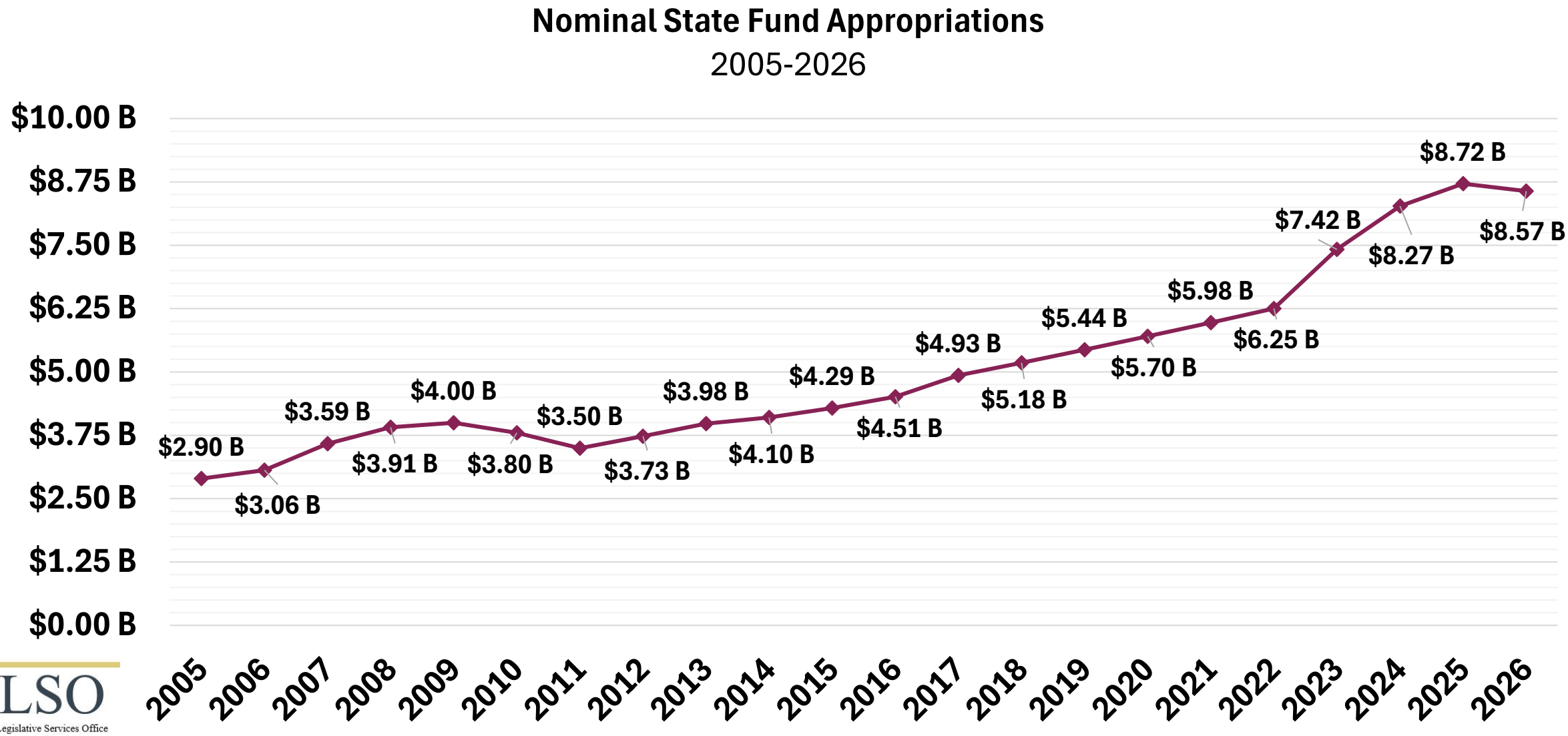
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Nominal General Fund Expenditures



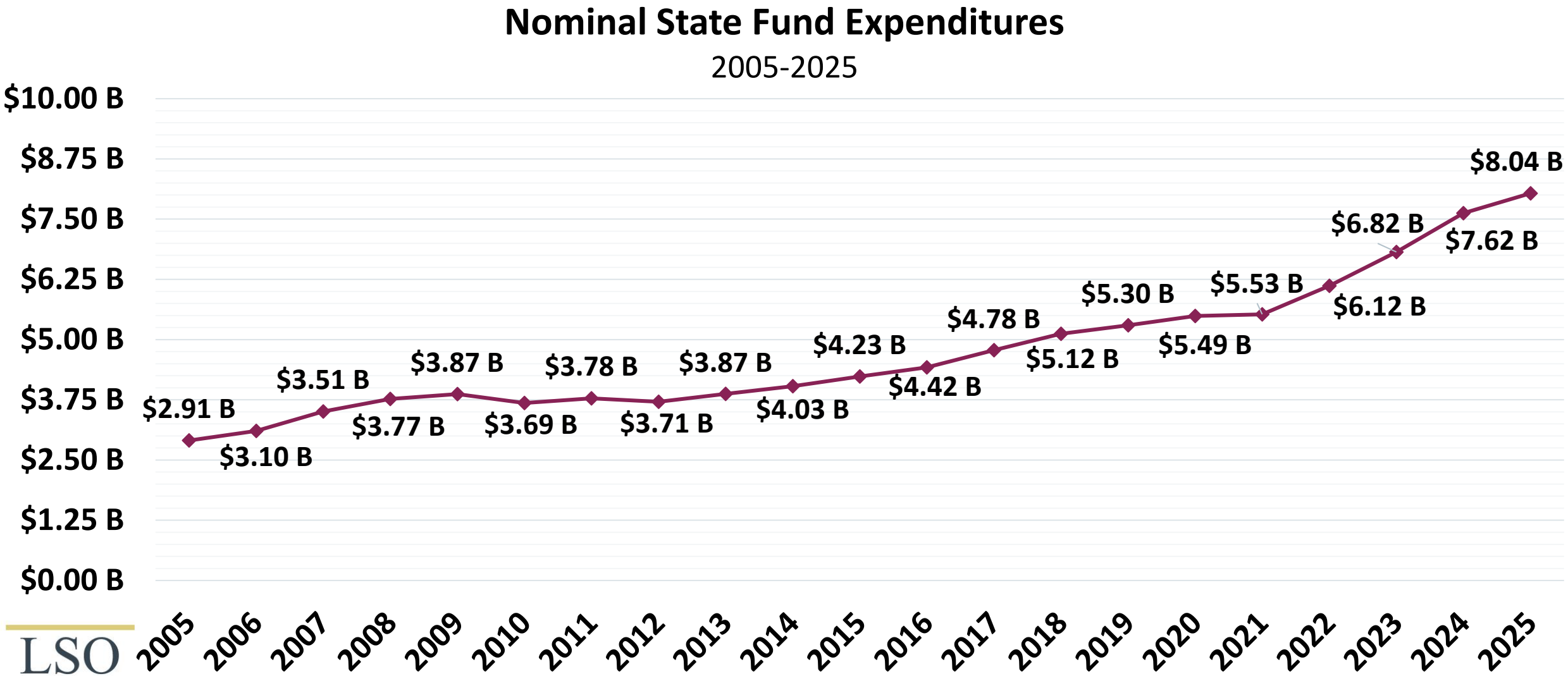
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State Fund (General + Dedicated Funds) Appropriations (Nominal)



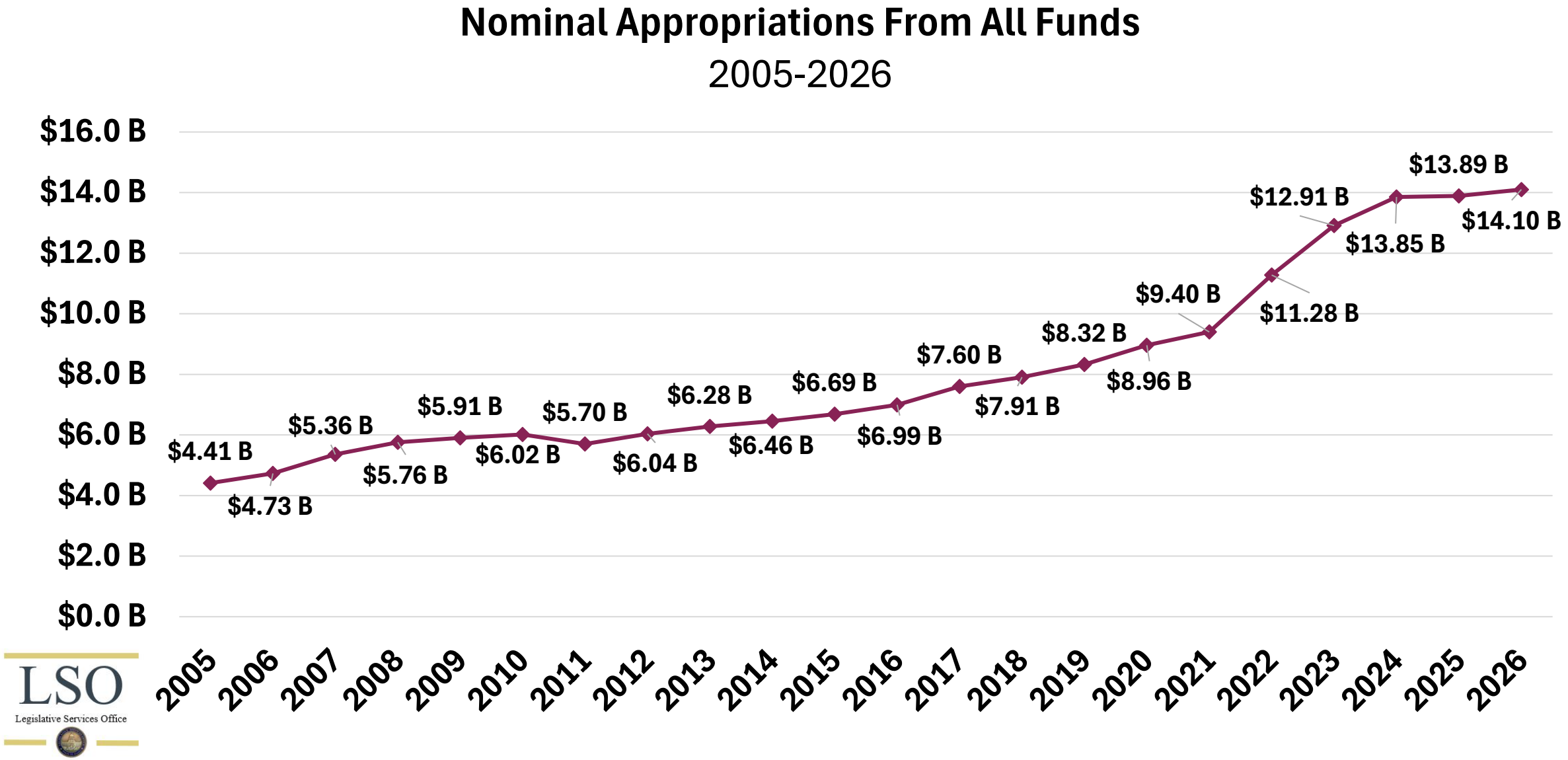
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Nominal State Fund Expenditures



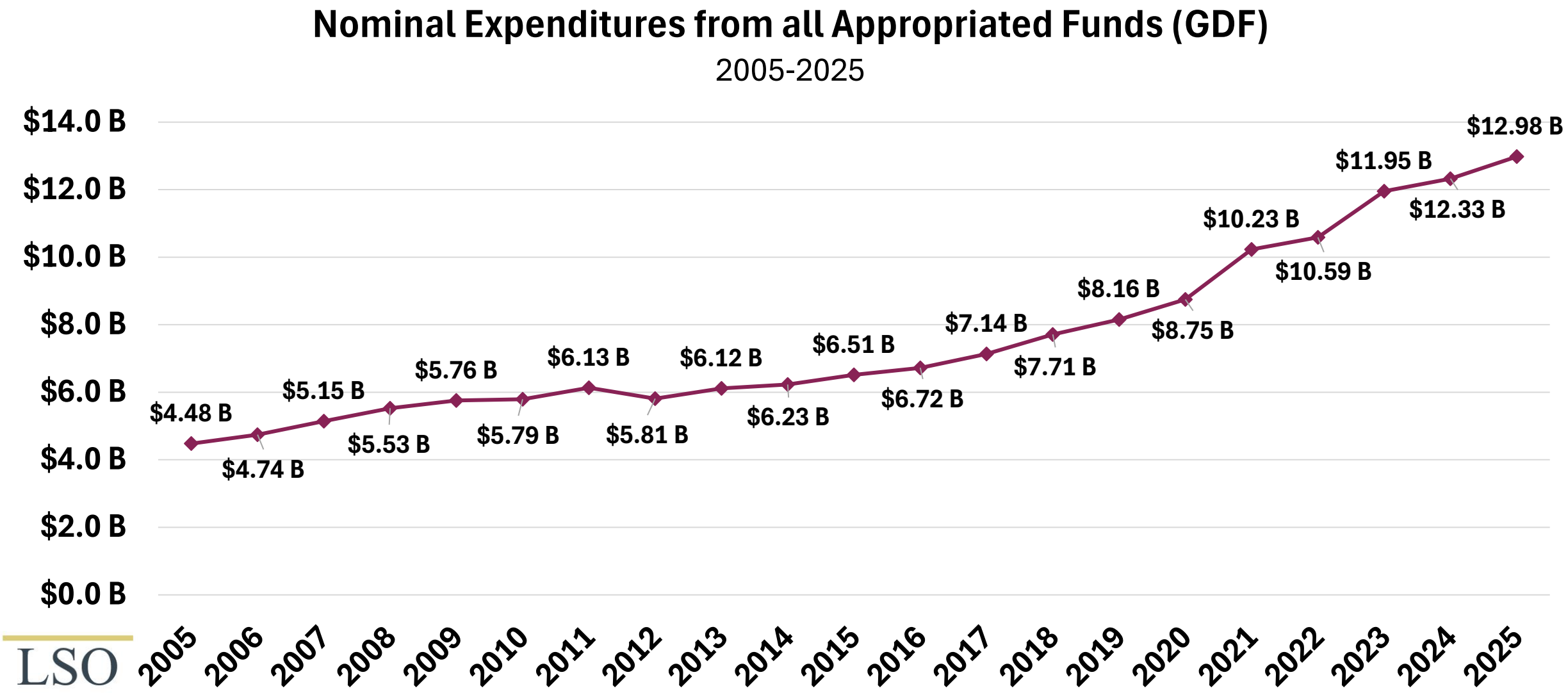
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Nominal Appropriations from All Funds (GDF)



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Nominal Expenditures from all Appropriated Funds



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