



Inflation Adjusted Per Capita Spending

Joint Finance-Appropriation
Committee

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Budget & Policy Analyst

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Methodology & Defining Terms

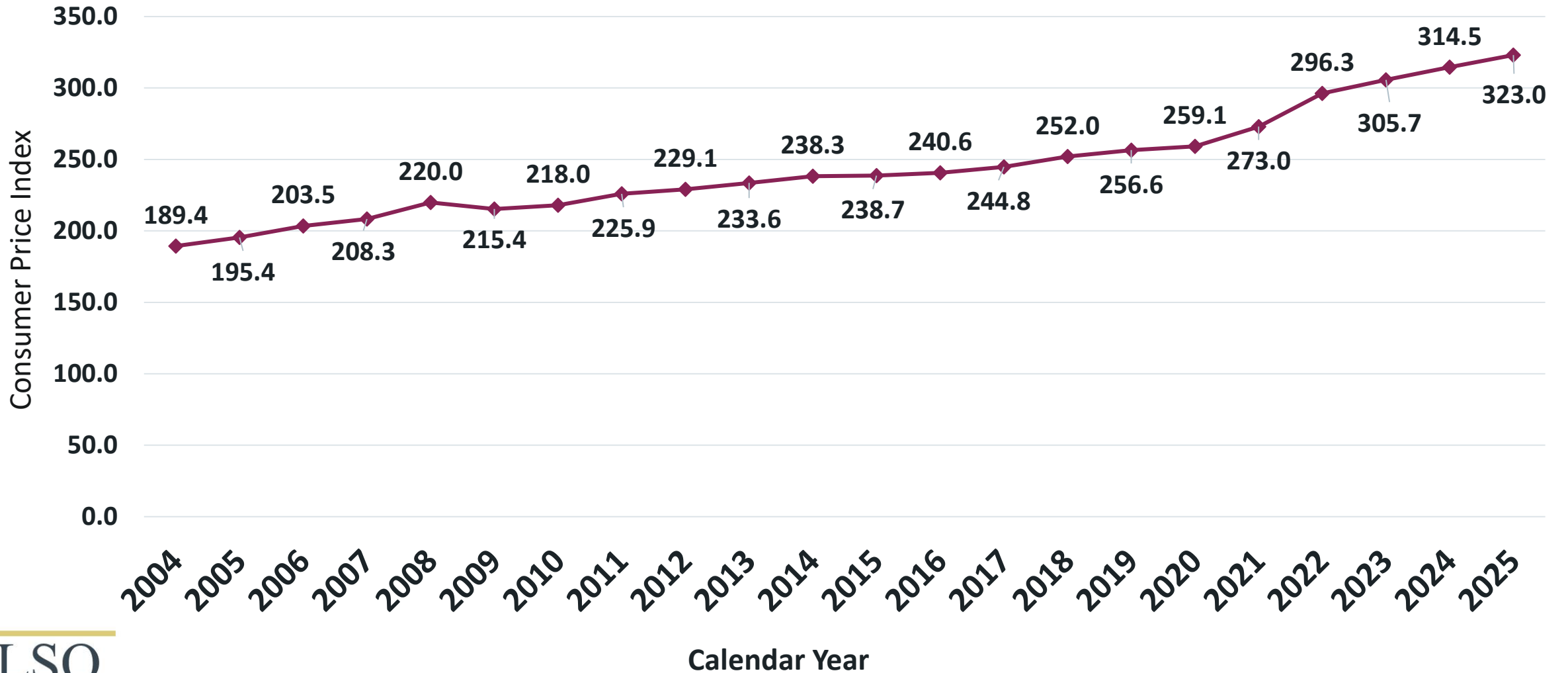
- Measuring budget growth by accounting for major factors outside the Legislature's control: inflation and population.
- Key Terms:
 - Nominal Value:
 - The stated or face value of something that has **not** been adjusted for inflation.
 - Real Value:
 - The value of something that **has** been adjusted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

Methodology/Formula

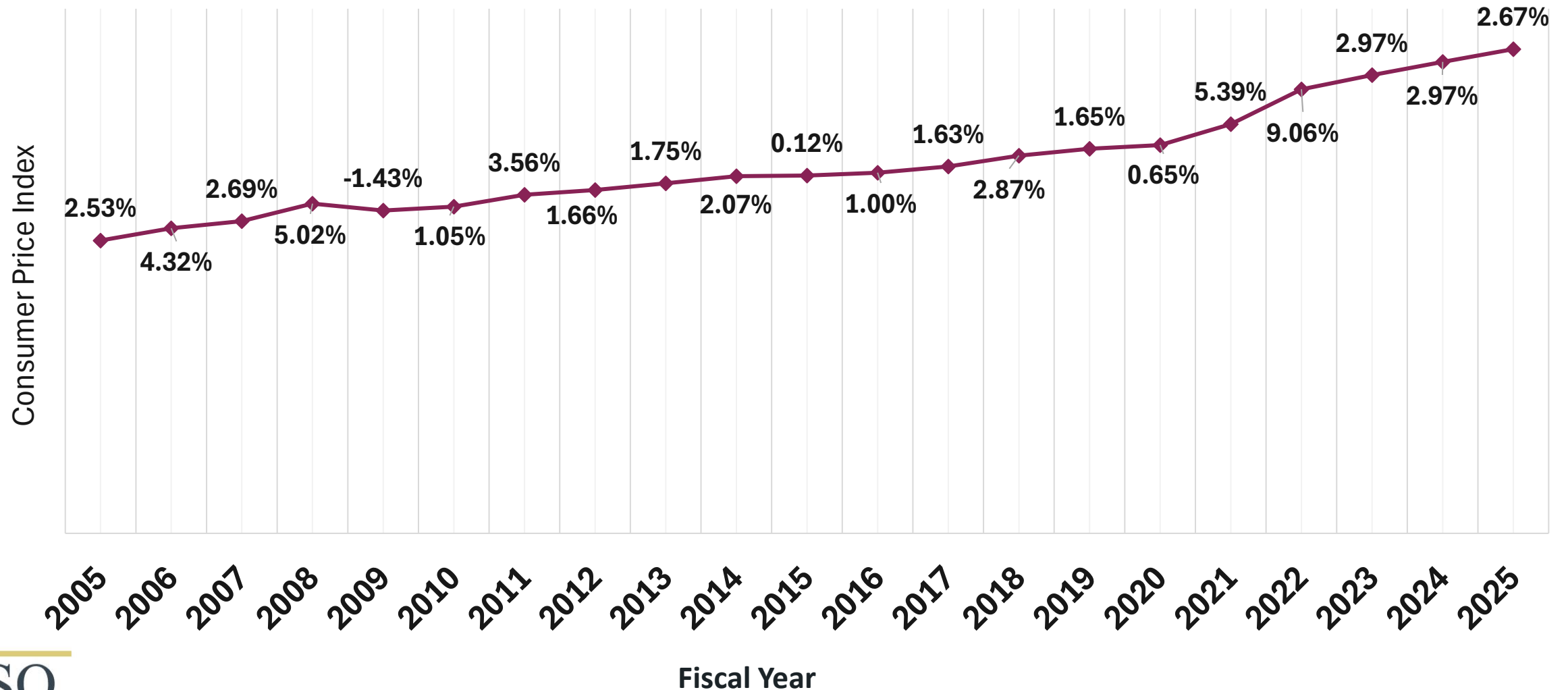
- Two Steps:
 - 1) Dividing nominal budget or expenditure values by Idaho's total population.
 - This results in per capita values for appropriations and expenditures.
 - 2) Converting per capita nominal values into real values using the Consumer Price Index (CPI)
 - All Real/Inflation Adjusted values 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:
 - $z_n = \text{CPI}_{2025} / \text{CPI}_n$
 - $z_n = i_n \times i_{n+1} \times \dots \times i_{2025}$, z = Inflation Factor, n = Fiscal Year, i = Single Year Inflation



Consumer Price Index (CPI)

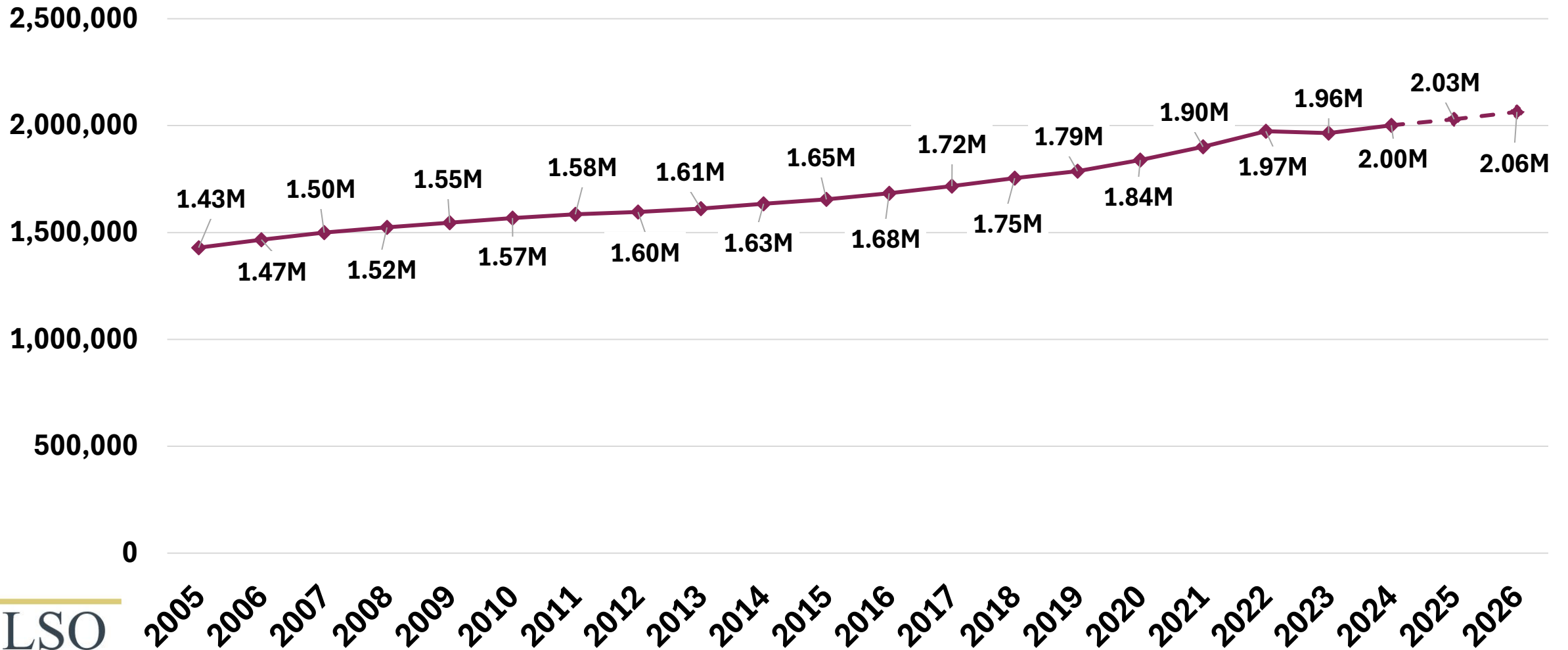


Inflation by Fiscal Year Using CPI



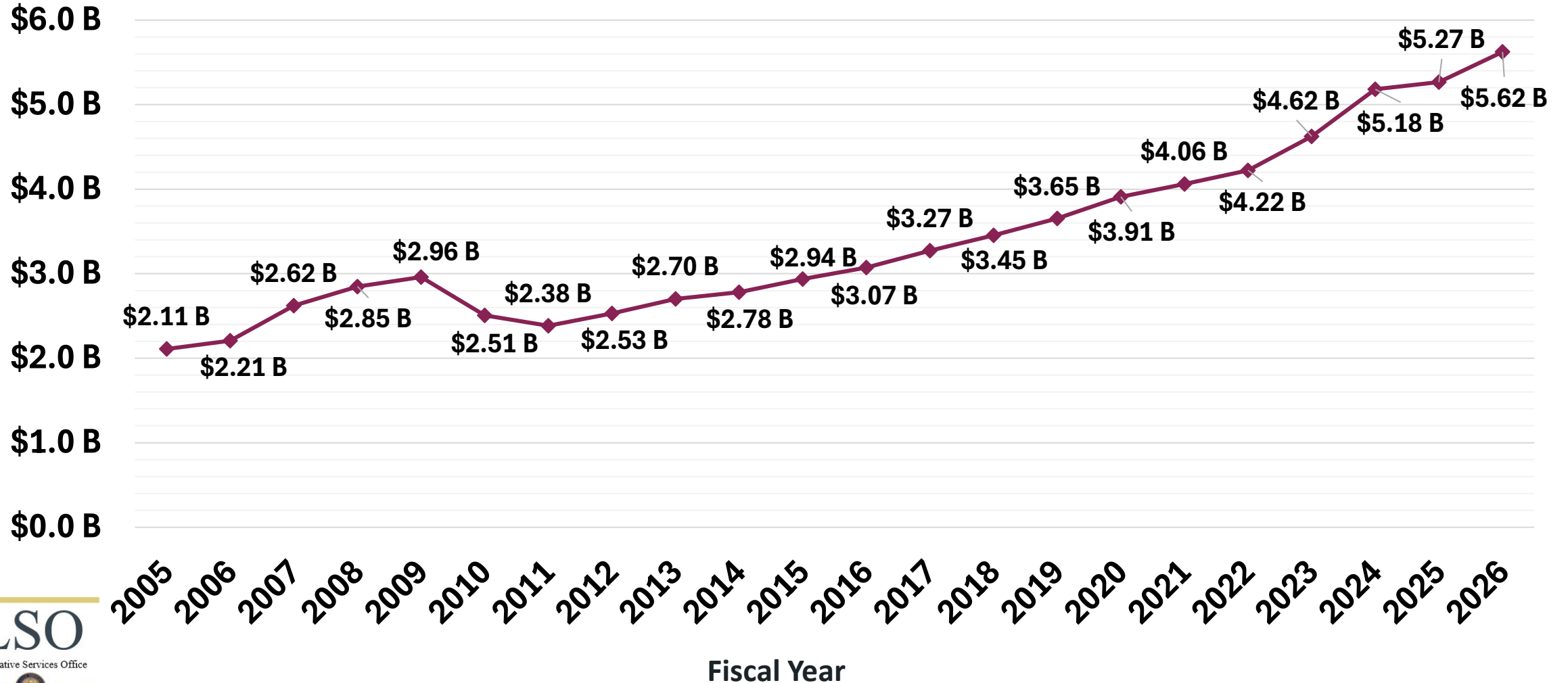
Idaho Population Growth

Idaho Population 2005-2026



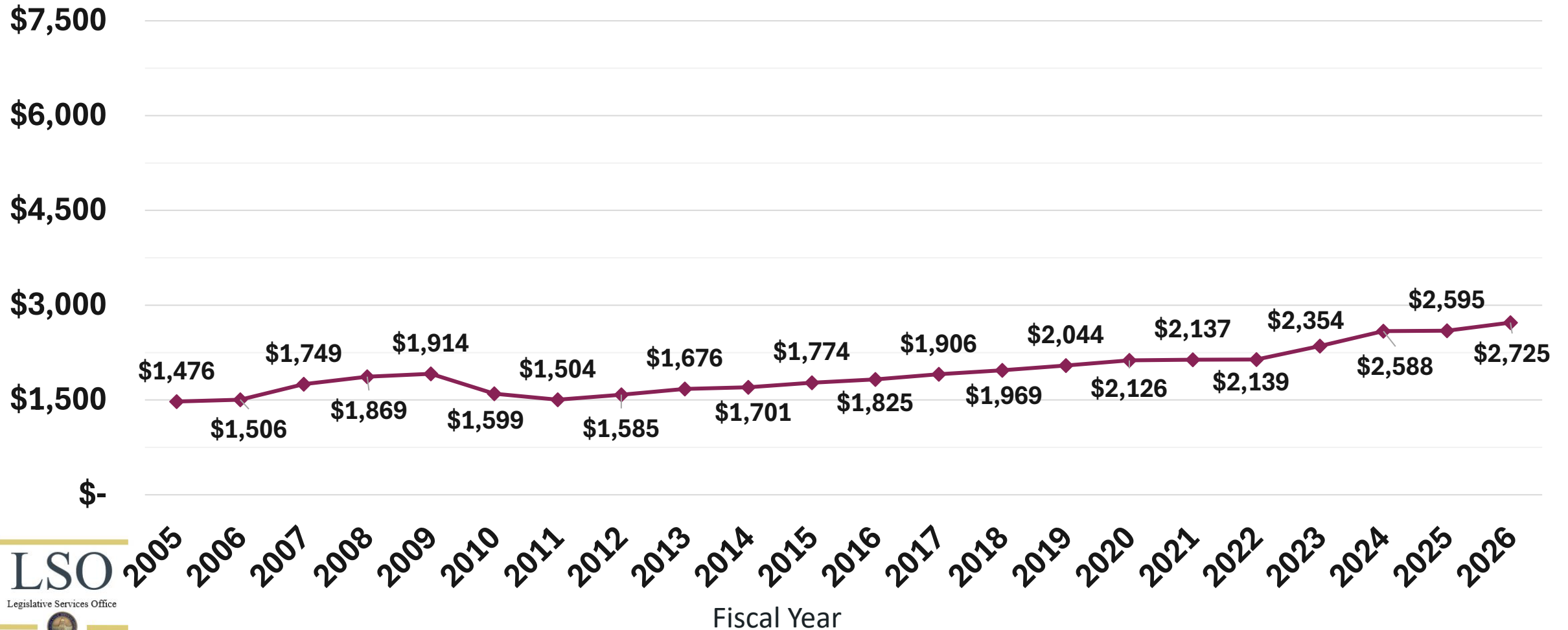
Nominal General Fund Original Appropriations

Nominal General Fund Original Appropriations



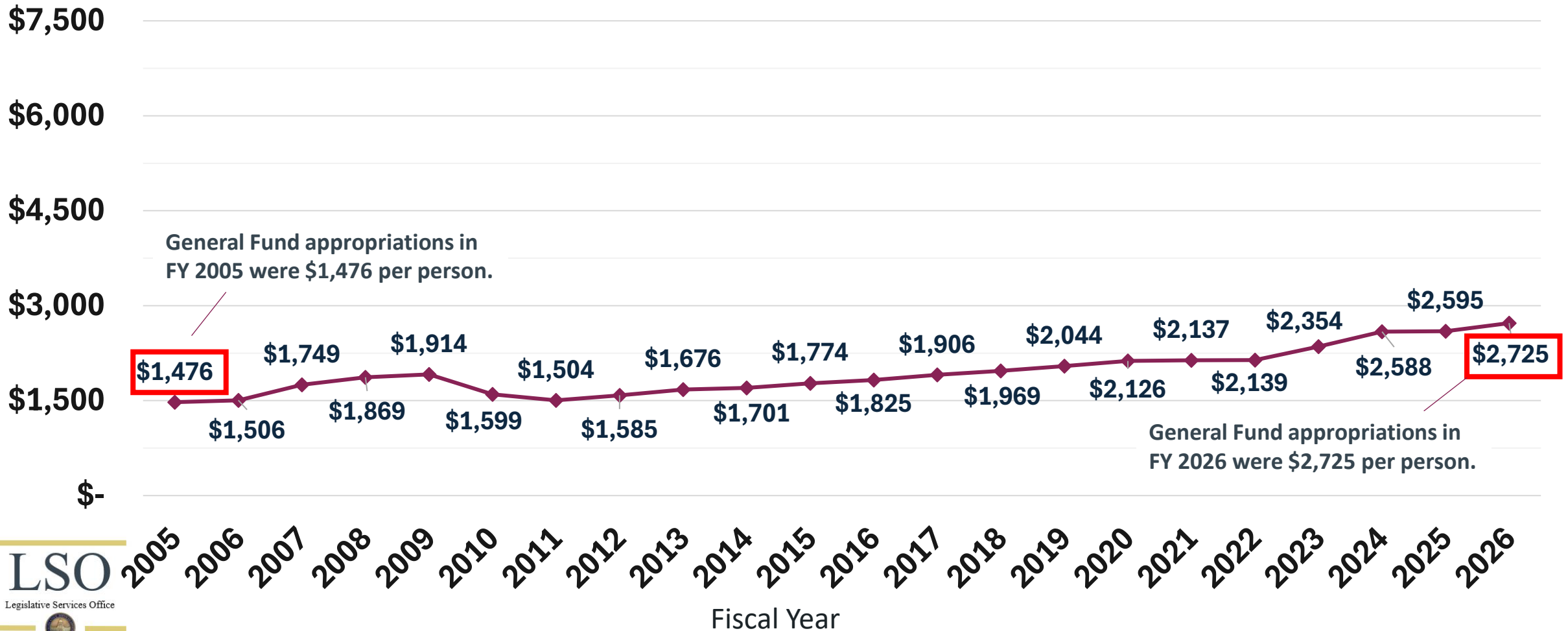
Nominal General Fund Per Capita Appropriations

Nominal General Fund Per Capita Appropriations
2005-2026



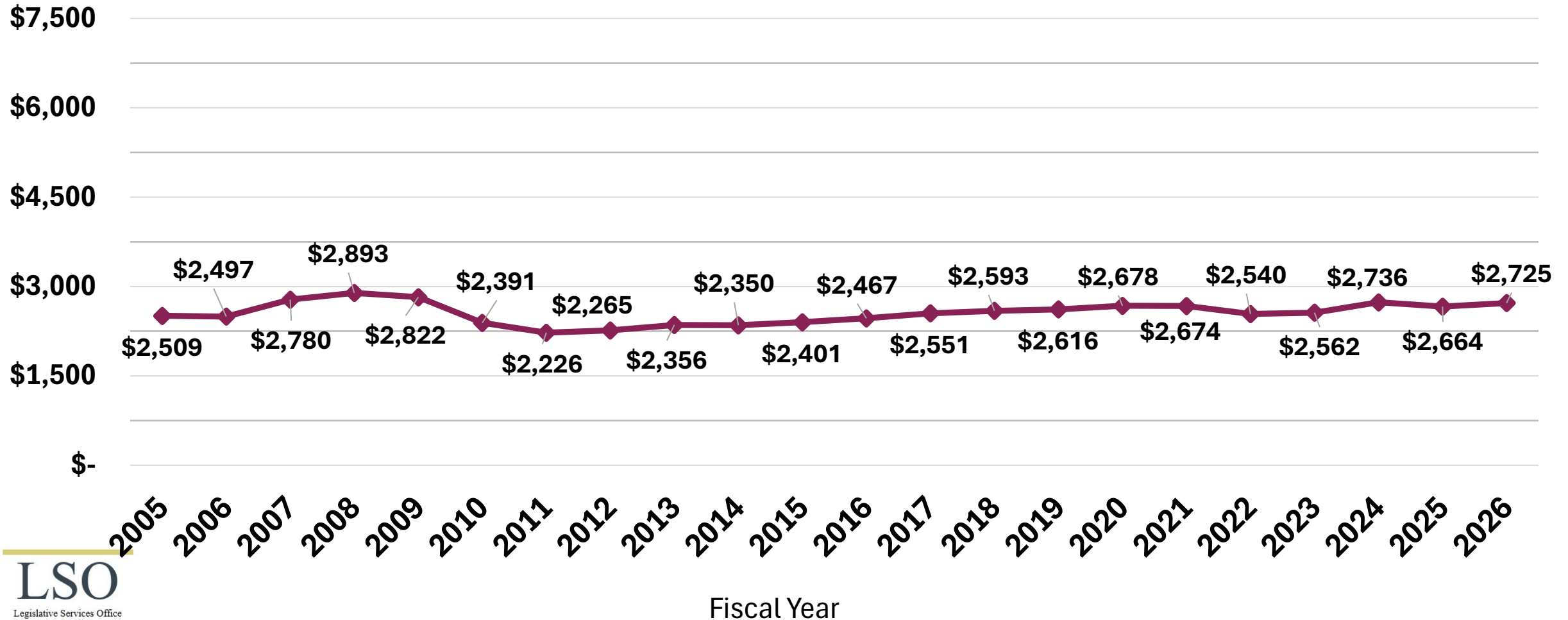
Nominal General Fund Per Capita Appropriations

Nominal General Fund Per Capita Appropriations 2005-2026



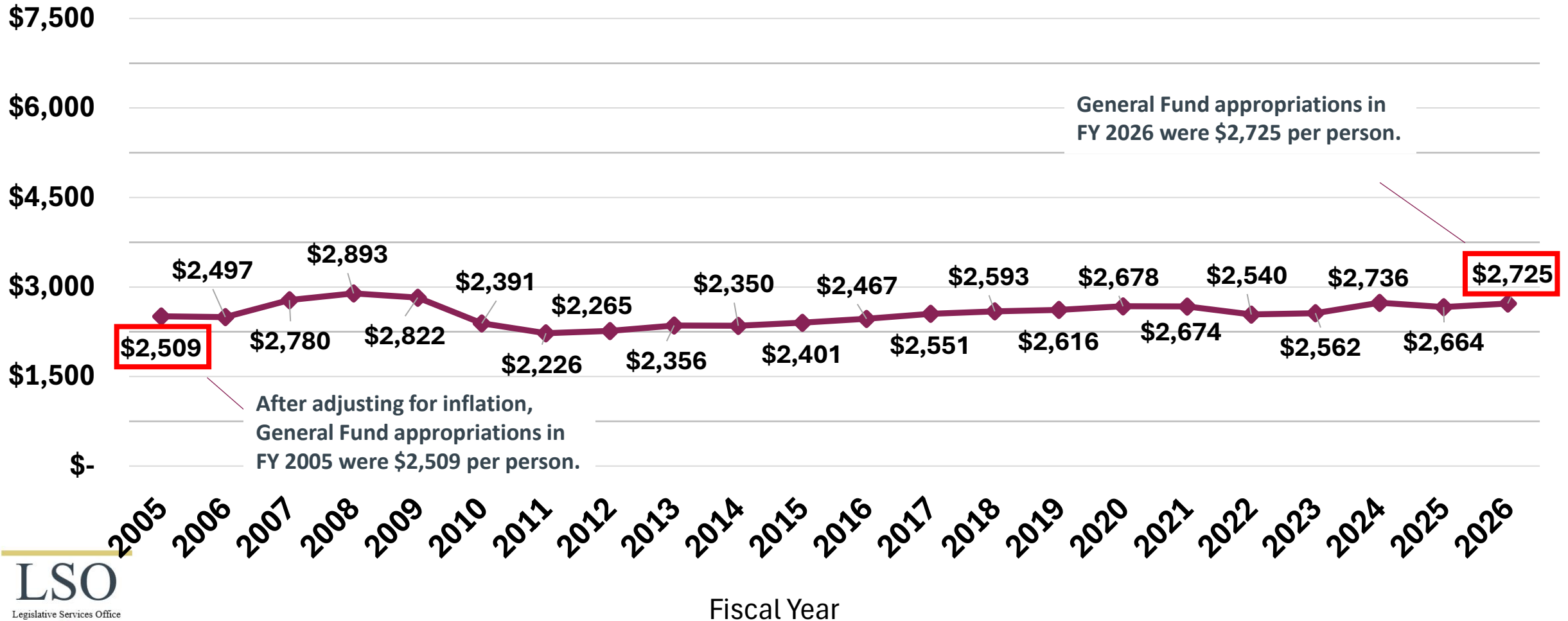
Per Capita General Fund Appropriations (Adjusted for Inflation)

Real General Fund Appropriations Per Capita | Inflation Adjusted



Per Capita General Fund Appropriations (Adjusted for Inflation)

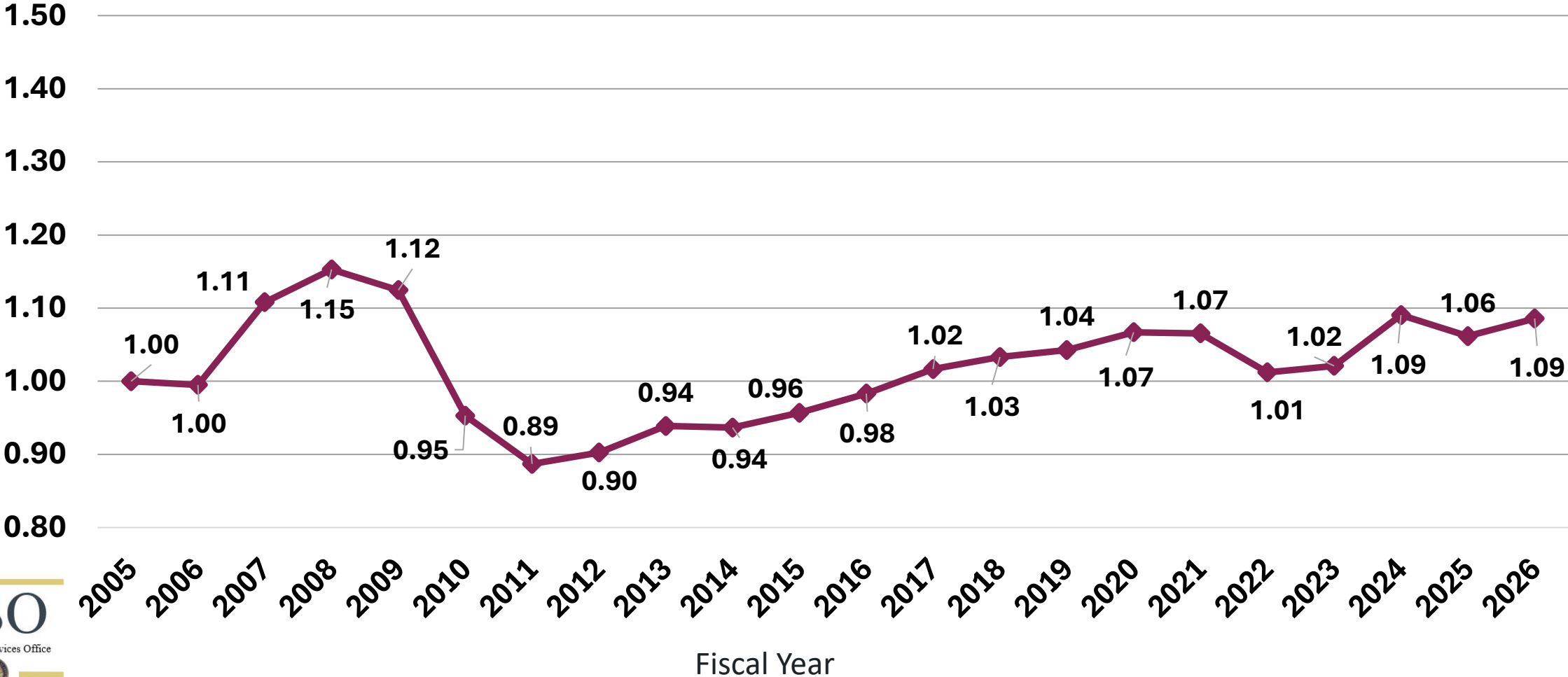
Real General Fund Appropriations Per Capita | Inflation Adjusted



General Fund Appropriations Index

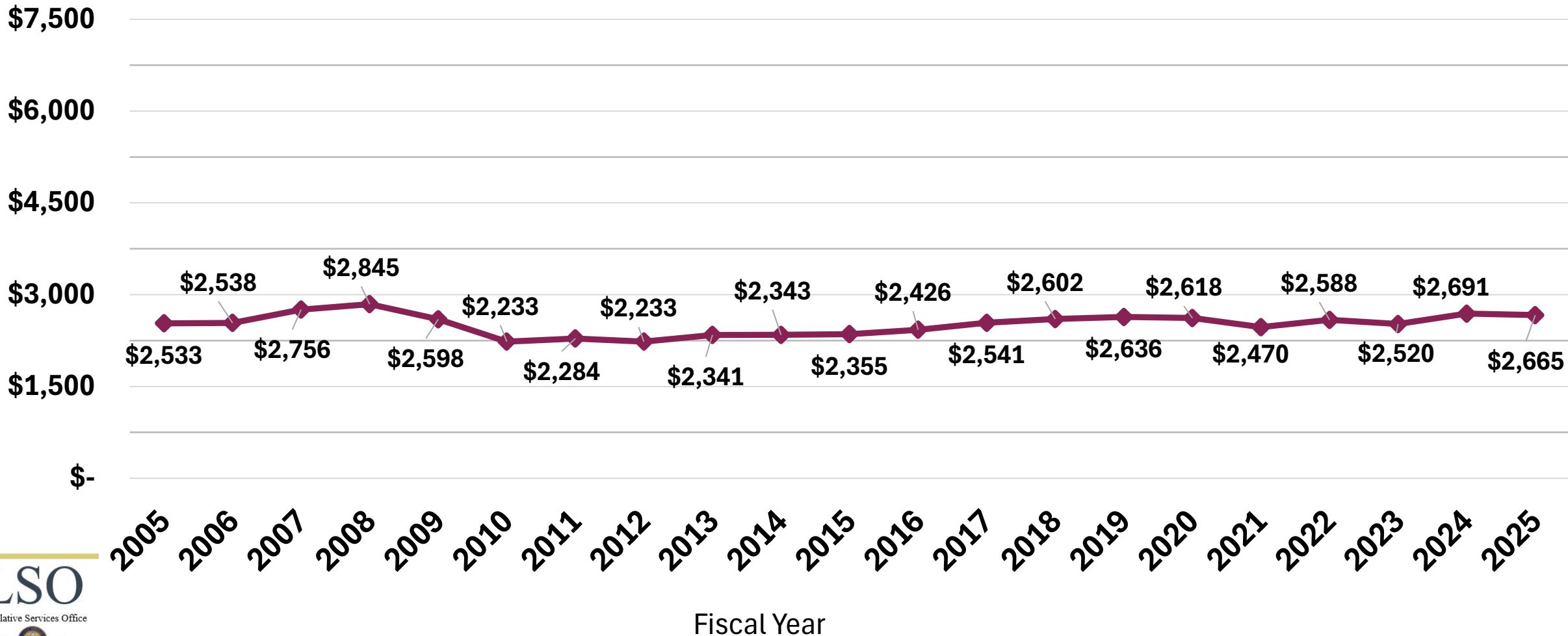
General Fund Per Capita | Inflation Adj. | Growth Index

2005-2026



Per Capita General Fund Expenditures (Adjusted for Inflation)

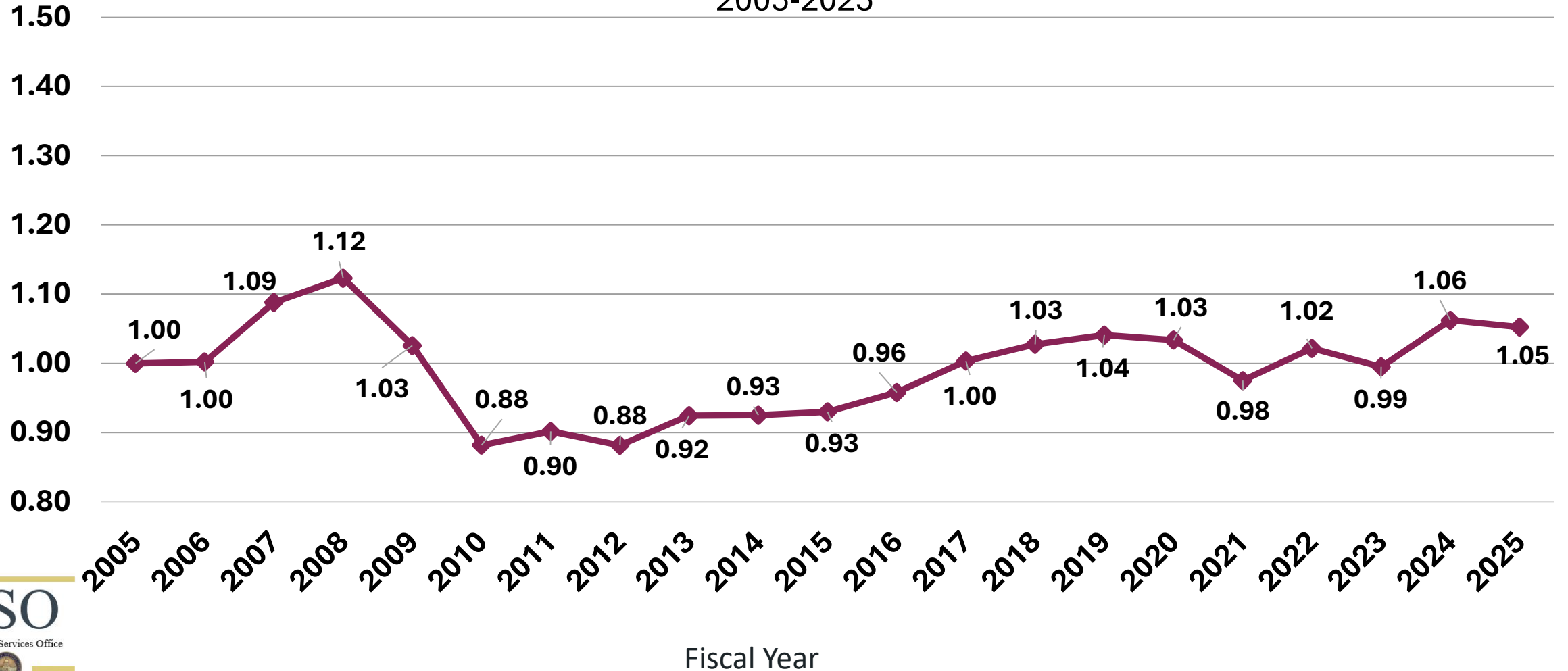
General Fund Expenditures | Per Capita | Inflation Adjusted 2005-2025



General Fund Expenditures Index

General Fund Expenditures Per Capita | Inflation Adj. | Growth Index

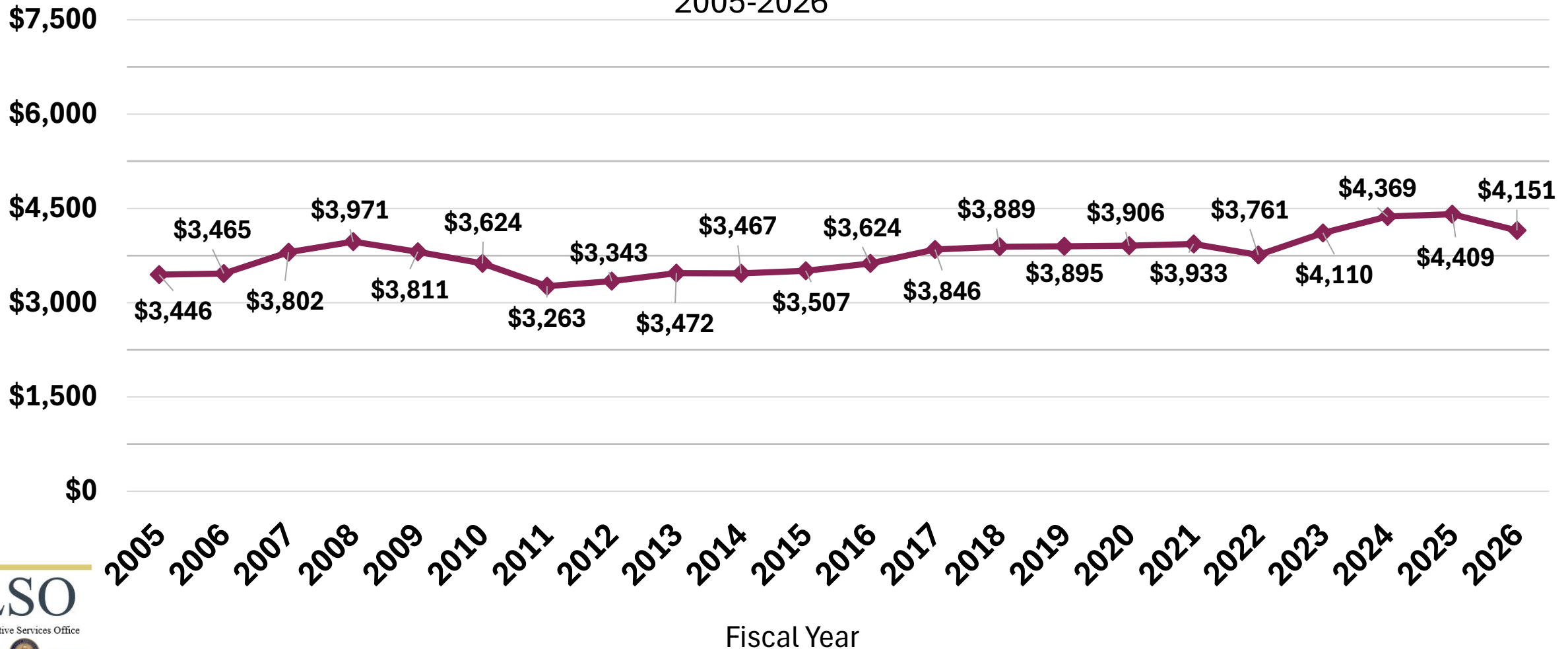
2005-2025



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

State Funds Appropriations | Per Capita | Inflation Adjusted

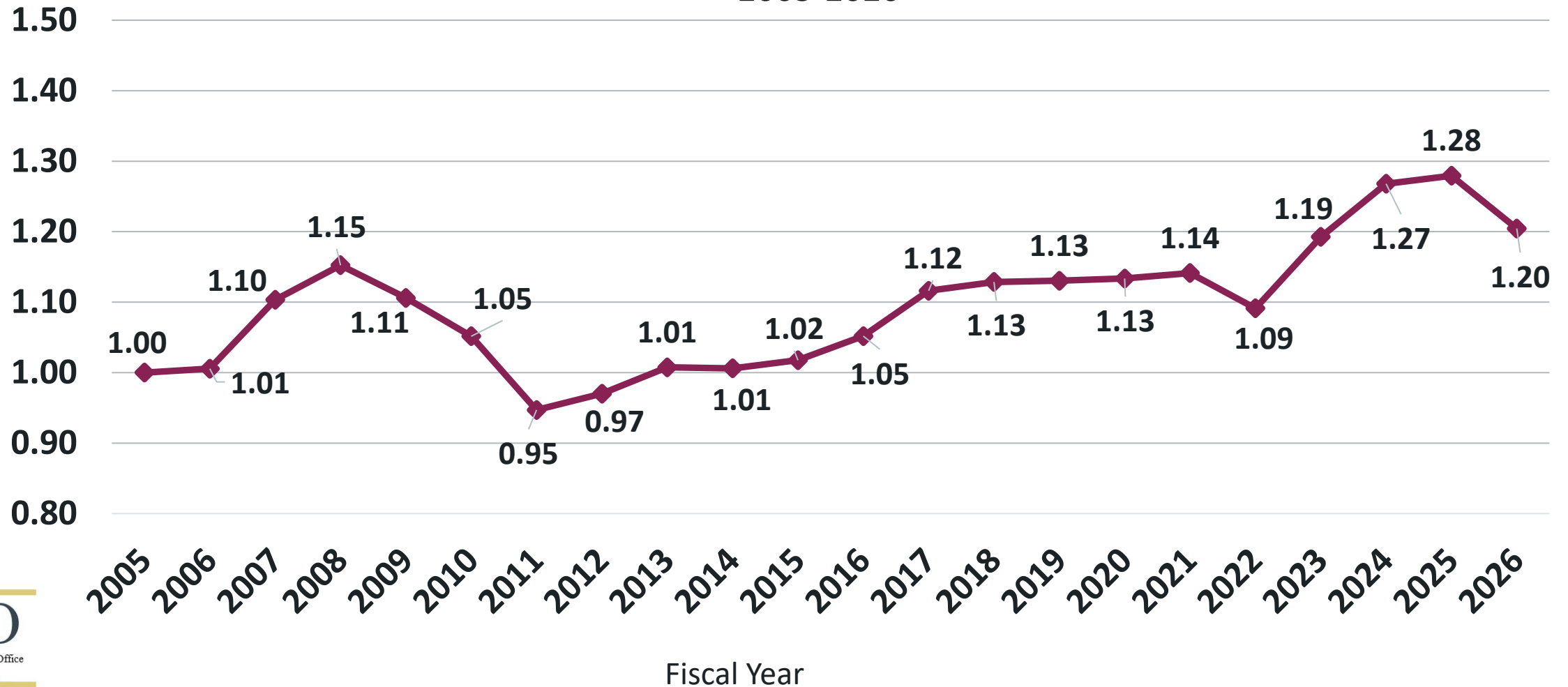
2005-2026



State Fund Appropriation Index

State Fund Appropriations Per Capita | Inflation Adj. | Growth Index

2005-2026



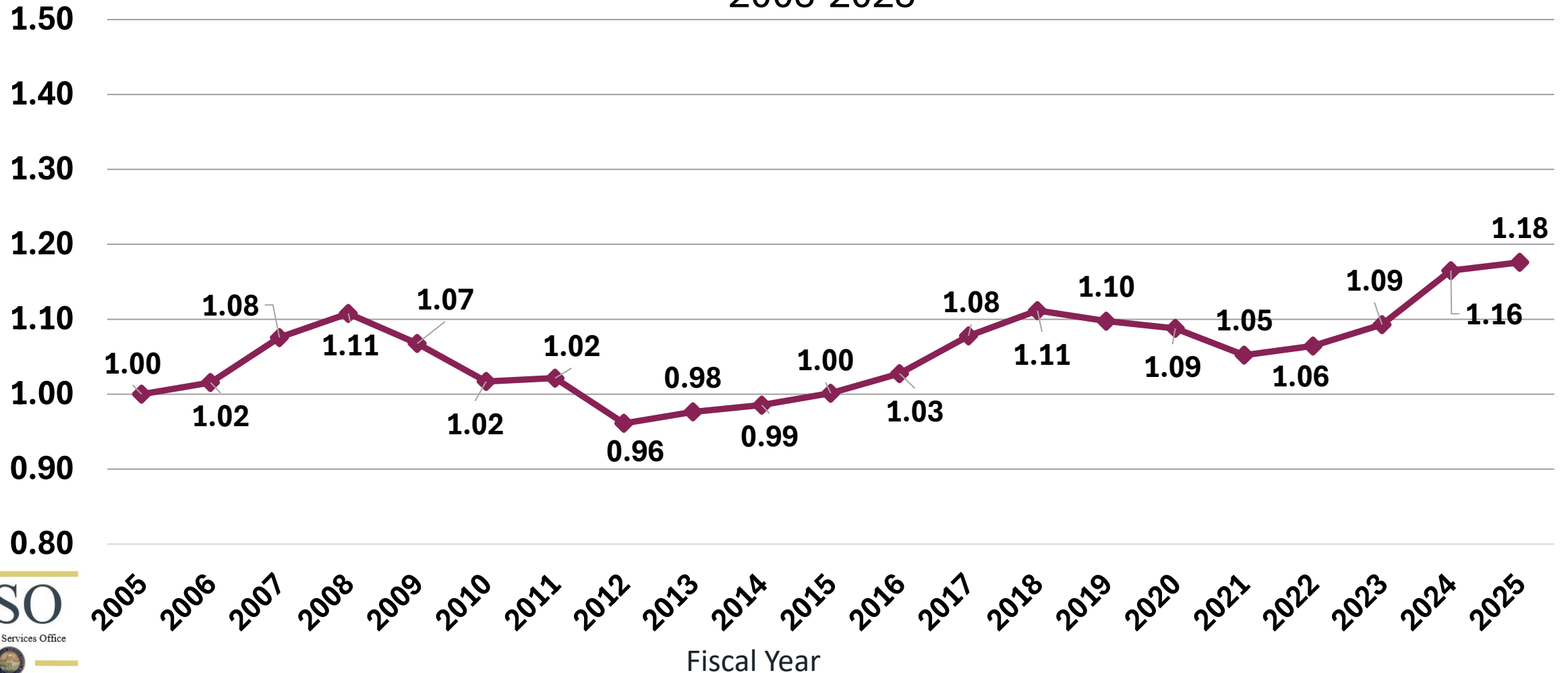
State Fund Expenditures Per Capita (Inflation Adjusted)

State Fund Expenditures | Inflation Adjusted | Per Capita 2005-2025



State Fund Adjusted Expenditure Index

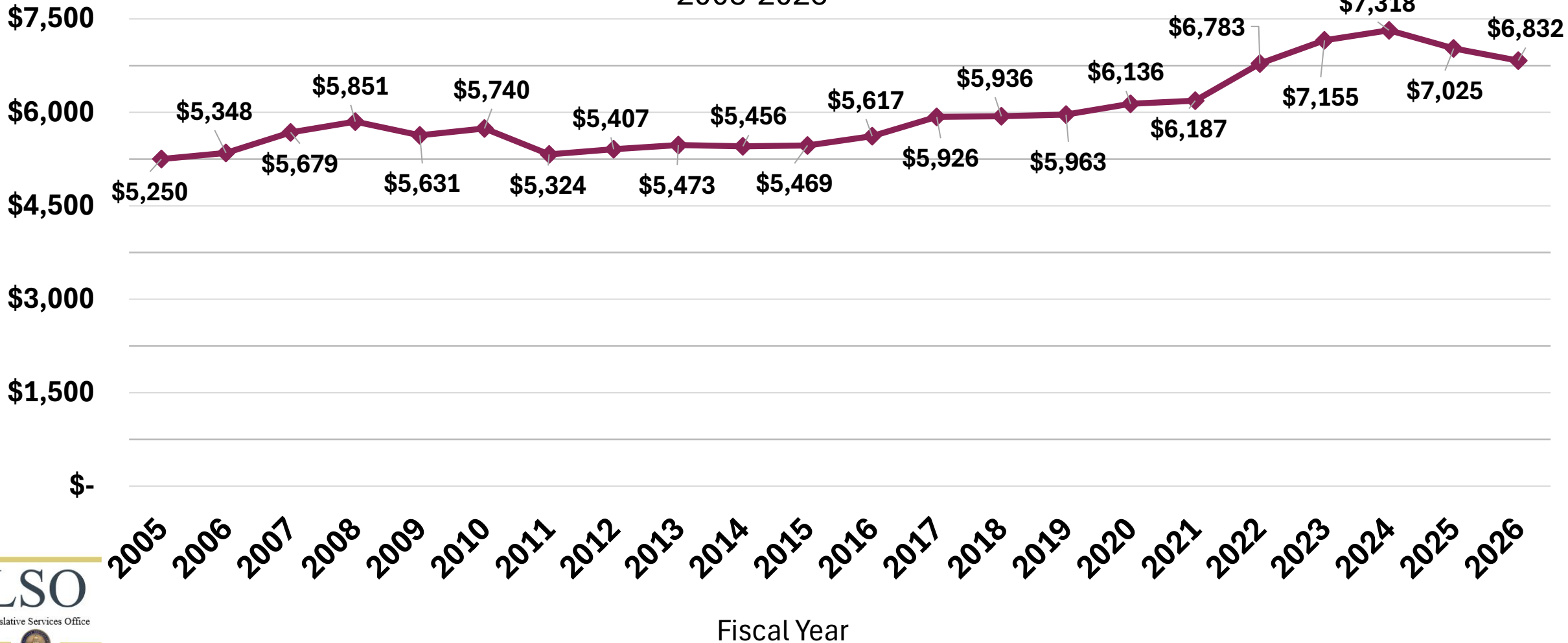
State Fund Expenditures Per Capita | Inflation Adj. | Growth Index 2005-2025



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

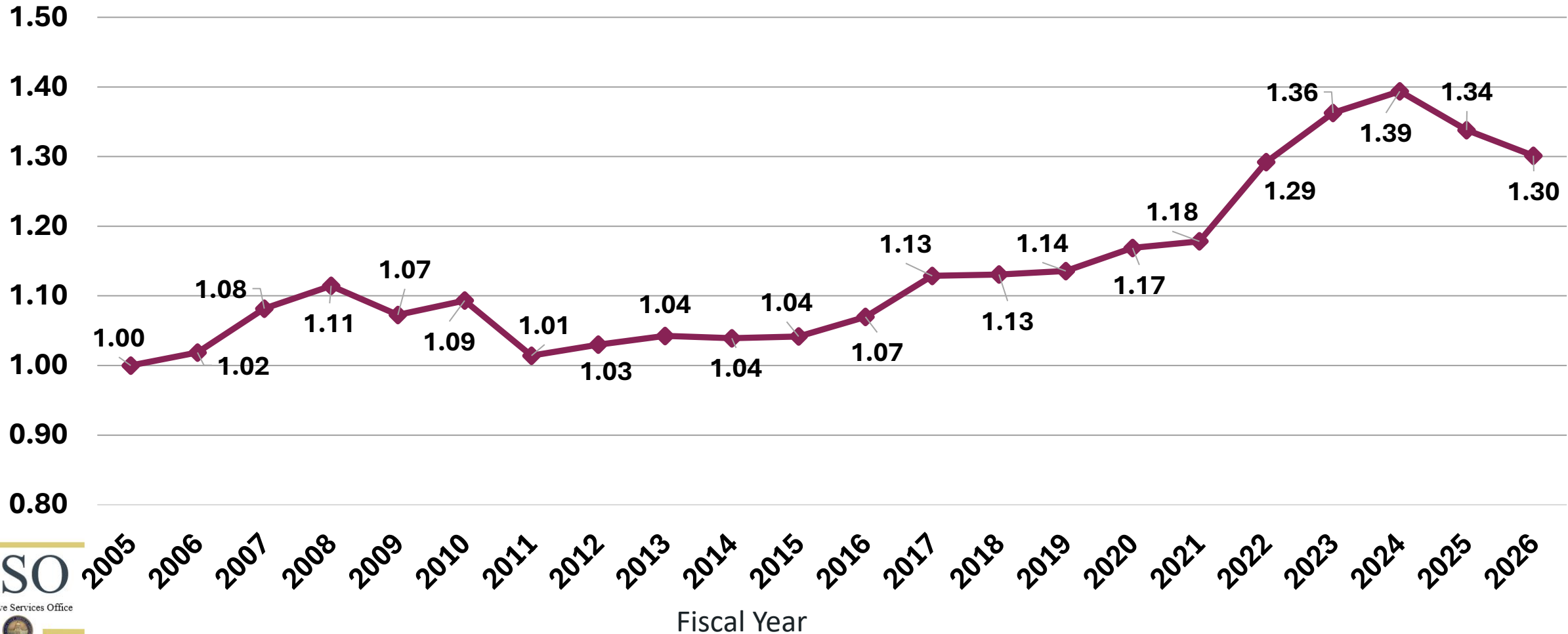
Appropriation from All Funds Per Capita | Inflation Adjusted

2005-2026



All Funds (GDF) Appropriation Index

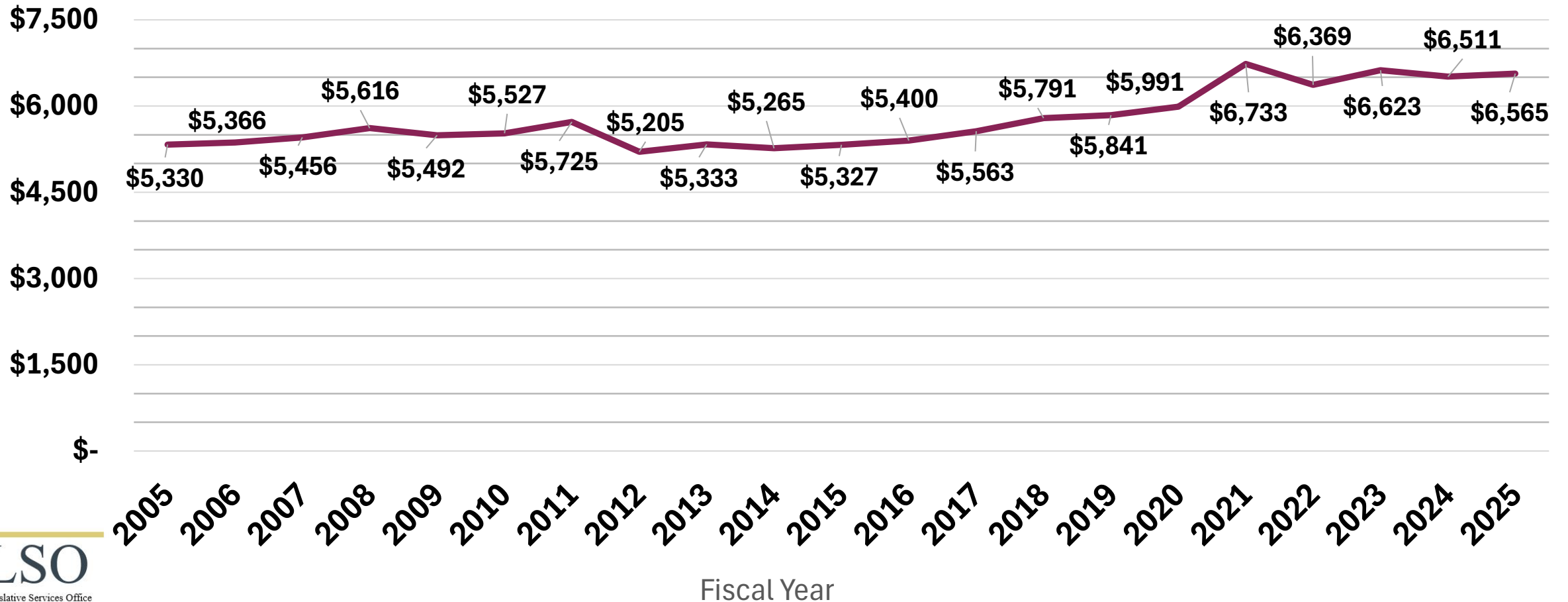
All Funds Per Capita | Inflation Adj. | Growth Index
2005-2026



Expenditures from All Appropriated Funds (Inflation Adjusted)

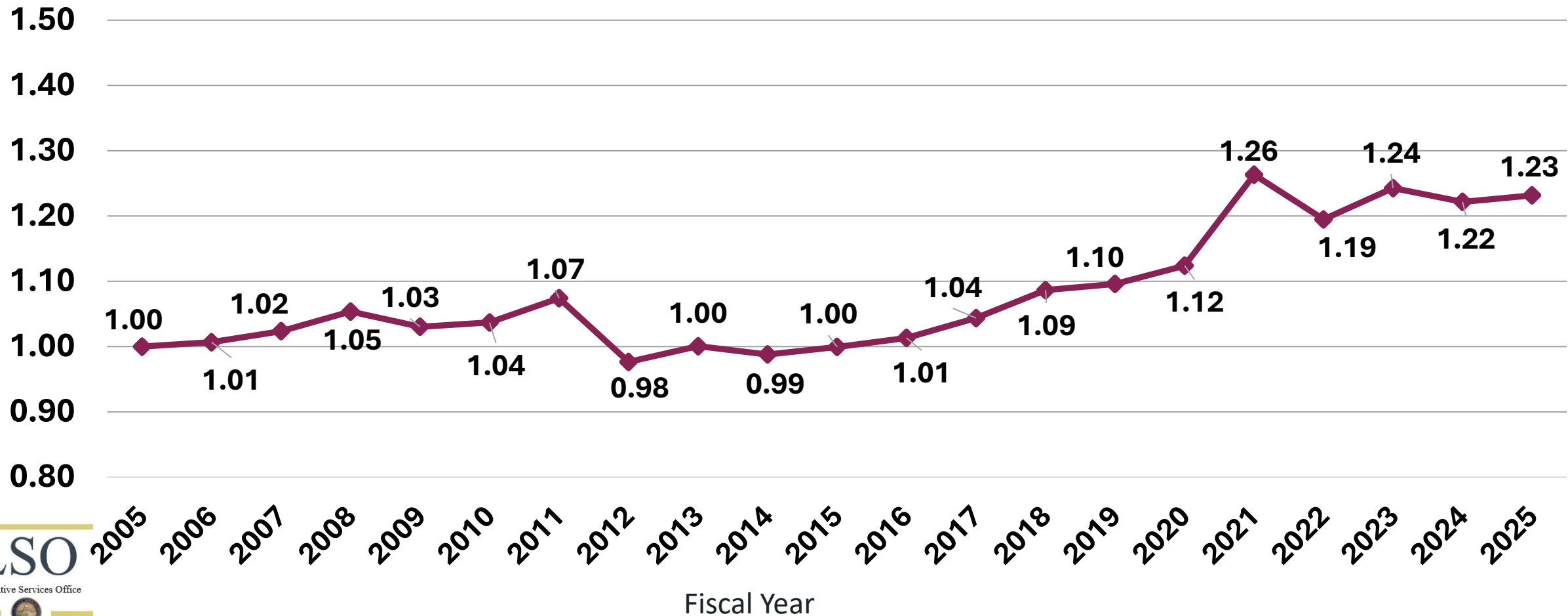
Expenditures from All Funds | Inflation Adj. | Per Capita

2005-2025



All Appropriated Funds Expenditure Index

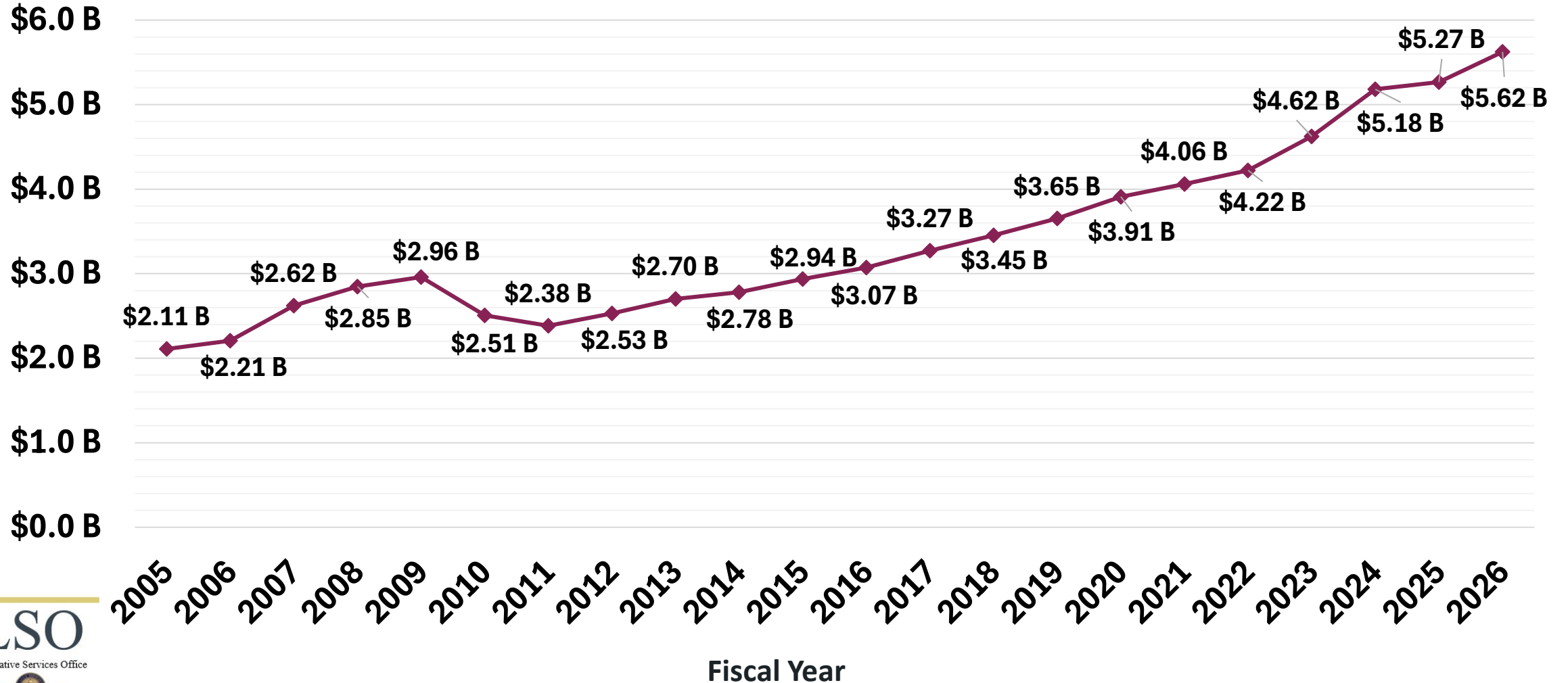
Expenditures from All Funds Per Capita | Inflation Adj. | Growth Index 2005-2025



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

Original General Fund Original Appropriations (Nominal)

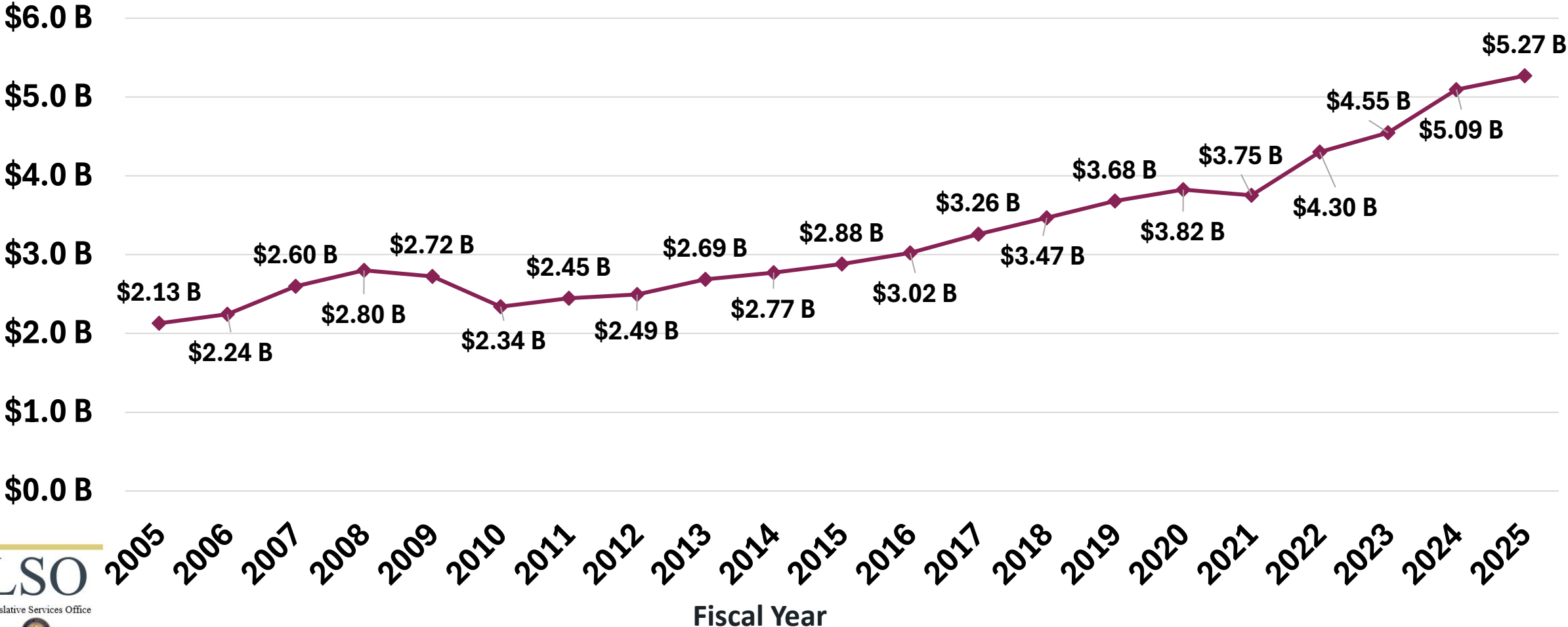
Nominal General Fund Original Appropriations



Nominal General Fund Expenditures

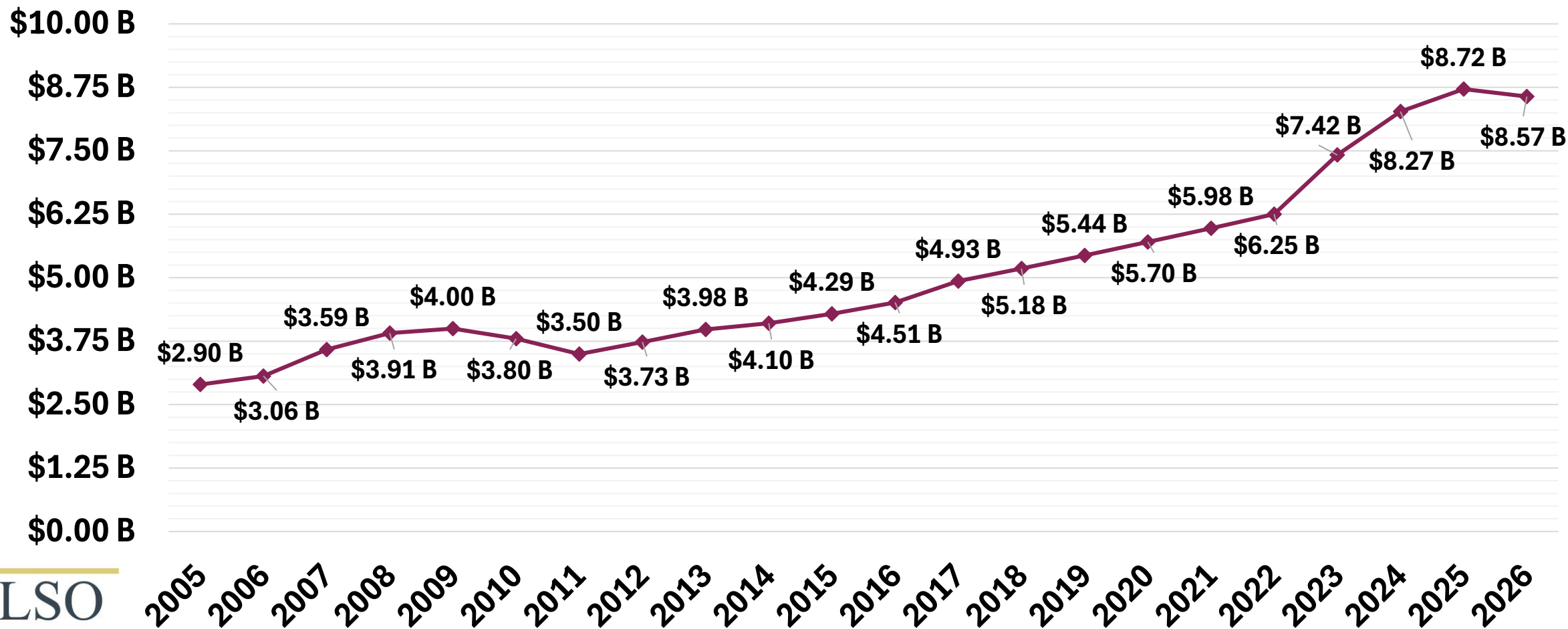
Nominal General Fund Expenditures

2005-2025



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

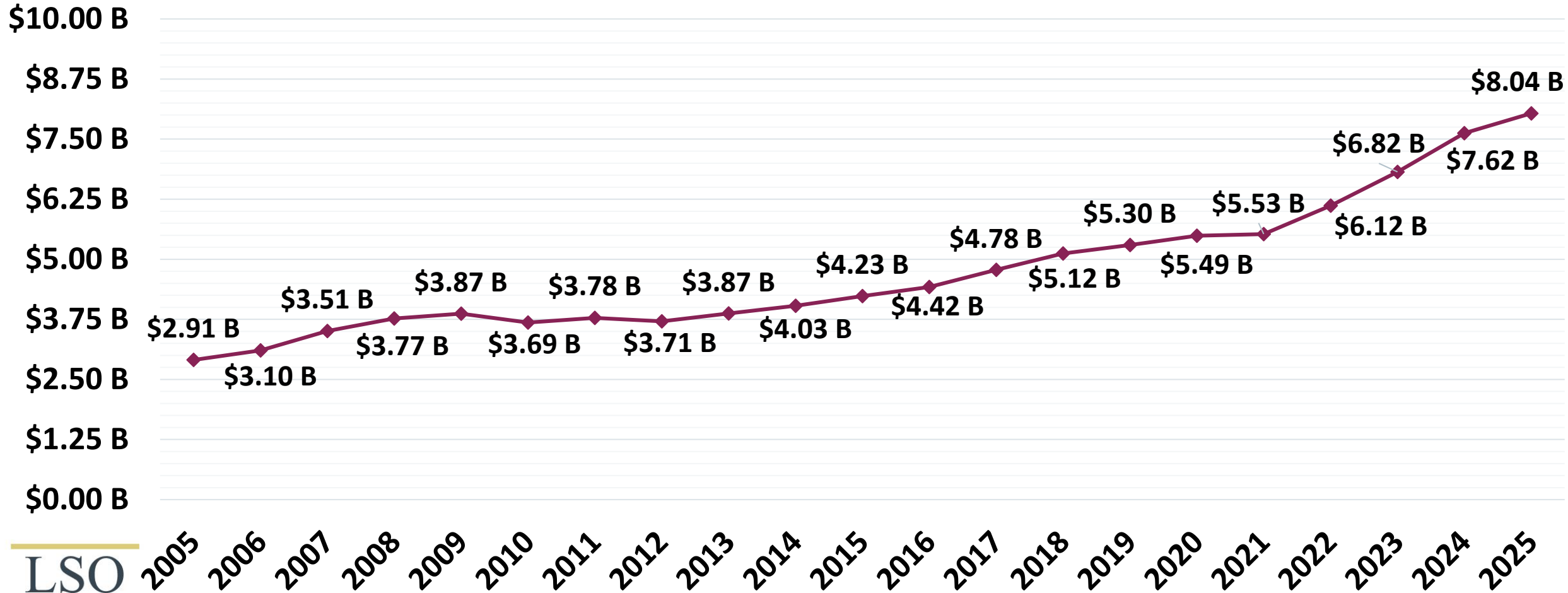
Nominal State Fund Appropriations
2005-2026



Nominal State Fund Expenditures

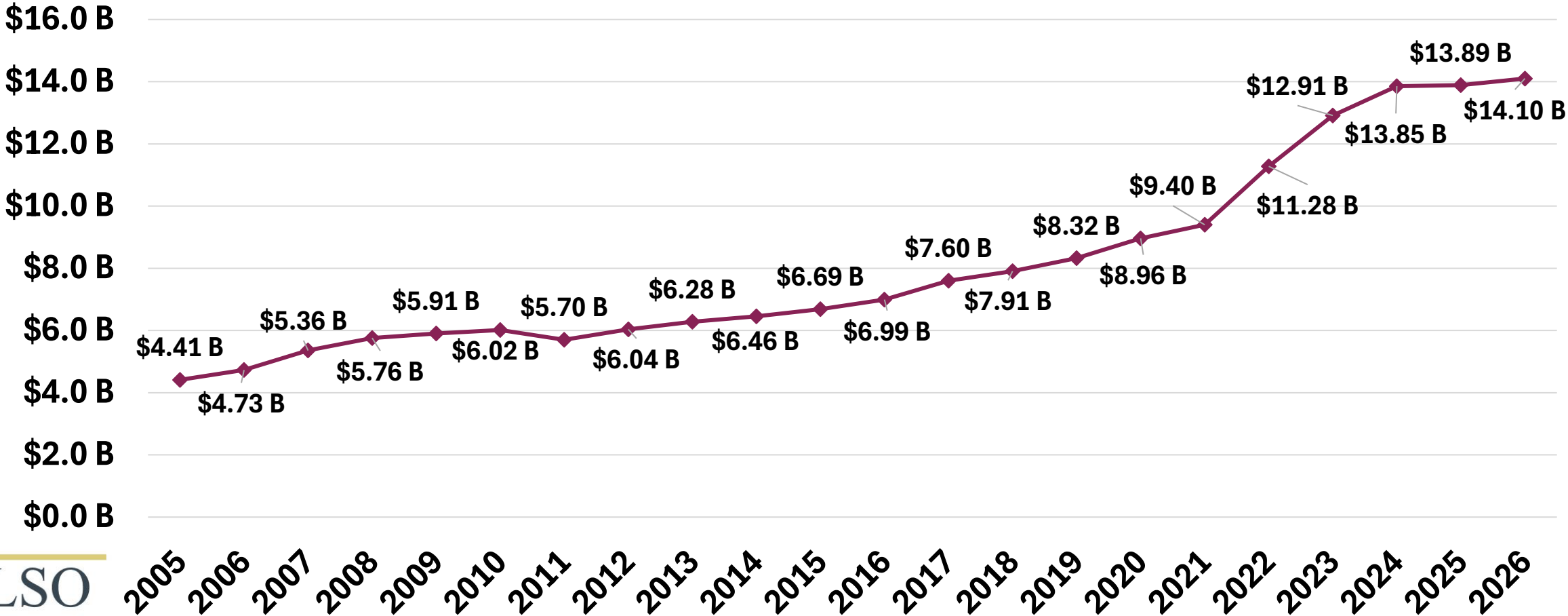
Nominal State Fund Expenditures

2005-2025



Nominal Appropriations from All Funds (GDF)

Nominal Appropriations From All Funds 2005-2026



Nominal Expenditures from all Appropriated Funds

Nominal Expenditures from all Appropriated Funds (GDF)

2005-2025

