



STATE OF INDIANA

Mitchell E. Daniels, Jr.
Governor

STATE BUDGET AGENCY
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Indianapolis, Indiana 46204-2796
317/232-5610

Adam M. Horst
Director

MEMORANDUM

DATE: June 30, 2011

TO: Mike Frick, Deputy Treasurer
Treasurer of State

FROM: Adam M. Horst, Director
State Budget Agency *AMH*

SUBJECT: The Counter-Cyclical Revenue and Economic Stabilization Fund ("Rainy Day Fund")

Pursuant to IC 4-10-18, please transfer \$53,536,998 from the state general fund to the Counter-Cyclical Revenue and Economic Stabilization Fund ("Rainy Day Fund") effective immediately. Figure 1 (attached) includes the calculations required by IC 4-10-18-3 and IC 4-10-18-4. Specifically, IC 4-10-18-3 requires four steps to determine adjusted personal income and an annual growth rate. These are included as Steps 1-4 in Figure 1. Then, IC 4-10-18-4 requires an additional step to determine how much should be transferred to or from the Rainy Day Fund. This is included as Step 5 in Figure 1.

As demonstrated in Figure 1, the growth rate in adjusted personal income from 2009 to 2010 was 2.4%. Consequently, IC 4-10-18-4 requires a transfer of \$53,536,998 from the general fund to the Rainy Day Fund. I appreciate your timely processing of this transfer.

Should you require additional information, please contact me at 233-5707.

Cc: Steve Daniels, Deputy Auditor, Auditor of State
Jon Vanator, Deputy Director, Budget Agency
Jay Collins, Deputy Director, Budget Agency
Joe Fistrovich, Controller, Budget Agency
Christina Miller, Assistant Controller, Budget Agency