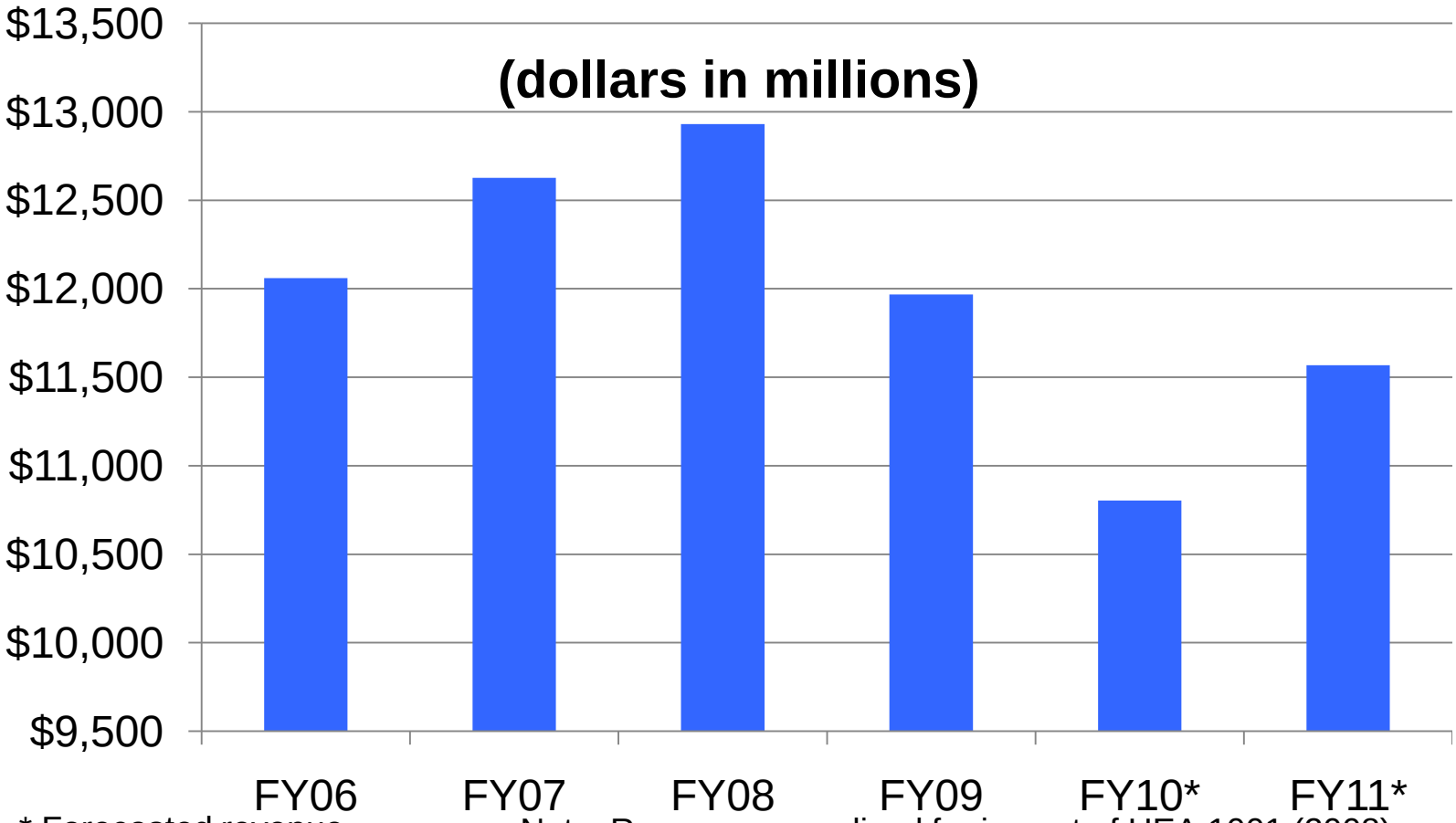
LIEUTENANT GOVERNOR
BECKY SKILLMAN

January 13, 2010

Recession of Opportunity

Indiana in position to emerge stronger than ever

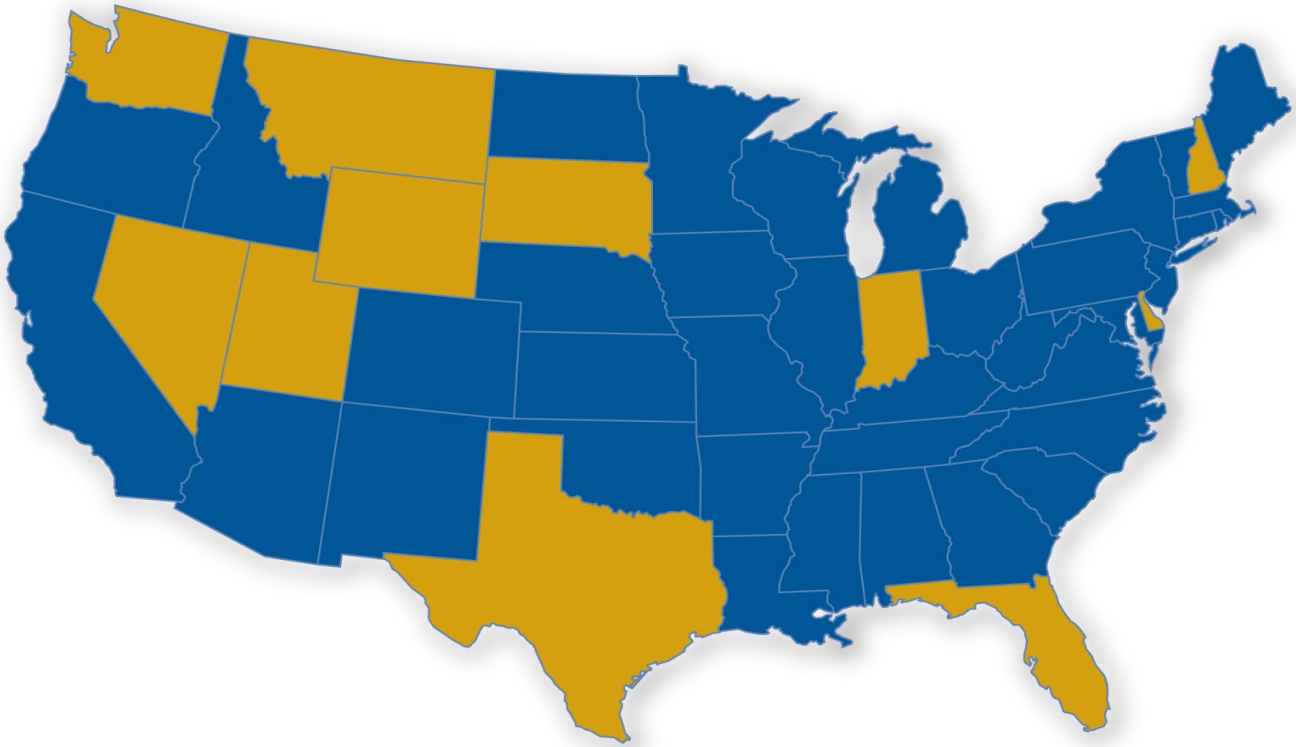
General Fund Revenue



* Forecasted revenue

Note: Revenue normalized for impact of HEA 1001 (2008)

New Ranking: Best in Midwest for Low Taxes



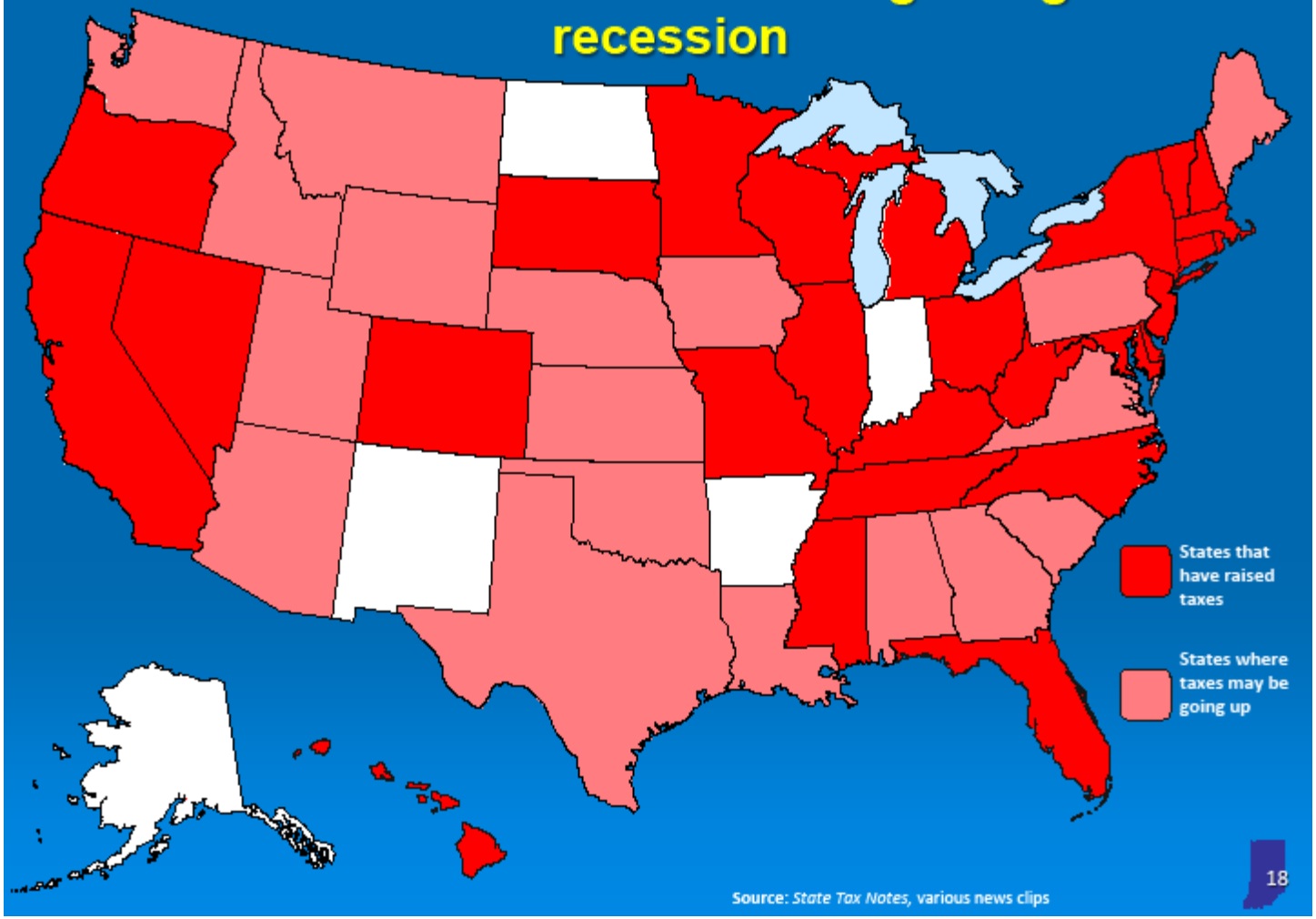
TAX FOUNDATION
Since 1937

September, 2009

First in the Midwest and 12th nationally (up from 14th in 2008)

- Illinois (30th), Kentucky (20th), Michigan (17th), Ohio(47th)

State tax increases since beginning of recession



Source: *State Tax Notes*, various news clips

Actions Taken to Restrain Spending

- State agency budgets reduced by 20% since July 2008
- November 2008: Hiring freeze
- No raises for 2009
- Voluntary Unpaid Leave
- K-12 Education: $297 million (3.5%) reduction
- Higher Education: $150 million (6%) reduction
- State-owned vehicles reduced by over 2,500
- State agency capital projects will be put on hold
- Unused dedicated funds will be transferred to the general fund

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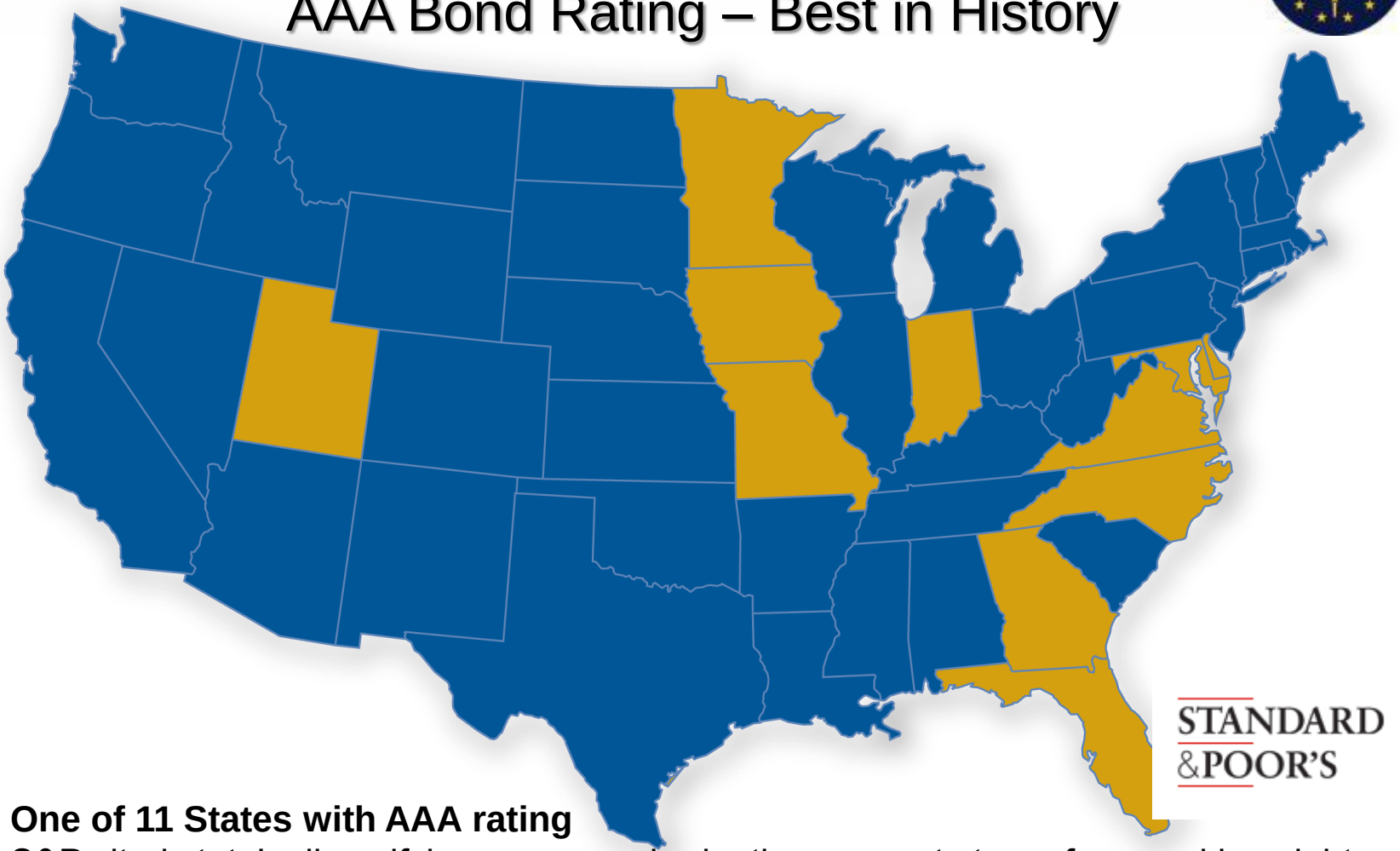
BECKY SKILLMAN

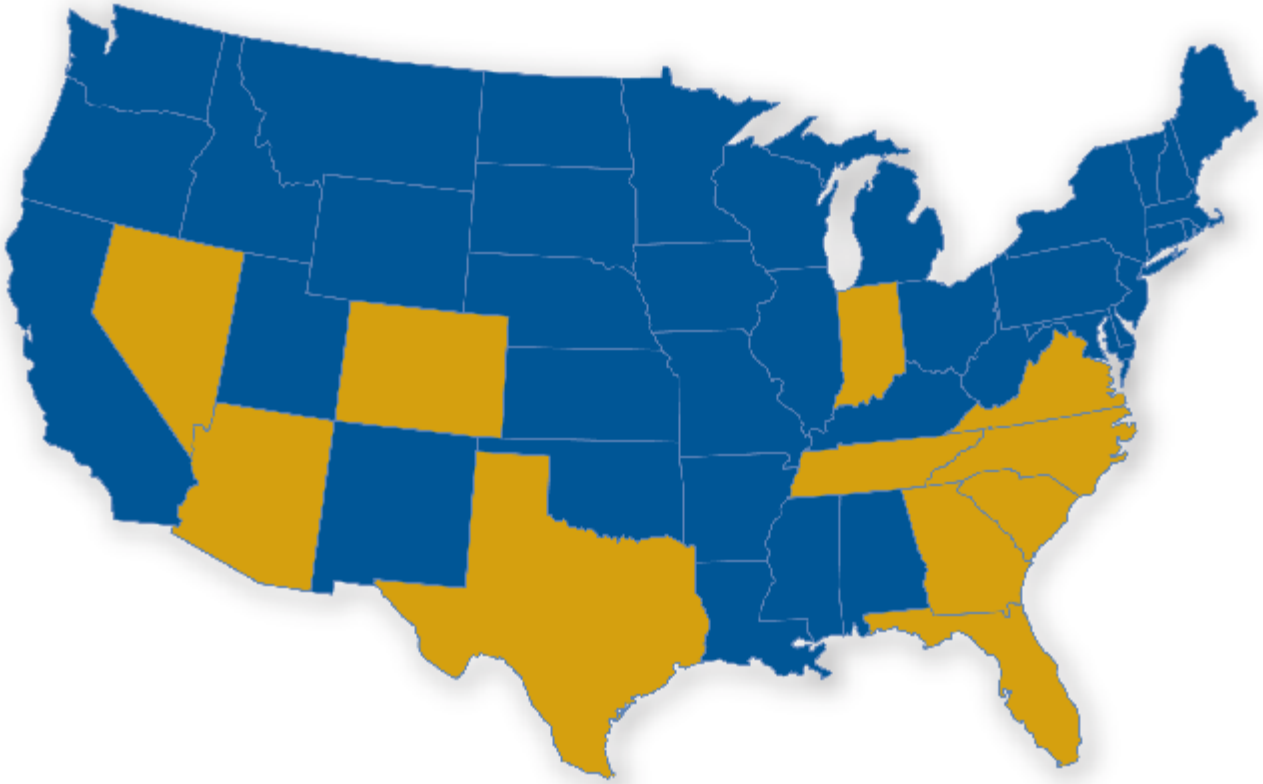
AAA Bond Rating – Best in History



One of 11 States with AAA rating

S&P cited state's diversifying economy, budgeting, property tax reform and low debt as rationale for upgrade

Executives Rank Indiana Best



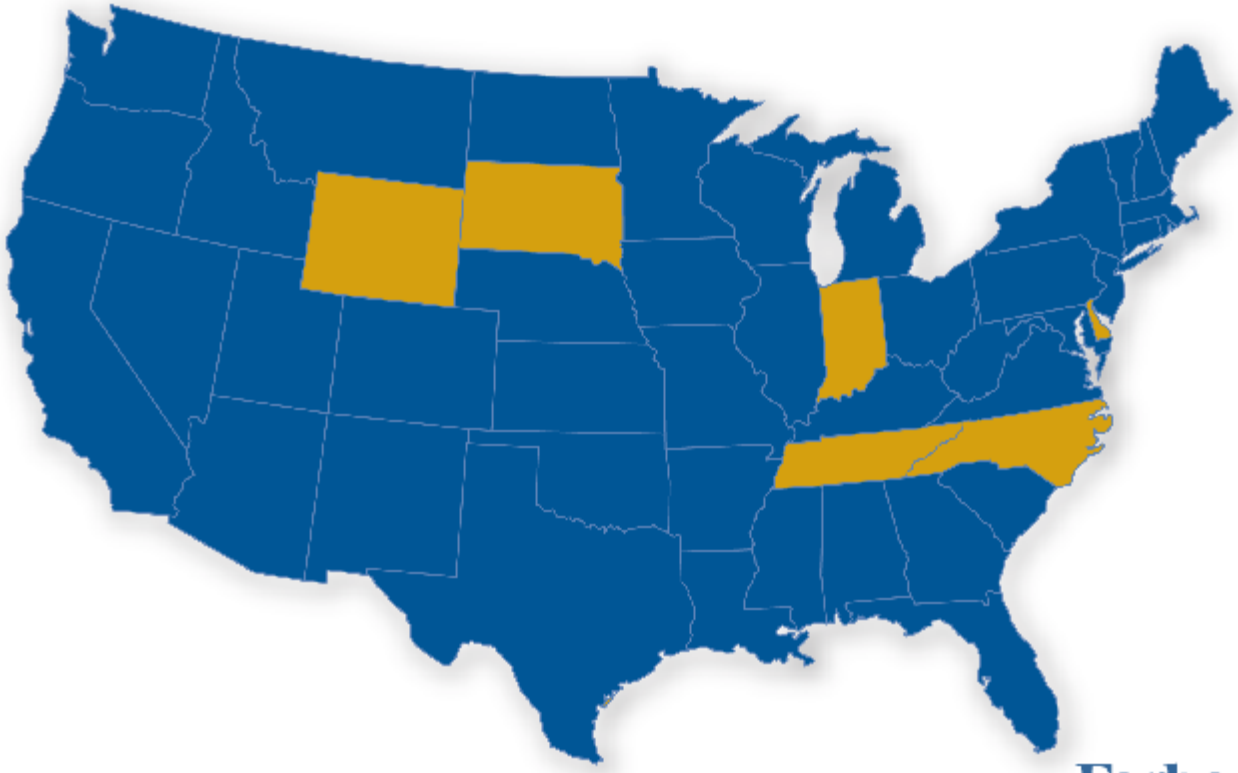
First in the Midwest and 11th nationally

- 2009 Best Places for Business survey of more than 500 chief executives

CHIEF EXECUTIVE
PRINT · EVENTS · ONLINE

March, 2009

Best in Midwest for Cost of Doing Business



First in the Midwest and sixth nationally

Forbes.com
July, 2008

Best "sandbox" results in new jobs

Major initiatives since 2005 aimed at improving Indiana's competitiveness:

Major Moves –Ten-year fully funded $12 billion highway plan that includes more than 200 new construction and 200 major preservation projects

Telecommunications Reform - Indiana's Telecommunications Deregulation Act has brought increased competition, leading to new investments and jobs

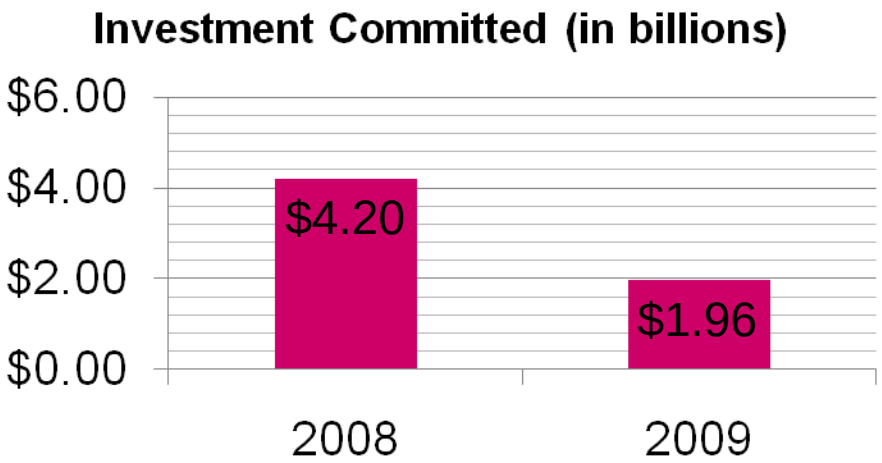
Patent Income Exemption - Exempts certain income derived from qualified patents from the calculation of a company's tax liability

Buy Indiana – Pumps up to $1.2 billion back into the Indiana economy by directing state agencies to purchase goods from Indiana businesses

Property Tax Relief – Cut property taxes by 1/3, capped property taxes on all classes of property, and eliminated nearly 1,000 township assessors

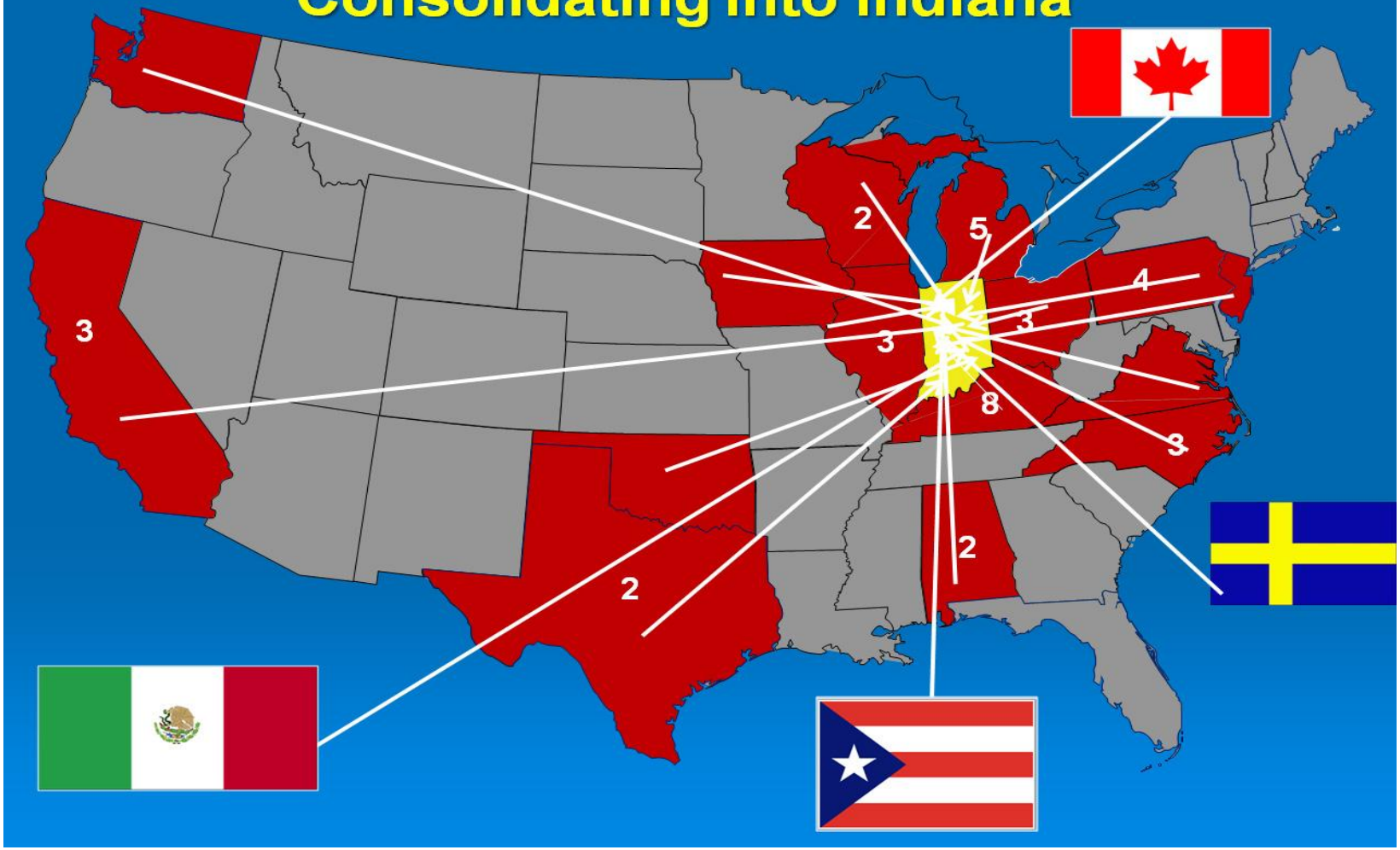
Regulatory Reform – All state agencies align objectives to job growth

Year-to-Date Comparisons for New Jobs, Investment



Competitive Consolidations

01/01/09 – 10/06/09

- 48 Firms
- 5,165 Job Commitments
- $189 M in Capital Investment Committed

Consolidating into Indiana