



NEWS RELEASE

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**Comptroller Nieshalla and State Budget Leaders Announce
State Reserves and Surplus at Fiscal Year-End Close**

Highlights active budget management and economic growth

STATEHOUSE – Over a year ago, the State navigated a cautious revenue forecast in part due to the development of new tariffs. Yet the U.S. economy grew by 2%, and Indiana outpaced national growth with a 2.2% GDP increase. Today, those trends are reflected in the fiscal year 2026 closeout with \$3.99 billion in reserves, up 60% from the prior year, and a \$1.86 billion surplus, up 174%, State Comptroller Elise Nieshalla announced today, alongside Secretary of the Office of Management and Budget Lisa Hershman and State Budget Director Chad Ranney.

“Indiana’s fiscal position is undoubtedly strong, and we responsibly navigated a time of uncertainty, reflecting both Governor Braun and the General Assembly’s focus on active budget management and economic growth,” said Comptroller Nieshalla. “Hoosiers can count on the State of Indiana to manage fluctuating factors and still stay in the black with a surplus, due to our state’s constitutional requirement to pass balanced budgets.”

Underscoring Indiana’s long-term financial stability, statutory reserves—including the Rainy Day Fund, Medicaid Reserve and Tuition Reserve—remained well-funded at 17.6% of state-funded expenditures. The Government Finance Officers Association recommends a general fund reserve balance of one to two months of state expenditures, and Indiana’s reserve amount equates to 63 days, which serves as a tangible safeguard against unforeseen crises.

"In today's economic landscape, fiscal health isn't just about static numbers on a spreadsheet — it's about operational agility. Indiana's proactive planning and fiscal discipline ensure our state remains nimble while delivering exceptional, uninterrupted service to Hoosiers. Because we have done the hard work, Indiana is open for business, prepared for what's next, and will continue to deliver the highest possible value to our taxpayers," said Secretary Hershman.

While state reserves increased, Indiana received \$2 billion—10%—less in federal funds in fiscal year 2026 from the prior year, which could signal a trend as the federal government deals with the mounting pressure of nearly \$2 trillion in annual deficit spending and \$39 trillion of debt. Given this vulnerability at the national level, it is notable that reserve dollars, designed to protect the State against uncertainty and uphold long-term commitments, are currently measured for health by their percentage of state expenditures and do not take into account federally funded expenditures, which make up 42% of the State’s budget.

Indiana's fiscal year-end reserves are as follows:

- \$1.86 billion Surplus Balance
- \$274.8 million Medicaid Reserve
- \$719.7 million Tuition Reserve
- \$1.14 billion Rainy Day Fund

"We are concluding this fiscal year on highly stable footing, which provides an excellent operational launchpad as we enter the next biennial budget cycle. The State Budget Agency will continue pushing state agencies to aggressively eliminate operational redundancies and curb unnecessary spending. Closing the books successfully is a brief milestone; our continuous focus is the long-term structural health of Indiana's finances over the next three to five years," said Director Ranney.

The numbers presented have been confirmed by the State Comptroller's Office, which serves as the keeper of the state's official financial book of record, and the fiscal year 2026 closeout statement is prepared by the State Budget Agency to report the budgetary results. The Comptroller's Office will now focus on compiling Indiana's Annual Comprehensive Financial Report (ACFR), which combines a management discussion and analysis with comprehensive statistical data that is independently audited by the State Board of Accounts. The ACFR is the material evidence of the state's financial position, which for fiscal year 2026 is expected to continue with low-debt, well-funded pensions and healthy cash reserves – all supporting Indiana's AAA credit rating from Standard & Poor's, Moody's and Fitch.

- Click [here](#) to view the Fiscal Year 2026 Close-Out Statement
- Click [here](#) to view the Federal Funding Expenditures Dashboard
- Click [here](#) to explore the Indiana Transparency Portal

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Elise M. Nieshalla is the [Indiana State Comptroller](#), fulfilling the duties of the Constitutional Office of State Auditor. Comptroller Nieshalla is committed to serving our state by upholding the highest standards of fiscal responsibility in the provision of accurate accounting and reporting of state funds, disbursement of tax revenues to state agencies and local units of government, payment of Indiana's employees and vendors, administration of the state's deferred compensation plan and delivering financial information through the [Indiana Transparency Portal](#) and [Federal Funding Expenditures Dashboard](#). She also serves on several key state financial boards including the Indiana Public Retirement System, Indiana Board for Depositories, Indiana Deferred Compensation Committee and State Board of Finance.

Follow Indiana State Comptroller Elise Nieshalla on Facebook or on Twitter @IndianaComp

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