



STATE REPORT CARD 2016

BIHAR

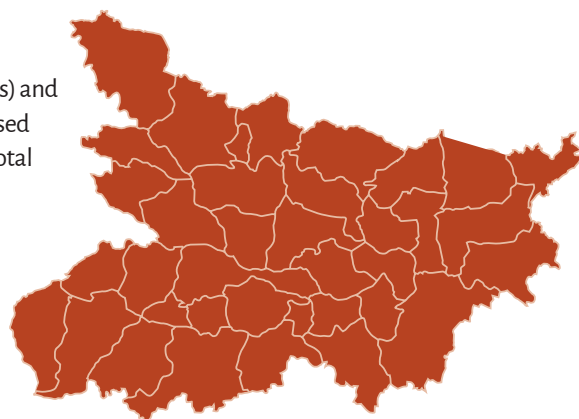
SUMMARY

Revenue

Revenue receipts for the state of Bihar grew by 28 per cent between FY 2014-15 (Actuals) and for FY 2015-16 Revised Estimates (RE). Union Government transfers for the year increased by 29 per cent during the same period. Untied funds accounted for 74 per cent of the total transfers received from the Government of India (GOI) in FY 2015-16 (RE).

Expenditure

The state's total expenditure in FY 2015-16 (RE) grew by 41 per cent over FY 2014-15 (Actuals). Specifically, social sector expenditure increased by 45 per cent in the same period. While expenditure for "Social Welfare and Nutrition" dipped significantly by 17 per cent, expenditure under the head "Welfare on Scheduled Castes, Scheduled Tribes and Other Backward Classes" increased by 81 per cent.



RECEIPTS

Overall Receipts

REVENUE RECEIPTS (IN ₹ CRORE)			
	2014-15 (Actuals)	2015-16 (RE)	2016-17 Budget Estimates (BE)
Share in Union taxes	36,963	50,748	58,360
Grants in Aid (GIA)	19,146	21,785	34,142
Own taxes	20,750	25,656	29,730
Own non-tax revenue	1,558	1,996	2,358
Total	78,418	1,00,184	1,24,590

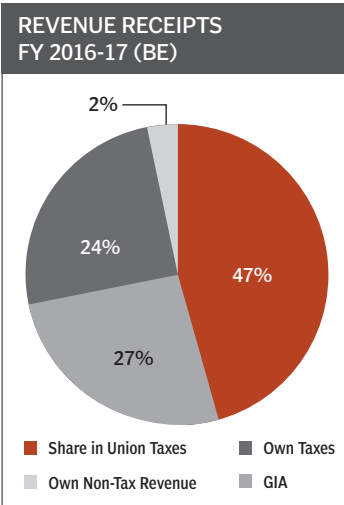
Source: Collated from state budget documents.

Note: Grants in Aid (GIA) include: Normal Central Assistance (NCA), Finance Commission (FC) Grants, Centrally Sponsored Schemes (CSSs) and other grants from the Government of India (GOI). Figures have been rounded off.

Revenue receipts in FY 2015-16 (RE) grew by 28 per cent over FY 2014-15 (Actuals). Union tax revenues transferred to the state increased by 37 per cent in FY 2015-16 (RE) over FY 2014-15 (Actuals).

Tied and Untied funding

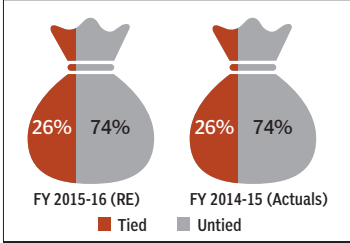
Tied funds are usually for specific purposes, such as grants under Centrally Sponsored Schemes (CSSs) which must be used for particular activities under the schemes. In contrast,



Source: Collated from state budget documents.

Note: GIA includes: NCA, FC Grants, CSSs and other grants from GOI. Numbers have been rounded off.

COMPOSITION OF UNION TRANSFERS



Source: Collated from state budget documents.

Note: Untied grants include grants in aid from FC, NCA and Tax devolution. Tied grants include grants for CSSs and other grants such as Additional Central Assistance and Special Central Assistance. Some of the other grants may not specifically be for a particular scheme but there proportions would be very small. NCA has been collated from Ministry of Finance and is thus actual releases.

states can decide how to spend untied funds which are transferred to them. In accordance with the 14th Finance Commission (FFC) recommendations, the share of untied funds transferred from GOI to the states increased significantly in FY 2015-16 (RE). For instance, to allow for the increase in untied funds, the Union Government reduced tied funding, such as CSSs and other grants, in FY 2015-16 (RE) by 35 per cent over FY 2014-15 (Actuals) in aggregate across the 19 states we analysed.

Interestingly, the overall share of CSSs and other grants in Union transfers to Bihar remained approximately the same in both FY 2014-15 (Actuals) and FY 2015-16 (RE).

Transfers from the Union Government

Transfers from the Union government accounted for 72 per cent of revenue receipts in FY 2015-16

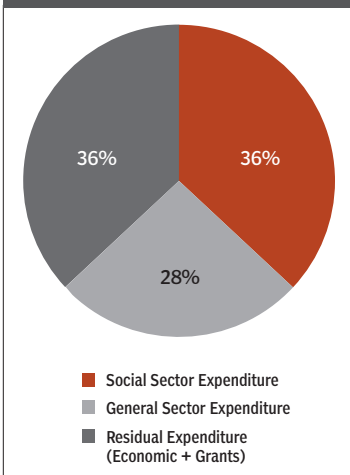
COMPOSITION AND CHANGE IN UNION TRANSFERS TO BIHAR (IN ₹ CRORE)

	2014-15 (Actuals)	2015-16 (RE)	2016-17 (BE)	2015-16 (RE) over 2014-15 (Actuals)
Taxes	36,963	50,748	58,360	37%
FC Grants	3,192	2,948	4,507	-8%
CSSs and other scheme grants	14,715	18,837	29,635	28%
Normal Central Assistance (NCA)	1,240	0	0	-100%
Total	56,110	72,533	92,502	29%

Source: Collated from individual state budget documents. NCA collected from Ministry of Finance and thus constitutes actual funds released.

Notes: Figures have been rounded off.

EXPENDITURE FY 2016-17 (BE)



Source: Collated from individual state budget documents.

Note: Social sector has been defined as per the Comptroller and Auditor General of India and does not include expenditure on rural development and warehousing. Total and capital expenditure excludes repayment of public debt. Numbers have been rounded off.

EXPENDITURE

Overall expenditure

Bihar's total expenditure grew by 41 per cent in FY 2015-16 (RE) over FY 2014-15 (Actuals).

EXPENDITURE IN BIHAR'S BUDGET (IN ₹ CRORE)

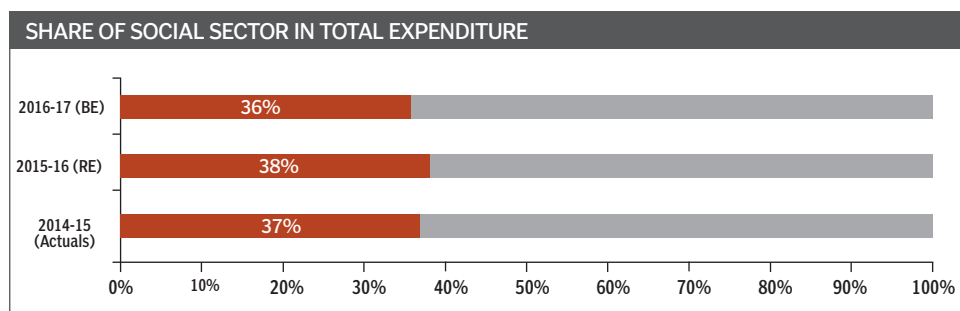
Type of expenditure	2014-15 (Actuals)	2015-16 (RE)	2016-17 (BE)
Total expenditure*	91,089	1,28,706	1,40,622
Revenue expenditure	72,570	1,01,667	1,09,941
Capital expenditure*	18,519	27,038	30,681
Social sector expenditure	33,386	48,593	51,071
General sector expenditure	28,157	34,781	39,145
Residual expenditure (Economic + Grants)	29,546	45,332	50,407
Fiscal Deficit	11,179	28,505	16,014

Source: Collated from individual state budget documents.

Note: Social sector has been defined as per the Comptroller and Auditor General of India and does not include expenditure on rural development and warehousing. Only expenditures from the Consolidated Fund have been accounted, net of recoveries. Total and capital expenditure excludes repayment of public debt. Numbers have been rounded off.

Social Sector Expenditure

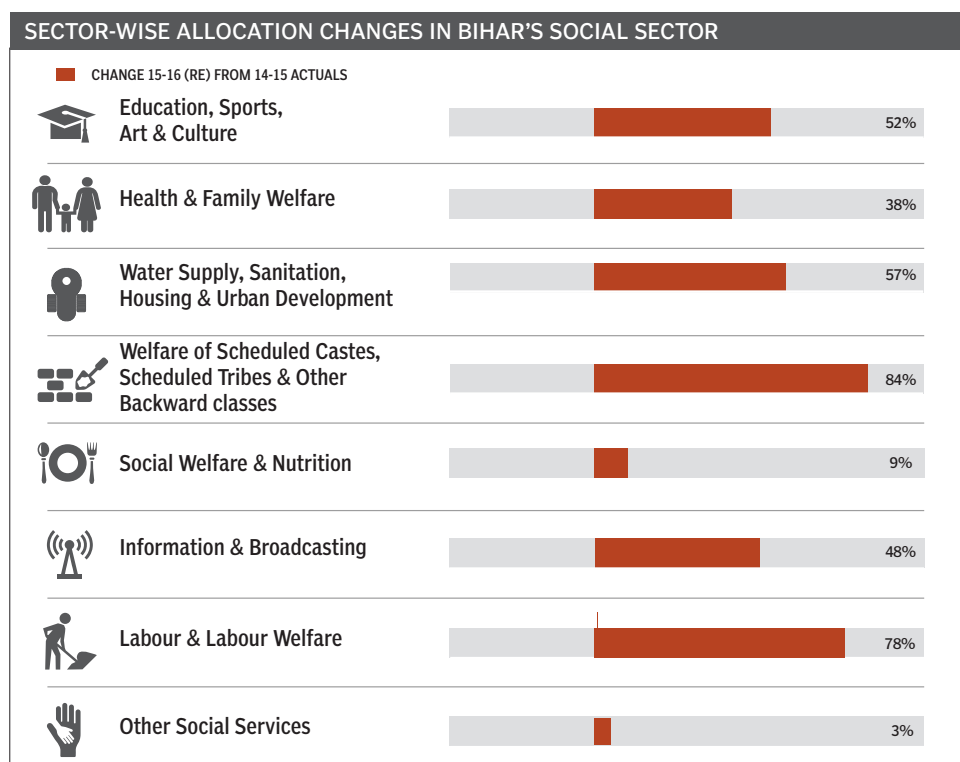
Social sector expenditure in the state increased by ₹15,207 crore or 45 per cent in FY 2015-16 (RE) over FY 2014-15 (Actuals). The share of social sector expenditure as a proportion of total expenditure in Bihar increased by 1 per cent between FY 2014-15 (Actuals) and FY 2015-16 (RE).



Source: Collated from individual state budget documents.

Note: Social sector has been defined as per the Comptroller and Auditor General of India and does not include expenditure on rural development and warehousing. Only expenditures from the Consolidated Fund have been accounted, net of recoveries.

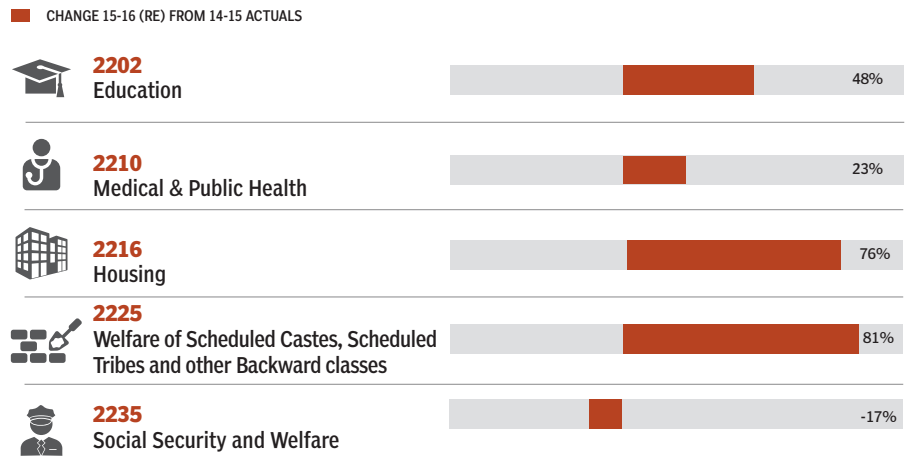
The most significant budget increases in 2015-16 (RE) were in sectors “Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes” and “Labour and Labour Welfare” which saw a substantial 84 per cent and 78 per cent increase, respectively, in funding compared to FY 2014-15 (Actuals).



Source: Collated from state budget documents.

A closer look at the major heads reveal that while “Housing” witnessed a substantial increase in funding by 76 per cent in FY 2015-16 (RE) over FY 2014-15 (Actuals), the major head “Social Security and Welfare” saw a drop in funding by 17 per cent during that period.

CHANGES IN THE FIVE BIGGEST COMPONENTS OF BIHAR'S SOCIAL SECTOR



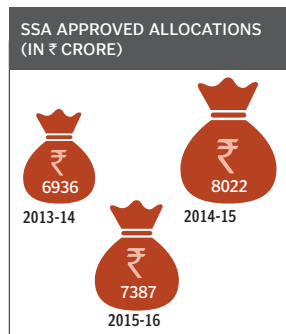
Source: Collated from state budget documents.

CENTRALLY SPONSORED SCHEMES

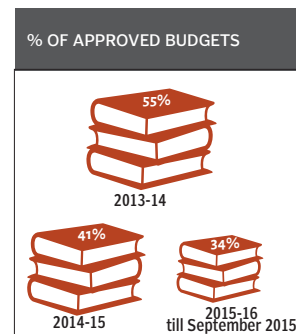
Sarva Shiksha Abhiyan (SSA)

Approved allocations for Sarva Shiksha Abhiyan (SSA) (including state shares) dropped by 8 per cent from ₹8,022 crore to ₹7,387 crore.

The actual release of funds has also been low. In 2014-15 only 41 per cent of the total allocation was released to the SSA implementing society. However, fund release was faster in FY 2015-16. By September 2015, halfway through the financial year, 34 per cent of the total approved funds had been released. In contrast, in FY 2014-15 in the same time period, only 19 per cent of approved funds had been released. This suggests that the overall fund availability and expenditure under SSA in the state is likely to be higher in FY 2015-16 compared with the previous year.

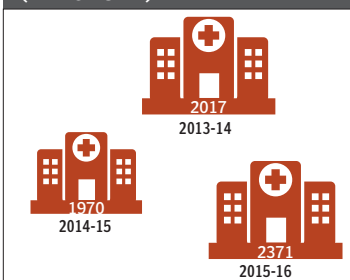


Source: RTI filed by Accountability Initiative and SSA portal.



Source: RTI filed by Accountability Initiative and SSA portal.

NRHM APPROVALS (IN ₹ CRORE)



Source: NHM Website

National Rural Health Mission (NRHM)

Approved funds for the National Rural Health Mission (NRHM) increased from ₹1970 crore in FY 2014-15 to ₹2,371 crore in FY 2015-16. In FY 2014-15, 91 per cent of GOI allocations had been released. In FY 2015-16 till September, GOI had released 75 per cent of its allocations. This is faster than in the corresponding period of the previous financial year when 69 per cent had been released. However, expenditure in FY 2015-16 has been extremely slow. A mere 4 per cent of funds had been spent by September 2015.