

Odisha State Budget 2015-16: A Quick Response

The state budget 2015-16 was presented in Odisha legislative Assembly on 16th February 2015. This year the State Government has presented the Budget before the fourteenth Finance Commission's recommendation report. As the amount of central assistance for state plan depends upon the finance commission's recommendation so there is no clear indication about the central assistance for 2015-16. However, The Finance Minister has presented a budget of about Rs. 84,487 Cr. for coming financial year.

Odisha Budget and Accountability Centre (OBAC) has prepared a quick response on the budget presented by the state which may be helpful for the policy makers, researchers, media and academicians to think through on the critical aspects of the budget 2015-16 . Deeper analysis is going on and some of the quick observations on Budget 2015-16 are given below.

Overall Economic indicators

- The total State Budget for the year 2015-16 is estimated at Rs. 84,487.77 Cr. which is 5.42 percent more than the previous year.
- Plan Expenditure has marginally increased by only Rs 1103.46 Cr. over 2014-15 (BE) to reach Rs 40,531.46 Cr. It was Rs 39,428.58 Cr. in 2014-15 (BE).
- Out of the total Rs. 70940 Cr. of estimated receipt under consolidated fund Rs. 40,647 Cr. is from share in central taxes and grant-in-aid. That means the state is able to only arrange Rs. 30,534 Cr. from its own tax and non tax.
- Since 2005-06 the State continues to be a revenue surplus budget. The estimated revenue surplus for the year 2015-16 (BE) is Rs. 5,101.51 Cr.
- The estimated net debt for the year 2015-16 is Rs. 12000.38 Cr. which was Rs. 10695.72 Cr. in 2014-15 (BE).
- State's own tax GDP ratio is estimated at 6.11 percent for the year 2015-16.

Health

- The State government's budget allocation for Health & Family Welfare has decreased from Rs. 3922.74 Cr. in 2014-15 BE to Rs. 3855.88 Cr. in 2015-16 (BE) which is Rs. 66.86 Cr. less than the previous year.
- An amount of Rs. 1088 Cr. is towards national health mission which is included in the State budget.
- The department budget shares decreased by 0.32 percent (4.56 percent) of the total budget which was 4.88 percent in 2015-14.
- This year as share to the GSDP, it is 1.11 percent which was 1.20 percent in 2014-15.
- An amount of Rs. 202.56 Cr. is allocated by OSCM for the govt. hospital for free medicine distribution which was same in 2014-15.
- The budgetary allocation under bio- waste management is Rs.33.50 Cr. which was constant (Rs. 2.80 Cr.) since last three years.
- An amount of Rs 50.00 Cr. is allocated to address two critical health indicators IMR and MMR.
- Purchase of medical equipment which Rs. 124.05 Cr. in the last year Budget has reduced to Rs. 87.00 Cr. in the present budget.
- *Odisha* State Treatment fund is Rs. 20 Cr. in 2015-16 which is remained same in the last year.

School & Mass Education

- Budget for School and Mass Education (S&ME) Department has marginally increased from Rs. 9327.12 Cr. in the year 2014-15 (BE) to Rs. 9979.49 Cr. in 2015-16 (BE). The increase

in budget allocation is very marginal as compared to the trend in last five years budget allocation for the department.

- Only Rs 40 Cr. increase in state plan budget for S&ME department
- State government has introduced a new scheme “Odisha Adarsha Vidyalaya” under state plan for Model Schools and an amount of Rs.30.00 Cr. has been allocated for this purpose.
- As a percentage of GSDP the education budget is only 2.86 percent with a decrease of 0.1 percent over the previous year 2014-15(BE). There is a need of allocation of 6 percent of GSDP to fulfil the commitment under MDGs.
- As per the statement presented with the Annual budget 2015-16 under the Odisha FRBM Rule-2005, out of the total sanctioned post in the department, 32590 posts are vacant. In 2014-15 statement it was 25173.

Women & Child Development

- Budget for Women and Child Development has decreased from Rs 4666.65 Cr. in the year 2014-15 (BE) to Rs. 4162.62 Cr. in 2015-16 (BE).
- Budget for Special Nutrition programme under this department which is meant for providing supplementary foods under ICDS programme has decreased from Rs. 83.80 Cr. to Rs. 70.10 Cr.

Agriculture

- The process of agriculture budget continued for the third time in *Odisha*.
- Budget outlay for agriculture and allied sectors is Rs.10,903 Cr, which is increased from Rs. 9542.22 Cr. in 2014-15. This increment is only 14.26 pc against 33 pc increment in budget allocation in 2014-15 over the previous year. The share of agricultural sector in the total budget allocation (which is Rs. 84,488 Cr.) is 12.90 pc which is not significantly different from the earlier budget. It is noted that the budgetary share of agriculture sector was 11.87% in 2013-14 and 11.9 pc in 2014-15. The budget for agriculture department

is Rs. 3124.38 Cr. which is 28.65 pc of the total budget for agricultural sector. The share of the agriculture department was 30 pc in 2013-14 (BE) and 34 pc in 2014-15.

- To increase the Seed replacement rate, a Corpus fund of Rs.100cr has been allocated for procure and pre-position the quality seeds and planting materials for the farmers sufficiently ahead of the sowing or planting season at affordable prices in their locality.
- The scheme of corpus fund for fertilizer has been continued with Rs.100 Cr. allocation in 2015-16 budget. It is noted that this scheme was started in 2014-15 with Rs.100 Cr. corpus fund for ensuring the availability of fertilizers to the farmers in time through pre-positioning of fertilizers during *Kharif* and *Rabi* season.
- A sum of Rs.150.00 Cr. was provided for 'Popularization of Agriculture Implements, Equipment and Diesel Pump-sets' in 2014-15. It is now proposed to be enhanced to Rs. 240.00 Cr. in 2015-16.
- Potato mission is created with Rs.50 Cr. allocation: The aim of the mission is to increase the production of potato from the current level of 0.2 million ton to 1.2 million ton by the year 2017-18. The Directorate of Horticulture will be the nodal agency for the mission to look after production of potato, establishment of cold storages and rational distribution. A buffer stock of potato through advance procurement will be created. A revolving corpus fund of Rs.50.00 crore will be placed with the Corporation during 2015-16.
- A sum of Rs. 90.00 Cr. is proposed for the scheme "*Biju Krushak Kalyan Yojana*" (BKKY), a health insurance scheme for the farmers in the budget estimates for 2015-16. BKKY was launched in 2013-14 to take care of a substantial part of their out-of pocket health expenditure.
- A sum of Rs.384.00 Cr. is proposed to be provided towards interest subvention for short term crop loan and term loan during the year 2015-16 in order to encourage private capital investment in agriculture for adoption of modern farming practices.
- Rs.100.00 Cr. for the year 2015-16 is proposed for providing financial assistance for storage facility of paddy. At present, RMCs (Regulated market Committees) have 631



nos. of godowns with a storage capacity of 2, 01,145 MT. Besides, 85 nos. of godowns of different categories having capacity of 62,500 MT are under construction in different RMCs. These godowns are mainly used for paddy procurement. Further, 544 godowns are being taken up under RIDF for provision of storage facilities at the PACS level.

- Rs.300 Cr. provided for the construction of concrete drying Platforms and Threshing Floors: The small and marginal farmers do not have adequate space for threshing and drying paddy. It is estimated that approximately 5000 additional numbers of threshing floors will be constructed all over the State over next three years apart from the threshing floors already constructed/ under construction.
- Rs.100.00 Cr. provided to procure the non-paddy crops like oilseeds and pulses from the farmers at Minimum support price. This will help the bonafide farmers to get a remunerative price and save them from the exploitation of middlemen.