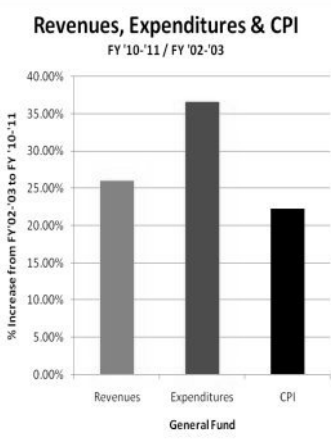
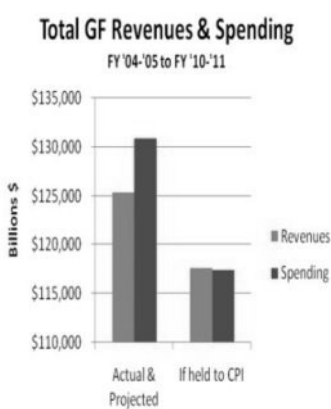


# MinnesotaBudgetSolutions.com



## Inflation and the Budget

*Minnesota is currently facing a record budget deficit.*



*Since 2003, state expenditures have risen over 36%, outpacing inflation by 38%.*

*If state government had held spending growth to the rate of inflation, Minnesota would be dealing with a nearly \$8 billion budget SURPLUS instead of a \$7 billion deficit.*

## Key Facts About Minnesota's Budget Situation

- **A \$7 billion problem** – State revenues are expected to fall short of the next biennial budget by \$6-7 billion dollars. This figure keeps adjusting higher with each new projection, so it could be even more severe when the time actually comes.
- **The \$36 billion budget isn't the whole story** - The general fund budget of \$36 billion is only part of overall state spending. The total state budget is closer to \$60 billion when including all dedicated and special funds. These special funds conceal the scope of state spending.
- **General fund spending has grown 36% since 2003.** The total (consolidated) state biennial budget has grown from about \$43 billion in 2003 to \$60 billion in the upcoming biennium - a total increase in state spending of \$17 billion (39.5%).
- **The projected deficit equals approximately 12% of the total (consolidated) budget, or 19% of the general fund budget.** Total biennial state spending is often ignored, but taking the budget as a whole reveals that the deficit's impact on various departments could be spread more broadly if not for the numerous special and dedicated hidden funds.
- **Minnesota ranks amongst the highest per-capita tax burdens in the nation** (according to Tax Foundation research data). At government's current rate of spending, the state will collect and spend and approximately \$6,000 per man, woman and child in the state (or \$24,000 per family of 4) each year.
- **Health & Human Services and K-12 Education combined make up 77% of the state's general fund budget.** These two budget items are consistently held as being untouchable, but it would be nearly impossible to correct a 19% shortfall without looking for greater efficiencies in these budget items.
- **In the face of a record-setting deficit, lawmakers continue to propose new spending.** Despite a recession that is anticipated to keep flat or reduce state-collected revenues, state spending will increase in the next biennium and legislators are continuing to propose new bills that will spend even MORE money the state simply doesn't have.

## Take Action

Visit [MinnesotaBudgetSolutions.com](http://MinnesotaBudgetSolutions.com) and register to receive updates and participate in the process of developing real, common-sense solutions to solve our state's deficit without burdening Minnesota citizens with even higher taxes and fees.