WINDOM

Special City Council Meeting
Budget Workshop
Thursday, December 10, 2009
5:30 p.m.
City Council Chambers

AGENDA

Call to Order

1. 2010 Proposed Budget

2. Adjourn

P.O. Box 38 • 444 Ninth Street • Windom, MN 56101 • Phone 507-831-6129 • FAX 507-831-6127

MEMORANDUM

CITY OF WINDOM
444 9th Street
Windom, MN 56101
Phone: 507-831-6129
Fax: 507-831-6127
www.windom-mn.com

TO: City Council
FROM: City Administrator
DATE: December 7, 2009
RE: State Budget Deficit – Round 2 of 2009 Local Government Aid Cuts

On December 2, 2009 the State of Minnesota announced that they are projecting a $1.2 billion deficit by June 30, 2010. Projections show a $5.4 billion deficit by June 30, 2011, which is the end of the current biennium. This is especially troublesome for cities as the Governor has shown his preference for cutting Local Government Aid (LGA). In fact, the Governor mentioned LGA in his press conference on December 2, 2009.

As you know, the cuts to Windom's LGA that have been passed on to us are as follows:

- 2008 LGA $110,110
- 2009 LGA $ 94,753
- 2010 LGA $218,631 (according to current law)

$423,494 Total Lost LGA

In addition to these cuts, the Governor is likely to unallot more 2009 LGA funding to cities. The **Coalition of Greater Minnesota Cities (CGMC)** is suggesting that cities be prepared for reductions of 25% from their second half 2009 LGA payment. For Windom this translates to another loss of $154,914. The CGMC cautions that this is only an educated guess and the actual amount could be more or less.

The **League of Minnesota Cities (LMC)** prediction is that the additional 2009 LGA cut will be 5 – 10% of a City's tax levy plus aid. The Governor has used this formula previously as it masks the size of the cut and shows it as a smaller percentage of municipal revenues. For Windom, our tax levy was about $1.53 million and aid was to be $1.33 million for a total of $2.86 million. A cut of 5 – 10% of levy plus aid would be $143,000 - $286,000.

Again, like in 2008, this new cut will come in the last week of the fiscal year where cities have counted on and spent these funds as part of their yearly budgets. While the amount of any new unallotment is unknown we must prepare and plan for this situation. I have asked the Department Heads to restrict expenditures in the 2009 budgets as anything we can save will lessen the hole we are in at the end of the year due to a second round of LGA cuts.

Until formal action by the State is taken there is not a known financial target. The City Council could revisit the 2010 budget again within the first two weeks of January as there will be a window of opportunity to reset the 2010 tax levy up until January 15.

As more information becomes available I will keep you updated. Thank you.

WINDOM POLICE DEPARTMENT

444 9th St., P. O. Box 38
Windom, MN 56101
(507) 831-6134
Fax: (507) 831-1957

Jeffrey A. Shirkey, Chief

December 7, 2009

Mayor Kruse
Windom City Council

We have completed our background check and have obtained an up to date psychological exam and a medical physical exam along with the FBI criminal history check, on our top candidate Cory Hillesheim. Everything shows that Cory is a top notch candidate for the job.

I have made the conditional offer to Mr. Hillesheim, and he has indicated a willingness to accept the position, pending the approval of the Windom City Council.

It is my recommendation to hire Cory Hillesheim for the position of Police Officer for the City of Windom, with a starting date of employment of December 28, 2009.

Respectfully;

Jeffrey A. Shirkey

Jeffrey A. Shirkey, Chief
Windom Police Department

State Budget Deficit

(Link to:)

League working to prevent city aid cuts

The League and other city organizations met with Department of Revenue Commissioner Ward Einess on Dec. 4 to discuss the newly announced **$1.2 billion state budget deficit** *(Link to: #deficit1)* and the status of the governor's response, which could include an additional unallotment of December LGA and MVHC payments.

We need your help

As the possibility and magnitude of city aid cuts is still unknown, the League needs your help to try to prevent or at least minimize cuts. There are a couple of ways you can get involved:

- **Respond to two survey questions ASAP** *(Link to: #help1)*
- **Attend a Senate hearing and League press conference** *(Link to: #help2)*

What we know about potential unallotment

Commissioner Einess said he would be meeting over the weekend with other commissioners and the governor to decide on whether cuts would be made and possibly develop details on what programs would be impacted. He confirmed that the Department is developing scenarios that include cuts to city and county distributions, although he did not provide any idea of the potential magnitude of a cut.

The city organizations at the meeting were the League, the Minnesota Association of Small Cities, Metro Cities, the Coalition of Greater Minnesota Cities, the Municipal Legislative Commission, the North Metro Mayors Association, and the cities of Minneapolis and St. Paul. We all stressed that city LGA and MVHC appropriations have been disproportionately reduced in recent budget-balancing actions and that an additional cut this December would be unacceptable and potentially catastrophic for cities across the state. We raised concerns about already depleted city reserves, layoffs, service cuts, and the need in some communities to use short-term borrowing to meet their budgetary commitments. We also stressed that cities have repeatedly taken cuts after budgets and levies have been set.

If additional cuts in the December distributions of LGA and MVHC are announced, Commissioner Einess pointed out that all cities would have the opportunity under a 2009 law to recertify their property taxes by mid-January to replace any loss of December aid or credit payments. However, many city officials have indicated to the League that additional property tax increases at this time would be difficult, if not impossible, given the status of the economy.

Even if a city could recertify its levy for an additional December aid/credit loss, the revenues from that levy increase would not be available to the city until the first one-half is distributed in June/July of 2010, and the balance is distributed in late 2010. Losing the aid this December but not receiving the increased property taxes for six months to a year would create cash flow problems for cities.

Compounding the problem is the fact that the December distribution of city and county aids and credits only totals $430 million, which is dwarfed by the projected $1.2 billion deficit. Although Commissioner Einess did not suggest a possible amount of a December unallotment, even if the entire December distributions were cut, the deficit would only be reduced by roughly one-third, leaving city aid and credit distributions in July and December 2010 vulnerable to an additional cut above the current $128 million that was unalloted last July.

Einess said if the governor decides to exercise unallotment, details may begin to be released as early as next week. He said he would carry our concerns back to the governor and other commissioners as they meet over the weekend.

(Link to:) **Senate hearing and League press conference**

On Thursday, Dec. 10, the Senate Tax Committee will hold a hearing from 2 p.m. to 4 p.m. in Room 15 of the State Capitol on the impact of potential unallotments. The League will be coordinating testimony of city officials to provide senators with information about the impacts of additional unallotment reductions.

In conjunction, the League is planning a press conference at 12:30 p.m. that same day to protest the potential additional unallotment of December city aids and credits. Details will be finalized and e-mailed to members on Monday, Dec. 7. All member cities are encouraged to send representatives to the press conference and the hearing as a show of support.

Return to top of page *(Link to: #toppage)*

(Link to:) **Brief survey**

We are working to get as much information as possible about the potential impacts on city services to the administration.

We need your assessment of what a cut similar in magnitude to the December 2008 reduction would mean to your city budget (if you are a small city that has been exempt from unallotment thus far, think about a decrease equal to 5-10 percent of your city's revenue base [levy plus aid]):

1. Would your city consider recertifying the levy to recover some or all of the additional cut?

2. If not, what would be the impacts on city services?

Please send your responses to Lena Gould at **lgould@lmc.org** *(Link to: mailto:lgould@lmc.org)* as soon as possible.

Return to top of page *(Link to: #toppage)*

(Link to:)

State Economic Forecast brings more bad budget news

Additional unallotment of city aids may be next

On Dec. 2, State Economist Tom Stinson and Commissioner Tom Hanson of Minnesota Management and Budget (MMB) announced that the state is facing another massive deficit of $1.2 billion for the balance of the current 2010-2011 biennium. The MMB **November Economic Forecast** *(Link to: http://www.mmb.state.mn.us/fin/fu)* also projects a $5.4 billion deficit for the 2012-2013 biennium.

Most of the current projected deficit—$1.156 billion—is the result of weakened tax collections, mainly income taxes. In fact, 72 percent, or $827 million, of the projected revenue reduction is due to lower estimated collections of income taxes.

State expenditures are actually projected to be $44 million lower than the end-of-session estimates. The balance, or $91 million, is due to reduced revenues realized at the end of the 2008-2009 biennium.

While we don't yet know for sure the impact this deficit will have on cities, more unallotment of state aid to cities is a distinct possibility. More than $400 million in city and county aid payments are scheduled for late December. Government officials said there are active discussions about whether to unallot a portion of those payments. Furthermore, Gov. Pawlenty even suggested that the larger 2012-2013 deficit would be manageable if the Legislature makes his 2010-2011 unallotments permanent.

The League and other city organizations will be meeting with Department of Revenue Commissioner Ward Einess to discuss the deficit and the direction the administration might be headed on unallotment. We will provide updates over the coming days.

The League has developed two documents to help cities manage these difficult and uncertain budget times:

- **View Critical Issues for City Budgets (pdf)** *(Link to: http://www.lmc.org/media/document/1/budget_issues.pdf)*
- **View City Budget Actions Amidst Recession and Unallotment (pdf)** *(Link to: http://www.lmc.org/media/document/1/citybudgetactions.pdf)*

For more information about the November Forecast and its potential impact on cities, see the current issue of ***Cities Bulletin*** *(Link to: http://www.lmc.org/page/1/cities-bulletin-iframe.jsp)*

Return to top of page *(Link to: #toppage)*

Governor cuts nearly $193 million in state aid to cities

Gov. Pawlenty in June cut $64.2 million in local government aid (LGA) and market value homestead credit (MVHC) reimbursement for cities in 2009, and $128.3 million in 2010. The cuts were part of his plan to erase the $2.7 billion state budget deficit. The 2009 cut will be computed as 3.31 percent of each city's levy plus aid. For 2010, the percentage reduction will be increased to 7.64 percent. Cities with populations under 1,000 that also have below average property tax bases will be exempt from cuts in 2009 and 2010.

- **View a spreadsheet from the Department of Revenue showing a city-by-city list of the cuts (pdf)** *(Link to: http://www.lmc.org/media/document/1/cityunallot2009_2010.pdf)*
- **View 2009/2010 LGA and MVHC Unallotment FAQ (pdf)** *(Link to: http://www.lmc.org/media/document/1/unallotment_faq.pdf)* (*updated in late July*)

For the latest news on legislative issues, see the current issue of *Cities Bulletin* *(Link to: http://www.lmc.org/page/1/cities-bulletin-iframe.jsp)* .

Your LMC Resource

Contact Gary Carlson
IGR Director
(651) 281-1255 or (800) 925-1122
gcarlson@lmc.org *(Link to: mailto:gcarlson@lmc.org)*

Contact Rachel Walker
Policy Analysis Manager
(651) 281-1236 or (800) 925-1122
rwalker@lmc.org *(Link to: mailto:rwalker@lmc.org)*

Help in the Fight Against Unallotment

Attend League press conference and Senate hearing on Dec. 10

- The League will hold a press conference at 12:30 p.m. on Dec. 10 to protest unallotment of city aids.
- The Senate Tax Committee will hold a hearing at 2 p.m. on Dec. 10 in Room 15, State Capitol about impact of unallotments.

Take our two-question survey

If there are LGA/MVHC unallotments:

- Would your city consider recertifying the levy to recover some or all of the additional cut?
- If not, what would be the impacts on city services?

Please send your answer to Lena Gould at **lgould@lmc.org** *(Link to: mailto:lgould@lmc.org)* .

Thank you!

Certified 2010 LGA

The certified the city aid amounts for 2010 are available on the Dept. of Revenue (DOR) website (note that the certified amounts do not reflect the unallotment announced by the governor in June).

- **Get the city-by-city list of LGA distributions on the DOR web site** *(Link to: http://www.taxes.state.mn.us/taxes/property_tax_administrators/other_supporting_content/city_county_aid_cert_2010_main.shtml)*

MINNESOTA
Management
& Budget

November Forecast

November 2009

HIGHLIGHTS

Weaker than Projected Economy Leaves $1.203 Billion Budget Deficit

General fund revenues are now forecast to fall $1.156 billion (3.7 percent) below earlier estimates for the 2010-11 biennium. After adjusting for actions taken by the Governor following the legislative session, general fund expenditures are $44 million lower. When combined with a $91 million reduction in the ending balance from FY 2008-09, a budget deficit of $1.203 billion is now projected for FY 2010-11. About 70 percent of the projected deficit is due to a reduction in expected income tax receipts.

Forecast for U.S. GDP on Track, But Labor Markets Weaker than Projected

Real GDP growth turned positive in the third quarter of 2009 and most forecasters believe that signaled the end of the Great Recession. But, that good economic news has yet to be reflected in labor markets.

The unemployment rate, already above the highs projected early in 2009, is expected to trend even higher over the next six months. Payroll employment reports already show greater job losses than were anticipated last February, and most forecasters believe job losses will edge still higher since employers are not expected to start adding new jobs until spring. The additional labor market slack has produced much weaker than expected wage growth. In February, U.S. wages were expected to fall by 0.4 percent in 2009. Global Insight's November baseline projects a decline of 4.5 percent. Non-farm proprietor's income, a measure of small business income, is now expected to show a similar percentage decline.

Structural Shortfall for 2012-13 grows to $5.4 billion

Planning estimates continue to show a significant budget gap in FY 2012-13. Based on updated economic assumptions and current law spending assumptions, on-going expenditures will exceed on-going revenues by an additional $995 million, leaving a total shortfall of $5.426 billion without adjustment for inflation.

400 CENTENNIAL BUILDING ♦ 658 CEDAR STREET ♦ ST. PAUL, MINNESOTA 55155 ♦ (651) 201-8000

BUDGET UPDATE AND OUTLOOK

$1.2 Billion Deficit Projected for the 2010-11 Biennium

Extended weakness in the U.S. economy has caused a further reduction in Minnesota's budget outlook. An economic recovery is taking place, but the recession's impact on employment and wages was worse than anticipated. Current forecasts do not expect U.S. employment to return to pre-recession highs until early 2013. Total U.S. wages are now expected to remain below previous highs until mid 2011, over one year later than anticipated in February. The result is a lower ending balance for FY 2009 and additional annual shortfalls throughout the forecast horizon.

Revenues for the 2010-11 biennium are now expected to total $29.986 billion, down $1.156 billion (3.7 percent) from end-of-session estimates that include the Governor's unallotment and executive actions. This change in expected revenues, when combined with a small, $44 million decrease in projected general fund expenditures and a $91 million reduction in the balance from the 2008-09 biennium, produces a $1.203 billion budget deficit for the current biennium.

FY 2010-11 Budget
($ in millions)

	End of Session	November Forecast	Change
Balance from FY 2009	**$538**	**$447**	**($91)**
Revenues	31,142	29,986	(1,156)
Expenditures	31,330	31,286	(44)
Budget Reserve	0	0	0
Cash Flow Account	350	350	0
Balance	**$0**	**($1,203)**	**($1,203)**

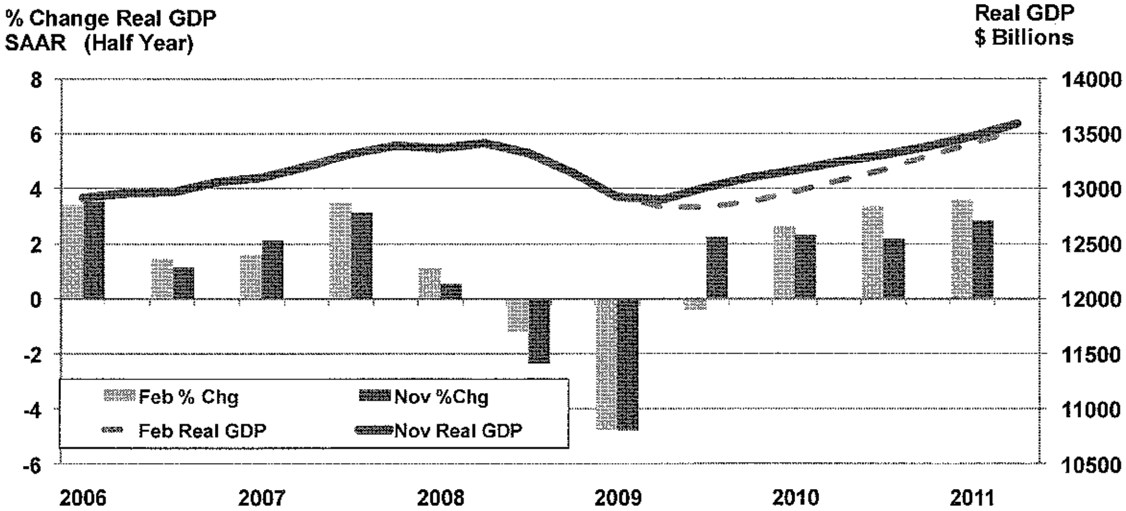
The end-of-session estimates include both the 2009 legislatively enacted budget and the impact of the Governor's unallotment and executive actions. Minnesota continues to have a cash flow account of $350 million. The state's budget reserve is zero.

The Great Recession Is History, Here Comes the "Not So Great" Recovery

The worst recession in more than 60 years has ended. But, those expecting a quick leap to a golden age of growth will be disappointed. Most forecasters believe the longest and deepest recession since World War II will be followed by one of the slowest recoveries on record.

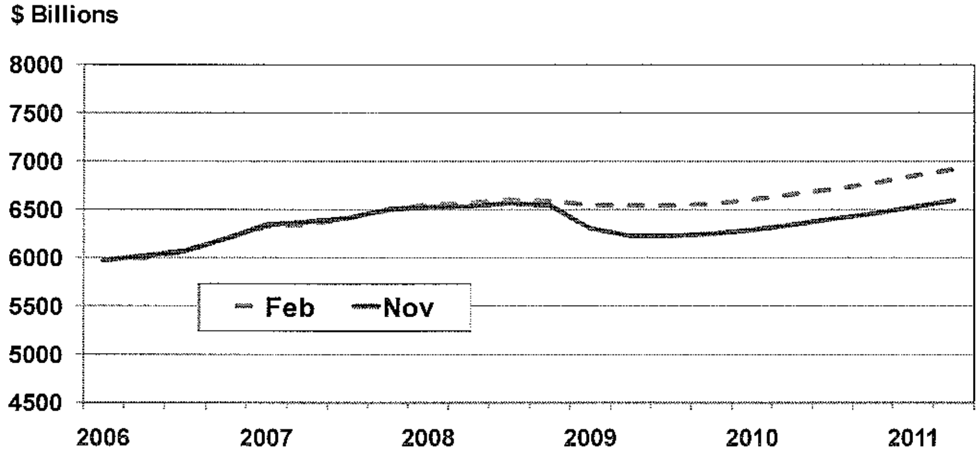
Given the extreme uncertainty at the time early 2009 forecasts first were made most have provided reasonable guides to the path GDP has taken through some very difficult economic times. The consensus believed we would see the recession deepen in early 2009, followed by a modest recovery in late summer, and that pattern has (thus far) been correct. While February's baseline forecast from IHS-Global Insight, the state's macroeconomic consultant was slightly more pessimistic than most at that time, its projection of a 2.7 percent decline in real GDP in 2009 is extremely close to the 2.5 percent decline that most observers now expect for this year. Global Insight currently projects real GDP growth of 2.2 percent in 2010 and 2.9 in 2011. February's baseline forecast was very similar with expected 2010 and 2011 growth rates of 2.0 percent and 3.1 percent respectively.

Little Change in Global Insight's Forecast for Real GDP



Unfortunately, forecasts of employment and income have been much less successful. The U.S. unemployment rate is already well above the high predicted in February, and job losses currently exceed February's projected peak by more than 20 percent. And, February's expectations for the change in total U.S. wages, a decline of slightly less than 1 percent over three quarters, looks quite cheery compared to what has happened to date. Global Insight now expects five quarters of wage declines on a year over year basis, weakness well beyond anything observed in the post World War II period. In the November baseline U.S. wages do not exceed their previous highs until mid 2011. The labor market lethargy is worrisome since in the absence of a significant pick-up in incomes it will be difficult for the economy to generate the additional spending needed for a sustained recovery. Weak wage growth also has a direct impact on state tax receipts since wages are the largest source of state income tax revenue.

The Decline in U.S. Wages Has Been Much Greater than Forecast in February

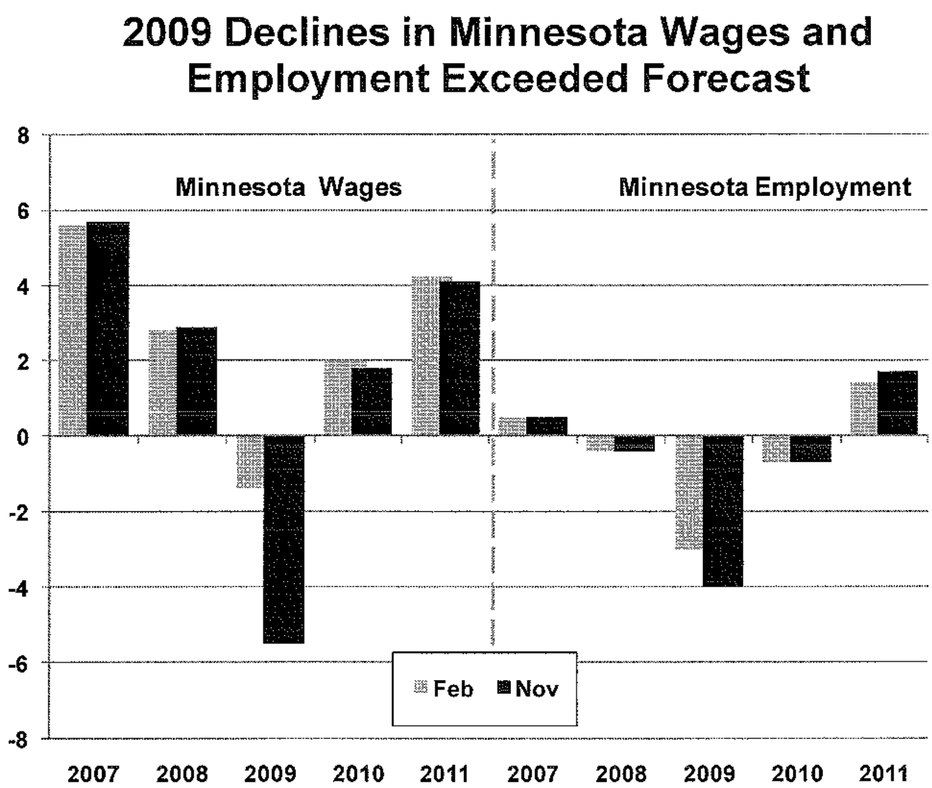


Historically, jobs have not recovered as quickly as GDP and economists have factored that into their forecasts. Payroll employment, down more than 7.3 million from its December 2007 peak is not expected to reach its pre-recession high until 2013 and the U.S. unemployment rate, currently 10.2 percent, is expected to move even higher in the next six months. But, even once the unemployment rate begins to decline, progress will be slow. By 2013 unemployment still is expected to exceed 8 percent. That extended weakness in labor markets is mirrored in household incomes. Total wages received by U.S. workers currently are 5 percent below their summer 2008 high and they are not expected to regain that earlier level again until mid 2011. Proprietors' income are down 4.5 percent in 2009 to the lowest level since 2004. They are projected to remain below 2008 levels until 2011.

Global Insight assigns a probability of 60 percent to their baseline forecast and probabilities of 20 percent each to a more optimistic forecast in which the recovery in GDP follows a V shape and a forecast containing an extended recession. However, even in the more optimistic forecast, it takes until mid 2011 for the unemployment rate to drop below 8 percent and until early 2012 for employment to reach pre-recession levels.

The Great Recession Hit Minnesota Employment and Wages Hard

Minnesota's October unemployment rate was well below the national average, but that does not mean the state's economy has avoided the worst of this recession. Through October, payroll employment in the state has fallen by 131,000 jobs from its previous high and further declines are expected until early spring. Non-farm employment in Minnesota is on track to fall by 4 percent in 2009, the worst single year performance in this state in the post World War II era. The projected decline is a full 1 percentage point more than was forecast in February. Employment in Minnesota is now expected to fall by more than 150,000 jobs between the first quarter of 2008 and the first quarter of 2010, 30,000 more than projected last February. If this forecast holds true, more than a decade of job creation will be lost. The combination of substantial current and expected job losses and what is expected to be a slow recovery, leaves Minnesota employment below its pre-recession level through 2013.



Minnesota's job losses have been accompanied by record declines in total wages paid to state residents. Minnesota wages and salaries had not declined on an annual basis since state wage data was first reported in 1970. Through mid November 2009 wages are on pace to decline by 5.5 percent. In February wages were projected to decline by 1.4 percent. While total wages paid in the state are expected to resume growing in 2010 and continue to grow in 2011, total Minnesota wages and salaries do not reach their previous highs until after the close of the current biennium.

Projected Revenues for 2010-11 Biennium Fall by $1.156 Billion

General fund revenues are now forecast to total $29.986 billion during the 2010-11 biennium, $1.156 billion (3.7 percent) less than expected after the legislative session and executive actions. An $827 million reduction in expected individual tax receipts accounted for nearly three-quarters of the forecast decline. Almost all of the reduction in income taxes was due to reductions in the forecasts for wages and proprietors income. Projected portfolio income changed little in aggregate as reductions to forecasts of some types of income were offset by increases in others.

Forecast Revenue FY 2010-11
($ in millions)

	End-of-Session	November Forecast	$ Change	% Change
Individual Income	$14,927	$14,099	($827)	(5.5)
Sales	8,548	8,516	(32)	(0.4)
Corporate	1,219	1,273	54	4.4
Motor Vehicle Sales	92	99	7	7.7
Statewide-Levy	1,552	1,525	(27)	(1.7)
Subtotal	26,337	25,512	(825)	(3.1)
Other Taxes	2,409	2,250	(159)	(6.6)
Non-Tax Revenues	1,572	1,530	(42)	(2.7)
Dedicated/Transfers	824	694	(130)	(15.8)
Total Revenues	**$31,142**	**$29,986**	**($1,156)**	**(3.7)**

Changes in the forecast for the other major tax types were small and offsetting. The forecasts for corporate taxes and the motor vehicle sales tax were increased by $54 million and $7 million, respectively. The forecast for sales tax receipts and the state wide property tax levy were reduced by $32 million and $27 million. Other tax and non tax revenues including dedicated revenues and transfers fell by a total of $331 million. Some of that revenue decline, however, is due to changes in the accounting treatment of particular revenue items and thus overstates losses in other revenues. For example, a portion of previously projected income tax reciprocity revenue is now included as part of withholding tax collections in the individual income tax.

Final receipts for FY 2009 also were below forecast. General fund revenues closed the last fiscal year $147 million below earlier projections. Individual income tax receipts were $220 million below February's forecast. Final payments and refunds for tax year 2008 returns were very close to forecast. Almost the entire income tax variance came from lower than projected withholding receipts and estimated payments.

Forecast Spending Slightly Lower

General fund spending for the current biennium is forecast to be $31.286 billion, down $44 million (0.1 percent) from end-of-session estimates.

The largest increase, $109 million, occurs in health and human services. A general fund transfer to the health care access fund in FY 2011 is now forecast to meet MinnesotaCare expenditures that exceed available resources in that fund. Additional MinnesotaCare spending is forecast due to the transition of General Assistance Medical Care (GAMC) enrollees into the program as well as underlying growth in enrollment and managed care rates. Higher than anticipated property tax refunds account for the $36 million change in the property tax aids and credits area.

Offsetting these increases are a $123 million reduction in debt service costs and a $52 million reduction in all other spending. Debt service costs are now lower because of the refinancing of outstanding bonds in 2009, which reduced debt service costs, and lower interest rates assumed for future bond sales. All other spending is down because of an accounting change that transfers dedicated revenues and expenditures from the general fund to other funds, primarily the special revenue fund.

Forecast Spending, FY 2010-11

($ in millions)

	End of Session	November Forecast	$ Change	% Change
K-12 Education	$13,393	$13,337	($56)	(0.4)
K-12 Payment Deferrals	(1,760)	(1,717)	43	
Property Tax Aids & Credits	3,063	3,098	36	1.1
Health & Human Services	9,057	9,166	109	1.2
Debt Service	1,078	955	(123)	(11.4)
All Other	6,499	6,447	(52)	(0.8)
Total Spending	**$31,330**	**$31,286**	**($44)**	**(0.1)**

FY 2012-13 Planning Outlook Worsens

The deterioration in the longer term revenue forecast now results in a $5.426 billion shortfall projected for the next biennium. This compares with a $4.431 billion gap projected at the end of session. Planning estimates for FY 2012-13 now show general fund revenues of $33.218 billion and projected spending of $38.644 billion. The gap between ongoing revenues and spending has increased by $995 million from end-of-session estimates.

FY 2012-13 Planning Estimates
($ in millions)

	FY 2012	FY 2013	FY 2012-13
Resources	$16,023	$17,195	$33,218
Spending	19,680	18,964	38,644
Difference	($3,657)	($1,769)	($5,426)
Inflation	*$413*	*$766*	*$1,179*

Planning estimates assume:
- *Complete repayment of the K-12 aid deferral. Delaying repayment would save $1.167 billion.*
- *No repayment of the K-12 property tax recognition shift. Repayment would cost $562 million.*
- *No continued GAMC spending. Restoring the program would cost $928 million.*

Expenditure projections do not include any adjustment for projected inflation. Inflation, based on the Consumer Price Index (CPI), is expected to be 2.1 percent in FY 2012 and 1.9 percent in FY 2013. At these levels, the cost of inflation would be $1.179 billion in the next biennium.

The treatment of the Governor's unallotments and executive actions is significant. The planning estimates include complete repayment of K-12 school aids deferred in FY 2010-11 ($1.167 billion) and no repayment of the K-12 property tax recognition shift ($562 million). The projections do not include reinstatement of funding for the General Assistance Medical Care (GAMC) program that was line-item vetoed in FY 2011. If the forecast assumed continuation of the program at current levels, an additional $928 million would be required in the 2012-13 biennium.

The planning estimates make no assumptions about any actions that might be taken in the 2010 legislative session to solve the FY 2010-11 deficit or to reduce the structural shortfall expected for the 2012-13 biennium. The planning estimates are simply a benchmark to determine if ongoing spending will exceed revenues in succeeding budget periods. Economic changes as well as the nature and timing of budget actions will materially affect both revenue and expenditure projections.

A complete version of this forecast can be found at the Minnesota Management & Budget's World Wide Web site at -- www.mmb.state.mn.us. This document is available in alternate format.

FY 2010-11 Biennium Forecast Comparison

November 2009 vs End-of-Session and Executive Actions

($ in thousands)

	7-09 Exec Action FY 2010-11	11-09 Fcst FY 2010-11	$ Difference	% Change
Actual & Estimated Resources				
Balance Forward From Prior Year	537,920	446,921	(90,999)	-16.9%
Current Resources:				
(C) Tax Revenues	28,745,916	27,762,644	(983,272)	-3.4%
(C) Non-Tax Revenues	1,572,091	1,529,837	(42,254)	-2.7%
Subtotal - Non-Dedicated Revenue	30,318,007	29,292,481	(1,025,526)	-3.4%
(D) Dedicated Revenue	170,690	67,096	(103,594)	-60.7%
(E) Transfers From Other Funds	603,629	560,052	(43,577)	-7.2%
(B) Prior Year Adjustments	50,000	66,837	16,837	33.7%
Subtotal - Other Revenue	824,319	693,985	(130,334)	-15.8%
Subtotal Current Resources	31,142,326	29,986,466	(1,155,860)	-3.7%
Total Resources Available	**31,680,246**	**30,433,387**	**(1,246,859)**	-3.9%
Actual & Estimated Expenditures				
(G) K-12 Education	13,393,157	13,337,420	(55,737)	-0.4%
K-12 Ptx Rec Shift/Aid Payment Shift	(1,759,619)	(1,717,382)	42,237	-2.4%
Subtotal - K-12 Education	11,633,538	11,620,038	(13,500)	-0.1%
(H) Higher Education	2,856,155	2,858,555	2,400	0.1%
(R) Property Tax Aids & Credits	3,062,203	3,098,226	36,023	1.2%
(I) Health & Human Services	9,056,556	9,165,634	109,078	1.2%
(M) Public Safety	1,813,941	1,819,185	5,244	0.3%
(L) Transportation	190,801	192,375	1,574	0.8%
(J) Environment, Energy & Natural Resources	356,444	363,585	7,141	2.0%
(S) Agriculture & Veterans	249,638	252,879	3,241	1.3%
(K) Economic Development	265,182	272,404	7,222	2.7%
(N) State Government	623,461	639,160	15,699	2.5%
(O) Debt Service	1,077,540	954,522	(123,018)	-11.4%
(T) Capital Projects	29,800	29,800	0	0.0%
(X) Cancellation Adjustment	(21,000)	(21,000)	0	0.0%
Subtotal by Appropriation Bill	31,194,259	31,245,363	51,104	0.2%
(D) Dedicated Revenue Expenditures	135,987	40,692	(95,295)	-70.1%
Total Expenditures & Transfers	**31,330,246**	**31,286,055**	**(44,191)**	-0.1%
Balance Before Reserves	**350,000**	**(852,668)**	**(1,202,668)**	
(Y) Cash Flow Account	350,000	350,000	0	
Budgetary Balance	**0**	**(1,202,668)**	**(1,202,668)**	