

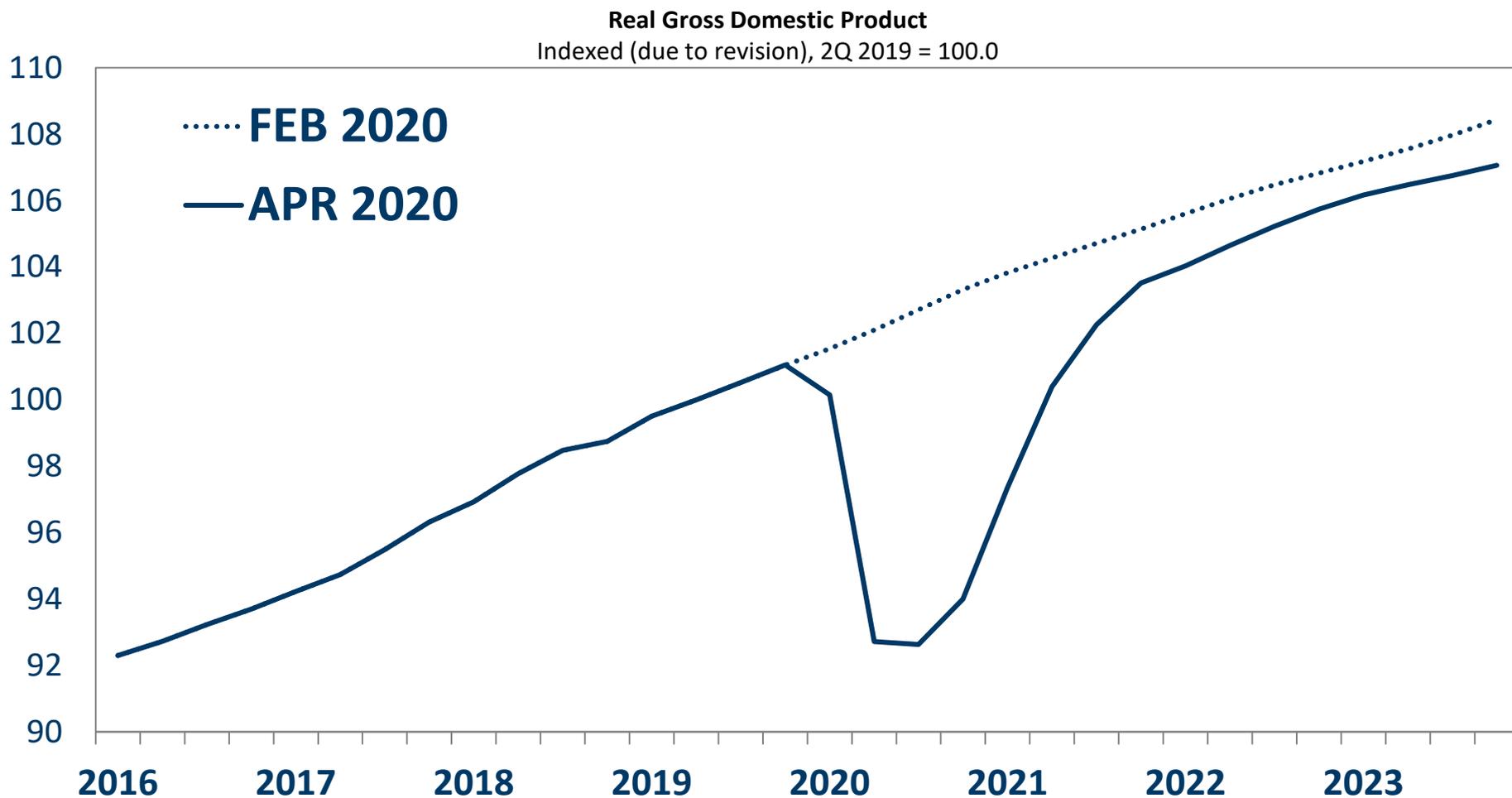
# Interim Budget Projection



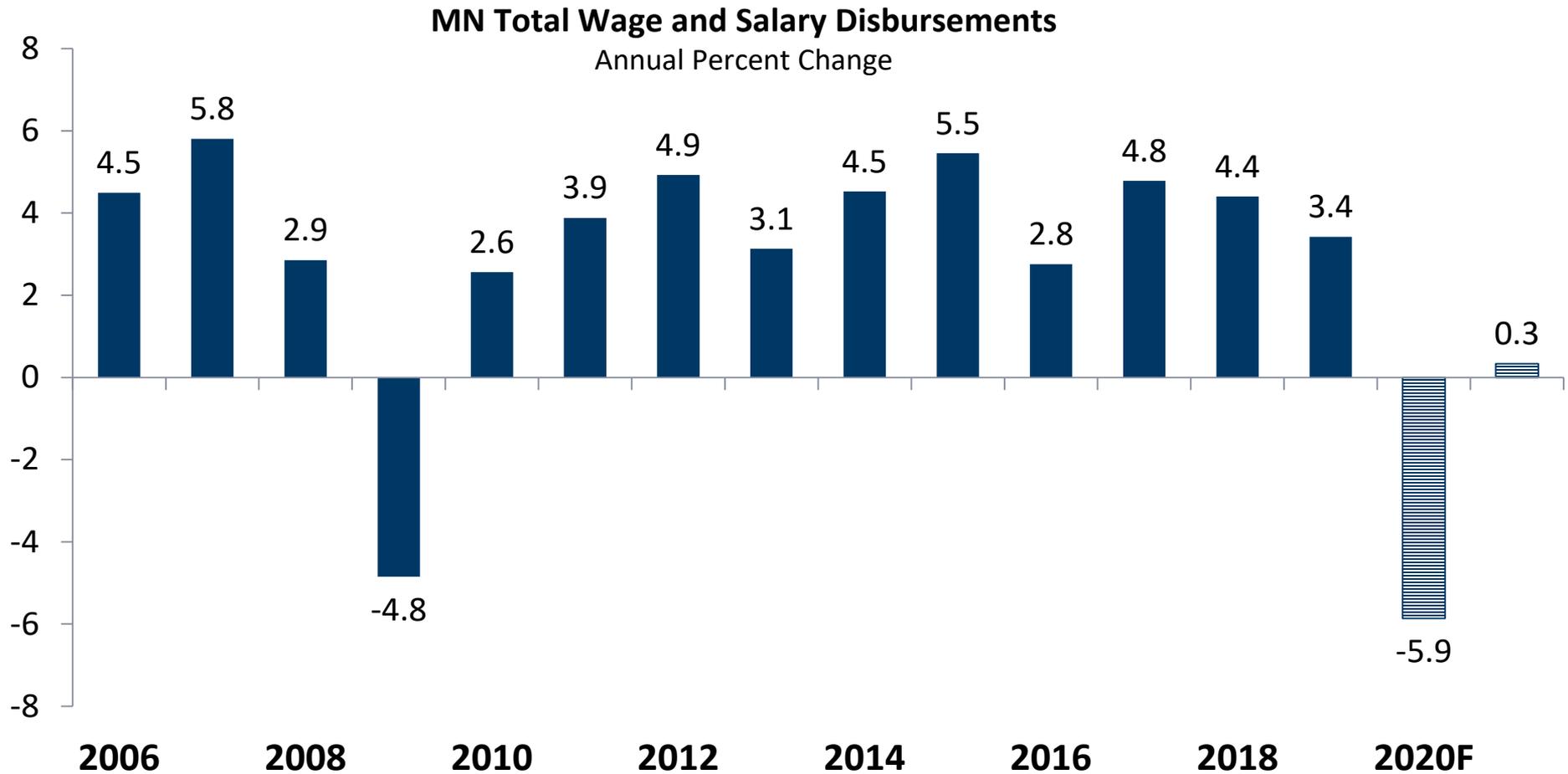
# Economic conditions dramatically weakened, outlook remains volatile

- Extraordinary situation requires this update
- Inform policymakers as they make decisions about use of resources
- Projection limited to current biennium
- Major revenues and select expenditures have been updated
- **\$2.426 billion projected deficit** (before use of budget reserve)

# U.S. Economic Outlook



# MN Total Wage Income Expected to Fall



Source: BEA and Minnesota Management and Budget

# Projected Revenues \$3.6 Billion Lower

(\$ in millions)	May Projection	Change
Individual Income Tax	\$24,328	\$(1,659)
General Sales Tax	10,693	(1,351)
Corporate Franchise Tax	2,709	(405)
All Other Revenue	7,411	(196)
<b>Total Revenue</b>	<b>\$45,141</b>	<b>\$(3,611)</b>

# Budget Projection Unknowns

- Path of pandemic
- Consumer and business confidence
- Business survival
- Financial market volatility
- Impact of fiscal and monetary policy
- Federal support
- Revenue delays
- 14 months until end of FY 2020-21

# Estimated Spending Up \$391 Million

(\$ in millions)	May Projection	Enacted Legislation	Projection Change
E-12 Education	\$19,999	\$ -	\$ -
Property Tax Aids & Credits	3,883	11	-
Health & Human Services	14,815	292	(160)
Debt Service	1,130	-	-
Other	8,937	248	-
<b>Total Spending</b>	<b>\$48,763</b>	<b>\$550</b>	<b>\$(160)</b>

# Deficit Projected for Current Biennium

**Budgetary Balance-February:** **\$1.513 billion**

- Projected Revenue:  \$3.611 Billion
- Estimated Spending:  \$391 Million
- Projected Reserve:  \$63 Million\*

---

**Updated Budgetary Deficit:** **(\$2.426 Billion)**

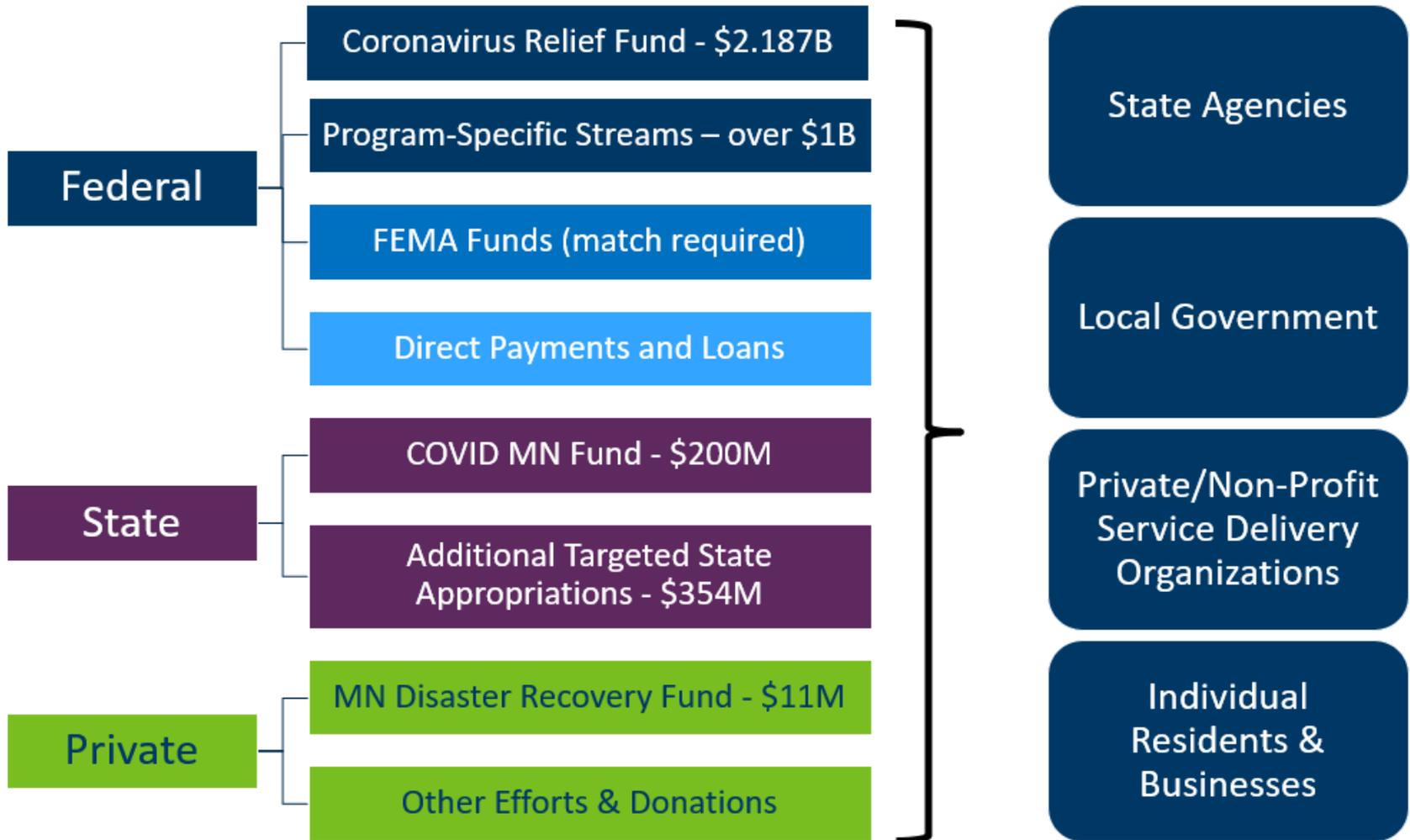
\*Changes to Stadium Reserve

# Budget Reserve Available to Mitigate Impact



**\$2.359 Billion**

# Funding Resources to Combat COVID-19



# Interim Budget Projection

