

Budget for a Better Minnesota

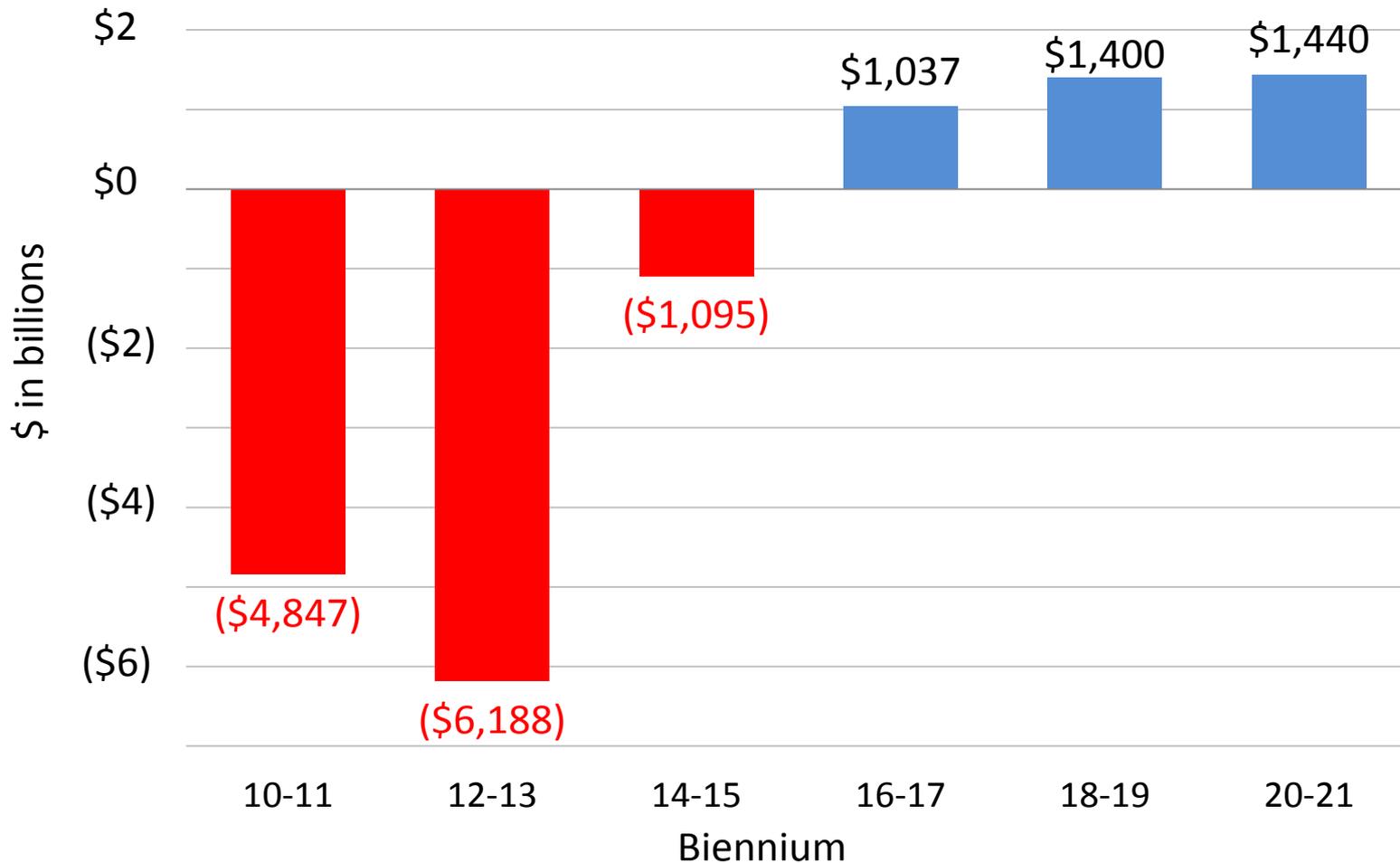
Governor Mark Dayton's FY 2018-19 Budget Recommendations

January 24, 2017



Restored Balanced Budgets

Projected General Fund Balances – November Forecast Comparisons





State Finances Continue to Improve

- \$1.4 billion projected budget balance for FY2018-19
- Another \$1.44 billion projected balance for FY2020-21
- 7 forecasts in a row with positive budget balances
- AAA rating restored in 2016
- Budget reserves at all time high



Governor Dayton's FY 2018-19 General Fund Budget

General Fund (\$ in millions)	November Forecast	Governor's Changes	Governor's Budget
Beginning Balance	\$2,982	\$(330)	\$2,653
Revenues	45,321	(55)	45,266
<i>HCAF expenditures</i>		(716)	
<i>Governor's proposal</i>		1,965	
Expenditures	44,585	1,249	45,834
Reserves	<u>2,318</u>	<u>(312)</u>	<u>2,006</u>
Budget Balance	\$1,400	\$(1,321)	\$79



Health Care Access Fund

Health Care Access Fund (\$ in millions)	November Forecast <u>FY 2018-19</u>	Governor's Changes <u>FY 2018-19</u>	Governor's Changes <u>FY 2020-21</u>	Governor's Budget <u>FY 2020-21</u>
Beginning Balance	\$705			\$649
Revenues	\$1,646	\$0	\$999	\$1,814
Expenditures	<u>\$969</u>	\$733	\$1,154	<u>\$2,140</u>
Budget Balance	\$1,382			\$323

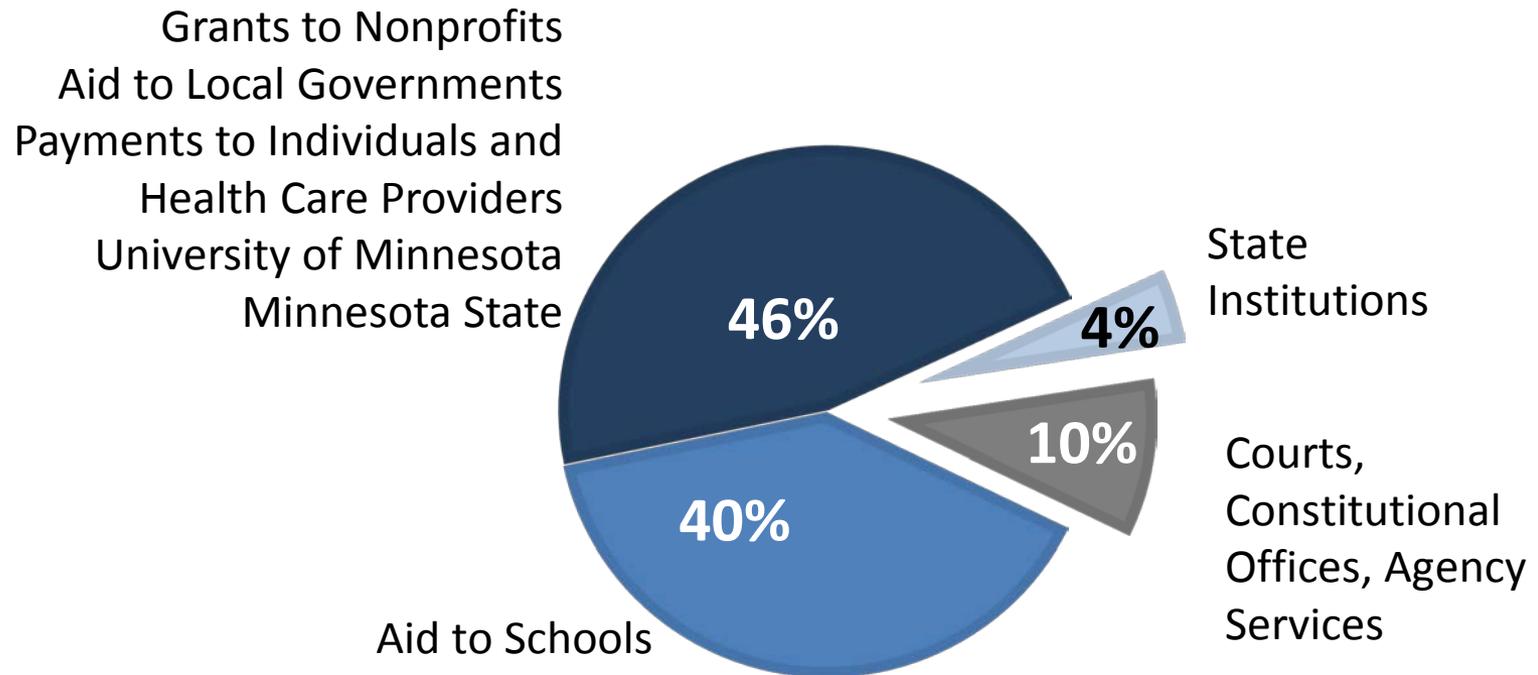


Budget Pressures

- Population growth and demographic changes
- Inflation pressures
- Increased health care costs
- Growing education and training needs
- Tight labor market



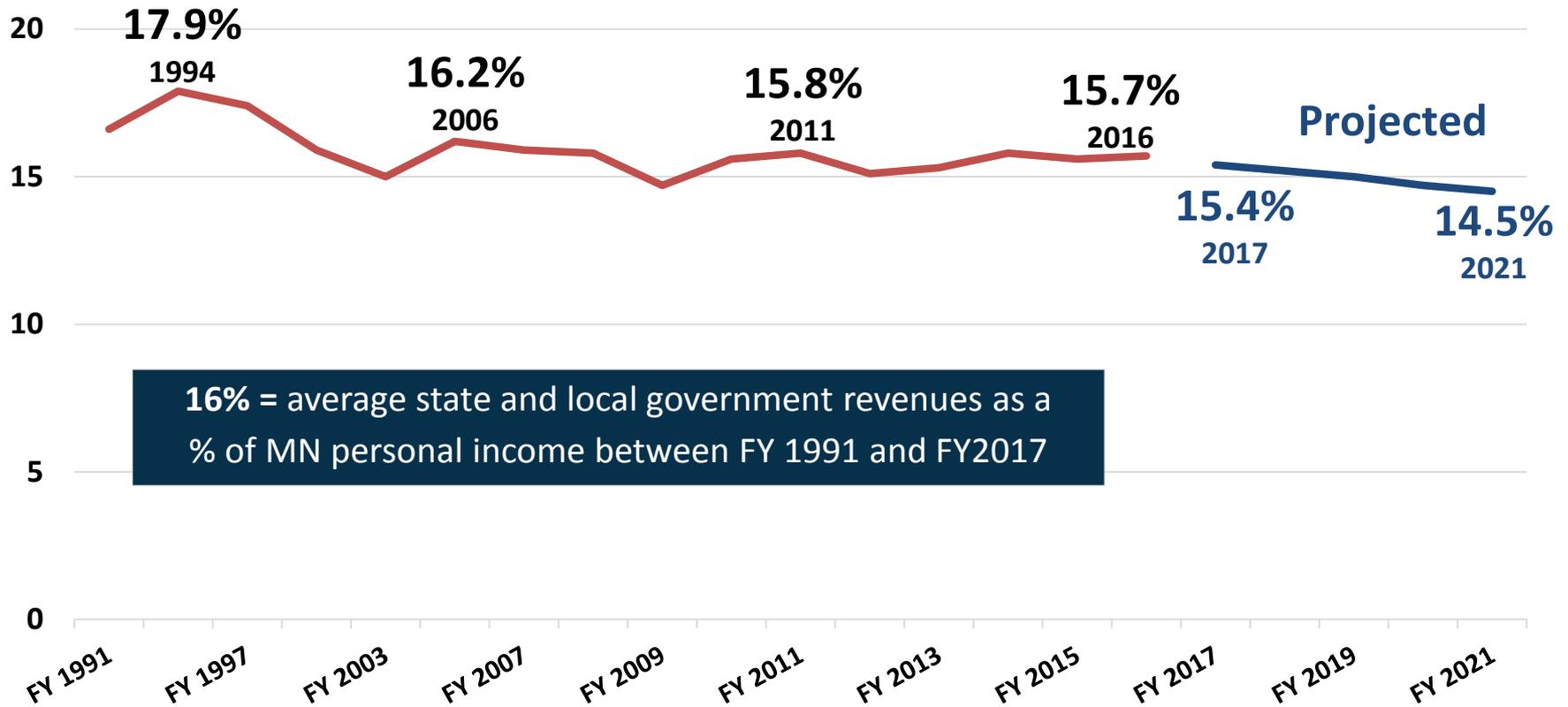
90% of GF and HCAF Spending Supports Payments to Schools, Local Governments, Individuals

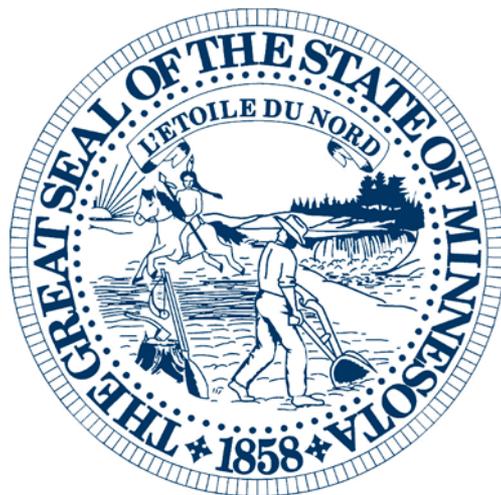




Price of Government Continues to Decline

State and Local Revenues as % of MN Personal Income





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