



The Nuts and Bolts of Minnesota's Budget —and Key Questions for Legislative and Gubernatorial Candidates

Minnesota faces a significant budget shortfall, due to the economic downturn and past policy choices. In order to ensure that leaders protect crucial services and invest in the future, it is important to have the facts and to ask candidates how they will confront these challenges.

Minnesota's budget invests in key areas crucial to Minnesota's future.

Five categories account for nearly 92 percent of Minnesota's two-year general budget of \$31 billion: K-12 education (37 percent); health and human services, primarily health care (30 percent); aid to local governments and property tax credits (10 percent); higher education (9 percent); and public safety (6 percent).

Minnesota faces a serious budget shortfall in the future.

The current economic downturn and past policy choices have created a serious budget shortfall for 2011. State revenues are down at the same time more residents have experienced job loss and are struggling to make ends meet. The next governor and legislature face difficult choices in 2011. In the next biennium (FY 2012-13) we will need to address a \$5.8 billion budget shortfall, not counting inflation, which amounts to 15 percent of the state's budget and is among the largest shortfalls in our state's history.

Funding reductions over the last decade have endangered our investments in the future.

The state has dealt with its shortfalls with significant funding cuts throughout the 2000s, endangering our state's future as a result. Our K-12 investment has dropped compared to other states, and so has our educational ranking. State aid to cities and counties has declined, putting pressure on local property taxes and basic services. Minnesota has reduced support for child care assistance despite evidence that high quality child care is crucial to preparing children for success. Minnesotans with disabilities now receive less assistance to live independently, resulting in serious health consequences and costing the state more in the long-term as people are unable to remain in their homes and communities. Minnesota state colleges and universities have had funding levels drop drastically and the University of Minnesota's in-state tuition is now over \$10,000 per year. According to Minnesota State Economist Tom Stinson, "All the easy things to cut have been cut. In fact, not only have the easy things been cut, some of the hard things to cut have been cut." These funding reductions have significantly shrunk state government and raise real questions about whether we are investing in our future.

It is important that we find out how Minnesota's candidates for public office would address these issues.

Here are some sample questions to ask candidates:

- We face a \$5.8 billion shortfall in the next budget cycle. How would you propose that we balance the budget in a way that preserves key services and invests in the future? Please be specific about your plan to balance the budget. Tell me which revenues you would raise and which cuts you would make and how both would impact Minnesota's future.
- According to the Minnesota Department of Revenue, low- and middle-income households pay a higher share of their incomes in taxes than households making more than \$450,000. What approaches would you consider to make the tax system more equitable?

Invest in Minnesota is a coalition of faith, labor and nonprofits organizations united to invest in Minnesota's future. For more information, visit the Invest in Minnesota website at www.investinmn.org or contact Leah Gardner at 651-757-3063 or leah@mncn.org.