

Fiscal Analysis Department

Minnesota House of Representatives



ISSUE BRIEF

State General Fund Budget Situation August 2019

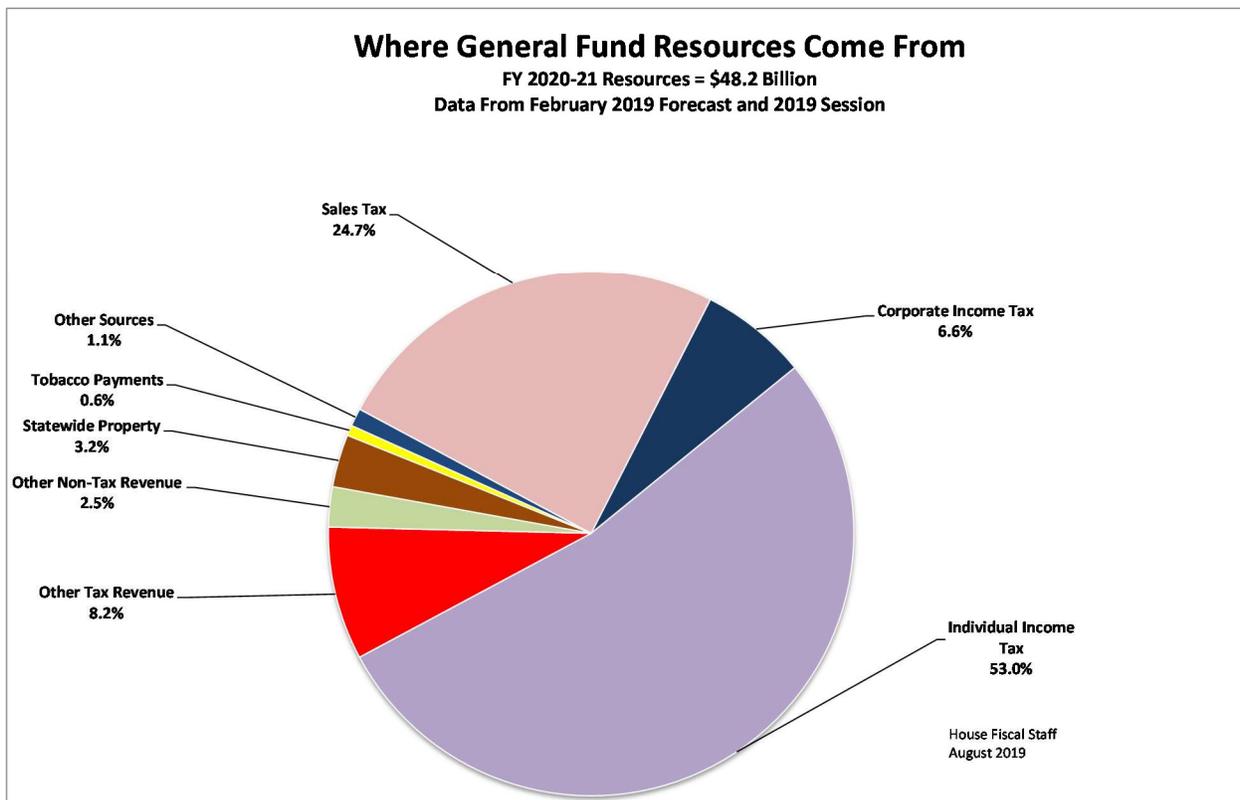
In May 2019, the Legislature adopted and the Governor signed legislation to enact a budget for fiscal years 2020 and 2021.

The Current Biennium – FY 2020-21

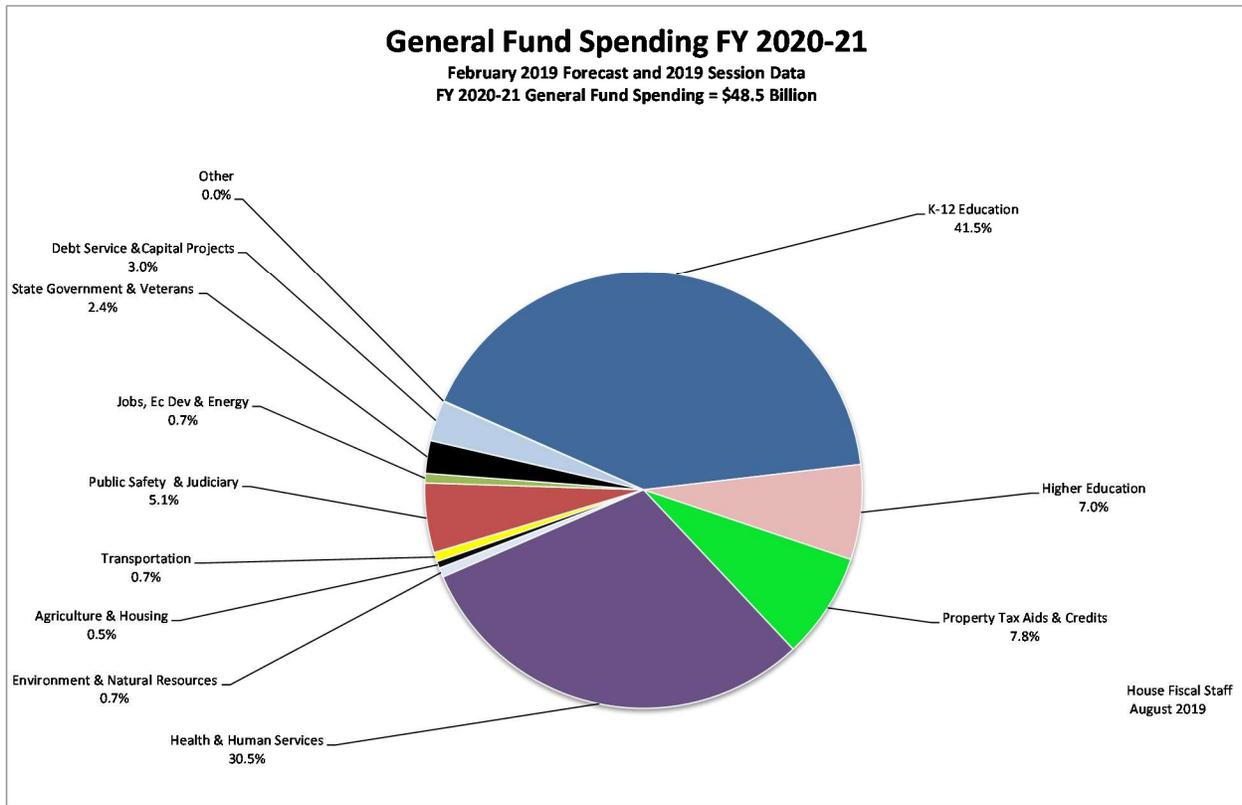
The general fund budget for fiscal years (FY) 2020-21 (the two fiscal years that make up the biennium that began July 1, 2019 and ends June 30, 2021), anticipates \$48.2 billion in revenues and \$48.5 billion of spending. A balance of \$606 million was carried forward into FY 2020-21 from the FY 2018-19 biennium.

The budget reserve is at \$2.1 billion and the cash flow account is at \$350 million. A budget balance of \$242 million is projected for the end of the FY 2020-21 biennium.

Major general fund revenue sources are illustrated in the graph below:



Major categories of general fund spending for the FY 2020-21 biennium are illustrated below:



The FY 2020-21 Budget

The budget forecast released in February 2019 projected a \$1.052 billion general fund budget balance at the end of the FY 2020-21 biennium. The budget adopted by the 2019 Legislature projects a balance of \$242 million at the end of the FY 2020-21 biennium.

The 2019 Legislature increased general fund revenue for the FY 2020-21 biennium by \$214 million or 0.5 percent. Most of this revenue increase was because of transfers into the general fund from other funds.

General fund revenue of \$48.2 billion for the FY 2020-21 biennium is \$2.918 billion or 6.4 percent higher than it was in the FY 2018-19 biennium.

General fund spending for the FY 2020-21 increased by \$1.067 billion or 2.3 percent over the base level. The largest increase is \$569 million in elementary and secondary education.

General fund spending of \$48.5 billion in FY 2020-21 is \$2.979 billion or 6.5 percent higher than spending in the FY 2018-19 biennium.

The general fund makes up about half of the state's operating budget. Other spending includes the federal fund, trunk highway and other transportation funds, and the game and fish fund.

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