

## Explanation of the Types of Budget Information Available on this Page

This General Fiscal Information page includes a variety of fiscal information for the State of Minnesota. The paragraphs below describe that information.

**General Fund Information.** Several charts and graphs provide information on where state revenue comes from and where state resources are spent. The first set of charts and graphs for a biennium are for the state's general fund. The general fund is where income tax revenue, corporate tax revenue, most sales tax revenue, and a variety of other state revenues are deposited. The Legislature has the most flexibility in appropriating general fund revenue. General fund revenue and spending issues dominate legislative budget discussions and many discussions about state budget situations involve the general fund only.

The general fund budget represents about 60 percent of the all operating funds budget as described in the next paragraph.

**All Funds Information.** Several other charts and graphs show spending in the all funds budget. These are characterized as all the state's operating funds. In addition to the general fund, the all funds budget includes a group of special revenue funds. These other funds can often be characterized as funds where revenue is from a certain source and spending is dedicated to certain purposes. Examples include the transportation related funds and the health care access fund. Federal funds that pass through the state treasury are also included in the all funds budget.

**Using General Fund or All Funds Information.** The all funds information presents a more complete picture of the state's budget. However, most legislative budget discussions are about the general fund budget because most appropriations made by the Legislature in any one session are from the general fund. If one is attempting to describe the discussions in a legislative session, illustrations of the general fund present a more accurate portrayal of those discussions. One needs to be aware that in some program areas, the picture is quite different between the general fund and all funds.

**Program or Committee Areas.** Spending or resources allocation is usually shown by program areas. For these charts, the program areas are usually identified by the jurisdiction of the fiscal committees in the House of Representatives. Some caution needs to be used when making spending comparisons across years because some spending programs may move from one committee to another. For example, the House had a Family and Early Childhood Education Finance Committee from 1997 to 2002. Spending for child care and community education programs would show up in this committee during those years but would be in other committees in other years. Also, there are differences in fiscal committee structure between the House and Senate.

**Biennial versus Annual Comparisons.** Some of the information on this page is presented on a biennial basis. Biennial information combines two fiscal years and then may compare that information to information for two other fiscal years. The state

budgets on a biennial basis. Either biennial or annual information provides accurate comparisons but one needs to be cautious about what is being compared. One needs to be very cautious if using both annual and biennial information. As an example, look at the chart below:

	Annual			Biennial		
	<u>Amount</u>	<u>Change</u>	<u>% Change</u>	<u>Amount</u>	<u>Change</u>	<u>% Change</u>
Year 1	\$100					
Year 2	\$101	+\$1	1%	\$201		
Year 3	\$102	+\$1	1%			
Year 4	\$103	+\$1	1%	\$205	+\$4	2%

The annual and biennial information are both accurate but the change information for each is different and could be used to tell a different story.

**Price of Government Information.** The price of government information shows revenues collected by state and local governments and presents that information as a percent of personal income in Minnesota. The revenue collected is “own source revenue”, that is revenue collected only by that government. Revenue collected by the federal government and passed through to the state or local governments in Minnesota is not counted. Revenue collected by the state and granted to local governments is counted at the state level where it is collected. One should also note that this is a measure of revenue, not spending. Revenue allocated to a budget reserve or collected but not spent in a year is counted in the year collected.