

Subject Budget forecast
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Summary

This bill would require Minnesota Management and Budget (MMB) to include inflation when estimating future state expenditures in the agency's biannual budget forecasts.

Although the bill does not specify what inflation measure(s) MMB would use, it would require MMB to consult the chairs and ranking minority members of certain legislative committees and legislative fiscal staff when determining both (1) the inflation rate, and (2) how inflation is incorporated into the agency's expenditure estimates. MMB currently uses the Consumer Price Index to report the anticipated impact of inflation on state expenditures.

In 2002, the legislature overrode Governor Jesse Ventura's veto of a budget-balancing act that—among other things—prohibited MMB's predecessor agency, the Department of Finance, from adjusting expenditures for inflation in the agency's budget forecasts (Laws 2002, ch. 220, art. 13, §§ 1-2).