

State of Minnesota Budget Forecast Update November 2011 to February 2012

- Global Insights
- National Outlook
 - 2012 Real GDP Growth is up from 1.5% to 2.1%
 - 2013 Real GDP Growth is down from 2.5% to 2.2%
 - Probability of Recession is down from 40% to 25%
 - Probability economy grows 3.3% in 2012 is up from 10% to 20%
- Minnesota Labor Market
 - Stronger than national market
 - Unemployment rate 5.7%
 - Personal income growth 8.7% over the next two years

State of Minnesota Budget Forecast Update

Key Policy Issues

- November election
- Congressional Budget Office on future fiscal policy
 - “likely to differ from that currently embodied in current law”
 - “alternative policies would lead to significantly different economic outcomes”
- Federal Affordable Care Act

State of Minnesota Budget Forecast Update 2012 – 13 Biennium

	<u>Forecast</u>		
	Nov '11	Feb '12	Variance
Beginning Balance	1,289	1,289	-
Revenues	33,700	33,793	93
Spending	(33,991)	(33,761)	230
Ending Balance	998	1,321	323

Designated To			
Cash Flow Account	350	350	-
Budget Reserves	648	653	5
School Shift Buy-Back *	-	318	318
Total Designated	998	1,321	323

* \$2.4 B remains outstanding

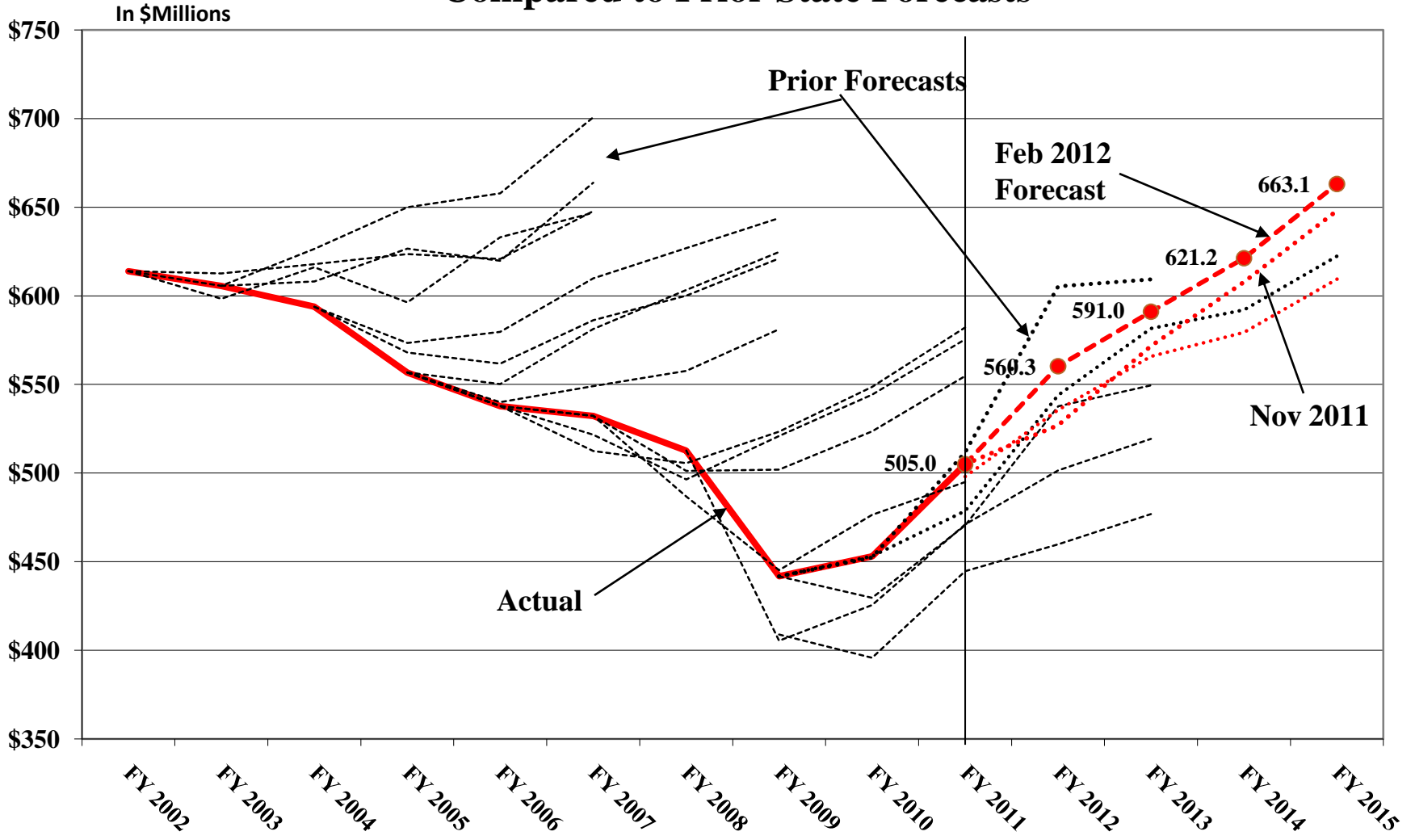
State of Minnesota Budget Forecast Update 2012 – 13 Biennium

<u>Revenues</u>	<u>Forecast</u>		Variance
	Nov '11	Feb '12	
Income Tax	16,214	16,262	48
Sales Tax	9,339	9,362	23
Corporate	1,825	1,799	(26)
Other	6,322	6,370	48
Ending Balance	33,700	33,793	93
<u>Spending</u>			
K-12 Education	13,653	13,623	(30)
Health & Human Svcs	11,064	10,884	(180)
Aids & Credits	2,839	2,832	(7)
Debt Service	474	456	(18)
Other	5,961	5,966	5
Total Designated	33,991	33,761	(230)

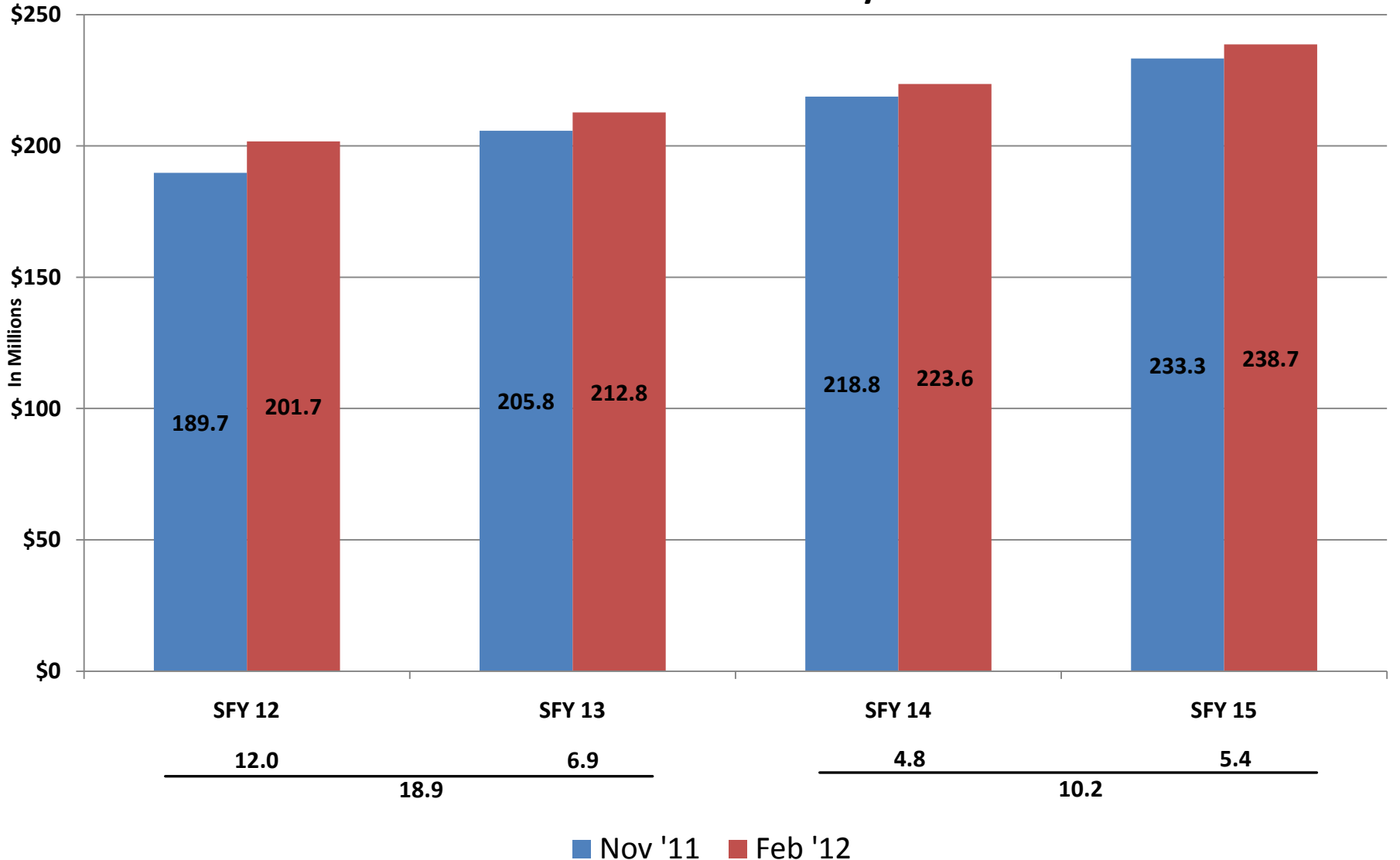
Metropolitan Council State General Fund Appropriations

- Current Law
 - SFY 2012-13: \$39 M each year
 - SFY 2014-15: \$64.9 M and \$65.0 M respectively
- \$1.1 B deficit projected for SFY 2014-15

State MVST Total - Actual and February 2012 Forecast Compared to Prior State Forecasts



Change in Regional MVST Forecast November 2011 to February 2012



Change in Regional MVST Forecast February 2011 to February 2012

