

# Overview

The data in this report is intended to facilitate a comparative analysis of spending by Minnesota counties. This report does not analyze whether a county is spending an appropriate amount for county services. Such evaluations can only be made after a thorough assessment of the overall spending of a particular county, the relative level of need for services within that county, and the extent to which the residents of that county demand, and are willing to finance services. Many services provided by counties are required by the state and federal government. These programs often have rules and regulations that put costs beyond the control of the county.

Minnesota's truth-in-taxation requirements for local governments provide citizens with information on the proposed distribution of their property tax dollars. This information does not, however, compare different jurisdictions to one another. This report, and the presentation of this data in per capita form, allows county residents to compare their county's expenditures to other similarly sized counties. The comparisons may be used by citizens as a means to better understand the uses of their tax dollars and to hold county government accountable for management of county resources.

Comparisons of county per capita expenditures can also be useful for the counties themselves. County officials should use the comparisons as a starting point for improving efficiency, by looking at comparable counties that have lower per capita expenditures, and investigating potential techniques or ideas that could be replicated to reduce county expenditures.

When examining the following tables, it is evident that there are wide variations in the per capita amounts spent on county services. Several possible reasons exist for the wide variation in county expenditures.<sup>1</sup> Counties with relatively high per capita expenditures may be responding to particular circumstances, such as a higher crime rate, or the problems faced by high concentrations of low-income individuals. Alternatively, comparatively high per capita expenditures may be indicative of poor financial management practices by county officials.

Conversely, counties with comparatively low per capita expenditures may have opted not to provide certain services that are available in other counties, or may not be faced with the same demands for services. Alternatively, comparatively low per capita expenditures may be indicative of superior financial management practices of county officials.

Residents of individual counties need to evaluate their counties' circumstances to better understand the reasons for their per capita expenditure patterns. To fully understand county finances, residents and county officials will need to analyze the relative contributions of both management and circumstances for their county.

The State Auditor's Office has made this data available in an interactive database on its website. The OSA website address is [www.osa.state.mn.us](http://www.osa.state.mn.us).

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<sup>1</sup> Appendix A provides a more detailed analysis of factors that contribute to differences in county spending.

## Definitions of Expenditure Categories and Long-term Debt

Table 1: *Current General Government Expenditures*. General government expenditures are those expenditures related to the administration of the governmental unit. Some of the services that are generally included in general government expenditures are county commissioners, auditor, treasurer, recorder, and assessor.

Table 2: *Current Public Safety Expenditures*. Public safety expenditures are those expenditures that are related to the protection of persons and property. Three of the most common services included under public safety expenditures are sheriff, corrections, and jail.

Table 3: *Current Streets and Highways Expenditures*. Streets and highways expenditures are for the maintenance and repair of local highways, streets, bridges, and street equipment. Common expenditures include patching, seal coating, and snow removal. Streets and highways expenditures cover expenditures on all county highways, including county state aid highways. Expenditures for road construction are not included in current expenditures but are accounted for as capital outlay.

Table 4: *Current Sanitation Expenditures*. Sanitation expenditures are for the collection and disposal of refuse, recycling, and composting.

Table 5: *Current Health Expenditures*. Health expenditures involve the protection and improvement of public health. Typical expenditures include communicable disease control, maternal and child health services, clinics and laboratory.

Table 6: *Current Human Services Expenditures*. Human services expenditures are designed to provide public assistance and institutional care for individuals economically unable to provide for their own essential needs. Typical expenditures include social services and income maintenance.

Table 7: *Current Culture and Recreation Expenditures*. Culture and recreation expenditures include maintenance and operation of parks, recreational facilities, libraries and cultural centers. In addition, this category accounts for recreation and cultural programs.

Table 8: *Current Conservation of Natural Resources Expenditures*. Conservation of natural resources expenditures are designed to conserve and develop such natural resources as water, soil, forests and minerals.

Table 9: *Current Housing and Economic Development Expenditures*. Housing and economic development activities include development and redevelopment in blighted or otherwise economically disadvantaged areas. Activities may include low interest loans to individuals and businesses, cleanup of hazardous sites, rehabilitation of substandard housing and other physical facilities, and other assistance to those wanting to provide housing and economic opportunity within a disadvantaged area.

Table 10: *Current Miscellaneous Expenditures*. Miscellaneous expenditures include all other expenditures for activities not shown or expenditures not allocated to a specific function presented in this report.

Table 11: *Total Current Expenditures*. Total current expenditures is the total of all expenses relating to current operations.

Table 12: *Total Capital Outlay*. Capital outlay expenditures are for the purchase of physical items that benefit the county for more than one year. These expenditures include the purchase, construction or permanent improvements of buildings, equipment, machinery, and land. In many cases, counties try to plan for consistent capital spending from year to year in order to avoid large swings in spending. This is not always possible because projects such as constructing a new building may be large in cost but infrequent in nature.

Table 13: *Debt Service Expenditures*. Debt service expenditures are the annual costs of servicing the outstanding debt of the county. These costs include principal, interest, and some fiscal charges.

Table 14: *Outstanding Long-term Debt*. Outstanding long-term debt is not an expenditure but is related to debt service expenditures. Outstanding long-term debt is debt the county has incurred to finance its capital projects. Examples of this type of debt include general obligation bonds, general obligation tax increment bonds, special assessment bonds, general obligation revenue bonds, revenue bonds, refunding bonds, and other long-term debt.