

Minnesota County Budget Data for 2000

2000 Budgeted Governmental Revenues

Minnesota counties proposed revenues of \$3.98 billion in their 2000 budgets, excluding proceeds from the sale of bonds and transfers from other funds. This represents an increase of 6.9 percent over revenues budgeted in 1999.

The principal sources of revenues in 2000 county budgets were: intergovernmental revenues, which accounted for 42.8 percent of revenues; property taxes, which accounted for 36.4 percent of revenues; and charges for services, which accounted for 9.1 percent of revenues. Intergovernmental revenues accounted for a larger share of 2000 budgets than in 1999. In contrast, charges for services and property taxes accounted for a smaller share of total revenues in 2000 budgets than in 1999.

! ***Intergovernmental Revenues.*** Counties budgeted intergovernmental revenues of \$1.71 billion for 2000. This represents an increase of 9.4 percent over the amount budgeted in 1999.

State Categorical Aid. The largest source of intergovernmental revenues for counties was state categorical aid. Counties budgeted state categorical aid revenues of \$962.5 million for 2000. This represents an increase of 6.4 percent over the level budgeted for 1999. The state provides categorical aid to counties for on-going services such as income maintenance and social service programs, as well as short-term or cyclical projects like construction projects.

Federal Grants. Counties proposed federal grant revenues of \$486.5 million for 2000. This represents an increase of 15.8 percent over the level budgeted in 1999. Federal grants accounted for 12.2 percent of total revenues budgeted in 2000.

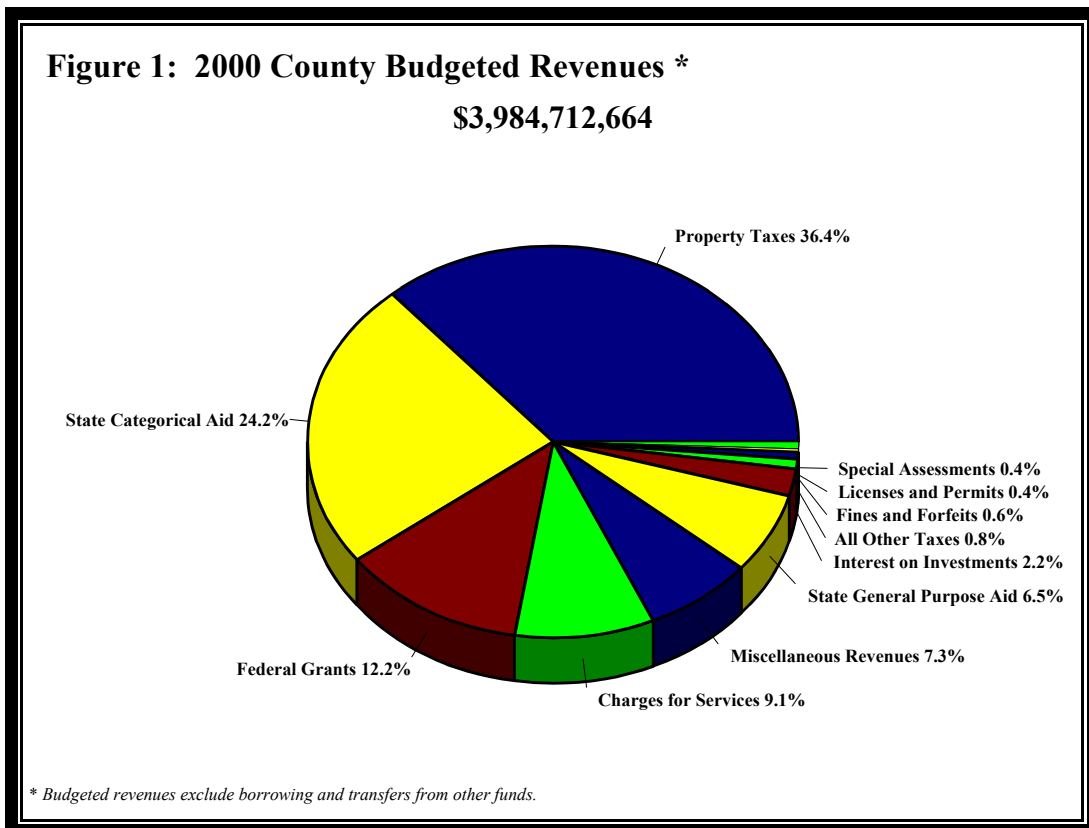
State General Purpose Aid. Counties budgeted state general purpose aid of \$257.4 million for 2000. State general purpose aid increased 9.7 percent between 1999 and 2000 budgets. This category of revenues includes Homestead and Agricultural Credit Aid (HACA) and other state aid that is not designated by the state for a specific project or activity.

! ***Property Taxes.*** Revenues derived from property taxes totaled \$1.45 billion in 2000 county budgets. This represents an increase of 3.9 percent over 1999 budgets. Sixty-eight of the 87 Minnesota counties budgeted higher revenues from property taxes in their 2000 budgets. Those counties that budgeted fewer revenues from property taxes were able to keep their levies down by, in part, drawing down fund balances and limiting expenditure growth.

! ***All Other Taxes.*** This category includes revenue from all other taxes collected by the county such as gravel taxes, mortgage registry taxes, and deed taxes. Counties budgeted all other tax revenues of \$31.7 million for 2000. This represents an increase of 17.4 percent over 1999 budgeted all other taxes. The large increase in this category is primarily attributable to Washington county, which reclassified a solid waste fee as a tax.

- ! **Charges for Services.** Counties proposed generating revenues of \$362.4 million from charges for services in 2000. This represents an increase of 5.0 percent over the level budgeted for 1999.
- ! **Miscellaneous Revenues.** Counties budgeted miscellaneous revenues of \$290.7 million for 2000. This represents an increase of 10.4 percent over the level budgeted for 1999. This category of revenue includes such sources as local government contributions for projects, donations, and other revenue streams not accounted for in other categories.
- ! **Interest on Investments.** Counties budgeted revenues of \$89.2 million from interest earnings in 2000. This represents an increase of 4.6 percent over the level in 1999 budgets.
- ! **Fines and Forfeits.** Counties proposed fines and forfeits revenues of \$22.0 million for 2000. This represents a decrease of 5.2 percent for 1999 budgeted fines and forfeits.
- ! **Special Assessments.** Counties proposed special assessment revenues totaling \$14.4 million for 2000. This represents an increase of 13.2 percent over the level budgeted in 1999.

Figure 1 summarizes county budgeted revenues for 2000.



2000 Budgeted Governmental Expenditures

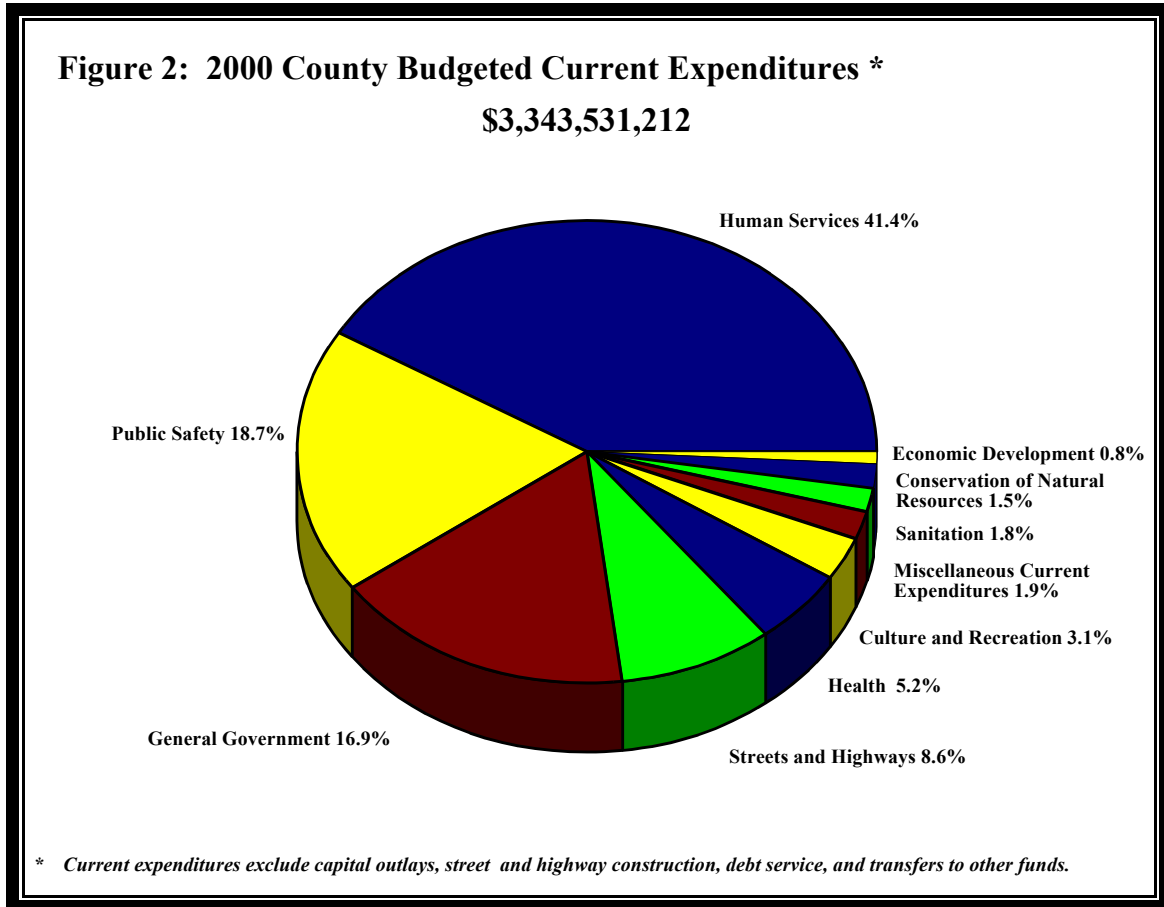
Current Expenditures

Minnesota counties proposed total current expenditures of \$3.34 billion for 2000. This represents an increase of 7.2 percent relative to the amount budgeted in 1999. Counties budgeted higher levels of spending for all current expenditures except sanitation.

The three activities that represented the largest share of current expenditures in 2000 county budgets were: human services, which accounted for 41.4 percent; public safety, which accounted for 18.7 percent; and general government, which accounted for 16.9 percent.

- ! **Human Services.** Counties proposed human services current expenditures of \$1.38 billion for 2000. This represents an increase of 7.6 percent from the level budgeted in 1999. Human services represented the largest budgeted current expenditure for counties in 2000. This category accounted for 41.4 percent of county current expenditures -- more than twice the amount spent on any other service.
- ! **Public Safety.** Public safety budgets increased 8.7 percent between 1999 and 2000. Counties proposed public safety expenditures of \$625.7 million for 2000. Public safety represents the second largest current expenditure proposed for 2000. Only nine counties proposed lower public safety expenditures for 2000.
- ! **General Government.** Counties set general government budgets at \$565.3 million for 2000. This represents an increase of 5.4 percent over 1999 budgeted general government expenditures. Some of the services that are generally included in the category of general government are county commissioners and the offices of auditor, treasurer, recorder, and assessor.
- ! **Streets and Highways.** Counties proposed streets and highways current expenditures of \$288.8 million for 2000. This represents an increase of 4.0 percent over the amount budgeted in 1999. This category of expenditures includes street maintenance, engineering, and lighting expenditures, but does not include construction or capital purchases.
- ! **Health.** Counties proposed health current expenditures of \$173.0 million for 2000. This represents an increase of 10.9 percent over health expenditures budgeted in 1999.
- ! **Culture and Recreation.** Counties budgeted culture and recreation current expenditures of \$103.5 million for 2000. This represents an increase of 5.5 percent over the amount budgeted in 1999.
- ! **Economic Development.** Counties budgeted expenditures of \$27.0 million for economic development projects in 2000. This is an increase of 9.0 percent over the amount budgeted in 1999.
- ! **Miscellaneous Current Expenditures.** Miscellaneous current expenditures totaled \$64.9 million in 2000 county budgets. This represents an increase of 18.8 percent over the amount budgeted in 1999.

Figure 2 summarizes 2000 county budgeted current expenditures.



Total Governmental Expenditures

Counties proposed total expenditures of \$4.15 billion for 2000. This represents an increase of 6.7 percent over the amount budgeted in 1999. Total expenditures include current expenditures, capital outlays, and debt service, but exclude transfers to other funds and other financing uses.

- ! **Streets and Highways Construction Capital Outlays.** Counties budgeted expenditures of \$370.5 million in 2000 for projects related to road construction. This represents a decrease of 4.7 percent from 1999 budgets. Street and highway construction represents the fourth largest expenditure category of counties.
- ! **Total Capital Outlay.** Counties proposed total capital outlays (excluding streets and highways construction) of \$271.6 million for 2000. This represents an increase of \$10.2 million or 3.9 percent over the level budgeted in 1999. Although streets and highways construction is separated from other capital outlays in this report, their combined total reflects the true amount budgeted for capital projects in 2000. When streets and highways construction is added, proposed capital outlays total \$642.2 million.

! **Debt Service.** Counties budgeted 2000 debt service payments of \$164.0 million. This represents an increase of 37.7 percent from the amount budgeted in 1999. Counties budgeted an increase of 51.7 percent for principal payments and an increase of 13.1 percent for interest and fiscal charges.

Increase or Decrease in Fund Balances

Counties proposed lowering their fund balances by \$117.7 million for 2000. Of the 81 counties that submitted 2000 budgets, 70 counties reported a change in their fund balance. Twenty-eight counties proposed increasing their fund balances; forty-two counties proposed decreasing their fund balances. Counties lowered their fund balances for a number of reasons including but not limited to: levy reductions, capital projects or purchases, and transfers to other funds.

Net Unrealized Gain or Loss From Investments

Only nine of the eighty-seven Minnesota counties reported any investment information to the Office of the State Auditor. Of the nine counties that reported information on their investments, seven projected losses and two projected gains. The statewide reported net loss from investments was (\$4,236,325).

Methodology and Caveats

Budget data used in this report reflect 1999 and 2000 unaudited revenues and expenditures reported by counties to the Office of the State Auditor (OSA). Budgeted amounts of revenues and expenditures may differ from actual revenues and expenditures that year. The reported data does not represent all county revenues and spending for two reasons: 1.) Counties reported budget data for all funds for which the county had adopted annual budgets. Counties with funds for which annual budgets were not adopted could have more revenues and expenditures than reported here; and, 2.) The revenues and expenditures of county public service enterprises are not included. The inclusion of enterprise funds could significantly alter the revenue and expenditure trends of counties.

The data from this report is available on the OSA's website through an interactive database. To access the database, visit the OSA at www.osa.state.mn.us and click on the Database Search link.