

Price of Government

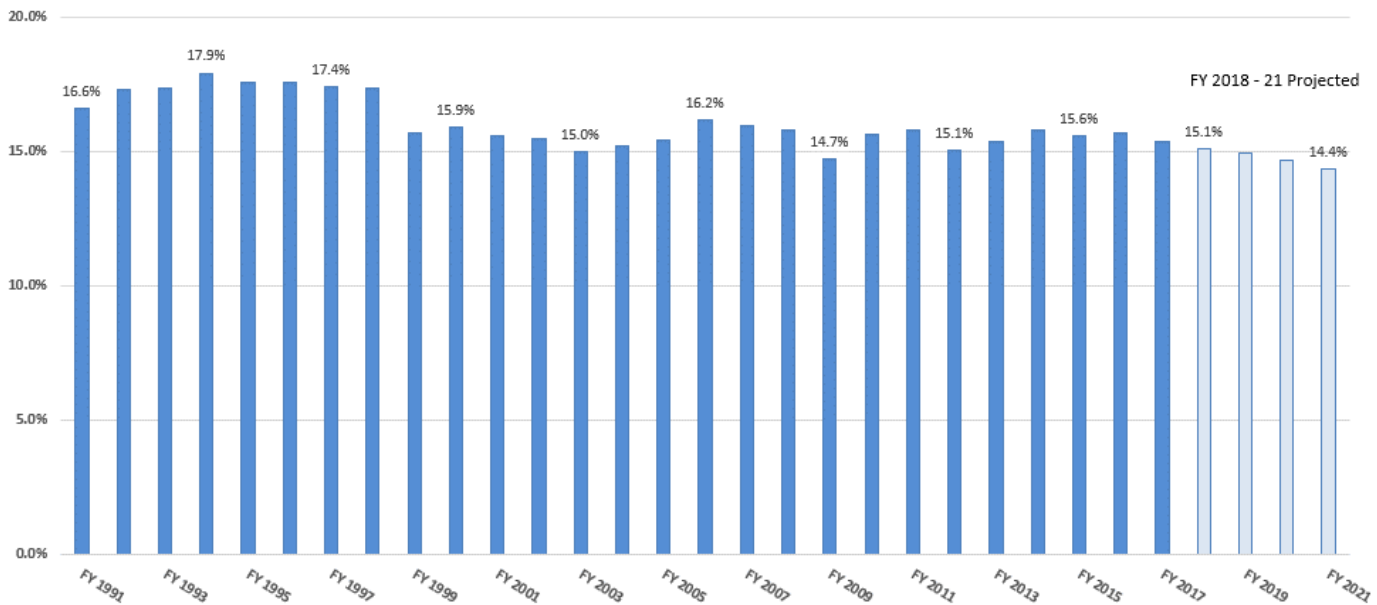
State and Local Government Revenues

The state general fund forecast represents only a portion of public sector revenues and spending in Minnesota. In broad terms, the “Price of Government” is a measure of the cost of all general government services statewide. It answers the question: *How much do Minnesotans pay to state and local governments in total?* It is comprehensive and includes nearly all revenues generated by state and local units of government as well as public school districts. All state taxes, property taxes, special assessments, fees and charges are included. Federal taxes are not included. The measure serves as a financial index for the cost of public services in Minnesota.

The annual receipts collected by each unit of government are considered to represent the aggregate cost that Minnesota taxpayers pay for public services. The “Price of Government” measures that cost for each fiscal year relative to Minnesota Personal Income. The result is stated as a percentage of total statewide personal income. For fiscal year 2017 it is projected at 15.4 percent.

Minnesota Price of Government

State and Local Revenues as % of MN Personal Income

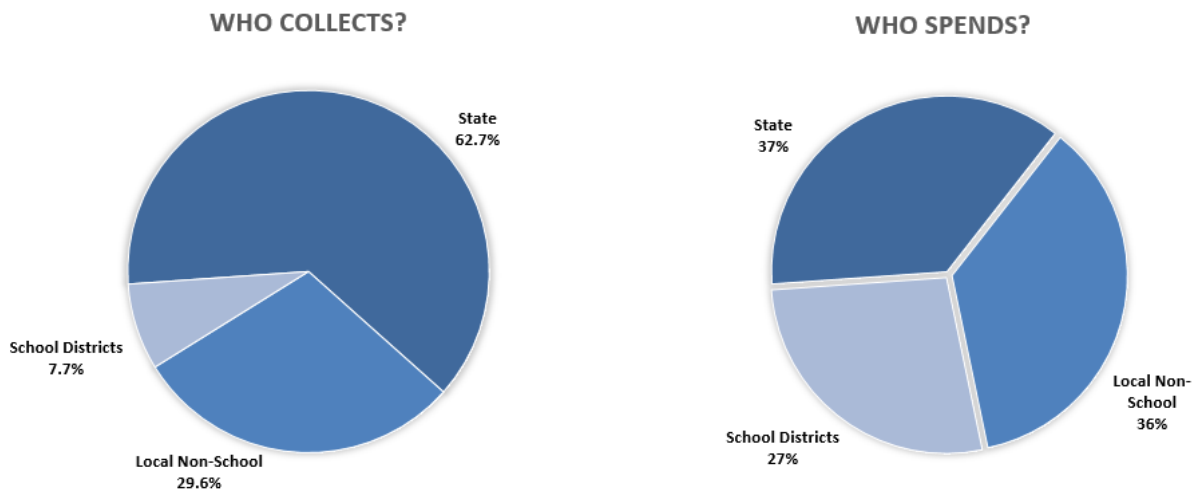


Because the price of government focuses on revenues collected by the state, local governments and school districts, it is designed to be a performance measure for both taxpayers in general and policymakers during the budget development process.

The following table shows the revenues collected at each level of government, excluding federal grants and excluding intergovernmental revenues such as state aid to school districts, cities and counties. The results are called “own source” revenues and represent the taxes, fees and charges at each level of government.

Own Source Revenues				
(\$ in millions)				
	Actual FY 2016	Percent of Total	Projected FY 2017	Percent of Total
State Revenues				
Tax Revenues	\$23,683		\$24,030	
Non-Tax Revenues	4,414		4,266	
<i>Total State Revenues</i>	<u>28,097</u>	63%	<u>28,296</u>	62.7%
Local Non-School Revenues				
Tax Revenues	6,220		6,454	
Non-Tax Revenues	6,746		6,893	
<i>Total Local Non-School Revenues</i>	<u>12,966</u>	29%	<u>13,346</u>	29.6%
School District Revenues				
Tax Revenues	2,458		2,628	
Non-Tax Revenues	850		864	
<i>Total School District Revenues</i>	<u>3,308</u>	7%	<u>3,492</u>	7.7%
Total Own Source Revenues	\$44,371		\$45,134	
Minnesota Personal Income	\$282,523		\$293,575	
Governmental Revenue as Percent of Personal Income	15.7%		15.4%	

In FY 2017, of all payments Minnesotans will make in taxes, fees and charges, the state will collect 62.7 percent. Counties, cities, and townships will collect about 29.6 percent, while school districts will collect about 7.7 percent. However, once intergovernmental aids are considered, the state will spend only 37 percent of the total while non-school local governments will spend 36 percent, and school districts will spend 27 percent.



A table showing price of government data follows. It includes major taxes and other revenue sources for FY 2006 through FY 2021 shown by level of government.

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**2017 End of Session Budget
Price of Government
State & Local Revenues
as a Percent of Personal Income
(\$ in Thousands)**

	Actual FY 2006	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020	Projected FY 2021
School District Revenues																
<i>Tax Revenues:</i>																
Property Tax	1,364,355	1,599,861	1,764,204	1,908,471	2,056,723	2,122,599	2,162,072	2,262,056	2,297,370	2,339,265	2,448,645	2,619,636	2,682,165	2,852,377	3,029,990	3,177,278
Taconite Production Tax	7,842	8,500	8,490	8,867	8,667	8,805	7,679	7,606	7,257	8,908	9,119	8,664	8,599	7,846	7,880	8,000
Subtotal - School District Tax Revenues	1,372,197	1,608,361	1,772,694	1,917,338	2,065,390	2,131,404	2,169,751	2,269,662	2,304,627	2,348,173	2,457,764	2,628,300	2,690,764	2,860,223	3,037,870	3,185,278
<i>Non-Tax Revenues:</i>																
Fee Revenue	442,392	456,810	479,537	491,257	487,304	493,927	509,731	516,350	526,486	518,615	545,579	556,491	567,620	578,973	590,552	602,363
Other Miscellaneous Revenue	360,366	386,963	375,218	317,470	266,948	261,008	261,224	248,829	264,903	264,603	304,628	307,674	310,751	313,859	316,997	320,167
Subtotal - School District Non Tax Revenue	802,758	843,773	854,755	808,727	754,252	754,935	770,955	765,179	791,389	783,218	850,207	864,165	878,371	892,832	907,549	922,530
Subtotal - School Dist Own Source Revenue	2,174,955	2,452,134	2,627,449	2,726,065	2,819,642	2,886,339	2,940,706	3,034,841	3,096,016	3,131,391	3,307,971	3,492,465	3,569,135	3,753,055	3,945,419	4,107,808
<i>Intergovernmental Revenue:</i>																
State Aid	6,234,345	6,424,245	6,760,948	6,864,416	6,755,240	6,868,597	7,007,915	7,285,035	7,527,881	8,124,733	8,399,548	8,749,116	9,076,662	9,397,928	9,520,836	9,684,669
State Paid Tax Credits	8,706	9,440	9,489	9,425	9,592	9,567	10,184	9,934	9,766	9,661	9,784	10,671	10,204	10,254	10,323	10,393
Market Value Homestead Credit	60,880	59,743	56,302	53,475	53,994	57,165	60,934	132	0	0	0	0	0	0	0	0
Homestead Agric Land MV Credit	5,300	5,597	5,768	5,777	5,624	5,470	5,345	5,279	5,134	5,021	8,801	9,101	44,261	44,261	54,661	61,361
Local Aid	30,643	30,576	36,389	38,738	43,389	40,314	40,927	43,350	47,235	52,039	51,359	53,252	53,252	53,252	53,252	53,252
Federal Aid	595,642	590,552	609,822	633,187	1,362,002	905,266	797,199	709,503	695,420	699,270	713,583	720,719	727,926	735,205	742,557	749,983
Subtotal - Intergovernmental Revenue	6,935,516	7,120,153	7,478,718	7,605,018	8,229,841	7,886,379	7,922,504	8,053,233	8,285,436	8,890,724	9,183,075	9,542,859	9,912,305	10,240,900	10,381,629	10,559,658
TOTAL SCHOOL DISTRICT REVENUES	9,110,471	9,572,287	10,106,167	10,331,083	11,049,483	10,772,718	10,863,210	11,088,074	11,381,452	12,022,115	12,491,046	13,035,324	13,481,440	13,993,955	14,327,048	14,667,466
Total State, Local & School District Revenues																
<i>Tax Revenues</i>	22,048,660	22,992,969	23,944,410	23,312,762	23,465,518	25,297,830	26,396,208	28,259,727	30,089,178	31,453,491	32,361,078	33,111,525	34,425,279	36,078,263	37,184,270	38,182,965
<i>Non-Tax Revenues</i>	9,354,527	9,824,053	10,275,061	10,250,345	10,352,949	10,340,483	10,573,430	10,966,094	11,165,632	11,291,871	12,009,995	12,022,962	11,819,014	12,044,184	12,316,946	12,540,399
<i>Intergovernmental Revenue</i>	16,497,658	17,371,727	18,279,709	19,677,565	21,962,044	21,669,018	20,453,587	20,811,789	21,632,485	23,719,000	24,544,391	25,479,405	26,738,467	27,286,352	27,846,619	28,525,600
TOTAL ALL REVENUES	47,900,845	50,188,749	52,499,180	53,240,672	55,780,511	57,307,331	57,423,225	60,037,610	62,887,295	66,464,362	68,915,464	70,613,892	72,982,760	75,408,799	77,347,835	79,248,964
Less: Intergovernmental Revenues	(16,497,658)	(17,371,727)	(18,279,709)	(19,677,565)	(21,962,044)	(21,669,018)	(20,453,587)	(20,811,789)	(21,632,485)	(23,719,000)	(24,544,391)	(25,479,405)	(26,738,467)	(27,286,352)	(27,846,619)	(28,525,600)
Total Own Source Revenues	31,403,187	32,817,022	34,219,471	33,563,107	33,818,467	35,638,313	36,969,638	39,225,821	41,254,810	42,745,362	44,371,073	45,134,487	46,244,293	48,122,447	49,501,216	50,723,364
Minnesota Personal Income	193,989,000	205,856,500	216,840,750	228,070,000	216,267,000	225,853,000	245,619,674	255,579,645	261,211,895	274,461,491	282,523,020	293,575,000	306,725,000	322,300,000	337,877,500	353,320,000
Revenue as Percent of Personal Income	16.2%	15.9%	15.8%	14.7%	15.6%	15.8%	15.1%	15.3%	15.8%	15.6%	15.7%	15.4%	15.1%	14.9%	14.7%	14.4%