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SUMMARY OF GOVERNMENTAL FINANCES IN MINNESOTA

by

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SUMMARY OF GOVERNMENTAL
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INTRODUCTION

The total revenue of state and local governments in Minnesota reached \$9,008.4 million in fiscal 1979-80, an increase of \$697.8 million (8.4 percent) over the preceding year. Nationally, the total revenue of state and local governments rose by an average of 11.5 percent during this period. Tax revenues collected by Minnesota state and local governments amounted to \$4,585.5 million, up \$134.6 million (3.0 percent) from fiscal 1978-79. The average increase in state and local taxes for the United States was 8.7 percent.

Total state and local government expenditures in Minnesota were \$8,690.6 million in fiscal 1979-80, an increase of \$1,148.7 million (15.2 percent) from the previous year. For all states, expenditures by state and local governments went up by an average of 13.7 percent.

The indebtedness of Minnesota state and local governments at the end of fiscal 1979-80 stood at \$8,680.4 million, up \$2,357.5 million (37.3 percent) from a year earlier. Nationwide, the indebtedness of state and local governments increased by 10.4 percent during this period.

This report summarizes financial data on the revenue, expenditure, and indebtedness of state and local governments in Minnesota. It is intended to provide a general overview of governmental finances within the state. More detailed information is available from reports of the U.S. Bureau of the Census, state agencies, local units of government, and other sources.

Sources

Information in this report is based on data compiled regularly by the Governments Division of the U.S. Bureau of the Census. The main advantage of using Census Bureau statistics is that they are based on a uniform classification of state and local financial data. This facilitates making comparisons between states.

Statistics on state and local government finance are published periodically by the U.S. Census Bureau. Information on state governments is based on an annual survey. Financial data for state governments are compiled from official state reports and records by representatives of the Census Bureau. Information on local governments is based on a complete canvass of school districts and a stratified random sample of other units of local governments. Information for local governments is therefore subject to sampling variability. Because state government figures are not subject to sampling variability, aggregate state-local figures are more reliable than local government figures alone.

General Notes

All data in this report are based on U.S. Bureau of the Census, Governmental Finances in 1979-80, GF 80, No. 5 (Washington: U.S. Government Printing Office, 1981) and earlier reports in this series. All years referred to are fiscal years, unless otherwise noted. Financial statistics relate to governmental fiscal years which ended June 30 or at some date within the 12 previous months. Exceptions are New York state, ending March 31; the state of Texas (including school districts), ending

August 31; the state of Alabama (including school districts), ending September 30; and the state of Michigan, ending September 30. All are treated as part of the June 30 group.

Financial amounts are in current dollars, unless otherwise indicated. Revenue figures in constant 1972 dollars are based on the consumer price index for the United States. Expenditure figures in constant 1972 dollars are based on the implicit gross national product price deflator for state and local government purchases of goods and services. The data include the District of Columbia as a "state" area. General revenue and general expenditure include all receipts and outlays except those associated with insurance trust funds, government-run liquor stores, and public utilities. Details may not add to totals because of rounding.

TOTAL REVENUE

TABLE 1. Total revenue of state and local governments by source, for Minnesota, 1980

Source	Amount	Percentage Distribution
	Million dollars	Percent
Revenue from All Sources		
From Federal Government	1,584.9	17.6
From Own Sources	<u>7,423.4</u>	<u>82.4</u>
Total	9,008.4	100.0
Revenue from Own Sources		
General Revenue	6,450.6	86.9
Insurance Trust Revenue	526.8	7.1
Liquor Store Revenue	133.9	1.8
Utility Revenue	<u>312.1</u>	<u>4.2</u>
Total	7,423.4	100.0

HIGHLIGHTS

* The total revenue of Minnesota state and local governments increased from \$8.3 billion in 1979 to \$9.0 billion in 1980 -- an increase of 8.4 percent as compared with an 11.5 percent increase for all states.

* Revenue from the federal government accounted for 18 percent of total state and local revenue, just equal to the national average.

* General revenue represented 87 percent of all revenue from state and local sources. The balance was insurance trust, liquor store, and public utility revenue.

GENERAL REVENUE

TABLE 2. General revenue of state and local governments by source, for Minnesota, 1980

Source	Amount	Percentage Distribution
	Million dollars	Percent
All Sources		
From Federal Government	1,584.9	19.7
From Own Sources	<u>6,450.6</u>	<u>80.3</u>
Total	8,035.6	100.0
State and Local Sources		
Taxes	4,585.5	71.1
Charges and Miscellaneous	<u>1,865.1</u>	<u>28.9</u>
Total	6,450.6	100.0

HIGHLIGHTS

* The general revenue of Minnesota state and local governments increased 10 percent between 1979 and 1980, from \$7.3 billion to \$8.0 billion. For all states, the increase averaged 11.5 percent.

* Revenue from state and local sources accounted for 80 percent of all general revenue in Minnesota; 20 percent came from federal aid.

* Tax revenue accounted for 71 percent of all general revenue from state and local sources; 29 percent came from charges for public services, interest earnings, and other nontax sources.

REVENUE SOURCES

TABLE 3. General revenue of state and local governments from own sources, by source, for Minnesota, 1980

Source	Amount	Percentage Distribution
	Million dollars	Percent
Taxes		
Income Taxes	1,643.9	35.8
Property Taxes	1,321.7	28.8
General Sales Taxes	653.7	14.3
Motor Fuel Taxes	205.0	4.5
Motor Vehicle License Taxes	138.5	3.0
Other	<u>622.7</u>	<u>13.6</u>
Total	4,585.5	100.0
Charges and Miscellaneous		
Education Charges	290.0	15.5
Hospital Charges	346.4	18.6
Other Charges	354.5	19.0
Interest Earnings	552.1	29.6
Other	<u>322.1</u>	<u>17.3</u>
Total	1,865.1	100.0

HIGHLIGHTS

* Income taxes are the largest source of tax revenue in Minnesota, followed by local property taxes and general sales taxes. Income and property taxes together accounted for almost two-thirds of all state and local tax revenue in 1980.

* About 36 percent of all tax revenue in Minnesota came from income taxes as compared with a national average of only 25 percent.

* Charges for public services accounted for a little over half of all state and local general revenue from nontax sources; interest earnings accounted for about 30 percent.

ORIGIN AND ALLOCATION

TABLE 4. General revenue of state and local governments: origin and allocation by level of government, for Minnesota, 1980

Level of Government	Amount	Percentage Distribution
	Million dollars	Percent
Originating Level		
Federal	1,584.9	19.7
State	3,978.6	49.5
Local	<u>2,472.1</u>	<u>30.8</u>
Total	8,035.6	100.0
Final Recipient Level		
State	3,136.8	39.0
Local	<u>4,898.7</u>	<u>61.0</u>
Total	8,035.6	100.0

HIGHLIGHTS

* Nearly half of all state and local general revenue in Minnesota originated at the state level. For all states, about 44 percent of all general revenue originated at the state level.

* About 31 percent of all general revenue in Minnesota originated at the local level and about 20 percent at the federal level.

* After distribution of federal and state aids, local governments accounted for 61 percent of all general revenue.

REVENUE GROWTH

TABLE 5. General revenue of state and local governments, for Minnesota, 1960, 1965, and 1970 to 1980

Year	Current Dollars	1972 Dollars
	Million Dollars	Million Dollars
1960	1,070.0	1,511.3
1965	1,553.7	2,060.6
1970	2,588.4	2,789.2
1971	2,993.4	3,092.4
1972	3,483.8	3,483.8
1973	3,964.8	3,733.3
1974	4,349.0	3,688.7
1975	4,870.4	3,784.3
1976	5,400.9	3,968.3
1977	5,951.6	4,107.4
1978	6,593.3	4,229.2
1979	7,327.6	4,223.4
1980	8,035.6	4,079.0

HIGHLIGHTS

* Measured in current dollars, the general revenue of Minnesota state and local governments tripled between 1970 and 1980, rising from \$2.6 billion to \$8.0 billion.

* Adjusted for inflation, state and local general revenue in Minnesota fell from \$4.2 billion (in 1972 dollars) in 1979 to under \$4.1 billion in 1980, a decline of 3.4 percent. In constant dollars, general revenue in 1980 was lower than in any year since 1976.

REVENUE GROWTH

TABLE 6. Average annual rate of change in the general revenue of state and local governments by source, for Minnesota, 1960 to 1980 (current dollars)

Source	Average Annual Rate of Change			
	1960-65	1965-70	1970-75	1975-80
	Percent	Percent	Percent	Percent
All Sources				
From Federal Government	9.6	12.2	19.0	10.5
From Own Sources	<u>7.4</u>	<u>10.5</u>	<u>12.3</u>	<u>10.5</u>
Total	7.7	10.7	13.5	10.5
State and Local Sources				
Taxes	7.4	9.6	12.0	9.1
Charges and Miscellaneous	<u>7.5</u>	<u>13.9</u>	<u>13.5</u>	<u>14.5</u>
Total	7.4	10.5	12.3	10.5
State and Local Taxes				
Property Taxes	7.0	2.9	6.9	7.8
Other Taxes	<u>8.0</u>	<u>15.6</u>	<u>14.8</u>	<u>9.7</u>
Total	7.4	9.6	12.0	9.1

HIGHLIGHTS

* The total general revenue of Minnesota state and local governments (in current dollars) increased at an average rate of 13.5 percent annually from 1970 to 1975 and 10.5 percent annually from 1975 to 1980.

* Federal aid and revenue from state and local sources increased at the same rate from 1975 to 1980. Before 1975, federal aid had been increasing faster than revenue from state and local sources.

* Revenue from nontax sources has been rising faster than revenue from state and local taxes.

* Property taxes have been increasing less rapidly than other state and local taxes.

REAL REVENUE GROWTH

TABLE 7. Average annual rate of change in the general revenue of state and local governments by source, for Minnesota, 1960 to 1980 (constant 1972 dollars)

Source	Average Annual Rate of Change			
	1960-65	1965-70	1970-75	1975-80
	Percent	Percent	Percent	Percent
All Sources				
From Federal Government	8.2	7.6	11.4	1.5
From Own Sources	<u>6.1</u>	<u>6.0</u>	<u>5.2</u>	<u>1.5</u>
Total	6.4	6.2	6.3	1.5
State and Local Sources				
Taxes	6.1	5.1	4.9	0.2
Charges and Miscellaneous	<u>6.2</u>	<u>9.2</u>	<u>6.3</u>	<u>5.2</u>
Total	6.1	6.0	5.2	1.5
State and Local Taxes				
Property Taxes	5.6	-1.3	0.1	-1.0
Other Taxes	<u>6.6</u>	<u>10.9</u>	<u>7.5</u>	<u>0.8</u>
Total	6.1	5.1	4.9	0.2

HIGHLIGHTS

* Adjusted for inflation, the total general revenue of Minnesota state and local governments increased at an average rate of only 1.5 percent annually from 1975 to 1980. Before 1975, general revenue was increasing at a rate four times higher.

* In real terms, state and local taxes increased at an average annual rate of only 0.2 percent from 1975 to 1980.

* Measured in constant dollars, property taxes declined by an average of 1 percent per year from 1975 to 1980.

FEDERAL AID

TABLE 8. Federal aid to state and local governments, for Minnesota, 1960, 1965, and 1970 to 1980

Year	Current Dollars	1972 Dollars	As a Percentage of Total State and Local General Expenditure
	Million Dollars	Million Dollars	Percent
1960	143.4	202.5	12.7
1965	226.9	300.9	14.7
1970	403.5	434.8	14.6
1971	485.6	501.7	15.5
1972	572.9	572.9	16.2
1973	722.3	680.1	19.2
1974	820.9	696.3	20.1
1975	961.7	747.2	20.4
1976	1,114.9	819.2	20.6
1977	1,236.3	853.2	21.3
1978	1,303.9	836.4	21.0
1979	1,427.2	822.6	21.3
1980	1,584.9	804.5	20.5

HIGHLIGHTS

* Federal aid accounted for around one-fifth of all state and local government expenditures in Minnesota in 1980.

* Federal aid to Minnesota state and local governments increased from about \$1.4 billion in 1979 to nearly \$1.6 billion in 1980, but federal aid declined as a proportion of state and local spending.

* In real terms, the amount of federal aid received by Minnesota state and local governments has been falling since 1977.

STATE GOVERNMENT REVENUE

TABLE 9. General revenue of the state government by source, for Minnesota, 1980

Source	Amount	Percentage Distribution
	Million Dollars	Percent
All Sources		
From Federal Government	1,222.8	23.3
From Local Governments	51.7	1.0
From Own Sources	<u>3,978.6</u>	<u>75.7</u>
Total	5,253.0	100.0
State Sources		
Taxes	3,202.6	80.5
Charges and Miscellaneous	<u>776.0</u>	<u>19.5</u>
Total	3,978.6	100.0
State Taxes		
Income Taxes	1,643.9	51.3
General Sales Taxes	650.1	20.3
Motor Fuel Taxes	205.0	6.4
Motor Vehicle License Taxes	134.5	4.2
Other	<u>569.1</u>	<u>17.8</u>
Total	3,202.6	100.0

HIGHLIGHTS

* The general revenue of the state government in Minnesota increased from \$4.8 billion in 1979 to \$5.3 billion in 1980, a rise of about 9 percent.

* Around three-fourths of the general revenue of the state government comes from state sources. Most of the rest comes from federal aid.

* Over half of all state tax revenue comes from income taxes; general sales taxes accounted for about 20 percent of the total in 1980. For all state governments, about 37 percent of all state tax revenue came from income taxes in 1980 and 31 percent came from general sales taxes.

LOCAL GOVERNMENT REVENUE

TABLE 10. General revenue of local governments by source, for Minnesota, 1980

Source	Amount	Percentage Distribution
	Million Dollars	Percent
All Sources		
From Federal Government	362.2	7.3
From State Government	2,116.2	42.7
From Own Sources	<u>2,472.1</u>	<u>49.9</u>
Total	4,950.4	100.0
Local Sources		
Taxes	1,382.9	55.9
Charge and Miscellaneous	<u>1,089.2</u>	<u>44.1</u>
Total	2,472.1	100.0
Local Taxes		
Property Taxes	1,317.4	95.3
Other	<u>65.5</u>	<u>4.7</u>
Total	1,382.9	100.0

HIGHLIGHTS

* State and federal aid represented half of the general revenue of Minnesota local governments in 1980.

* In 1980, taxes accounted for 56 percent of all local government revenue from local sources; nontax sources accounted for 44 percent.

* The property tax is the only important source of tax revenue currently available to local governments in Minnesota.

LOCAL REVENUE SOURCES

TABLE 11. Percentage of local government general revenue from major sources, by type of government, for Minnesota, 1980

Type of Government	Intergovernmental Revenue	Property Taxes	Other Taxes	Charge and Miscellaneous
	Percent	Percent	Percent	Percent
Counties	51.5	30.1	0.5	17.9
Municipalities	38.2	18.8	4.1	38.9
Townships	51.2	40.3	1.1	7.4
Special Districts	52.9	7.6	---	39.4
School Districts	59.2	31.5	0.2	9.1

HIGHLIGHTS

* In 1980, more than half of the general revenue of counties, townships, special districts, and school districts came from state and federal sources.

* Counties, townships, and school districts tend to rely more heavily on property taxes than do municipalities and special districts.

* Revenue from nontax sources is especially important for municipalities and special districts.

LOCAL GOVERNMENT AID

TABLE 12. State and federal aid to local governments, for Minnesota, 1960, 1965, and 1970 to 1980

Year	Current Dollars	1972 Dollars	As a Percentage of Total Local General Expenditure
	Million Dollars	Million Dollars	Percent
1960	234.5	331.2	29.8
1965	314.7	417.4	30.0
1970	846.2	911.9	44.0
1971	979.3	1,011.7	44.9
1972	1,071.6	1,071.6	43.3
1973	1,427.8	1,344.4	53.3
1974	1,525.4	1,293.8	53.7
1975	1,620.3	1,259.0	51.2
1976	1,744.8	1,282.0	49.5
1977	1,966.1	1,356.9	52.0
1978	2,141.3	1,373.5	54.3
1979	2,346.2	1,352.3	55.4
1980	2,478.4	1,258.1	50.6

HIGHLIGHTS

* Since 1973, state and federal aid to Minnesota local governments has accounted for around half of total local spending.

* In current dollars, state and federal aid to local governments in Minnesota increased by 6 percent from 1979 to 1980; however, taking inflation into account, the amount of aid to local governments actually fell by 7 percent.

* In real terms, grants to Minnesota local governments were lower in 1980 than in any year since 1972.

LOCAL PROPERTY TAXES

TABLE 13. General revenue of local governments from property taxes, for Minnesota, 1960, 1965, and 1970 to 1980

Year	Current Dollars	1972 Dollars	As a Percentage of Total Local General Expenditure
	Million Dollars	Million Dollars	Percent
1960	382.3 ^a	540.0	48.6
1965	532.2	705.8	50.8
1970	644.4	694.4	33.5
1971	810.8	837.6	37.2
1972	900.9	900.9	36.4
1973	859.7	809.5	32.1
1974	847.0	718.4	29.8
1975	904.6	702.9	28.6
1976	1,005.7	738.9	28.5
1977	1,074.2	741.3	28.4
1978	1,202.1	771.1	30.5
1979	1,259.7	726.1	29.7
1980	1,317.4	668.7	26.9

^aEstimated by author.

HIGHLIGHTS

* Since 1974, property taxes have accounted for less than 30 percent of local government spending in Minnesota in every year except 1978.

* Local property taxes increased from 1979 to 1980 when measured in current dollars; however, in real terms, local property taxes were lower in 1980 than at any time in the preceding decade.

PER CAPITA GENERAL REVENUE

TABLE 14. Per capita state and local general revenue from state and local sources, for Minnesota and surrounding states, 1980

State	Amount	Percent of U.S. Average	Rank
	Dollars	Percent	
U.S. Average	1,321.35	100.0	--
Minnesota	1,582.20	119.7	6
North Dakota	1,485.42	112.4	10
Wisconsin	1,429.87	108.2	16
Iowa	1,315.18	99.5	24
South Dakota	1,146.23	86.7	34

HIGHLIGHTS

* The per capita general revenue of Minnesota state and local governments, excluding federal aid, was \$1,582.20 in 1980. This was nearly 20 percent above the national average.

* Minnesota ranked 6th (from the highest) among all states in per capita general revenue from state and local sources in 1980. The states that ranked above Minnesota were Alaska, Wyoming, New York, the District of Columbia, and Hawaii.

TAX EFFORT

TABLE 15. State and local general revenue from state and local sources per \$1,000 of personal income, for Minnesota and surrounding states, 1980

State	Amount	Percent of U.S. Average	Rank
	Dollars	Percent	
U.S. Average	155.01	100.0	--
North Dakota	179.36	115.7	6
Minnesota	179.23	115.6	7
Wisconsin	168.01	108.4	14
South Dakota	153.96	99.3	29
Iowa	150.51	97.1	31

HIGHLIGHTS

*The general revenue of Minnesota state and local governments from their own sources was \$179.23 per \$1,000 of personal income in 1980. This was nearly 16 percent above the national average.

*Minnesota ranked 7th (from the highest) among all states in general revenue from state and local sources per \$1,000 of personal income. The states that ranked above Minnesota were Alaska, Wyoming, New Mexico, New York, Hawaii, and North Dakota.

STATE AND LOCAL SPENDING

TABLE 16. General expenditure of state and local governments by level of government, for Minnesota, 1980

Level of Government	Amount	Percentage Distribution
	Million Dollars	Percent
State Government:		
Direct Expenditure	2,829.2	55.8
Intergovernmental Expenditure	<u>2,237.2</u>	<u>44.2</u>
Total	5,066.4	100.0
Local Governments:		
Direct Expenditure	4,894.3	99.6
Intergovernmental Expenditure	<u>21.4</u>	<u>0.4</u>
Total	4,915.7	100.0
State and Local Governments ^a	7,723.6	--

^aNet of duplicative intergovernmental transactions.

HIGHLIGHTS

* The general expenditure of Minnesota state and local governments increased from \$6.7 billion in 1979 to \$7.7 billion in 1980 -- an increase of 15.2 percent as compared with a 12.7 percent increase for all states.

* State aid to local governments represented 44 percent of state government expenditures.

* Local units of government accounted for 63 percent of total direct expenditures within the state.

SPENDING INCREASES

TABLE 17. General expenditure of state and local governments, for Minnesota, 1960, 1965, and 1970 to 1980

Year	Current Dollars	1972 Dollars
	Million Dollars	Million Dollars
1960	1,127.1	1,994.9
1965	1,540.1	2,373.0
1970	2,770.4	3,126.9
1971	3,127.6	3,302.6
1972	3,528.3	3,528.3
1973	3,763.0	3,520.1
1974	4,080.3	3,475.6
1975	4,707.4	3,669.1
1976	5,401.9	3,943.0
1977	5,803.2	3,974.8
1978	6,197.3	3,949.8
1979	6,703.4	3,947.8
1980	7,723.6	4,181.7

HIGHLIGHTS

* Measured in current dollars, the general expenditure of Minnesota state and local governments nearly tripled between 1970 and 1980, rising from \$2.8 billion to \$7.7 billion.

* Adjusted for inflation, state and local general expenditure in Minnesota remained almost unchanged from 1976 to 1979 but increased 6 percent from 1979 to 1980.

EXPENDITURE BY FUNCTION

TABLE 18. General expenditure of state and local governments by function, for Minnesota, 1980

Function	Amount	Percentage Distribution
	Million Dollars	Percent
Education	2,658.8	34.4
Public Welfare	1,035.6	13.4
Highways	892.3	11.6
Health and Hospitals	640.5	8.3
Governmental Administration	382.8	5.0
Natural Resources, Parks, and Recreation	344.5	4.5
Interest on Debt	318.3	4.1
Police and Fire Protection	269.1	3.5
Sewerage and Sanitation	243.7	3.2
Housing and Urban Renewal	155.4	2.0
Corrections	110.1	1.4
Other	<u>672.5</u>	<u>8.7</u>
Total	7,723.6	100.0

HIGHLIGHTS

* Education is by far the largest single category of state and local expenditure in Minnesota, accounting for 34 percent of the total in 1980.

* Four functions -- education, public welfare, highways, and health and hospitals -- together accounted for two-thirds of total state and local spending.

SPENDING FOR EDUCATION

TABLE 19. General expenditure of state and local governments for education, for Minnesota, 1980

Function	Amount	Percentage Distribution
	Million Dollars	Percent
Local Schools	1,877.0	70.6
Higher Education	688.3	25.9
Other Education	<u>93.5</u>	<u>3.5</u>
Total	2,658.8	100.0
Local Schools		
Salaries and Wages	1,222.2	65.1
Other	<u>654.8</u>	<u>34.9</u>
Total	1,877.0	100.0
Higher Education		
Salaries and Wages	404.6	58.8
Other	<u>283.7</u>	<u>41.2</u>
Total	688.3	100.0

HIGHLIGHTS

* Spending for elementary and secondary education in Minnesota accounted for over two-thirds of all spending for education in 1980.

* Institutions of higher education -- which include all post-high school institutions -- accounted for about one-fourth of all spending for education.

* Salaries and wages accounted for nearly two-thirds of all spending for local schools.

SPENDING INCREASES

TABLE 20. Average annual rate of change in the general expenditure of state and local governments for selected functions, for Minnesota, 1960 to 1980 (current dollars)

Function	Average Annual Rate of Change			
	1960-65	1965-70	1970-75	1975-80
	Percent	Percent	Percent	Percent
Education	8.7	14.9	8.8	6.5
Public Welfare	6.5	13.6	19.6	11.2
Highways	5.6	7.5	4.8	10.7
Health and Hospitals	<u>4.5</u>	<u>11.2</u>	<u>11.6</u>	<u>14.7</u>
All Functions	6.4	12.5	11.2	10.4

HIGHLIGHTS

* The total general expenditure of Minnesota state and local governments (in current dollars) increased at an average rate of 11.2 percent annually from 1970 to 1975 and 10.4 percent annually from 1975 to 1980.

* Among the four largest expenditure categories, outlays for health and hospitals increased the fastest from 1975 to 1980 (at an average annual rate of 14.7 percent), followed by public welfare (11.2 percent), highways (10.7 percent), and education (6.5 percent).

* As enrollments have dropped, increases in spending for education have slowed substantially.

REAL SPENDING INCREASES

TABLE 21. Average annual rate of change in the general expenditure of state and local governments for selected functions, for Minnesota, 1960 to 1980 (constant 1972 dollars)

Function	Average Annual Rate of Change			
	1960-65	1965-70	1970-75	1975-80
	Percent	Percent	Percent	Percent
Education	5.7	8.0	1.0	-1.0
Public Welfare	3.6	6.7	11.1	3.3
Highways	2.7	1.0	-2.7	2.9
Health and Hospitals	1.6	4.5	3.7	6.6
All Functions	3.5	5.7	3.2	2.6

HIGHLIGHTS

* Adjusted for inflation, the total general expenditure of Minnesota state and local governments increased at an average annual rate of only 2.6 percent from 1975 to 1980.

* In real terms, spending for education declined by an average of 1 percent per year from 1975 to 1980.

* Measured in constant dollars, spending for highways fell from 1970 to 1975 but increased from 1975 to 1980.

LOCAL GOVERNMENT SPENDING

TABLE 22. Direct general expenditure of local governments by type of government, for Minnesota, 1980

Type of Government	Amount	Percentage Distribution
	Million Dollars	Percent
Counties	1,200.9	24.5
Municipalities	1,260.4	25.8
Townships	51.5	1.1
Special Districts	451.7	9.2
School Districts	<u>1,929.9</u>	<u>39.4</u>
All Local Governments	4,894.3	100.0

HIGHLIGHTS

* School districts accounted for about two-fifths of all direct spending by Minnesota local governments in 1980.

* Counties and municipalities each accounted for about one-fourth of all local government spending.

* Townships (approximately 1,800 units) accounted for only 1 percent of all local government spending.

PER CAPITA SPENDING

TABLE 23. Per capita direct general expenditure of state and local governments, for Minnesota and surrounding states, 1980

State	Amount	Percent of U.S. Average	Rank
	Dollars	Percent	
U.S. Average	1,621.77	100.0	--
Minnesota	1,894.42	116.8	7
North Dakota	1,839.55	113.4	10
Wisconsin	1,798.99	110.9	14
Iowa	1,685.76	103.9	20
South Dakota	1,586.37	97.8	25

HIGHLIGHTS

* The per capita general expenditure of Minnesota state and local governments was \$1,894.42 in 1980. This was nearly 17 percent above the national average.

* Minnesota ranked 7th (from the highest) among all states in per capita general expenditure in 1980. The states that ranked above Minnesota were Alaska, the District of Columbia, Wyoming, New York, Hawaii, and Oregon.

STATE AND LOCAL DEBT

TABLE 24. Debt of state and local governments outstanding at end of fiscal year, for Minnesota, 1980

Type of Debt	Amount	Percentage Distribution
	Million Dollars	Percent
Short and Long-Term Debt		
State Government	2,069.9	23.8
Local Governments	<u>6,610.5</u>	<u>76.2</u>
Total	8,680.4	100.0
Short-Term Debt		
State Government	2.3	2.0
Local Governments	<u>114.7</u>	<u>98.0</u>
Total	117.0	100.0
Long-Term Debt		
State Government	2,067.6	24.1
Local Governments	<u>6,495.8</u>	<u>75.9</u>
Total	8,563.5	100.0

HIGHLIGHTS

* The total debt of Minnesota state and local governments outstanding at the end of 1980 was \$8.7 billion.

* Local government debt accounted for about three-fourths of the total.

* Most state and local debt is long-term debt.

DEBT ISSUED AND RETIRED

TABLE 25. Long-term debt of state and local governments issued and retired, for Minnesota, 1980

Level of Government	Debt Issued	Debt Retired
	Million Dollars	Million Dollars
State Government	348.5	162.1
Local Government	<u>2,363.8</u>	<u>283.3</u>
Total	2,712.2	445.4

HIGHLIGHTS

* During 1980, Minnesota state and local governments issued \$2.7 billion of long-term debt and retired less than \$0.5 billion.

* Local governments accounted for 87 percent of newly-issued long-term debt.

PER CAPITA LONG-TERM DEBT

TABLE 26. Per capita long-term debt of state and local governments outstanding at end of fiscal year, for Minnesota and surrounding states, 1980

State	Amount	Percent of U.S. Average	Rank
	Dollars	Percent	
U.S. Average	1,423.62	100.0	--
Minnesota	2,100.43	147.5	10
South Dakota	1,639.86	115.2	20
North Dakota	1,259.45	88.5	29
Wisconsin	1,167.68	82.0	33
Iowa	782.01	54.9	48

HIGHLIGHTS

* The per capita long-term debt of Minnesota state and local governments was \$2,100.43 at the end of 1980. This was 45.5 percent above the national average.

* Minnesota ranked 10th (from the highest) among all states in per capita long-term state and local debt outstanding at the end of 1980. The states that ranked above Minnesota were Alaska, the District of Columbia, Nebraska, Washington, Delaware, Oregon, New York, Wyoming, and Hawaii.

TABLE 27. Total resident population, for Minnesota and surrounding states, July 1, 1980

State	Population
	Provisional Estimates
Iowa	2,913,000
Minnesota	4,077,000
North Dakota	653,000
South Dakota	690,000
Wisconsin	4,705,000

TABLE 28. Per capita personal income, for Minnesota and surrounding states, calendar year 1979

State	Amount
	Dollars
U.S. Average	8,773
Iowa	8,772
Minnesota	8,865
North Dakota	8,231
South Dakota	7,455
Wisconsin	8,484