

From Feast to Famine: Minnesota Budget Forecast Projects \$2.4 Billion Deficit

Alert

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In less than 60 days, Minnesota's state budget has taken a \$4 billion hit to its bottom line. Minnesota Management and Budget Commissioner Myron Frans announced today that the global pandemic is responsible for a severe deterioration in revenue collections and steep increase in emergency spending. While the current budget reserve of \$2.4 billion is enough to offset the projected deficit in this biennium, the fiscal road ahead looks fraught with peril. With just under two weeks remaining before the legislature's constitutional adjournment date, this worsened outlook will greatly impact how final agreements take shape, and feed into the disagreements over the size and scope of the much anticipated bonding bill. As political sparring continues over the governor's use of emergency powers, today's grim budgetary projection will set the tone for the legislature's work in the final weeks of the legislative session.

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