

# County Government Expenditures

A publication of the Association of Minnesota Counties

## Services Provided by Minnesota Counties

In 2001, counties spent over \$3.5 billion for services ranging from child welfare to highway maintenance. For many activities, especially in the human services area, counties are an administrative arm of the state, carrying out and implementing state programs. Costs for other services, such as jails, probation and related court services, are also often directly tied to state decisions and requirements.

The 2001 County Governmental Expenditure chart below shows the range of services counties provide. Although there are some accounting and reporting differences among counties, these major categories present a good overview of county government spending. As is shown in the chart, human services spending is by far the largest category, with total costs of over \$1.4 billion in 2001. Following is a general description of the programs and services included in each major category of county expenditures.

### Human Services

Many of the direct income maintenance payments to individuals were taken over by the state, and no longer appear as county expenditures. Remaining county costs include administration of these income maintenance programs, plus a broad range of other human and social service programs. These include family and child welfare services and the growing costs for out-of-home placement of juveniles.

### Health

This category includes costs for public health, vital statistics, environmental health services such as health inspections, and related health services.

### Highways

Counties are responsible for the maintenance of county roads, including County State Aid Highways. Some state aid is provided for this. Maintenance services, such as snow plowing, and capital outlay for construction are both included here.

### General Government

This is a broad category that includes many traditional county functions such as administration of the property tax system, property assessment, governance and management costs, planning and zoning, the county attorney and courts, and general purpose county building costs.

### Public Safety

This is a growing category that includes the county sheriff, probation services, the county jail, and related corrections and public safety costs. Tougher crime bills and new anti-terrorism laws at the state and federal levels will increase future county public safety costs even more.

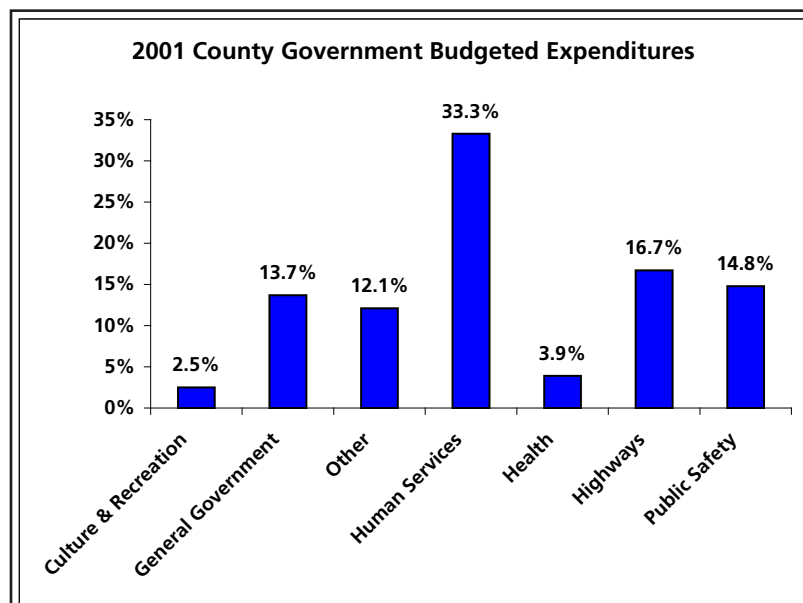
### Culture and Recreation

This category includes county costs for parks, recreation programs, libraries, and related services. These local discretionary services make up less than 3 percent of total county spending.

### Other

The costs lumped together in this category include some important county functions such as sanitation and recycling, conservation, economic development, and debt service. Some of these costs, such as debt service on new jails, are growing rapidly.

In addition to these governmental costs, some counties also have separate enterprise funds for their waste management, hospitals, nursing homes and other activities. The largest of these activities is the Hennepin County hospital with expenditures of over \$284 million. Total enterprise expenditures for all counties exceeded \$650 million in 1998. These enterprise activities are not reflected in any of the accompanying charts.

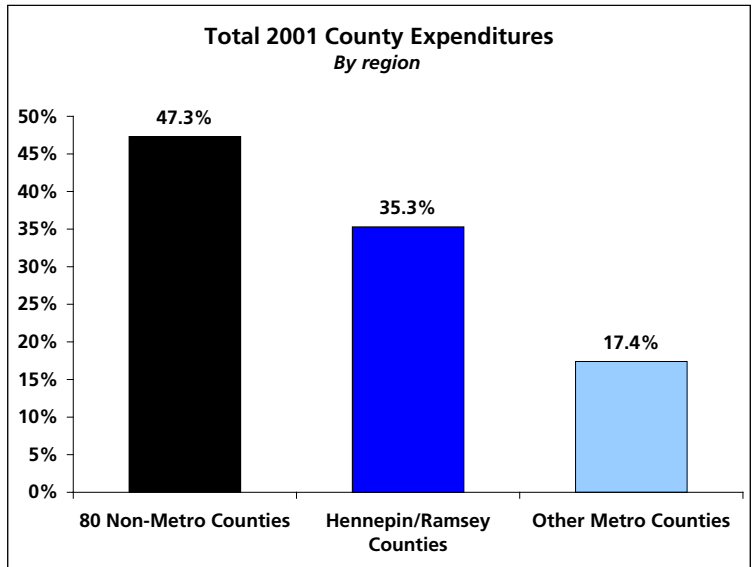


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# Regional Differences

There are some regional differences in spending patterns. The chart at right shows the large share of total county spending due to the activities of Hennepin and Ramsey counties. Because these counties represent such a large share of the state's total population, their spending patterns can skew statewide totals and obscure other patterns.

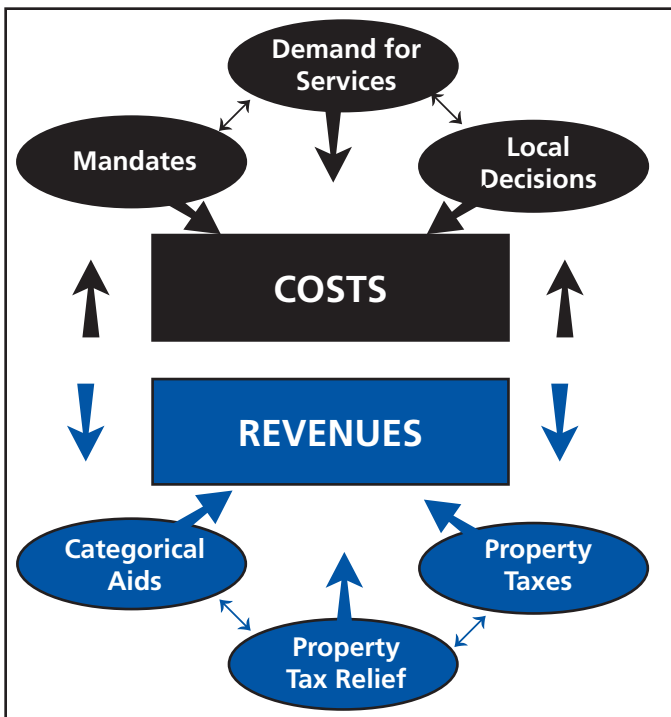
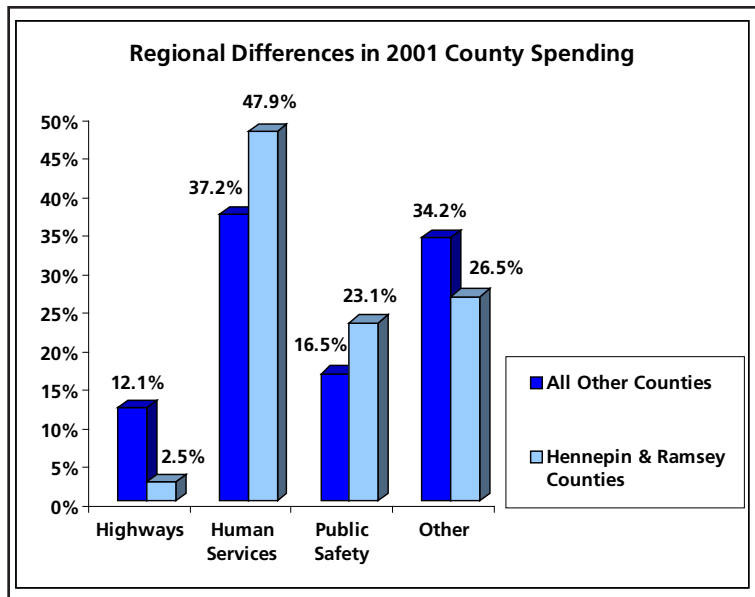
The Regional Differences in 1999 County Spending chart below shows that one major regional difference in spending is the greater cost for highways in counties other than Hennepin and Ramsey. Conversely, Hennepin and Ramsey counties spend much more on human services. These spending differences are due to differing circumstances, demographics, needs and demand for services by the residents of these counties.



# The State-County Fiscal Relationship

County revenues, particularly state aid for counties, help provide sources of funding other than property taxes for county programs and services. The "property tax relief" counties get from the state in the form of state aid is complicated by the fact that many county programs are mandated by the state and state aid is often earmarked for specific uses (called categorical aid).

The state/county fiscal relationship is further complicated by the role of these program mandates and related categorical aids in county budgets. Frequently, decisions made by the legislature's human services, judiciary and other spending committees have a dramatic impact on county property taxes. Unfortunately, the state's property tax relief programs are often inadequate to offset the property tax increases forced by these other state program and spending decisions. ■



Note: All data in this publication is based on the State Auditor's Report on the Revenues, Expenditures and Debt of Minnesota Counties for 2001 and the State Auditor's Report for 2001 Budget Data for Minnesota Counties.

Updated April 2008



125 Charles Avenue  
 Saint Paul, MN 55103-2108  
 Main Line/Switchboard: 651.224.3344 Fax: 651.224.6540  
[www.mncounties.org](http://www.mncounties.org)