



Coalition of  
Minnesota Businesses

A statewide grassroots communications program involving 11 employer groups. CMB members represent more than 20,000 businesses employing hundreds of thousands of Minnesotans. [www.mnbusiness.com](http://www.mnbusiness.com)

## #1 Spend Smart Principles

With high inflation and slow growth taking a toll on business and family finances - and state budgets - across the country, Minnesota lawmakers are likely to face a deficit when they start work on the 2010-11 budget. But can government address Minnesota's priorities without adding to the pressure on families and employers? Yes, by applying a few common-sense principles.

- ✓ **Support job growth.** People look to the private sector for jobs and opportunity. They want government to help businesses grow and expand - not make it harder and more expensive. A strong economy creating private-sector jobs is the foundation for Minnesota's high quality of life.
- ✓ **Live within our means.** Lawmakers should identify available revenue then decide how much to spend - not the other way around.
- ✓ **Prioritize.** Minnesota has real needs - including higher student achievement, improved infrastructure, and affordable, quality health care. Families set priorities then take care of first things first. Government should do the same.
- ✓ **Make sure you get what you pay for.** Minnesotans support programs that work. But not every program is successful. And too often we don't even have the tools to measure success or cost effectiveness.
- ✓ **Innovate.** Look for better, faster, more effective, less expensive ways to do things. Don't say it can't be done. Government - like everyone else - is constantly innovating and evolving. The challenge is to lead, not follow. The more innovative our public sector is, the stronger our state will be.

**Grow jobs and we'll grow tax revenues.  
Tax jobs and they'll grow elsewhere.**

## A Few Facts & Figures

- ◆ State tax revenues are expected to grow 9.7% in FY 2010-11, surpassing \$38.2 billion.

*Source: Minnesota Department of Finance, "Price of Government," May 2008*

- ◆ The above estimates are based on an economic forecast made in February, including an assumption that oil will fall below \$80 a barrel.

*Source: Minnesota Department of Finance, "February 2008 Economic Forecast"*

- ◆ Cumulative budget gaps for all 50 states are projected to reach \$40 billion for FY 2009.

*Source: National Conference of State Legislatures*

## Spend Smart Questions for Challenging Times & Long-Term Growth

- ◆ How will this expenditure help Minnesota grow jobs and provide the people to fill them?
- ◆ Does this program address a priority for Minnesotans - and deliver expected results?
- ◆ What does it cost to provide this service? How does that compare with what others pay?
- ◆ Will additional spending improve results? If so, can we reprioritize existing resources?
- ◆ How can we encourage innovation in this program to reduce costs and improve quality?
- ◆ Can consolidation, competitive bidding, bundled purchasing or other common practices reduce costs and improve quality?
- ◆ Does technology offer the potential to reduce costs and improve quality? How long before that investment pays for itself?