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## **Editorial: Make forecasts tell the whole story**

Senate's inflation bill should become law.

Some of the grief that Gov. Tim Pawlenty is getting from fellow Republicans over his 2008-09 budget goes like this: How come he's proposing a measly \$227 million in tax relief to individuals when there's a \$2.2 billion surplus?

Pawlenty set himself up for that. In 2002, as House majority leader, he was party to a deficit-concealment deal that took inflation out of forecasts of state expenditures, but not revenues.

Voilà! About a billion dollars of red ink disappeared from forecasts -- but not from reality. Increases in the cost of labor, health care, heating, transportation and materials could not be legislated away. If they had been tallied last fall, today's surplus would be closer to \$1 billion -- all of it one-time money.

Pawlenty is now experiencing the fallout that false expectations bring. Yet he refuses to put inflation back on the spending side of forecast ledgers. Doing so, he has said, would put spending increases on "autopilot."

That argument betrays confusion about something that should be crystal clear to state lawmakers: Forecasting and budgeting are different things. Assessing the cost of operating the State Patrol, for example, in 2009 if its size and mission do not change is not the same as sending that sum to the troopers. But those who decide how much money the patrol should receive in 2009 would be negligent if they did not first ascertain how much maintaining its operation at current levels will cost then.

The wild fiscal roller-coaster that Minnesota has been on in this decade should have the governor and Legislature looking for a way to smooth out the ride. Accurately seeing what's ahead is essential to that effort. Today, the Senate will take up a bill that would put inflation back into spending forecasts. That bill should become law.

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