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STATE OF MINNESOTA L'Étoile du Nord Office of Governor Mark Dayton

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# Governor Dayton's Budget for a Better Minnesota and Tax Cuts for Over 2 Million Minnesotans

Governor Dayton's budget would cut state income taxes for over 2 million Minnesotans; over 1.9 million would see an average tax cut of \$117, and 329,000 would see an average tax cut of \$160, improving family budgets without risking the stability of our state's budget

Governor's plan would continue investments in Minnesota's youngest learners, to protect preK funding for 59 school districts and charter schools, and 4,000 kids across Minnesota

Governor Dayton's MinnesotaCare Buy-In proposal would help an estimated 100,000 more Minnesotans choose the better health care they need, at prices they can better afford

Governor's proposals would protect our state's fiscal stability, deliver a fair and balanced budget for the people of Minnesota, and leave \$123 million on the bottom line this fiscal year

ST. PAUL, MN – Governor Mark Dayton today released his Budget for a Better Minnesota, and his plan to cut taxes for over 2 million Minnesotans and their families. Governor Dayton's supplemental budget would make needed investments in better educations for our students, and better infrastructure for a strong and growing economy. It would give all Minnesotans the choice to purchase better, more affordable health insurance, and deliver tax cuts for hard working individuals and families all over the state – improving family budgets without risking the long-term stability of our state's budget. The Governor's budget would do all this and more, while leaving \$123 million on the bottom line.

"My budget would cut taxes for over 2 million Minnesotans and their families, while making needed investments in a Better Minnesota," said Governor Dayton. "The budget I am proposing to the Legislature can and should garner broad bipartisan support. Its investments in education, economic growth, more affordable health care, and tax cuts for hard-working people reflect the priorities of Minnesotans. These are my priorities, and I look forward to finding common ground with legislators from both parties in the coming months as we work together to build an even Better Minnesota."

To see a complete overview of Governor Dayton's proposed Budget for a Better Minnesota, <u>CLICK</u><u>HERE</u>.

#### Tax Cuts for Over 2 Million Minnesotans

Governor Dayton's Budget for a Better Minnesota would cut taxes for over 2 million Minnesotans and their families. More than 1.9 million families would see an average tax cut of \$117, and 329,000 families would see an average tax cut of \$160. These tax changes would improve family budgets without risking the stability of our state's budget.

"The Governor's 2018 tax bill prioritizes low-income and middle-class families across Minnesota, just as he has for his entire term as Governor. With this proposal, over 2 million families would see a tax cut and over \$100 million in tax relief will go to small businesses and farmers," said Revenue Commissioner Cynthia Bauerly. "Although the tax bill passed by President Trump and Republicans in Washington D.C. – which unfairly favored big corporations and the richest Americans – presented a real challenge for Minnesota, the Governor's proposal continues our commitment to sound fiscal management while also treating Minnesotans fairly. I look forward to working with Legislative Leaders this session on a bill to accomplish both of these goals."

If Minnesota fully "conforms" to the federal tax bill – or if Minnesota does nothing – hundreds of thousands of Minnesotans would owe hundreds of dollars more in increased taxes. But, if the Minnesota Legislature passes Governor Dayton's proposal, Minnesota families would see \$319 million in tax relief. Over 1.9 million Minnesotans and their families would see an average tax cut of \$117, and 329,000 families would see an average tax cut of \$160. Governor Dayton's plan would separate our state income tax system from the federal government, giving Minnesota control over the fairness of our own taxes, and the stability of our revenues.

To make Minnesota's taxes more fair, Governor Dayton's proposal would repeal unaffordable tax breaks for big tobacco companies, corporations, and the wealthiest Minnesotans. These tax cuts, insisted upon by Republicans in the Minnesota Legislature last year, threaten the long-term stability of our state's budget.

To learn more about Governor Dayton's tax proposal, **CLICK HERE**.

#### Continuing Investments in Minnesota's Youngest Learners

In his 2017 budget proposal, Governor Dayton called for \$175 million in permanent funding to ensure every Minnesota child could attend high-quality, school-based preKindergarten programs, free of cost. Unfortunately, the Minnesota Legislature only agreed to provide \$50 million in new, one-time funding.

Across the state, thousands of four-year-olds are currently attending free, school-based preKindergarten this year in 133 school districts. However, because the Legislature only provided one-time funding last year, 59 of those school districts would lose state funding if the Legislature does not agree to make that preKindergarten funding permanent; about 4,000 kids each year would lose out on the great starts they need in school without this funding.

"Governor Dayton gets it right once again by prioritizing our youngest Minnesotans with this supplemental budget," said Education Commissioner Brenda Cassellius. "By taking the long view and adding funding in future years, the Governor puts us on a solid path to every 4-year-old having access to free high-quality pre-K, giving them the great start they deserve." This year, Governor Dayton's Budget for a Better Minnesota would make voluntary preKindergarten funding permanent for schools that already offer it, ensuring thousands more Minnesota four-year-olds are given the opportunity to attend free, school-based preKindergarten in the future. To learn more about which school districts and charter schools would lose funding for voluntary preKindergarten if the Legislature does not support the Governor's proposal, <u>CLICK HERE</u>.

To learn more about Governor Dayton's proposed investments in excellent educations for every Minnesota student, including security measures to keep kids safe in school, special education funding, more affordable higher educations, and more, <u>CLICK HERE</u>.

# Better, More Affordable Health Care for 100,000 Minnesotans

All Minnesotans need access to quality, affordable health care that meets the needs of their families. However, rising costs and limited choices have placed an unfair burden on too many Minnesotans. A new report from the Minnesota Department of Health shows that rising costs and fewer options have forced 116,000 Minnesotans to drop their health insurance over the last two years. Minnesotans need more options and more affordable prices for the high-quality care they expect and deserve.

That is why Governor Dayton has proposed the MinnesotaCare Buy-In, to allow all Minnesotans the choice to purchase their health insurance through MinnesotaCare. By giving every Minnesotan this option, MinnesotaCare Buy-In would expand health care choices for Minnesotans everywhere in the state, increase competition in the individual health insurance market, and save Minnesotans money. If enacted, an estimated 100,000 Minnesotans would benefit from this proposal.

To learn more about the Governor's proposals to provide Minnesotans with more affordable health care choices, curb the state's opioid abuse crisis, strengthen protections for older and vulnerable adults, ensure Minnesota women have continued access to quality health care choices, and more <u>CLICK HERE</u>.

### A Fair and Balanced Budget

When Governor Dayton took office in 2011, our economy was in crisis and our budget was a mess. Minnesota's schools were under-funded, 202,000 people were out of work, and taxes unfairly favored the wealthy. Governor Dayton promised to build a Better Minnesota, and that is what he delivered. Now, our economy is strong, unemployment has reached a 17-year low, and our state's budget has stabilized with nine forecasted budget surpluses over the last seven years, and historic budget reserves.

"Governor Dayton has worked hard to reverse chronic budget deficits, and restore stability to our state budget, our strategic reserves, and our national standing," said Management and Budget Commissioner Myron Frans. "This stability has allowed Minnesota to turn our focus to the essential foundations of a strong economy – better educations, infrastructure, and opportunities for all. I echo Governor Dayton's strong stance against any budget, policy, or tax proposal which would threaten our sound fiscal standing, and thank him for his commitment to a fair and balanced budget this Legislative Session."

This session, Governor Dayton is committed to leaving behind a fair and balanced budget for the people of Minnesota. The Governor's 2018 Budget for a Better Minnesota would make investments in the state's most urgent needs, while protecting our state's fiscal stability.

To learn more below about what Governor Dayton wants to do to leave the state budget better than he found it, <u>CLICK HERE</u>.

# Learn More About Governor Dayton's Budget for a Better Minnesota

Governor Dayton's Budget for a Better Minnesota would build on the policies and investments of the past seven years that have made Minnesota one of the best places to live and work in the country. To

build an even better Minnesota, the Governor's supplemental budget proposal would make essential investments in a strong and growing economy, better educations for our students, improved incomes and opportunities for all Minnesotans, more affordable health care choices, fair taxes, and better technology for excellent state government services. All of these investments, combined with a commitment to fiscal stability, will deliver the fair and balanced budget Minnesotans deserve.

Additional information on Governor Dayton's Budget for a Better Minnesota is available in the following fact sheets:

- **FACT SHEET**: Governor Dayton's Budget for a Better Minnesota [Link]
- **FACT SHEET**: Tax Cuts for Over 2 Million Minnesotans [Link]
- **FACT SHEET**: Better Infrastructure for a Strong and Growing Economy [Link]
- **FACT SHEET**: Better Incomes and Economic Opportunities [Link]
- FACT SHEET: Better, More Affordable Health Care [Link]
- <u>FACT SHEET</u>: Excellent Educations for Minnesota Students [<u>Link</u>]
  <u>FACT SHEET</u>: Better Early Learning Opportunities for Minnesota Kids [<u>Link</u>]
- FACT SHEET: A Better Place to Live for All of Us [Link]
- **FACT SHEET**: A Fair and Balanced Budget [Link]
- **FACT SHEET**: Better, More Secure Technology for Minnesotans [Link]
- **<u>CHART</u>**: High Level Summary of the Fiscal Impacts of the Governor's budget [<u>Link</u>]
- **DESCRIPTIONS**: Detailed Summaries of Provisions in the Governor's budget [Link]

For additional information on Governor Dayton's supplemental budget proposal from Minnesota Management and Budget, <u>CLICK HERE</u>.

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