

STATE OF MINNESOTA
L'Étoile du Nord

Office of Governor Mark Dayton

Budget for a Better Minnesota

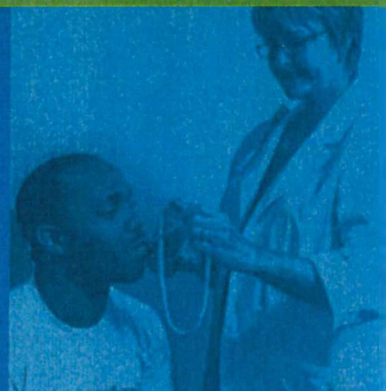
March 16, 2018

GOVERNOR DAYTON'S BUDGET **FOR A BETTER MINNESOTA**

A close-up photograph of US dollar bills, showing the texture of the paper and the details of the currency, is positioned on the left side of the green section.

A FAIR AND BALANCED BUDGET FOR MINNESOTA

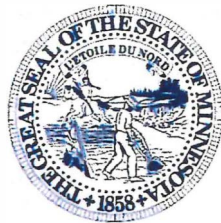
**BETTER, MORE AFFORDABLE HEALTH
CARE FOR 100,000 MINNESOTANS**

A photograph of two young children, a boy and a girl, sitting at a desk and looking at a book or paper together. The image is tinted with a blue color.

**CONTINUING OUR INVESTMENTS IN
MINNESOTA'S YOUNGEST LEARNERS
IN 133 COMMUNITIES STATEWIDE**

**TAX CUTS FOR OVER
2 MILLION MINNESOTANS**





STATE OF MINNESOTA
L'Étoile du Nord

Office of Governor Mark Dayton

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

Governor Mark Dayton's 2018 Supplemental Budget Proposal

When Governor Dayton took office in 2011, he promised to build a Better Minnesota. That is exactly what he has delivered. Back then, 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. Now our economy is strong, unemployment has reached a 17-year low, and our schools have seen historic new investments. Governor Dayton gave 2.3 million Minnesota families tax cuts, raised income taxes on only the richest 2 percent to pay for needed investments in a Better Minnesota, stabilized our state's budget with nine forecasted budget surpluses over the last seven years, and secured \$1.9 billion in cash and reserves to protect our state's finances from any future economic downturns.

Despite this progress, there is more work to do to make sure every Minnesotan, in every corner of Minnesota, shares in our state's prosperity. By continuing to build on the successful policies and investments we have made over these last seven years, we can build an even better Minnesota for all Minnesotans. That is what Governor Dayton's Budget for a Better Minnesota would do. It would cut state income taxes for over 2 million Minnesotans, with over 1.9 million Minnesotans and their families seeing an average tax cut of \$117, and 329,000 receiving an average tax cut of \$160. The Governor's budget would make needed investments in: a strong and growing economy, better educations for our students, better incomes and opportunities for all Minnesotans, more affordable health care choices, and better technology for excellent state government services. All of these investments, combined with sound fiscal management, will deliver the fair and balanced budget that Minnesotans expect and deserve.

Tax Cuts for Over 2 Million Minnesotans

Governor Dayton's response to the 2017 Federal Tax Law is revenue neutral and would protect hundreds of thousands of Minnesotans and their families from state tax increases caused by new laws enacted by President Trump and Republicans in Congress. The Governor's plan 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. His 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. And it would simplify and cut taxes by \$100 million for farmers and small businesses for their equipment expenses.

- **Tax Cuts for Over 2 Million Minnesotans** – President Trump and Republicans in Congress passed an unfair federal tax bill that overwhelmingly favors the wealthy and big corporations. Without action by the Legislature, President Trump's new federal tax changes will raise state taxes by an average \$200 on 300,000 Minnesotans. That is why Governor Dayton's proposal would:

- **Cut Taxes for Over 2 Million Minnesotans and Their Families**, prioritizing tax fairness for low- and middle-income families and improving family budgets without risking the stability of our state's budget;
- **Separate Our State's Individual and Family Income Taxes from President Trump's Unfair Federal Tax Changes**, protecting 300,000 Minnesota families from tax increases and ensuring that Minnesotans can determine our own state tax policies and priorities to stabilize our state's finances for the long-term;
- **Simplify Taxes for Businesses and Cut Taxes** for farmers and small businesses on the equipment they purchase to run their operations; and
- **Repeal Unaffordable Provisions from 2017 State Tax Bill** that including tax breaks for big tobacco companies, a business property levy freeze that helps large businesses the most, and the future expansion of the estate tax that helps only the wealthiest estates.

Building an Even Better Economy for All Minnesotans

Since 2011, Minnesota employers have added over 286,500 new jobs, and our state is now consistently ranked among the best places in the country for business. But some Minnesotans are still being left behind in this economy. We can and must do more to ensure all Minnesotans, in every corner of Minnesota, share in our state's prosperity, benefit from growing wages, and have greater economic security. That is why Governor Dayton's Budget for a Better Minnesota would invest in:

- **Better Infrastructure** – Since 2011, Governor Dayton has invested over \$4 billion to repair and rebuild our state's aging, under-funded infrastructure – creating tens of thousands of jobs. But we have much more work to do to build the infrastructure our economy needs to grow and compete. Governor Dayton's Public Works bill, and investments in his proposed budget would invest in:
 - **World Class Higher Education Facilities** (labs and classrooms) to train a well-educated, highly-skilled, and competitive workforce;
 - **Clean, Affordable Water** for more Minnesota communities;
 - **Modern, Reliable Infrastructure** across Minnesota for a vibrant and growing economy;
 - **Quality, Affordable Housing** for a strong economy and growing communities and more.
- **Better Incomes and Economic Opportunities** – Our economy is back on track. But too many Minnesotans have gone too long without a pay increase. And too many people are not fully sharing in our state's prosperity. We have to do more to ensure all Minnesota workers get the incomes, benefits, and opportunities they have rightly earned. That is why Governor Dayton's Budget for a Better Minnesota would invest in:
 - **Tax Cuts for Over 2 Million Minnesotans** to improve family budgets, without risking the stability of our state's budget;
 - **Cracking Down on Wage Theft** to ensure that all Minnesota workers receive the paychecks they have rightly earned;
 - **Ending Unfair Lending Practices** to make sure that low-income people are not ripped off by high-interest "payday" loans;
 - **Expanding Access to Reliable High Speed Internet**, funding grants to connect more people and businesses in Greater Minnesota to broadband;
 - **Ensuring Minnesota Workers Receive the Retirement Benefits** they have rightly earned by taking immediate action to stabilize public employee pensions for tens of thousands of people;

- **Providing Fair Wages and Benefits for Hard Working Minnesota State Employees** by finally ratifying their contracts, at no cost to the state's budget; and
- **Establishing an Independent Office to Investigate Harassment Complaints** to protect the rights, safety, and dignity of every state employee and create better working environments.

Making Minnesota an Even Better Place to Live for All Minnesotans

Minnesota is consistently ranked among the best states to live in the nation. Our world class schools, quality services, great recreational opportunities, and rich culture and quality of life make our state a very special place. But we can and must do more to ensure that Minnesota is a great place to live for every Minnesotan, everywhere in Minnesota. That is why Governor Dayton's budget would invest in:

- **Better, More Affordable Health Care** – The rising cost of health care is placing an unfair burden on too many Minnesota families. All Minnesotans need a better, more affordable choice for their health insurance. In addition to the rising costs of health insurance, Minnesotans continue to face other health challenges, including opioid abuse, the neglect and mistreatment of older Minnesotans, and more. That is why Governor Dayton's Budget for a Better Minnesota would invest in:
 - **The MinnesotaCare Buy-In**, which would provide another, more affordable health insurance choice for 100,000 more Minnesotans;
 - **Addressing Minnesota's Opioid Crisis** through needed investments in prevention, treatment, and law enforcement;
 - **Protecting Seniors and Vulnerable Adults** from abuse and neglect with new investments in better government oversight and tougher criminal and civil protections;
 - **Ensuring Women Can Choose the Health Care They Need** by reinstating health care protections for contraceptives that were eliminated by the Trump Administration;
 - **Providing Mental Health and Other Services for Farmers** who are facing financial and emotional stress in today's agricultural economy;
 - **Making Child Care More Affordable for Minnesota Families** by investing in Minnesota's Child Care Assistance Program; and
 - **Securing the Long-Term Stability of the Health Care Access Fund** and protecting health care for tens of thousands of Minnesota families.
- **Excellent Educations for Minnesota Students** – When Minnesotans elected Governor Dayton, he promised to increase state investments in public education every year he was Governor; no excuses, no exceptions. Governor Dayton has delivered on that promise, increasing E-12 education investments by nearly \$2 billion, including \$262 million for high-quality early learning programs since he took office in January 2011. These investments are helping to educate the next generation of Minnesota workers for good jobs and bright futures, while supporting economic opportunity for communities all across our state. This year, the Governor is proposing additional investments in education to ensure more students receive excellent educations, everywhere in Minnesota, including:
 - **Keeping Schools Safe and Secure** by enacting broadly-supported policies to upgrade school security measures, providing better support to students, and supporting efforts to reduce gun violence;
 - **Continuing Access to Early Learning Opportunities** for 59 school districts and charter schools that would otherwise lose state funding for high-quality preKindergarten programs in their public schools;

- **Funding the Help Me Grow Initiative** to connect young children who have developmental and emotional concerns to the services they need to succeed early in school and life;
 - **Helping Kindergarten Students with Disabilities** by fixing a problem in the school funding formula that provides less funding for these students than their peers;
 - **Supporting Special Education** to ensure every student has access to the same great education opportunities;
 - **Prioritizing Learning Over Standardized Testing** by making reforms that will help students spend less time preparing for tests;
 - **Funding the Homework Starts with Home Initiative** to help homeless children and families at risk of homelessness have the housing stability they need to succeed in school;
 - **Ensuring Access and Opportunity** at the University of Minnesota and Minnesota State campuses statewide;
 - **Helping Students Finish College and Career Training** by funding the Minnesota Reconnect program at public colleges and universities statewide;
 - **Making College More Affordable for Minnesota Dreamers** by making additional investments in the Minnesota State Grant Program;
 - **Protecting the Retirement Savings of Minnesota Teachers** and stabilizing school district budgets with needed pension reforms;
 - **Supporting Great Teachers with Quality Compensation**, providing new investments in the Q Comp program; and
 - **Investing in World Class Higher Education Facilities** with Public Works projects that will provide better labs and classrooms for students.
- **A Better Place to Live for All of Us** – Minnesota is doing much better than before. But too many people, including some people of color and some people in Greater Minnesota, are not sharing as much in our state's prosperity. Minnesotans will do even better when we all do better. We need to do more to ensure all our policies, the investments in our state budget, and the way we run state government includes and represents the interests of every Minnesotan, everywhere in Minnesota. By prioritizing diversity, and committing our state to equity and inclusion at all levels, we can build an even better Minnesota for all Minnesotans. The Governor has proposed making key investments across the state budget to prioritize these values, funding initiatives that will make a difference for people of color, farmers, rural communities, and other Minnesotans.

Making State Government Work Better for All Minnesotans

State government should work as well and as hard as the Minnesotans we serve. We should provide the high-quality, reliable services Minnesotans expect and deserve. And we should be accountable to the taxpayers who work hard to fund it. Governor Dayton has worked hard to make state government work better for Minnesotans, but we must do even more. That is why the Governor's budget prioritizes:

- **A Fair and Balanced Budget** – With tough choices and sound fiscal management, Governor Dayton turned a decade of deficits into repeated budget surpluses. The Governor is committed to leaving behind a fair and balanced budget for the people of Minnesota. His supplemental budget would deliver on that promise by:
 - **Securing a Structurally Balanced State Budget** that responsibly invests in urgent needs and key priorities, while leaving resources on the bottom line to help shield our state from any future economic downturns;
 - **Fixing State Employee Pensions** to keep our promises to Minnesota workers and retirees, protect our bond ratings, and ensure the long-term solvency of this important financial responsibility; and

- **Fixing a \$530 Million Budget Gap in the Health Care Access Fund** that, if left unfixed, would threaten the stability of our state budget and the health care of tens of thousands of Minnesotans.
- **Better Technology** – Minnesotans and our state’s many businesses need to move fast and efficiently to succeed in a high-tech 21st Century economy. So does state government. That is why Governor Dayton’s budget would invest in better technology that would allow state government to move at the speed of commerce and ensure all Minnesotans – individuals and businesses – get the quality services they need with the speed, certainty, and security they deserve. The Governor’s budget would:
 - **Safeguard the State from Cyberattacks** by upgrading outdated, insecure information technology systems to protect Minnesotans’ private data;
 - **Safeguard Minnesota’s Elections Against Cyberattacks** by implementing recommendations from the U.S. Department of Homeland Security for modernizing Minnesota’s statewide voter registration system; and
 - **Fix the Minnesota License and Registration System** to deliver the high-quality, efficient services that all Minnesotans expect and deserve.

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To learn more about other proposals included in Governor Dayton’s Budget for a Better Minnesota, [CLICK HERE.](#)



STATE OF MINNESOTA
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Office of Governor Mark Dayton

Tax Cuts for Over 2 Million Minnesotans

Budget for a Better Minnesota

Governor Mark Dayton's Tax Bill continues his long-held commitment to tax fairness for hard-working Minnesotans, while preserving a responsible, balanced budget for our state's future. It would cut taxes for over 2 million Minnesotans and their families.

Late last year, President Trump and Republicans in Congress enacted an unfair Federal Tax Bill that overwhelmingly favored big corporations and the richest Americans. The new 2017 Federal Tax Law cut taxes by 40 percent for corporations, totaling 92 percent of the net total of the bill, or \$1.35 trillion. Nearly 50 percent of new individual federal tax cuts go to the richest Americans – those earning over \$250,000 per year. Depending on how Minnesota responds, the new law could raise state taxes on hundreds of thousands of Minnesotans.

This session, the Governor and Legislature face an important choice: how to respond to the 2017 Federal Tax Law in our state. The decisions made this session will impact state taxes for Minnesota individuals, families, and businesses. Here is how those choices could impact Minnesotans:

Do Nothing	Full "Conformity"	Governor's Proposal
If the Minnesota Legislature does nothing to respond to the 2017 Federal Tax Law, individual state income taxes will increase \$59 million for over 300,000 Minnesota families, costing an average of \$200 per person in higher taxes.	If the Minnesota Legislature fully "conforms" to the 2017 Federal Tax Law – matching at the state level all of the changes made at the federal level – individual state income taxes would increase \$426 million for over 870,000 Minnesota families, costing an average of \$489 per person in higher taxes.	If the Minnesota Legislature passes Governor Dayton's proposal, Minnesota families would see \$319 million in tax relief. 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 .

Governor Dayton's response to the 2017 Federal Tax Law is revenue neutral, and would protect hundreds of thousands of Minnesotans and their families from state tax increases caused by new laws enacted by President Trump and Republicans in Congress. The Governor's plan would cut taxes for over 2 million households – improving family budgets without risking the stability of our state's budget. His 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. And it would simplify and cut taxes by \$100 million for farmers and small businesses for their equipment expenses.

Finally, Governor Dayton's proposal would repeal unaffordable tax breaks enacted last year by Republicans in the Minnesota Legislature that have threatened the long-term stability of our state's budget. It would roll back tax breaks for big tobacco companies, huge property tax cuts for corporations, and estate tax cuts for the wealthiest Minnesotans.

Tax Cuts for Over 2 Million Minnesotans

Policy	Description
Creating a New Minnesota Personal and Dependent Credit that Would Cut Taxes for 1.9 Million Minnesotans and Their Families	Governor Dayton's proposal would create a new, non-refundable tax credit for individuals earning less than \$140,000 and married tax filers earning less than \$280,000 per year. This new tax credit – which is designed to make taxes fair for hard-working Minnesotans – would cut taxes an average \$117 for over 1.9 million eligible Minnesota families.
Cutting Taxes for 329,000 Working Minnesota Families by Expanding the Working Family Tax Credit	Governor Dayton's proposal would expand the Working Family Tax Credit. By expanding this tax credit, over 329,000 Minnesotans and their families would receive an average \$160 tax cut. The Working Family Tax Credit would allow the inclusion of up to three dependents, and extend the credit to more middle class families. The proposal would also allow more taxpayers to claim the maximum tax credit at lower incomes, and reduce the minimum age for the credit to 21.
Separating Our State Tax System from President Trump's Unfair Federal Tax Changes and Protecting 300,000 Minnesotans from Tax Increases	Governor Dayton's proposal would separate our state income tax system from the federal government, giving Minnesotans more control over the fairness of our taxes and the stability of their revenues. The Governor's proposal would move Minnesota away from using "Federal Taxable Income" on our individual state income taxes, replacing it with "Federal Adjusted Gross Income." This change will prevent over 300,000 Minnesotans from state income tax increases caused by the 2017 Federal Tax Law enacted by President Trump and Republicans in Congress.
Maintaining Property Tax Refund Benefits for Minnesotans	Governor Dayton's proposal would ensure that Minnesotans do not lose exemptions for the Minnesota Property Tax Refund as a result of the 2017 Federal Tax Law enacted by President Trump and Republicans in Congress. The Governor's proposal will prevent Minnesotans from losing \$80 million of property tax refund benefits.
Preserving Property Tax Deductions and Other Cost-Saving Tax Benefits for Minnesotans	<p>The 2017 Federal Tax Law enacted by President Trump and Republicans in Congress repealed or reduced many itemized deductions that Minnesota families rely on for cost-saving tax benefits. Governor Dayton's proposal, however, would preserve those deductions on Minnesotans' state taxes.</p> <p>Most significantly, the new federal law placed a cap on the federal State and Local Tax deduction, negatively impacting Minnesota taxpayers. To help stem the impact of those lost tax benefits, the Governor's proposal would allow Minnesotans to continue to subtract the full amount of their Minnesota property taxes. The Governor's proposal would allow taxpayers to take the standard</p>

	<p>deduction at the federal level and itemize deductions at the state level.</p> <p>Other important benefits preserved by the Governor’s plan include:</p> <ul style="list-style-type: none"> • Unreimbursed employee expenses • Interest on home equity loans • Mortgage interest on new purchases • Casualty losses • Moving expenses and reimbursements • Charitable donations <p>Preserving these benefits would protect Minnesota families from unfair tax increases. For example:</p> <ul style="list-style-type: none"> • An employee who travels from different sites for their job and does not get reimbursed by their employer would keep their state tax exemption on those expenses. • A family that donates \$400 per year and takes the federal standard deduction, but itemizes deductions for Minnesota, would continue to be able to deduct that amount from their state taxes. • A family that suffered through a house fire would still be able to deduct those losses from their state taxes.
<p>Allowing Minnesotans to Deduct Contributions for Disaster Relief from Their State Taxes</p>	<p>When hurricanes, tornadoes, wildfires, and other natural disasters happen in our country, or around the world, Minnesotans often give generously to disaster relief efforts to help our friends and neighbors pick up the pieces of their lives. Governor Dayton’s proposal would match federal changes by removing limits on the amount that Minnesotans can deduct from their state taxes for contributions they make to disaster relief efforts – supporting our state’s proud tradition of philanthropy and assistance in times of disaster.</p>
<p>Protecting Important Tax Deductions for Mortgage Debt and Tuition Payments</p>	<p>Governor Dayton’s proposal would protect Minnesotans’ tax benefits for paid tuition for higher education and career training, mortgage debt forgiveness, and mortgage insurance premiums. Unless the Legislature takes action, Minnesotans will not be able to utilize these benefits. The Governor’s proposal would protect these tax benefits for an estimated 120,000 Minnesotans. Minnesotans who deduct their higher education tuition from state taxes would save an average \$96 per year.</p>
<p>Holding Down Property Tax Costs for Minnesota Seniors</p>	<p>Older Minnesotans are often on limited incomes, and the cost of property taxes can cut into seniors’ budgets. The Senior Citizens Property Tax Deferral Program provides tax savings to seniors who are having difficulty paying their homestead property taxes. The program limits the amount of property taxes that eligible seniors have to pay to just 3 percent of their total household incomes, saving eligible Minnesota seniors \$1.2 million a year.</p>

	Right now, in order to be eligible for the benefit, seniors have to own or occupy their homes for 15 years. Governor Dayton's proposal would reduce that requirement to just 5 years, and move the application date deadline from July 1st to November 1st – giving Minnesota seniors more time to access this important tax benefit.
Expanding Homestead Eligibility Tax Benefits to All Minnesotans	In order to qualify for some cost-saving tax benefits – including property tax refunds, lower property taxes, and more – Minnesotans need to “homestead” their home or primary property. But not all Minnesotans who own a home or property are allowed to declare a homestead, even though they pay state and local taxes. Governor Dayton's proposal would allow more property owners to qualify for homestead classification by including taxpayers with an Individual Taxpayer Identification Number (ITIN) to qualify.

Tax Law Changes for Minnesota Businesses

Policy	Description
Providing Small Businesses and Farmers Over \$100 Million in Tax Cuts for Their Equipment Expenses	The 2017 Federal Tax Law allows businesses – especially small businesses and farmers to more quickly deduct their expenses on the equipment they need to run and grow their operations – saving them more money up front. In order for Minnesota small businesses and farmers to benefit from this “Section 179 Expensing” tax benefit, the State of Minnesota needs to “conform” this part of our state tax code to federal law. Governor Dayton's proposal would conform this part of Minnesota's tax code to the new federal law, allowing full Section 179 expensing and providing Minnesota small businesses and farmers over \$100 million in up-front tax cuts.
Making Taxes Simpler and Easier to File for Minnesota Businesses	Governor Dayton's proposal would match the federal law changes to for a number of additional business provisions that will simplify record keeping and tax filing. For example, the Governor's proposal includes conforming to a number of changes, most significantly allowing for more businesses – especially pass through businesses – to use different types of accounting methods to simplify filing and reduce their tax burdens.
Limiting the Business Interest Deduction	Right now, state law and federal law allow businesses to deduct 100 percent of their interest. The new 2017 Federal Tax Law changed that law for businesses in the United States, limiting the amount of interest they can deduct. Governor Dayton's proposal would “conform” to this part of the new federal tax law. The Governor's proposal would allow businesses with gross receipts of less than \$25 million per year to continue deducting 100 percent of their interest – ensuring that smaller businesses can take advantage of additional tax benefits and more flexibility.
Provide Businesses	The 2017 Federal Tax Law allows larger businesses the additional opportunity for tax savings with “bonus depreciation” for equipment

Expanded Equipment Expense Opportunities	purchases. Governor Dayton's proposal would conform the way Minnesota has in the past to simplify tax filing for these businesses.
Conforming to Federal Law Changes on Foreign Income	The federal law imposes a one-time tax on businesses that have stored their profits in foreign subsidiaries Beginning in 2018, businesses will be allowed to bring that money back to the United States without paying an income tax for a limited period of time at a much lower tax rate. Governor Dayton's proposal would make an adjustment that the new federal tax law made to tax deferred foreign income and other foreign income.
Cracking Down Tobacco Tax Law Evasion	Governor Dayton's proposal would crack down on tobacco tax evasion by some taxpayers, create fairness among those who sell similar tobacco products, standardize taxation of vapor products, and improve public health by reducing access to cheap tobacco (particularly among younger Minnesotans).
Increasing the Angel Tax Credit for 2018	Minnesota's Angel Tax Credit provides a 25 percent credit to investors or investment funds that put money into new technology start-up companies. The initiative has helped over 345 Minnesota businesses in growing industries like software, biotechnology, and medical devices secure needed startup capital. Governor Dayton's proposal would increase Angel Tax Credit funding by \$10 million for tax year 2018 – allowing more investors to help build and expand new businesses, and create jobs.
Corporate Tax Reform	Governor Dayton's proposal would end advantageous tax breaks for certain types of businesses, level the playing field for certain business transactions, and simplify corporate taxes by clarifying current laws. This package includes six individual proposals, effective for tax years beginning in 2018. For example, the Governor's proposal would consistently tax mutual fund income based on where the mutual fund shareholders are located.
Modifying the Qualified Data Center Exemption	In 2011, Governor Dayton signed into law a change in the tax code to exempt qualified data centers that locate in Minnesota from paying state taxes. That tax change helped spur the creation of new data center businesses in Minnesota. However, the cost of that tax exemption has ballooned well beyond all projections. The Governor's proposal would allow the tax exemption only for software that is required to operate, maintain, or monitor enterprise technology information equipment in the qualified data centers. The limitation does not apply to new data centers with a minimum investment of over \$200 million within 48 months.

Repealing Unaffordable 2017 Tax Law Changes

Governor Dayton's proposal would repeal unaffordable tax breaks enacted last year by Republicans in the Minnesota Legislature that have threatened the long-term stability of our state's budget. It would roll back tax breaks for big tobacco companies, huge property tax cuts for corporations, and estate tax cuts for

the wealthiest Minnesotans. If left unchanged, these unaffordable tax policies would cost a total of more than \$1.5 billion over the next decade – risking the budget stability that Governor Dayton has fought hard for seven years to achieve.

Policy	Description
Eliminating Tax Breaks for Big Tobacco Companies	<p>In 2013, Governor Dayton increased taxes on cigarettes and other tobacco products, which pushed smoking rates among youth and adults to historic lows – with cigarette use decreasing among 11th graders by a whopping one-third and by 10 percent among adults.</p> <p>But last year, Republicans in the Legislature insisted upon cutting taxes for big tobacco companies. This handout to the tobacco industry is projected to cost the state more than \$300 million over the next ten years.</p> <p>Governor Dayton’s proposal would reverse the tax cut on premium cigars, and restore the inflator on cigarettes and tobacco products to ensure prices keep pace with the inflation to discourage children from smoking and help adult smokers quit.</p>
Reversing Permanent Tax Breaks for Big Businesses	<p>Last year, Republicans in the Legislature gave big businesses a huge tax break even as average Minnesotans’ expenses and costs-of-living continue to go up.</p> <p>While the Governor supported a tax cut that would have provided property tax relief to help small businesses, Republicans’ insistence on giving business property taxpayers a break of over \$1 billion in the next 10 years, disproportionately benefits out-of-state owners of buildings like the IDS Tower and the Mall of America.</p> <p>Governor Dayton’s proposal would reverse this giveaway to big business to protect the state’s finances and make our taxes fair for average Minnesotans.</p>
Reversing Tax Breaks for the Wealthiest 1,000 Minnesota Estates	<p>Republicans in the Legislature insisted on giving a big tax break to the wealthiest 1,000 Minnesota estates last year, which will cost the state more than \$250 million over the next decade. This proposal does nothing to help family farms and family-owned businesses, and will only help the super wealthy to avoid paying their fair share of taxes. Governor Dayton’s proposal would make the \$2.4 million estate tax exemption permanent to reverse the reckless tax-giveaway to the super rich while maintaining the \$5 million benefit to family farms and small businesses.</p>

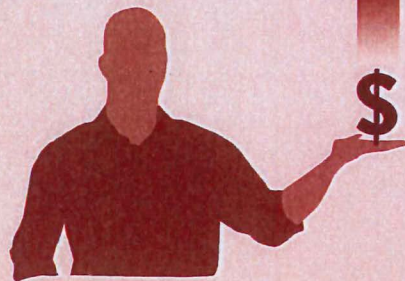
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To learn more about other proposals included in Governor Dayton’s Budget for a Better Minnesota, [CLICK HERE](#).

2017 FEDERAL TAX LAW RESPONSE OPTIONS

NO ACTION

OVER
300,000
MINNESOTANS WOULD SEE A
TAX INCREASE



AVERAGE INCREASE:
\$200 PER PERSON

FULL CONFORMITY

OVER
870,000
MINNESOTANS WOULD SEE A
TAX INCREASE



AVERAGE INCREASE:
\$489 PER PERSON

GOVERNOR DAYTON'S PLAN

OVER
2 MILLION
MINNESOTANS WOULD SEE A
TAX CUT



1.9 MILLION FAMILIES
WOULD SEE AN AVERAGE
TAX CUT OF \$117

FROM A NEW PERSONAL AND
DEPENDENT TAX CREDIT



329,000 FAMILIES
WOULD SEE AN AVERAGE
TAX CUT OF \$160

FROM THE WORKING
FAMILY TAX CREDIT



STATE OF MINNESOTA
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Better Infrastructure for a Strong and Growing Economy

Budget for a Better Minnesota

Since 2011, Governor Dayton has invested over \$4 billion to repair and rebuild our state's aging, under-funded infrastructure – creating tens of thousands of jobs. But we have much more to do to build the infrastructure that Minnesota's economy needs to grow and compete.

Governor Dayton's \$1.5 billion Public Works proposal, which was [released in January](#), would make urgently-needed infrastructure investments to support a strong and growing economy. The Governor's Public Works bill would build world-class colleges and universities for Minnesotans, and improve and repair state buildings and other critical infrastructure across the state. Given the significant need for investments in higher education institutions statewide, the Governor's proposal would invest \$542 million at the University of Minnesota and Minnesota State campuses. An additional \$998 million would be directed to improving state buildings, building affordable housing, repairing clean water infrastructure, and other infrastructure projects across Minnesota.

In addition to his Public Works proposal, Governor Dayton's Budget for a Better Minnesota would make additional investments in transportation, clean water, and other infrastructure improvements. Read below to learn more about how the Governor's public works proposals would invest in world class colleges and universities, and improve state buildings and other critical infrastructure.

Policy	Description
Investing in World-Class Colleges and Universities	<p>Minnesota's public colleges and universities are training the next generation of Minnesota workers for good jobs and bright futures, while supporting economic opportunity for communities all across our state. This year, Governor Dayton's Public Works proposal would invest \$542 million in public higher education classrooms and facilities statewide. These investments would help ensure that all Minnesotans can access a world-class education no matter where they live.</p> <p>To learn more about how Governor Dayton's Public Works proposal invests in world-class colleges and universities, CLICK HERE.</p>
Improving and Repairing State Buildings and Other Critical Infrastructure	<p>Delaying needed maintenance projects can have damaging impacts on the state's long-term finances. Costs only increase as older buildings deteriorate further, while new items are added to the growing list of repair and improvement projects. Governor Dayton's</p>

	<p>Public Works proposal would begin to reverse the underinvestment in basic state infrastructure. The Governor's proposal would invest \$998 million to improve and repair state buildings and other critical infrastructure, helping to reduce needed deferred maintenance at aging facilities across the state. To learn more about how the Governor's Public Works proposal would improve and repair state buildings and other infrastructure, CLICK HERE.</p>
<p>Investing in Clean, Affordable Water for Minnesotans</p>	<p>In the Land of 10,000 Lakes, Minnesotans expect clean, affordable water, no matter where they live. But over 40 percent of Minnesota's waters are listed as impaired or polluted. Experts estimate that our communities will need \$11 billion in water infrastructure upgrades over the next 20 years to replace and upgrade old treatment facilities and expand systems to accommodate new growth and demand.</p> <p>Governor Dayton's Public Works proposal would invest \$167 million in our water treatment infrastructure and \$30 million in the Conservation Reserve Enhancement Program. This investment will protect our water resources, protecting them for future generations of Minnesotans. To learn more about how Governor Dayton's Public Works proposal would invest in clean, affordable water for Minnesotans, CLICK HERE. To see a list of clean water infrastructure projects that could be funded as a result of the Governor's Public Works proposal, CLICK HERE.</p> <p>In addition to the clean water investments included in the Public Works proposal, the Governor's Budget for a Better Minnesota also includes \$25.7 million in needed investment through the Clean Water Fund. These clean water projects were recommended by the state's Clean Water Council and include grants to: protect and improve our drinking water; support locally led management of our state's watersheds; fund needed clean water research; and conserve our working forest lands to meet the state's future needs.</p>
<p>Building Strong Communities Through Investments in Housing, Education, and Economic Opportunity</p>	<p>Governor Dayton's Public Works proposal invests in projects that expand opportunity, improve access to affordable housing, and protect Minnesota's natural and historic landmarks. The Governor's plan includes investments for education, transportation, regional assets, historic preservation, cleaning up waste and polluted sites, and more. Governor Dayton's Public Works proposal invests in assets that will be treasured by our communities for decades into the future. These projects will support the prosperity and quality of life enjoyed by communities in every corner of Minnesota.</p> <p>To learn more about how the Governor's Public Works bill would support the prosperity and quality of life enjoyed by communities in every corner of Minnesota, CLICK HERE.</p>
<p>Connecting the Northstar Commuter Rail Line to Saint Cloud</p>	<p>Northstar Commuter Rail, which began service in 2009, connects Minneapolis to Big Lake, stopping 28 miles short of St. Cloud. The decision to cut the line short has hampered the success of Northstar. This year, Governor Dayton's Budget for a Better Minnesota</p>

	includes \$850,000 to study the engineering costs and projected ridership for a possible Northstar extension to St. Cloud.
Investing in Other Critical Infrastructure Projects	<p>Some important infrastructure projects cannot be financed through a bonding or Public Works bill. That is why Governor Dayton's Budget for a Better Minnesota would provide needed funding for these critical infrastructure projects.</p> <ul style="list-style-type: none"> • Improving Security at the Minnesota State Capitol – Over 120,000 people visit or work at the State Capitol each year. Ensuring the safety and security of every person who visits or works at the Capitol is a high priority for Governor Dayton. That is why his budget includes \$33 million to improve physical security at the State Capitol, including projectile resistant glass, additional emergency call stations, and secure air intakes. These improvements are based on the recommendations of law enforcement and the Advisory Committee on Capitol Area Security. • More Efficient and Sustainable State Buildings – Past efforts to make state buildings on the Capitol Complex more efficient – reducing energy and water use and waste across state government – are resulting in \$2 million per year in avoided costs, a savings to taxpayers. The Governor's budget would provide \$3 million to establish a building efficiency loan fund that would help finance efficiency improvements at all state government buildings. These efficiency and sustainability efforts will further reduce energy use and waste and save Minnesota taxpayers more money.

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To learn more about other proposals included in Governor Dayton's Budget for a Better Minnesota, [CLICK HERE](#).



STATE OF MINNESOTA
L'Étoile du Nord

Office of Governor Mark Dayton

Better Incomes and Economic Opportunities

Budget for a Better Minnesota

Since 2011, Minnesota employers have added 286,500 new jobs, and our state is now consistently ranked among the best places in the country for businesses. But some Minnesotans are still being left behind in this economy. We can and must do more to ensure all Minnesotans, in every corner of Minnesota share in our state's prosperity, benefit from growing wages, and have greater economic security.

That is why Governor Dayton's Budget for a Better Minnesota would help to safeguard Minnesotans' incomes and create better economic opportunities for hard-working people. The Governor's budget would cut taxes for over 2 million Minnesotans and their families, protect the pensions of hundreds of thousands of Minnesotans, ensure public employees are fairly compensated, and crack down on wage theft and predatory payday lending practices. It would also make needed investments in housing and high-speed internet infrastructure to help more Minnesotans tap the opportunity of the state's growing economy.

These investments and changes proposed by Governor Dayton would help ensure that Minnesota workers and their families share in the state's growing economic prosperity. To learn more about how Governor Dayton's proposals will benefit working Minnesotans and their families, read below.

Tax Cuts for Over 2 Million Minnesotans

Policy	Description
Cutting Taxes for Over 2 Million Minnesotans and Their Families	<p>Governor Dayton's Tax Bill would protect hundreds of thousands of Minnesota families from state tax increases caused by the 2017 Federal Tax Law enacted by President Trump and Republicans in Congress. More than that, the Governor's plan would cut taxes for over 2 million households – improving family budgets without risking the stability of our state's budget. His 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. And the Governor's plan would simplify and cut taxes by \$100 million for farmers and small businesses for their equipment expenses.</p> <p>To learn more about Governor Dayton's Tax Bill, CLICK HERE.</p>

Cracking Down on Wage Theft and Predatory Lending

Policy	Description
<p>Ensuring Minnesotans Receive the Wages They Have Earned</p>	<p>Wage theft occurs when employers do not pay workers what is owed to them for work already performed. The Minnesota Department of Labor and Industry (DLI) estimates that over 39,000 Minnesota workers experience wage theft each year, averaging \$11.9 million of wages that are owed, but not paid to Minnesota workers. This year, the Governor is again proposing the Wage Theft Prevention Act to give DLI more tools to investigate and crack down on wage theft.</p> <ul style="list-style-type: none"> • Making Clear Wage Theft is Illegal – The Governor’s Wage Theft Prevention Act would establish a definition of wage theft and make clear that it is not only immoral, but also illegal. • Power of Subpoena – The Wage Theft Prevention Act would give the DLI investigators the power to subpoena documents. This power would help ensure the agency is able to compel production of records when employers refuse to submit them. • Empowering Workers with Information – Governor Dayton’s Wage Theft Prevention Act would require employers to provide certain information to employees at the start of employment, including employee rate of pay, the legal name of the employer, and the employer’s address and phone number. • Creating Stiffer Penalties – The Wage Theft Prevention Act would increase penalties from \$1,000 to \$10,000 for employers that fail to keep employment records, and for employers that willfully or repeatedly violate wage and hour laws. It also would create a criminal penalty (gross misdemeanor) when an employer fails to pay wages due in the total amount of \$10,000 or more. The commissioner also would be able to issue a citation and assess a monetary penalty of up to \$1,000 for failure to pay wages as a way to compel employers to correct the violation and pay back pay due to their employees. • Ensuring More Regular, Reliable Paychecks for Workers – Under current law, an employee could work 41 days without knowing whether they were going to be paid or not. Under the Wage Theft Prevention Act, the maximum number of days would be 31 at the start of employment and 16 days thereafter. • Protecting Against Retaliation – Governor Dayton’s Wage Theft Prevention Act would prohibit retaliation against employees who file complaints.
<p>Ending Unfair Lending Practices</p>	<p>Many Minnesotans with low incomes struggle to pay their living expenses, and often live paycheck to paycheck. When unexpected costs arise, some families are forced to rely on high-interest “payday” loans, which often carry interest rates of more than 200</p>

	percent. These loans can plunge Minnesota's most vulnerable families into cycles of debt. The Governor's proposal would close loopholes that allow payday lenders to charge interest rates much higher than intended under state law. It also would limit borrowers to no more than four short-term loans in a 12-month period.
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Investing in Affordable Housing and High-Speed Internet Access

Policy	Description
Ensuring Access to Safe, Affordable Housing	<p>More than 554,000 Minnesota households spend at least 30 percent of their income on rent or mortgage payments. With Minnesotans spending a higher percentage of their incomes on housing, they have fewer resources for other essentials such as education, food, healthcare, and transportation.</p> <p>Governor Dayton's Public Works proposal would invest \$115 million to improve access to safe, affordable housing, and ensure public housing remains safe and healthy for its residents. These investments will build upon the work the Dayton Administration has done since 2011 to expand access to affordable housing, and support the work of the new Governor's Task Force on Housing.</p> <p>To learn more about how the Governor's 2018 Public Works Bill invests in strong communities and economies, CLICK HERE.</p>
Expanding Access to Reliable, Affordable High Speed Internet	<p>Since taking office, Governor Dayton has secured \$85.6 million for investments in high-speed internet infrastructure. This funding expanded access to broadband for 33,852 households, 5,189 businesses, and 300 community institutions, and leveraged \$110 million in matching investments. Today, thanks in part to the Governor's investments, 88 percent of Minnesotans have access to broadband speeds that meet the 2022 goal. In 2011, only 56 percent of Minnesotans, largely in urban areas, had access to those speeds. This year, Governor Dayton's Budget for a Better Minnesota would invest an additional \$30 million to help another 11,000 households, businesses, and community institutions gain high-speed internet access so they can compete economically along with other Minnesota communities in the 21st Century.</p>

Ensuring Dignity and Fairness in the Workplace

Policy	Description
Establishing an Independent Office to Investigate Harassment Complaints	<p>A comprehensive review by Minnesota Management and Budget of sexual harassment procedures in the executive branch highlighted the need for new investments and policies to ensure that all state employees have a safe and supporting workplace, free of sexual and other harassment. In response to recommendations in the report,</p>

	<p>Governor Dayton has proposed a \$6.4 million investment to create a new office for reporting and investigating allegations of harassment. The independent office would ensure that investigations are conducted by fully trained staff and that effective, unbiased procedures are consistently employed to ensure the safety and dignity of every state employee.</p>
<p>Ensuring that Minnesota Workers Receive the Retirement Benefits They Have Rightly Earned</p>	<p>Immediate action must be taken to ensure Minnesota's public employee pension plans remain solvent, and that promises are kept to Minnesota workers and retirees. This year, Governor Dayton supports bipartisan legislation that would ensure these plans remain healthy and capable of meeting the needs of retired teachers and state and local government employees for decades to come.</p> <p>Governor Dayton's plan would ask current employees, retirees, and the state budget to share the burden of ensuring the long-term solvency of the plans. The State of Minnesota would contribute \$27 million in 2019 and \$114 million in 2020-21 to stabilize the public employee pension plans. In return, current employees would be required to increase their contributions and current retirees would see changes to their cost of living adjustments in future years. Making these adjustments now will help ensure that more drastic and painful changes are not needed in future years.</p>
<p>Providing Fair Wages and Benefits to Hard-Working Minnesota State Employees</p>	<p>Minnesota is blessed with talented, hard-working state employees who provide services that Minnesotans, their families, and businesses depend upon every day. Last year, Minnesota Management and Budget negotiated two-year contracts with state employees that provide modest wage increases that track with the labor market. The contracts are critical to retaining talented workers in Minnesota's tight labor market, where there are more jobs than available workers.</p> <p>During the 2018 Legislative Session, Governor Dayton will continue to urge Minnesota Legislators to ratify these contracts, providing state employees the compensation they have earned and ensuring that Minnesotans have access to the services they need. These contracts would be paid out of existing state agency budgets and would not require any additional investment out of the state budget.</p>

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To learn more about other proposals included in Governor Dayton's Budget for a Better Minnesota, [CLICK HERE](#).



STATE OF MINNESOTA
L'Étoile du Nord

Office of Governor Mark Dayton

Better, More Affordable Health Care

Budget for a Better Minnesota

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.

In addition to the rising cost of health insurance, Minnesotans continue to face other challenges for the health and wellbeing of their families. The opioid crisis hurts more and more Minnesota families every year, with 395 Minnesotans losing their lives to opioid overdoses in 2016. Rising costs for child care, access to essential health care for women, and the neglect and abuse of older and vulnerable adults all require action this session.

That is why Governor Dayton is proposing comprehensive, commonsense solutions to provide Minnesotans with more affordable health care choices, curb the state's opioid crisis, strengthen protections for older and vulnerable adults, ensure Minnesota women have continued access to quality health care choices, and more. Read more about how Governor Dayton's Budget for a Better Minnesota would improve access to quality, affordable health care below.

Policy	Description
Another, More Affordable Choice for Health Insurance for an Estimated 100,000 Minnesotans	<p>Governor Dayton's MinnesotaCare Buy-In proposal would allow all Minnesotans the choice to purchase their health insurance through MinnesotaCare – a state program that for 26 years has provided eligible working Minnesota families a more affordable option to purchase their health care. By giving every Minnesotan this decision, 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.</p> <p>MinnesotaCare Buy-In would reduce costs and improve access for about 100,000 more Minnesotans who purchase health insurance on the individual market. Unlike traditional MinnesotaCare enrollees who receive subsidized coverage, individuals who choose MinnesotaCare Buy-In would pay their own way – meaning the cost of their premiums would pay for their coverage.</p> <p>To learn more about the MinnesotaCare Buy-In proposal, including the five most important things you need to know about how this</p>

	<p>plan will provide high-quality, affordable health coverage for Minnesotans, CLICK HERE. To learn more about how MinnesotaCare Buy-In would provide an estimated 100,000 Minnesotans another more affordable choice for health insurance, CLICK HERE. To take a look at 15 of the most frequently-asked questions about the MinnesotaCare Buy-In proposal, CLICK HERE. To learn more about some of the myths circling about the Governor's MinnesotaCare Buy-In proposal, CLICK HERE.</p>
<p>Combating Minnesota's Opioid Crisis through Prevention, Treatment, and Law Enforcement</p>	<p>Governor Dayton has proposed a slate of bipartisan legislative proposals that would invest in high-impact strategies to treat and prevent opioid abuse, especially in communities disproportionately impacted by opioid addiction. Included in those legislative proposals is a new Opioid Stewardship Program, which would fund opioid abuse prevention and treatment strategies across the state. After implementation, the Stewardship Program would raise approximately \$20 million a year to be used exclusively for treatment and recovery, prevention, and emergency response services in every corner of Minnesota. To learn more about the Governor's bipartisan proposals to combat the opioid crisis and save lives across Minnesota, CLICK HERE.</p>
<p>Protecting the Health and Safety of Minnesota Seniors and Vulnerable Adults</p>	<p>Minnesota seniors deserve access to safe, high-quality care at every facility in the state. Governor Dayton's Budget for a Better Minnesota would provide \$12 million for increased services and resources to better serve older and vulnerable adults, including stronger licensing requirements for residential care facilities, and better communication with seniors and their families. These bipartisan proposals also would strengthen criminal and civil penalties for perpetrators of abuse and the companies that employ them. To learn more about how these proposals would protect the health and safety of Minnesota seniors and vulnerable adults, CLICK HERE.</p>
<p>Ensuring Minnesota Women Can Choose the Quality Health Care They Need</p>	<p>In October 2017, the Trump Administration eliminated a rule that required health insurance companies to provide coverage for contraception at no additional cost to patients. Governor Dayton is supporting legislation this session to reverse the Trump Administration's decision at the state level, and guarantee the right of Minnesota women to access this basic health care coverage at no additional cost beyond their health insurance. Under the proposal, health insurance companies would be required to cover all FDA-approved methods of contraception. READ MORE about what Governor Dayton has to say about this important proposal.</p>
<p>Making Child Care More Affordable for Minnesota Families</p>	<p>Quality child care can be a significant financial burden for Minnesota families, costing an average of more than \$10,000 per year for each child. Minnesota's Child Care Assistance Program provides financial assistance to help approximately 15,000 low-income working families pay for child care. This funding makes a big difference for parents and their children – it allows parents to</p>

	<p>pursue education or work, while helping Minnesota kids access high-quality child care. Governor Dayton's budget would make technical changes to Child Care Assistance Program eligibility requirements to help ensure Minnesota remains eligible for federal child care grant funding, including an \$88.5 million award in 2019. These grants would help serve approximately 30,000 children across Minnesota.</p>
<p>Providing Mental Health and Other Resources for Minnesota Farmers</p>	<p>After years of low commodity prices and high costs, many Minnesota farmers are experiencing significant stress, both financial and emotional. The Minnesota Department of Agriculture recently launched the Farm & Rural Helpline, a free, confidential service to help connect callers to financial assistance programs, health and mental health services, and legal help. In addition, the agency held a series of "Down on the Farm" seminars this winter to help people who work with farmers on a regular basis recognize stress, anxiety, depression, and other challenges.</p> <p>Governor Dayton's Budget for a Better Minnesota would build on the Department of Agriculture's efforts by providing \$200,000 to help Minnesota State hire an additional mental health specialist to better support struggling farmers and their families.</p>
<p>Securing the Long-Term Stability of Health Care Funding for Tens of Thousands of Minnesota Families</p>	<p>Minnesota's Health Care Access Fund (HCAF) was created to increase Minnesotans' access to health care, contain health care costs, and improve the quality of health care services for Minnesotans. Revenues for the HCAF come from a small tax on health care providers, which is set to expire on December 31, 2019. Without action from the Legislature, these essential revenues – which connect tens of thousands of Minnesotans to better, more affordable health care – will disappear and leave a \$530 million annual gap in our state budget.</p> <p>Governor Dayton is committed to leaving the state budget better than he found it, and making sure that tens of thousands of Minnesotans who rely on programs funded by the Health Care Access Fund do not lose the high-quality, more affordable care they need. That is why the Governor's budget would eliminate the provider tax's expiration date – delivering long-term budget stability for the people of Minnesota, and protecting Minnesotans' health care.</p>

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To learn more about other proposals included in Governor Dayton's Budget for a Better Minnesota, [CLICK HERE](#).



STATE OF MINNESOTA
L'Étoile du Nord

Office of Governor Mark Dayton

Excellent Educations for Minnesota Students

Budget for a Better Minnesota

When Governor Dayton took office in 2011, he promised to increase state investments in public education every year he was Governor; no excuses, no exceptions. Governor Dayton has delivered on that promise, increasing E-12 education investments by nearly \$2 billion, including \$262 million for high-quality early learning programs. These investments are helping to educate the next generation of Minnesota workers for good jobs and bright futures, while supporting economic opportunity for local communities all across our state.

This year, Governor Dayton's Budget for a Better Minnesota would build on those successes, investing an additional \$46.8 million in E-12 education to ensure more students receive excellent educations, everywhere in Minnesota. The Governor's budget would invest in school safety, early learning, special education, world-class higher educations, and more. It would reduce standardized testing, stabilize teacher pensions, and connect more students with stable housing.

Read more about how Governor Dayton's Budget for a Better Minnesota would help students get the world-class educations they need and deserve.

Keeping Students Safe

Policy	Description
Safe and Secure Schools Act	<p>Governor Dayton's Safe and Secure Schools Act includes broadly-supported policies that would improve the safety of our students. The Governor's proposal would increase school funding by \$18 per student, totaling \$15.9 million in 2019, to help school districts and charter schools make needed safety upgrades to school facilities, and provide needed support to students who may pose a danger to themselves or others. The proposal also includes an additional \$5 million for school-based grants that would provide mental health services to students who need additional support. To learn more about how Governor Dayton's Safe and Secure Schools Act would improve the safety of Minnesota students, CLICK HERE. To see a spreadsheet showing how individual school districts and charter schools across Minnesota would benefit, CLICK HERE.</p> <p>Governor Dayton also supports a number of legislative proposals that would help reduce gun violence and make it harder for criminals to access guns. Those proposals include requiring criminal background checks for everyone who purchases a gun, restrictions</p>

	<p>on assault rifle purchases for people younger than 21, public health research to reduce gun violence, clarifying the ban on bump stocks that can turn any gun into an automatic weapon, and measures that would allow family members or law enforcement to ask a judge to temporarily suspend a person's access to firearms if they pose a serious threat to themselves or others. To learn more about legislative proposals supported by Governor Dayton to reduce gun violence and save lives, CLICK HERE.</p>
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Providing Our Students with Resources to Succeed

Policy	Description
<p>Continuing Early Learning Opportunities for Minnesota Kids</p>	<p>For decades, Minnesota has faced persistent educational achievement gaps among students of color. As Governor, Mark Dayton has been committed to investing in early learning programs aimed at narrowing those achievement gaps, and helping all students get a great start in school and in life.</p> <p>Under Governor Dayton's leadership, Minnesota has invested \$262 million in early learning opportunities, securing free all-day Kindergarten, investing in Early Learning Scholarships, and beginning to offer free, voluntary preKindergarten to Minnesota families in school districts around the state. This school year alone, nearly 80,000 kids are enrolled in all-day Kindergarten or high quality early learning programs, thanks to those investments.</p> <p>In 2017, Governor Dayton proposed enough permanent funding to ensure every Minnesota child had the option to attend free, school-based preKindergarten. Unfortunately, the Minnesota Legislature only agreed to provide \$50 million in new one-time funding. Approximately 6,100 four-year-olds are now attending free, school-based preKindergarten this year in communities all across Minnesota because of this investment.</p> <p>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. Fifty-nine of the 133 school districts that currently offer voluntary, school-based preKindergarten programs would lose state funding for their programs if the Legislature does not pass the Governor's proposal; about 4,000 kids would lose out on the great starts they need in school without this funding.</p> <p>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, CLICK HERE.</p>

Funding the Help Me Grow Initiative	Governor Dayton's budget would invest \$1.5 million in the Help Me Grow initiative, which provides critical child development information to parents and childcare providers. The program helps identify young children with developmental and emotional concerns, to connect them with the services they need to succeed in school and life.
Helping Kindergarten Students with Disabilities	All children deserve excellent educations, regardless of background or ability. Governor Dayton's Budget for a Better Minnesota would fix a problem in the school funding formula that currently provides less funding for Kindergarten students with disabilities than their peers. The Governor's budget would resolve this gap by investing \$153,000 for Kindergarten students with disabilities.
Supporting Special Education	Many Minnesota schools face significant financial burdens that hinder their ability to support all students. Governor Dayton has proposed a \$16.9 million investment in special education funding, to better ensure every student has access to the same great education opportunities, everywhere in the state.
Prioritizing Learning Over Standardized Testing	Governor Dayton has proposed standardized testing reforms to ensure Minnesota students are able to spend more time learning and developing the skills they need for success, and less time taking exams. The Governor's proposal would decrease the length of standardized exams that can currently take hours of time that would otherwise be devoted to classroom instruction.
Investing in Homework Starts with Home	About 167,000 Minnesota households with children face housing instability. Research shows that homeless and mobile children are more likely to be absent from school, perform worse on math and reading tests, and eventually drop out. The Homework Starts with Home program provides rental assistance to Minnesota families with children to ensure that students have stable housing throughout the school year. This year, Governor's budget includes \$4 million for the Homework Starts with Home program to help find stable housing for an additional 500 families and 1,000 Minnesota kids.

Making Higher Education More Affordable and Accessible

Policy	Description
Holding Down Tuition at Minnesota State and University of Minnesota Campuses	Under Governor Dayton's leadership, median student debt for Minnesotans graduating with a bachelor's degree has dropped 5.4 percent, reversing years of increases. Despite this progress, median student loan debt is still nearly \$26,000, which places a heavy burden on recent graduates, while pricing other would-be students out of higher education.

	<p>This year, Governor Dayton's budget would provide \$10 million to Minnesota State Colleges and Universities and \$10 million to the University of Minnesota to provide critical operating funds to every college and university and help expand access and opportunity for all Minnesotans. Overall, this additional funding would benefit 375,000 Minnesota State students and help hold tuition flat for 31,500 University of Minnesota students.</p>
<p>\$542 Million for Minnesota's Public Colleges and Universities</p>	<p>Public college and university infrastructure investments are essential in order to deliver world-class educations for all Minnesota students. This year, Governor Dayton's Public Works proposal would invest \$542 million in public higher education classrooms and facilities statewide. These investments would help ensure that Minnesotans can access high-quality educations no matter where they live. To learn more about how Governor Dayton's Public Works proposal would deliver world class colleges and universities across the state, CLICK HERE. For a full list of which state colleges and universities would receive infrastructure investments under Governor Dayton's proposal, CLICK HERE.</p>
<p>Helping Minnesotans Finish College and Career Training</p>	<p>Minnesotans who start, but do not finish, college and career training programs often miss out on better economic opportunities and higher wages, while struggling to pay off student loan debt. The Minnesota Reconnect pilot program encourages former college students who have completed a minimum of 15 credits of their college degree or career training program, but did not graduate, to return to school. Minnesota Reconnect provides financial assistance and one-on-one support to help these students complete their educations. Governor Dayton's Budget for a Better Minnesota would provide \$1.4 million to support the ongoing operation of Minnesota Reconnect.</p>
<p>Making College More Affordable for Minnesota Dreamers</p>	<p>The Minnesota State Grant Program helps students afford the higher education they need to succeed. Since taking office, Governor Dayton has made major new investments in the State Grant Program. As a result, about 287,000 students have received State Grants to make their higher educations more affordable, and all State Grant recipients have seen increases in their State Grants, averaging \$927. These grants have helped students build better futures for themselves and their families, by making two-year schools, four-year schools, and technical school training programs more affordable.</p> <p>Governor Dayton's Budget for a Better Minnesota would help further extend the promise of higher education to Minnesota Dreamers, many of whom have lived in our state for most of their lives. The Governor's proposal would invest \$1.1 million to provide additional State Grant assistance to 568 Minnesota Dreamers to fill in for federal Pell Grants they would be eligible to receive, but for their legal status. The average eligible student would receive an average increase of \$2,010 under this proposal to help pay tuition.</p>

Supporting Minnesota's Talented Educators

Policy	Description
Protecting the Retirement Savings of Minnesota Teachers and Stabilizing School District Budgets	Pensions are an important component for recruiting and retaining the best teachers for our students. Currently, Minnesota has shortages of licensed teachers, especially in Greater Minnesota. Without action by the Legislature this year, the pensions that teachers rely upon for their retirements will face mounting financial challenges. Governor Dayton's budget would increase investment in teacher pensions, including \$10.8 million to cover the increases in employer contributions. Strengthening the teacher pension system will help school districts recruit and retain the best teachers, and ensure Minnesota's talented educators are able to plan for their futures, retire with financial security, and continue contributing to our economy.
Supporting Great Teachers with Quality Compensation	Our kids deserve the very best teachers in their classrooms. The Quality Compensation, or Q Comp , initiative is a voluntary program that allows local school districts to provide pay-for-performance compensation for high-quality teachers. This session, Governor Dayton's budget would invest an additional \$847,000 in Q Comp to better compensate great teachers in Minnesota classrooms. This investment would fully fund districts that currently participate in the program.

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To learn more about other proposals included in Governor Dayton's Budget for a Better Minnesota, [CLICK HERE](#).



STATE OF MINNESOTA
L'Étoile du Nord

Office of Governor Mark Dayton

Better Early Learning Opportunities for Minnesota Kids

Budget for a Better Minnesota

A growing body of research shows that access to high-quality preKindergarten has significant benefits for all children. In fact, University of Minnesota researchers [have found](#) that Minnesota cannot close its school readiness gap without providing children from both low- and middle-income families access to high-quality early learning opportunities.

In 2017, Governor Dayton [proposed enough permanent funding](#) that would have ensured that every Minnesota child could attend free, school-based preKindergarten. Unfortunately, the Minnesota Legislature only agreed to provide \$50 million in new one-time funding. Approximately 6,100 four-year-olds are attending free, school-based preKindergarten this year in 133 school districts all across Minnesota because of this investment. But because the Legislature only provided one-time funding for some communities, 59 of those school districts would lose state funding for preKindergarten if the Legislature does not agree to make that funding permanent.

It is unfair that the younger siblings of these children, in 59 school districts around Minnesota, may not be afforded the same opportunity to attend free preKindergarten without a long-term funding solution. This year, Governor Dayton's Budget for a Better Minnesota would make voluntary preKindergarten permanent, ensuring thousands of Minnesota four-year-olds are not denied the opportunity to attend school-based preKindergarten in the future. The Governor's preKindergarten proposal also includes increased funding of 5 percent each year in order to expand access to even more children. Read more below about which school districts would lose state funding for free, voluntary preKindergarten if the Legislature does not support the Governor Dayton's proposal; about 4,000 kids each year would lose out on the great starts they need in school without this state funding.

Minnesota Schools Receiving One-Time PreKindergarten Funding

Without action by the Minnesota Legislature, these 59 school districts and charter schools would lose state funding for school-based preKindergarten programs; about 4,000 kids each year at these schools would lose out on the great starts they need in school without this state funding. Governor Dayton has proposed making the state funding permanent, to help ensure thousands of kids are not denied access to the high-quality early learning opportunities they need to get a great start in school and in life.

School District or Charter School	PreK Students Served in the 2017-18 School Year*	One-Time Funding These School Districts Received for the 2017-18 School Year*
Anoka-Hennepin Public School District	32	\$172,716
Austin Public School District	54	\$341,911
Bemidji Public School District	34	\$208,647

Bloomington Public School District	42	\$280,229
Blue Earth-Delavan-Elmore Public School District	80	\$341,361
Browns Valley Public School District	9	\$59,367
Burnsville Public School District	104	\$556,418
Butterfield Public School District	10	\$77,581
Crookston Public School District	46	\$275,647
Duluth Public School District	20	\$100,098
East Central Public School District	37	\$190,694
Edgerton Public School District	25	\$154,534
Excell Academy Charter	60	\$474,170
Fairmont Public School District	68	\$254,600
Faribault Public School District	33	\$244,529
Fridley Public School District	46	\$360,259
Goodridge Public School District	16	\$122,555
Hill City School	6	\$39,212
Hinckley-Finlayson Public School District	35	\$191,316
Inver Grove Heights Public School District	72	\$330,046
Lac Qui Parle Valley Public School District	40	\$300,225
Life Prep School	10	\$82,200
Lyle Public School District	18	\$107,734
Lynd Public School District	10	\$75,265
Madelia Public School District	31	\$171,758
Marshall Public School District	52	\$311,662
Minneapolis Public School District	121	\$990,281
Nashwauk-Keewatin Public School District	23	\$129,184
Norman County West Public School District	13	\$77,294
North St. Paul-Maplewood-Oakdale Public School District	144	\$793,533
Onamia Public School District	39	\$388,052
Osseo Public School District	51	\$254,195
Prodeo Academy	60	\$439,325
Red Lake Public School District	35	\$315,155
Red Rock Central Public School District	5	\$26,873
Richfield Public School District	28	\$194,739
Riverway Learning Community	4	\$27,524
Robbinsdale Public School District	360	\$1,887,982
Rochester Public School District	120	\$653,014
Rosemount-Apple Valley-Eagan Public School District	46	\$326,624
Roseville Public School District	20	\$154,800

Sejong Academy Of Minnesota	10	\$77,465
Sleepy Eye Public School District	36	\$189,020
Sojourner Truth Academy	24	\$170,539
South Koochiching- Rainy River Public School District	9	\$65,549
South St. Paul Public School District	54	\$337,764
Spring Lake Park Public School District	40	\$267,065
St. Cloud Public School District	84	\$518,636
St. Louis County Public School District	85	\$609,642
St. Paul Public School District	227	\$1,678,717
Swanville Public School District	25	\$99,816
Tracy Area Public School District	10	\$36,072
Universal Academy Charter School	50	\$374,606
Urban Academy Charter School	20	\$147,660
Walker-Hackensack-Akeley Public School District	15	\$86,738
West St. Paul-Mendota Heights-Eagan Public School District	162	\$934,454
White Bear Lake Public School District	30	\$183,886
Willmar Public School District	45	\$267,205
Winona Public School District	15	\$84,615

Minnesota School Districts and Charter Schools That Will Receive Ongoing PreKindergarten Funding

The following 74 school districts and charter schools were selected for ongoing voluntary, school-based preKindergarten funding in 2016. Unlike the schools listed above, these school districts and charter schools will continue to receive state funding for preKindergarten in future years.

School District or Charter School	PreK Students Served in the 2017-18 School Year*	Ongoing Funding These School Districts Received for the 2017-18 School Year*
Academia Cesar Chavez	40	\$283,932
Achieve Language Academy	40	\$239,599
Ada-Borup Public School District	40	\$213,499
Albert Lea Public School District	100	\$689,324
Anoka-Hennepin Public School District	96	\$426,318
Aurora Charter School	20	\$109,074
Austin Public School District	50	\$247,653
Bagley Public School District	32	\$115,840
Benson Public School District	31	\$108,919
Blackduck Public School District	23	\$141,011
Bloomington Public School District	118	\$630,963
Brooklyn Center Public School District	85	\$560,692

Burnsville Public School District	116	\$566,181
Butterfield-Odin Public School District	12	\$88,949
Campbell-Tintah Public School District	6	\$48,891
Cedar Riverside Community School	20	\$131,971
Climax Public School District	14	\$78,565
Clinton-Graceville-Beardsley Public School District	19	\$102,709
Columbia Heights Public Schools	144	\$827,186
Community of Peace Academy	38	\$264,906
Cook County Public School District	25	\$124,855
Deer River Public School District	46	\$265,712
Duluth Public School District	66	\$226,038
Excell Academy Charter	30	\$231,628
Faribault Public School District	15	\$108,126
Floodwood Public School District	15	\$85,585
Fridley Public School District	68	\$410,364
Grand Rapids Public School District	15	\$75,892
Greenway Public School District	35	\$233,770
Hendricks Public School District	12	\$73,574
Heron Lake-Okabe Public School District	14	\$74,352
Isle Public School District	16	\$63,122
Kelliher Public School District	15	\$99,886
Laporte Public School District	19	\$89,212
Lyle Public School District	25	\$97,743
Lynd Public School District	10	\$45,837
Mahnomen Public School District	20	\$122,409
Mankato Public School District	32	\$112,170
McGregor Public School District	20	\$65,986
Mesabi East Public School District	30	\$115,739
Minneapolis Public School District	162	\$1,302,362
Nevis Public School	37	\$162,884
New Discoveries Montessori Academy	6	\$46,847
Norman County East Public School District	14	\$87,564
North St. Paul-Maplewood-Oakdale Public School District	76	\$341,553
Northland Public School District	15	\$87,116
Onamia Public School District	39	\$241,351
Osseo Public School District	229	\$1,099,189
Park Rapids Public School District	28	\$119,455
Partnership Academy, Inc.	10	\$61,673
Pelican Rapids Public School District	33	\$143,591

Pine River-Backus Public School District	32	\$125,748
Prodeo Academy	10	\$62,930
Red Lake County Central Public Schools	30	\$157,377
Red Rock Central Public School District	18	\$78,555
Renville County West Public School District	31	\$168,942
Richfield Public School District	126	\$721,767
Rosemount-Apple Valley-Eagan Schools	24	\$103,242
Round Lake Brewster Public Schools	30	\$124,461
South St. Paul Public School District	102	\$578,668
South Washington County Public School District	24	\$88,313
St. Paul City School	34	\$230,555
St. Paul Public School District	78	\$519,423
St. Cloud Public School District	150	\$739,781
St. James Public School District	53	\$277,807
St. Louis County Public School District	8	\$60,640
Tri-County Public School District	9	\$83,515
Truman Public School District	20	\$104,192
United South Central Public School District	35	\$203,394
Warren-Alvarado-Oslo Schools	33	\$172,304
Waubun-Ogema-White Earth Schools	40	\$268,156
Westbrook Walnut Grove Public Schools	4	\$33,243
Wheaton Public School District	18	\$105,737
Willmar Public School District	30	\$154,545

** Please note that these amounts are based on appropriations awarded in August 2017.*

* * * * *

To learn more about other proposals included in Governor Dayton's Budget for a Better Minnesota, [CLICK HERE](#).



STATE OF MINNESOTA
L'Étoile du Nord

Office of Governor Mark Dayton

A Better Place to Live for All of Us

Budget for a Better Minnesota

When Governor Dayton took office, he promised to build a Better Minnesota for everyone. Under the Governor's leadership, Minnesota employers have added 286,500 new jobs, and unemployment is at its lowest level in 17 years. But too many people, including many Minnesotans of color and some people in Greater Minnesota, are not sharing as much in our state's growing prosperity.

We need to do more to ensure all our policies, the investments in our state budget, and the way we run state government includes and represents the interests of every Minnesotan, everywhere in Minnesota. This year, Governor Dayton's Budget for a Better Minnesota would make investments – including in health care choices, world-class educations, and rural infrastructure – that would help ensure every Minnesotan, in every corner of the state, have better access to opportunity.

Giving Minnesota Kids a Great Start

Policy	Description
Continued Early Learning Opportunities for Minnesota Kids	<p>For decades, Minnesota has faced persistent educational achievement gaps among students of color. As Governor, Mark Dayton has been committed to investing in early learning programs aimed at narrowing those achievement gaps, and helping all students get a great start in school and in life.</p> <p>Under the Governor's leadership, Minnesota has invested \$262 million in early learning opportunities, securing free all-day Kindergarten, investing in Early Learning Scholarships, and beginning to offer free, voluntary preKindergarten to Minnesota families in school districts around the state. This school year alone, nearly 80,000 kids are enrolled in all-day Kindergarten or high quality early learning programs, thanks to those investments.</p> <p>In 2017, Governor Dayton proposed enough permanent funding to ensure every Minnesota child had the option to attend free, school-based preKindergarten. Unfortunately, the Minnesota Legislature only agreed to provide \$50 million in new one-time funding. Approximately 6,100 four-year-olds are now attending free, school-based preKindergarten this year in communities all across Minnesota because of this investment.</p> <p>This year, Governor Dayton's Budget for a Better Minnesota would make voluntary preKindergarten permanent funding for schools that</p>

	<p>already offer it, ensuring thousands more Minnesota four-year-olds are given the opportunity to attend free, school-based preKindergarten in the future. Fifty-nine of the 133 school districts that currently offer voluntary, school-based preK programs would lose state funding for their preK programs if the Legislature does not pass the Governor's proposal.</p> <p>To learn more about which school districts and charter schools would lose funding for free, voluntary preKindergarten if the Legislature does not support the Governor's proposal, CLICK HERE.</p>
Homework Starts with Home	<p>Approximately 167,000 Minnesota households with children face housing instability. Research shows that homeless and mobile children are more likely to be absent from school, perform worse on math and reading tests, and eventually drop out. The Homework Starts with Home program provides rental assistance to Minnesota families with children to ensure that students have stable housing throughout the school year. This year, Governor Dayton's budget includes \$4 million for the Homework Starts with Home program to help find stable housing for an additional 500 families and 1,000 Minnesota kids.</p>
Help Me Grow Initiative	<p>Governor Dayton's budget would invest \$1.5 million in the Help Me Grow initiative, which provides critical child development information to parents and childcare providers. The program helps identify young children with developmental and emotional concerns, to connect them with the services they need to succeed in school and life.</p>
Helping Kindergarten Students with Disabilities	<p>All children deserve excellent educations, regardless of background or ability. Governor Dayton's Budget for a Better Minnesota would fix a problem in the school funding formula that currently provides less funding for Kindergarten students with disabilities than their peers. The Governor's budget would resolve this gap by investing \$153,000 for Kindergarten students with disabilities, ensuring they get the support they need to get great starts in school and life.</p>
Helping Minnesotans Finish College and Career Training	<p>Minnesotans who start, but do not finish, college and career training programs often miss out on better economic opportunities and higher wages, while struggling to pay off student loan debt. The Minnesota Reconnect pilot program encourages former college students who have completed a minimum of 15 credits of their college degree or career training program, but did not graduate, to return to school. Minnesota Reconnect provides financial assistance and one-on-one support to help these students complete their educations. Governor Dayton's Budget for a Better Minnesota would provide \$1.4 million to support the ongoing operation of Minnesota Reconnect.</p>

Investing in Greater Minnesota Communities

Policy	Description
<p>Another, More Affordable Choice for Health Insurance for an Estimated 100,000 Minnesotans</p>	<p>Governor Dayton’s MinnesotaCare Buy-In proposal would allow all Minnesotans the choice to purchase their health insurance through MinnesotaCare – a state program that for 26 years has provided eligible working Minnesota families a more affordable option to purchase their health care. 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.</p> <p>MinnesotaCare Buy-In would reduce costs and improve access for about 100,000 more Minnesotans who purchase health insurance on the individual market. Unlike traditional MinnesotaCare enrollees who receive subsidized coverage, individuals who choose MinnesotaCare Buy-In would pay their own way – meaning the cost of their premiums would pay for their coverage.</p> <p>To learn more about the MinnesotaCare Buy-In proposal, including the five most important things you need to know about how this plan will provide high-quality, affordable health coverage for Minnesotans, CLICK HERE. To learn more about how MinnesotaCare Buy-In would provide an estimated 100,000 Minnesotans another, more affordable choice for health insurance, CLICK HERE. To take a look at 15 of the most frequently-asked questions about the MinnesotaCare Buy-In proposal, CLICK HERE. To learn more about some of the myths circling about the Governor’s MinnesotaCare Buy-In proposal, CLICK HERE.</p>
<p>Ensuring Access to Credit for Minnesota Farmers</p>	<p>Many Minnesota farmers face the perfect storm of low commodity prices and high costs, which can create cash flow problems as they review their finances and restructure debt ahead of the growing season. Governor Dayton’s Public Works bill includes \$20 million for Minnesota’s Rural Finance Authority to ensure it can continue offering eligible Minnesota farmers affordable financing and terms and conditions not offered by other traditional lenders.</p> <p>In addition to helping farmers secure financing, the Rural Finance Authority also offers a variety of other programs to strengthen Minnesota farm families and communities. These programs are designed to help farmers restructure debt, invest in farm improvements, finance livestock production facilities, and to help new farmers purchase land.</p>
<p>Providing Mental Health and Other Resources for Minnesota Farmers</p>	<p>After years of low commodity prices and high costs, many Minnesota farmers are experiencing significant stress, both financial and emotional. The Minnesota Department of Agriculture recently launched the Farm & Rural Helpline, a free, confidential service to</p>

	<p>help connect callers to financial assistance programs, health and mental health services, and legal help. In addition, the agency held a series of “Down on the Farm” seminars this winter to help people who work with farmers on a regular basis recognize stress, anxiety, depression, and other challenges.</p> <p>As many farmers continue to grapple with these challenges, Governor Dayton’s Budget for a Better Minnesota would build on the Department of Agriculture’s efforts by providing \$200,000 to help Minnesota State hire an additional mental health specialist to better support struggling farmers and their families.</p>
Expanding Access to Reliable, Affordable High-Speed Internet	<p>Since taking office, Governor Dayton has secured \$85.6 million for investments in high-speed internet infrastructure. This funding expanded access to broadband for 33,852 households, 5,189 businesses, and 300 community institutions, and leveraged \$110 million in matching investments</p> <p>Today, thanks in part to the Governor’s investments, 88 percent of Minnesotans have access to broadband speeds that meet the 2022 goal. In 2011, only 56 percent of Minnesotans, largely in urban areas, had access to those speeds.</p> <p>This year, Governor Dayton’s Budget for a Better Minnesota would invest an additional \$30 million to help another 11,000 households, businesses, and community institutions gain high-speed internet access so they can compete economically alongside other Minnesota communities in the 21st Century.</p>
Combating Minnesota’s Opioid Crisis through Prevention, Treatment, and Law Enforcement	<p>Governor Dayton has proposed a slate of bipartisan legislative proposals that would invest in high-impact strategies to treat and prevent opioid abuse, especially in communities disproportionately impacted by opioid addiction. Included in those legislative proposals is a new Opioid Stewardship Program, which would fund opioid abuse prevention and treatment strategies across the state. After implementation, the Stewardship Program would raise approximately \$20 million a year to be used exclusively for treatment and recovery, prevention, and emergency response services in every corner of Minnesota. To learn more about the Governor’s bipartisan proposals to combat the opioid crisis and save lives across Minnesota, CLICK HERE.</p>
Investing in Clean, Affordable Water for Minnesotans	<p>In the Land of 10,000 Lakes, Minnesotans expect clean, affordable water, no matter where they live. But over 40 percent of Minnesota’s waters are listed as impaired or polluted. Experts estimate that our communities will need \$11 billion in water infrastructure upgrades over the next two decades to replace and upgrade aging treatment facilities and expand systems to accommodate economic growth and increased demand.</p> <p>Governor Dayton’s Public Works proposal would invest \$167 million in our water treatment infrastructure and \$30 million in the</p>

	<p>Conservation Reserve Enhancement Program. This investment would protect our water resources, protecting them for future generations of Minnesotans. To learn more about how Governor Dayton's Public Works proposal would invest in clean, affordable water for Minnesotans, CLICK HERE. To see a list of clean water infrastructure projects that could be funded as a result of the Governor's Public Works proposal, CLICK HERE.</p> <p>In addition to the clean water investments included in the Public Works proposal, the Governor's Budget for a Better Minnesota also includes \$25.7 million in needed investment through the Clean Water Fund. These clean water projects were recommended by the state's Clean Water Council and include grants to: protect and improve the quality of our drinking water; support locally led implementation of management of our state's watersheds; fund needed clean water research; and conserve Minnesota's working forest lands to meet the state's future recreation, economic, and ecological needs.</p>
Connecting the Northstar Commuter Rail Line to Saint Cloud	<p>Northstar Commuter Rail, which began service in 2009, connects Minneapolis to Big Lake, stopping 28 miles short of Saint Cloud. The decision to cut the line short has hampered the success of Northstar. This year, Governor Dayton's Budget for a Better Minnesota includes \$850,000 to study the engineering costs and projected ridership for a possible Northstar extension to Saint Cloud.</p>
Investing in World-Class Colleges and Universities	<p>Minnesota's public colleges and universities are training the next generation of Minnesota workers for good jobs and bright futures, while supporting economic opportunity for communities all across our state. This year, Governor Dayton's Public Works proposal would invest \$542 million in public higher education classrooms and facilities statewide. These investments would help ensure that all Minnesotans can access a world-class education no matter where they live. To learn more about how Governor Dayton's Public Works proposal invests in world class colleges and universities, CLICK HERE.</p>
Improving and Repairing State Buildings and Other Critical Infrastructure	<p>Delaying needed maintenance projects can have damaging impacts on the state's long-term finances. Costs only increase as older buildings deteriorate further, while new items are added to the growing list of repair and improvement projects. Governor Dayton's Public Works proposal would begin to reverse the underinvestment in basic state infrastructure. The Governor's proposal would invest \$998 million to improve and repair state buildings and other critical infrastructure, helping to reduce needed deferred maintenance at aging facilities across the state. To learn more about how the Governor's Public Works proposal would improve and repair state buildings and other infrastructure, CLICK HERE.</p>

Expanding Equity and Opportunity for Minnesotans

Policy	Description
Fostering Greater Understanding Between State Government and Tribal Nations	<p>In 2013, Governor Dayton issued an executive order directing state agencies to implement policies that improve relationships and collaboration with Minnesota's eleven Tribal Nations. Following the Governor's direction, the Minnesota Department of Transportation developed an award-winning tribal training program to teach state agency staff about American Indian tribal governments, histories, cultures, and traditions, and to help state employees to work more effectively with tribal governments and American Indians.</p> <p>As part of his Budget for a Better Minnesota, Governor Dayton has proposed \$200,000 to improve the state's communication with tribal nations. It also would be used to better educate agency staff on legal and cultural frameworks for working with sovereign Tribal Nations.</p>
Making College More Affordable for Minnesota Dreamers	<p>The Minnesota State Grant Program helps students afford the higher education they need to succeed. Since taking office, the Governor has made major new investments in the State Grant Program. As a result, about 287,000 students have received State Grants to make their higher educations more affordable, and all State Grant recipients have seen increases in their State Grants, averaging \$927. These grants help students build better futures for themselves and their families, by making two-year schools, four-year schools, and technical school training programs more affordable.</p> <p>Governor Dayton's budget would help further extend the promise of higher education to Minnesota Dreamers, many of whom have lived in our state for most of their lives. The Governor's proposal would invest \$1.1 million to provide additional State Grant assistance to 568 Minnesota Dreamers to fill in for federal Pell Grants they would be eligible to receive, but-for their legal status. The average eligible student would receive an average increase of \$2,010 under this proposal to help pay for tuition.</p>

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To learn more about other proposals included in Governor Dayton's Budget for a Better Minnesota, [CLICK HERE](#).



STATE OF MINNESOTA
L'Étoile du Nord

Office of Governor Mark Dayton

A Fair and Balanced Budget

Budget for a Better Minnesota

When Governor Dayton took office in January 2011, Minnesota faced a \$6.2 billion deficit. That was the eighth-straight forecasted deficit since November 2007. Those chronic deficits were the product of previous administrations' decisions to repeatedly "solve" state budget deficits with short-term shifts and gimmicks that shortchanged students and limited investments in our future.

Since 2011, Governor Dayton has worked to restore Minnesota's fiscal health. The Governor asked the wealthiest two percent of Minnesotans to pay their fair share in taxes, while providing tax cuts to 2.3 million middle class Minnesotans and making needed investments in education and economic opportunity. Thanks to that sound fiscal management, Minnesota now has a balanced budget and was named in a recent study the "Best Run State in the Nation."

Now in his last year in office, 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. Read more below about what Governor Dayton wants to do to leave the state budget better than he found it.

Strategic, Fiscally Responsible Investments in Minnesota's Future

Policy	Description
A Balanced Budget into the Future	Governor Dayton's Budget for a Better Minnesota would make needed, strategic investments in Minnesota, while safeguarding our fiscal future. The Governor's proposal would build on his seven years of diligent, responsible financial management and would remain structurally balanced in future bienniums. This fiscally sound approach to budgeting would allow future governors and legislatures to focus on making investments in Minnesota, instead of cutting the services people depend on.
A Fair and Responsible Response to the Federal Tax Bill	<p>Despite their rhetoric, at 429 pages long, the Tax Bill passed by President Trump and Republicans in Congress is unfair and irresponsible. The Republican bill has radically changed federal tax law – eliminating deductions and exclusions benefiting middle class Americans, while devoting 92 percent of the tax cuts to corporations.</p> <p>Since Minnesota's tax code uses federal income tax liability as a starting place, Governor Dayton and the Minnesota Legislature</p>

	<p>must balance the goals of federal tax conformity, which is necessary to simplify tax preparation, with the significant state tax increase conformity would cause. Governor Dayton's Budget for a Better Minnesota would ensure no individuals see state tax increases and would cut taxes for working families, while delivering fiscal stability for balanced budgets into the future.</p>
<p>Securing the Long-Term Stability of the Health Care Access Fund</p>	<p>Minnesota's Health Care Access Fund (HCAF) was created to increase Minnesotans' access to health care, contain health care costs, and improve the quality of health care services for Minnesotans. Revenues for the HCAF come from a small tax on health care providers, which is set to expire on December 31, 2019. Without action from the Legislature, these essential revenues – which connect tens of thousands of Minnesotans to better, more affordable health care – will disappear and leave a \$530 million annual gap in our state budget.</p> <p>Governor Dayton is committed to leaving the state budget better than he found it, and to making sure that tens of thousands of Minnesotans who rely on programs funded by the Health Care Access Fund do not lose the high-quality, more affordable care they need. That is why the Governor's budget would eliminate the expiration date of the provider tax – delivering long-term budget stability for the people of Minnesota, and protecting Minnesotans' health care.</p>
<p>Ensuring that Minnesota Retirees Receive the Benefits They Have Earned for Decades to Come</p>	<p>Immediate action must be taken to ensure Minnesota's public employee pension plans remain solvent, and that promises are kept to Minnesota workers and retirees. This year, Governor Dayton supports bipartisan legislation that would ensure these plans remain healthy and capable of meeting the needs of retired teachers and state and local government employees for decades to come.</p> <p>Governor Dayton's plan would ask current employees, retirees, and the state budget to share the burden of ensuring the long-term solvency of the plans. The State of Minnesota would contribute \$27 million in 2019 and \$114 million in 2020-21 to stabilize the public employee pension plans. In return, current employees would be required to increase their contributions and current retirees would see changes to their cost of living adjustments in future years. Making these adjustments now would help ensure that more drastic and painful changes are not needed in future years.</p>

Ended Shifts and Gimmicks, Restored Minnesota's Budget Health

Policy	Description																																				
Delivered Nine Forecasted Budget Surpluses	<p>When Governor Dayton took office in January 2011, Minnesota faced a \$6.2 billion budget deficit. That deficit was the eighth-straight forecasted deficit since November 2007. With sound fiscal management, Governor Dayton has restored a balanced budget in Minnesota – delivering repeated budget surpluses. In fact, between November 2013 and February 2018, Minnesota Management and Budget forecasted nine budget surpluses.</p> <table><tr><th>Date</th><th>Forecast</th><th>Date</th><th>Forecast</th></tr><tr><td>Nov. 2010</td><td>(\$6.19 billion)</td><td>Nov. 2014</td><td>\$1.04 billion</td></tr><tr><td>Feb. 2011</td><td>(\$5.03 billion)</td><td>Feb. 2015</td><td>\$1.87 billion</td></tr><tr><td>Nov. 2011</td><td>\$0</td><td>Nov. 2015</td><td>\$1.21 billion</td></tr><tr><td>Feb. 2012</td><td>\$0</td><td>Feb. 2016</td><td>\$900 million</td></tr><tr><td>Nov. 2012</td><td>(\$1.1 billion)</td><td>Nov. 2016</td><td>\$1.4 billion</td></tr><tr><td>Feb. 2013</td><td>(\$627 million)</td><td>Feb. 2017</td><td>\$1.65 billion</td></tr><tr><td>Nov. 2013</td><td>\$825 million</td><td>Nov. 2017</td><td>(\$188 million)</td></tr><tr><td>Feb. 2014</td><td>\$1.23 billion</td><td>Feb. 2018</td><td>\$329 million</td></tr></table>	Date	Forecast	Date	Forecast	Nov. 2010	(\$6.19 billion)	Nov. 2014	\$1.04 billion	Feb. 2011	(\$5.03 billion)	Feb. 2015	\$1.87 billion	Nov. 2011	\$0	Nov. 2015	\$1.21 billion	Feb. 2012	\$0	Feb. 2016	\$900 million	Nov. 2012	(\$1.1 billion)	Nov. 2016	\$1.4 billion	Feb. 2013	(\$627 million)	Feb. 2017	\$1.65 billion	Nov. 2013	\$825 million	Nov. 2017	(\$188 million)	Feb. 2014	\$1.23 billion	Feb. 2018	\$329 million
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Secured the Largest State Budget Reserves in History to Protect Minnesota from Future Economic Downturns	<p>When Governor Dayton took office in January 2011, Minnesota had \$0 in the state budget reserve account. But in 2013, the Governor and DFL Legislature changed the law to require more funds to be put into the state budget reserves to protect Minnesota from future economic downturns. By 2017, the state budget reserves were the largest in Minnesota history, at \$1.6 billion – protecting the state’s fiscal integrity, and the services that Minnesotans rely on. In addition, the state of Minnesota has an additional \$335 million cash on hand that could be used in the event of an economic downturn.</p>																																				
Paid Back All the Debt Owed to Minnesota Schools	<p>Before Governor Dayton took office in January 2011, previous Legislatures had used numerous shifts and gimmicks to balance the state budget. Borrowing from local school districts and shifting funds from dedicated accounts ultimately racked up billions of dollars in shifts and gimmicks. During his tenure in office, the Governor has worked to reduce shifts and gimmicks in the state budget, to truly balance the state’s books. In total, Governor Dayton eliminated the \$2.7 billion school aid shift, returning the state to fiscal integrity.</p>																																				
Returned Minnesota to Tax Fairness	<p>When Governor Dayton took office in January 2011, the richest Minnesotans paid about 9.5 percent of their income in state and local taxes, compared to 12 percent for most Minnesotans. Tax policies enacted by Governor Dayton during his tenure have restored tax fairness in Minnesota, with the wealthiest Minnesotans now paying about 12 percent of their income in state and local taxes, just like the rest of Minnesotans. These new revenues were invested in a state budget for a stronger economy, in better educations for all Minnesota students, and more.</p>																																				

Reduced the “Price of Government” by 4.4 Percent, While Investing in Minnesota’s Future

In the 1990s, when they pushed for its adoption, the Minnesota Chamber of Commerce and Minnesota Business Partnership called the “Price of Government” the definitive measure of the cost of government to taxpayers. The index calculates the aggregate cost that Minnesota taxpayers pay for public services as a percentage of total statewide personal income.

Under Governor Dayton’s leadership, the “Price of Government” has decreased 4.4 percent since 2011. The decline is a result of sound fiscal management over the past seven years, strong growth in the state’s economy, and rising personal incomes for Minnesotans.

Year	Price of Govt.	Year	Price of Govt.
2006	16.2 percent	2013	15.3 percent
2007	15.9 percent	2014	15.8 percent
2008	15.8 percent	2015	15.6 percent
2009	14.7 percent	2016	15.7 percent
2010	15.6 percent	2017	15.4 percent
2011	15.8 percent	2018	15.1 percent
2012	14.9 percent	Δ since 2011	- 4.4 percent
<i>MMB: State and local revenues as percentage of personal income, 2004-2018</i>			

Saved Taxpayers Billions of Dollars Through Reforms

Governor Dayton has worked to make state government more efficient, effective, and accountable to taxpayers. Under his leadership, Governor Dayton’s Administration has saved Minnesota taxpayers billions of dollars through reforms, efficiencies, and improvements to the ways government delivers services. Read below to learn about just some of the savings that the Dayton Administration has found for Minnesota taxpayers since 2011.

- **Saved \$1.5 Billion in Health Care Contracting** – In 2011, Governor Dayton and the Department of Human Services began requiring health plans to compete to provide health care coverage for enrollees in state programs. By requiring competitive bidding, Governor Dayton’s Administration has saved Minnesota taxpayers more than \$1.5 billion.
- **Saved Taxpayers \$217 Million Through Efficiencies** – Under Governor Dayton’s leadership, the Minnesota Department of Transportation implemented reforms that improved the efficiency of construction projects and project development. The agency also made reforms to its administration, maintenance and operations divisions. Overall, these reforms have saved more than \$217 million since 2015. The funding saved through these efficiencies were then used to support additional road and bridge projects across the state.
- **Saved \$213 Million in Health Care Delivery Reforms** – In 2013, Minnesota launched its Integrated Health Partnership program in which people receive more coordinated care and health care providers are paid based on the quality of care they provide to their patients. This encourages providers to be innovative in how

	<p>they provide care and allows them to focus on the quality of care versus the amount of care they provide. The program now serves 462,000 Minnesota with 21 provider groups involved. It also has reduced health care spending by \$213 million since 2013.</p> <ul style="list-style-type: none"> Saved Taxpayers Approximately \$105 Million Through IT Consolidation – In 2011, the Office of Enterprise Technology was transformed into Minnesota IT Services, a state department charged with managing technology across state government and protecting information, including personal information of citizens, from cyber-attack. Thanks to this consolidation, the Dayton Administration reduced the state’s data center footprint by more than 50 percent, making Minnesota more secure, while saving taxpayer money. In addition, Minnesota IT Services is able to leverage economies of scale to reduce technology purchasing costs. Since 2011, these reforms have saved taxpayers approximately \$15 million a year, or \$105 million in total.
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To learn more about other proposals included in Governor Dayton’s Budget for a Better Minnesota, [CLICK HERE](#).



STATE OF MINNESOTA
L'Étoile du Nord

Office of Governor Mark Dayton

Better, More Secure Technology for Minnesotans

Budget for a Better Minnesota

Minnesotans and our state's many businesses need to move fast and efficiently to succeed in a high-tech 21st Century economy. So does state government. That is why Governor Dayton's Budget for a Better Minnesota would invest in better technology that would allow state government to move at the speed of commerce and ensure all Minnesotans – individuals and businesses – get the quality services they need with the speed, certainty, and security they deserve.

Right now, some state government agencies still use computer systems built 30 years ago to provide services to the public, host information online, and support the work of government. The combination of aging computer infrastructure with an increasingly interconnected world has created new risks for Minnesotans. Minnesota state government is subject to [more than 3 million cyberattacks every day](#) that attempt to interfere with state government or illegally access our private information. Minnesota has so far avoided a major data security breach like those that have impacted many major American companies and their customers. But we need to take action now to improve our cybersecurity measures, upgrade our technologies, and protect Minnesotans from attacks.

To ensure help Minnesotans remain protected, Governor Dayton has again proposed long-overdue upgrades to Minnesota's information technology and computer security systems in his Budget for a Better Minnesota. These efforts will help deliver state government services at the speed of commerce, and provide the security and personal data protections that Minnesotans expect and deserve.

Safe, Secure and Effective Technology Services for Minnesotans

Policy	Description
Safeguarding the State from Cyberattacks	<p>Minnesota IT Services supports more than 35,000 users, secures the private data of 5.5 million Minnesotans, and protects over \$28 billion in annual transactions from cyberattacks. Sophisticated attacks, however, are becoming more common and are testing the limits of existing capabilities. The push to digitize government compounds this problem, significantly expanding the volume of sensitive data vulnerable to attack.</p> <p>The Governor's budget would invest \$19.7 million in FY2019 to minimize our risk exposure by migrating business systems to upgraded, modern, secure data centers. It would replace and upgrade unsecure networking equipment, servers, and workstations. It also would fund deployment of sophisticated software to combat increasingly complex hacker attacks and procure services for continuous security monitoring, penetration</p>

	tests, and independent security audits. In addition, the budget would reinforce the State's Cyber Security Team by adding well trained staff, and expanding monitoring and other core security services.
Safeguarding Minnesota's Elections Against Cyberattacks	Safeguarding our elections against interference is essential to our democracy and ensuring all Minnesotans are confident in the integrity of our electoral process. Thanks to safeguards like the use of paper ballots, Minnesota's elections are better protected against cyberattacks than many other states. However, with evidence that hackers targeted Minnesota's elections website in 2016, Governor Dayton supports a \$381,000 investment in FY2019 proposed by Secretary of State Steve Simon to implement recommendations from the U.S. Department of Homeland Security for updating and modernizing Minnesota's statewide voter registration system. This investment would enhance the security, integrity, and stability of the system and help Minnesota meet standards set by the National Institute of Standards and Technology.
Fixing MNLARS to Deliver Better, Faster, More Reliable Services for Minnesotans	Minnesotans expect and deserve high-quality, efficient services from their state government. That is why Governor Dayton and the new leadership at Minnesota IT Services are working hard to fix the Minnesota Licensing and Registration System (MNLARS). Important progress has already been made to make MNLARS work better for Minnesotans, with the backlog of delayed vehicle titles now cut in half. But to fully correct the problems Minnesotans have faced, Governor Dayton has asked legislators to work with his Administration to approve an initial \$10 million transfer and an additional \$32.7 million by the end of the Legislative Session. Allowing use of these funds will help deliver better, faster, more reliable services for Minnesotans. Without this funding, 39 contractors working on MNLARS will be laid off, delaying essential repairs until 2020.
Expanding Access to Reliable, Affordable High-Speed Internet	Since taking office, Governor Dayton has secured \$85.6 million for investments in high-speed internet infrastructure. This funding expanded access to broadband for 33,852 households, 5,189 businesses, and 300 community institutions, and leveraged \$110 million in matching investments. Today, thanks in part to the Governor's investments, 88 percent of Minnesotans have access to broadband speeds that meet the 2022 goal. In 2011, only 56 percent of Minnesotans, largely in urban areas, had access to those speeds. This year, Governor Dayton's budget would invest \$30 million to help 11,000 more homes, businesses, and community institutions gain high-speed internet access so they can compete economically alongside other Minnesota communities in the 21 st Century.

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To learn more about other proposals included in Governor Dayton's Budget for a Better Minnesota, [CLICK HERE](#).

GOVERNOR DAYTON'S **2018** SUPPLEMENTAL BUDGET PROPOSAL

FY 18-19

February Forecast Balance

\$329 million

Investments

(226)

Safe Schools/Education

(47)

Senior and Vulnerable Adult Protections

(12)

Opioid Abuse Prevention

(13)

Bonding Bill

(37)

Higher Education

(30)

Pension Reform

(27)

All Other

(60)

Revenue Package

20

2017 Tax Provisions

15

Response to Federal Tax Bill, Fairness Provisions

9

Other Revenue Changes

(4)

Bottom Line

\$123