



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](#).