



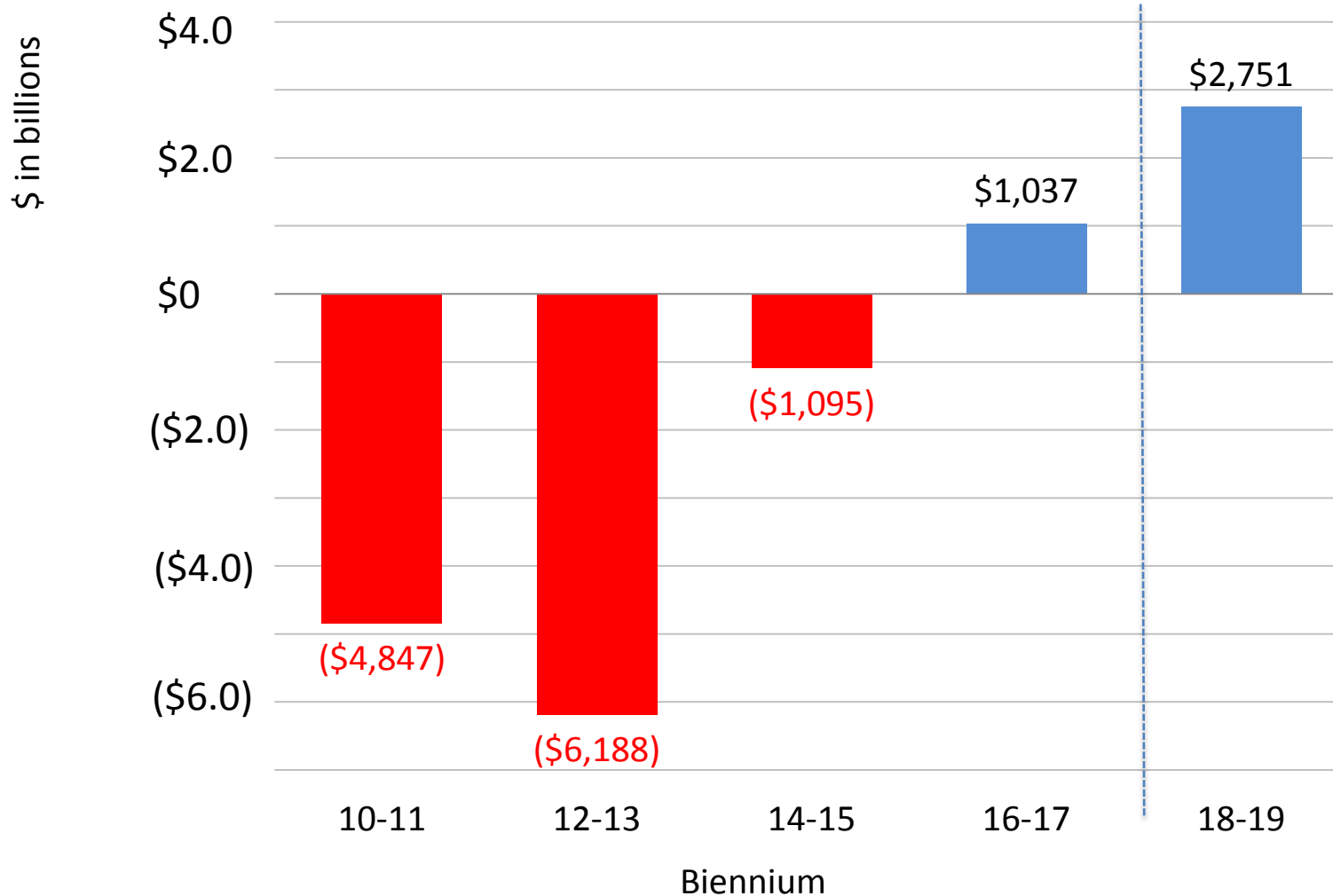
Budget for a Better Minnesota

Governor Mark Dayton's FY 2016-17 Budget Recommendations



Stabilized the Budget

Projected General Fund Balances – November Forecast Comparisons





State's Financial Health Continues to Improve

- ✓ Fair and sustainable revenues
- ✓ Put an end to chronic deficits and finally stabilized the state budget into the future
- ✓ Increased our budget reserves to the highest levels ever to help protect Minnesota from future economic downturns



Governor Dayton's FY 2016-17 Budget

- **Focus on Students (0-18)** The Governor would dedicate over half of the state's budget surplus to improve the lives and educations of children across Minnesota, including Voluntary Pre-K and School Breakfasts.
- **Investing in Higher Education** – The Governor's budget would invest in higher education to provide additional financial aid and improve the quality of higher education institutions.
- **Helping Families and Children**– The Governor's budget would increase funding for child care assistance and child protection, improve mental health services, and community services for people with disabilities. It also would tax relief to hundreds of thousands of middle-class Minnesotans, including Child and Dependent Care Credits for 130,000.



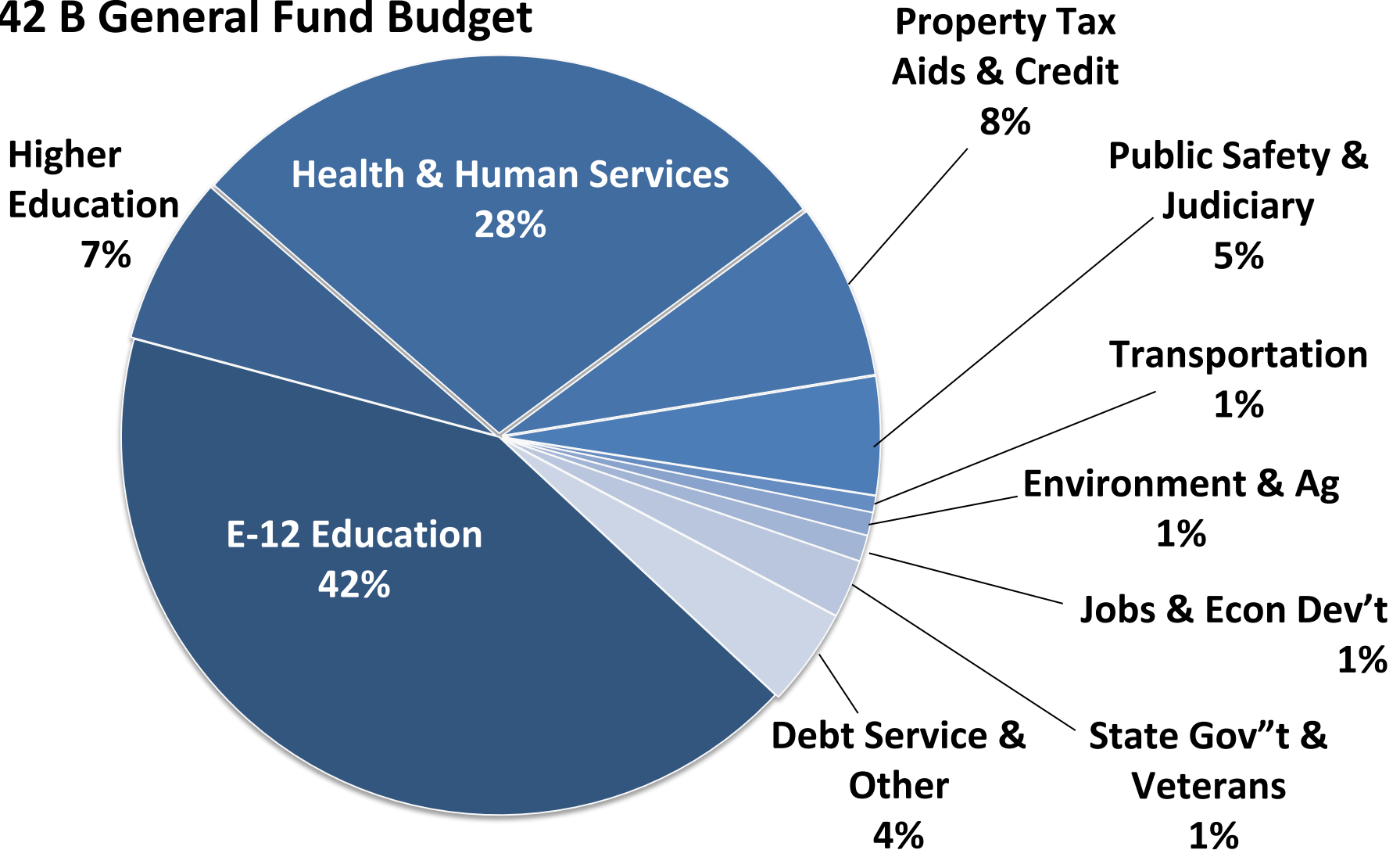
Governor Dayton's FY 2016-17 Budget

| General Fund (\$ in millions) | November Forecast <u>FY 2016-17</u> | Governor's Changes <u></u> | Governor's Budget <u>FY 2016-17</u> |
|----------------------------------|---|----------------------------------|---|
| Beginning Balance | \$1,745 | \$(54) | \$1,691 |
| Revenues | 41,880 | (16) | 41,864 |
| Expenditures | 41,243 | 932 | 42,175 |
| Reserves | <u>1,345</u> | <u>-0-</u> | <u>1,345</u> |
| Budget Balance | \$1,037 | \$(1,002) | \$35 |



Governor Dayton's FY 2016-17 Budget

\$42 B General Fund Budget





Governor Dayton's FY 2016-17 Budget

Allocation of Investments

| General Fund (\$ in millions) | Governor's <u>Changes</u> | % of <u>Change</u> |
|---------------------------------------|------------------------------|-----------------------|
| PreK – 12 (ages 0-18) | \$418 | 42% |
| Higher Education | 93 | 9% |
| Health and Human Services | 140 | 14% |
| Child and Dependent Care Credit | 100 | 10% |
| Public Safety, Courts and Corrections | 137 | 14% |
| All Other Areas | <u>114</u> | 11% |
| Total Changes | \$1,002 | |

75%



Education

A Great Start for Early Learners

- Voluntary Pre-K for 4 year olds
- Head Start

Successful Students

- School Breakfast
- MN Reading Corps
- Additional Targeted Strategies

Support for Schools

- 1% and 1%
- Regional Centers



\$17 billion GF, \$373 million new investment



Health and Human Services

Children and Families

- Childcare
- Dental care
- Child welfare
- Home visiting

Mental Health Reform

Health Care in Greater MN

- Hospitals and Public Health

Housing and Services

- Bridges*
- Group Residential Housing



*MHFA

\$13 billion GF, \$185 million new investments



Higher Education



- Continue to limit tuition increases at the University of Minnesota
- Increase tuition support for students through the state grant program
- Invest in Medical School to train the next generation of world-class physicians

\$3 billion GF, \$93 million new investments



Rail Safety

- 4,500 grade crossings on 4,444 miles of track



- Property Tax Modernization and Assessment on Railroads



Tax Changes



- Providing direct tax cuts to 130,000 Minnesota families through the Child and Dependent Care Tax Credit
- Simplify the business R&D credit and close corporate loopholes
- ✓ January 24th Tax Conformity Bill enacted into law; delivering immediate tax relief for 200,000 middle-income Minnesotans



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