

Minnesota DFL Senate: A balanced and reasonable budget that charts the middle ground

Options	Governor's Budget (\$42.983 billion)*	Senate DFL's Budget (\$42.732 billion)*	House GOP's Budget (\$42.581 billion)*
BUDGET RESERVE	No additional funding for the budget reserve	\$250 million to build up our budget reserve to protect our schools against borrowing (which happened in the past to the tune of \$2.7 billion), deep program cuts or tax increases during an economic downturn	\$100 million in additional funding for the budget reserve
TAX CUTS	<p>\$200 million tax cut:</p> <ul style="list-style-type: none"> • \$83 million for the Working Family Tax Credit • \$11 million for the K-12 Education Tax Credit • \$103 million for the Child and Dependent Care Credit 	<p>\$459.8 million tax cut:</p> <ul style="list-style-type: none"> • Property tax cuts • Tax credits and reductions for businesses and families • \$200 million to reverse past accounting measures used to balance the budget -- which will provide future budget stability 	<p>\$2 billion tax cut -- spends more than the \$1.9 billion surplus</p> <p><i>GOP bills discussed include:</i></p> <ul style="list-style-type: none"> • \$341 million estate tax repeal to benefit 800 of the largest estates • \$355 million to exempt business owners from paying taxes on their business profits at the 4th tier income tax rate
INVESTMENTS	<p>\$1.5 billion: with 80% targeted to children, students, and families:</p> <ul style="list-style-type: none"> • \$343 million for free, full-day PreK for every four-year-old • \$252 million to freeze tuition • \$12 million for struggling schools • \$41 million in special education • \$25 million to attract and retain teachers 	<p>\$1.14 billion: with more than half of the surplus targeted to education:</p> <ul style="list-style-type: none"> • \$362 million for E-12 Education • \$205 million for Higher Education • \$341 million for Health and Human Services • \$57 million for Economic Development, Ag & the Environment • \$38 million for Veterans/State Dept. • \$117 million for Public Safety & Courts 	<p>\$440 million:</p> <ul style="list-style-type: none"> • \$157 million in E-12 Education (less than a 1% increase in education) • \$53 million for Higher Education • \$82 million for Public Safety & Courts • \$148 million for Transportation
BUDGET CUTS AND SHIFTS	The lessons of the past are clear: too much tax cutting in the good times was followed by greater reliance on property taxes, double-digit increases in tuition at public colleges and universities, and higher fees. That combination put more of the responsibility for funding public services onto low- and middle-income Minnesotans. The surplus is temporary, and we must make responsible budget decisions to keep our budget stable and continue Minnesota's economic prosperity.		<p>\$1.1 billion budget cut: to health care services for Minnesota, nursing homes, hospitals, workers, seniors, and our most vulnerable. The GOP budget also cuts an \$35 million in jobs and economic development programs for rural Minnesota.</p> <p>\$612 million budget shift to fund transportation.</p>
TRANSPORTATION	The Governor and DFL Senate do not divert (shift) any dedicated General Fund money to transportation. Both propose a comprehensive transportation funding package to address long-term transportation and transit needs of the state. Both plans include efficiencies, bonds, a gas tax increase, and a registration tax increase.		Shifts \$612 million for transportation: \$228 million one time General Fund surplus spending and \$384 million from automobile parts sales taxes shifted from the General Fund.

*Proposed Net Spending (Forecast + Total Change - Budget Reserve)