

MINNESOTA'S



COVID-19 RECOVERY BUDGET



2022-2023 BUDGET RECOMMENDATIONS

Budget Priorities



Supporting small businesses and driving economic recovery



Ensuring students catch up on learning



Supporting working families

FY 2022-23 Governor's Budget

(\$ in millions)	Nov FY 2022-23	Gov FY 2022-23	\$ Change
Beginning Balance	\$3,202	\$3,025	\$(176)
Revenues	49,494	51,156	\$1,663
Spending	51,113	52,416	\$1,303
Budget Reserve	1,886	847	(1,038)
Cash Flow Account	350	350	-
Stadium Reserve	230	100	(130)
Budgetary Balance	\$(883)	\$470	
<i>Balance (Excluding FY 2020-21)</i>	<i>\$(1,277)</i>		

Ensure Students Catch up on Learning

- Expand Summer 2021 Programming - **\$57.5 million** in federal funding
- Summer 2021 Preschool for 4 and 5 year olds - **\$20 million**
- Increase Basic Formula by 1%/2.5% - **\$301 million**
- Hold Special Education Cross subsidy steady - **\$73 million**
- Student Support Personnel – **\$47 million**
- Maintain 4,000 Prekindergarten Seats - **\$41 million**
- Simplify School Levies and Improve Equalization - **\$95 million**
- Expand Rigorous Course Work for BIPOC Students - **\$10 million**
- Workforce Stabilization Grants - **\$35 million**
- Funding for Higher Ed Institutions – U of M/MnState - **\$110 million**

Support Small Business and Drive Economic Recovery

- Emergency COVID Support Funding - **\$50 million**
- Small Business Assistance - **\$3 million**
- Broadband Development - **\$50 million**
- Launch Minnesota - **\$5 million**
- Angel Tax Credit - **\$7 million**

Support Working Families

- MFIP One Time Payment of up to \$750 - **\$24 million in federal TANF funds**
- Paid Family and Medical Leave
- CCAP Rate Increase - **\$48 million in federal funds**
- Working Family Tax Credit - **\$101 million**
- Expansion of the 1st Tier - **\$95 million**

Spending By Bill Area – General Fund

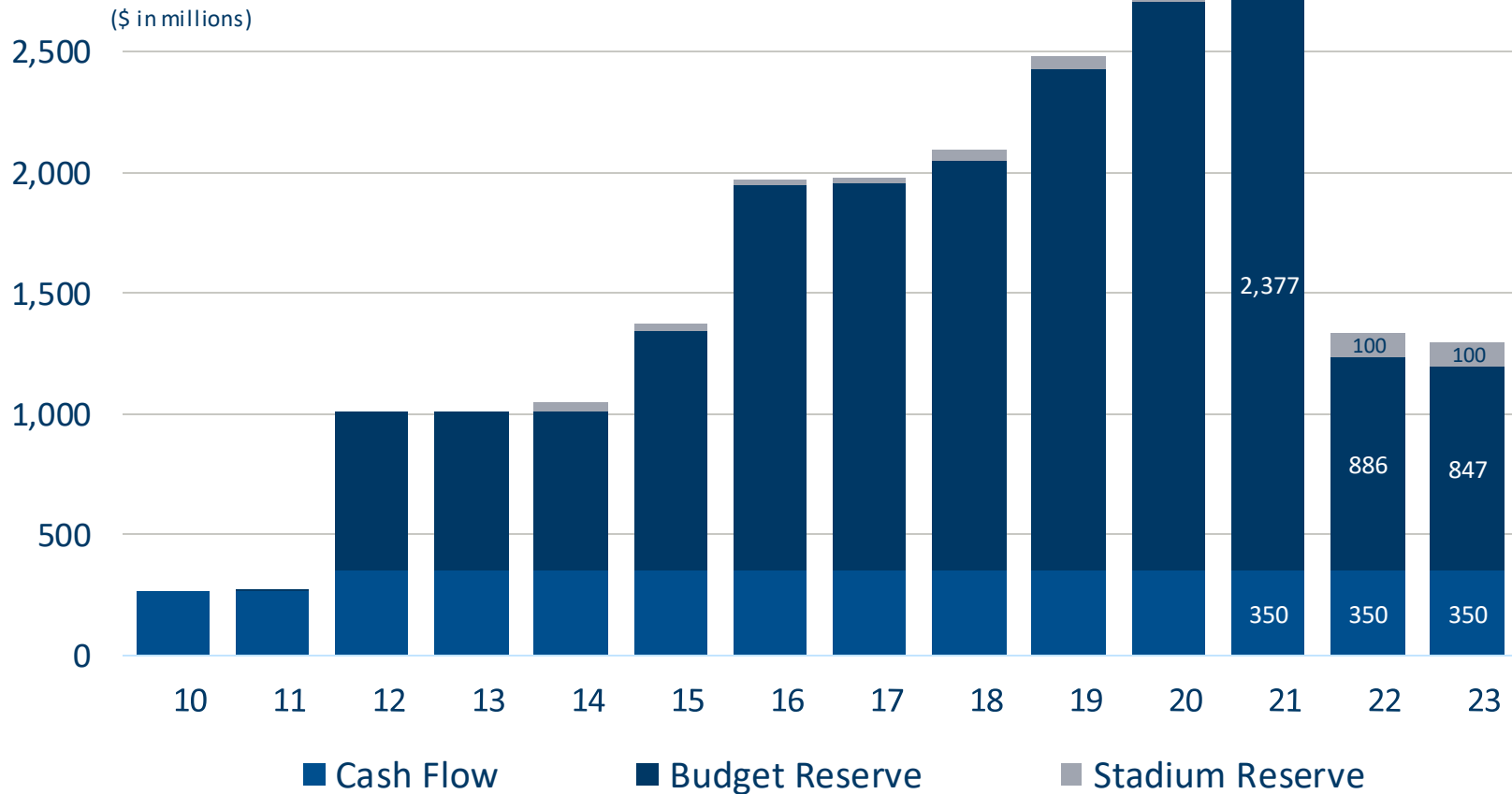
(\$ in millions)	FY 2021	FY 2022-23	FY 2024-25
E-12 Education	\$79	\$664	\$1072
Higher Education	-4	150	185
Property Tax Aids & Credits	0	0	1
Health & Human Services	5	167	168
Public Safety & Judiciary	50	117	91
Transportation	2	16	12
Environment	2	33	20
Agriculture & Housing	-1	19	2
Jobs, Economic Development & Commerce	47	59	7
State Government & Veterans	-5	58	61
Debt Service	0	0	0
Capital Projects & Grants	0	21	33
Total	\$175	\$1,303	\$1,652

Revenue

(\$ in millions)	FY 2022-23	FY 2024-25
Increase Amount of Working Family Credit	-\$101	-\$103
Expansion of First Tier of Individual Income Tax	-95	-95
ITIN Usage for Working Family Credit	-23	-23
Angel Tax Credit	-7	
5th Tier Income Tax Rate	403	364
Capital Gains Tax	486	443
Corporate Franchise Tax Rate Increase	424	407
Previously Taxed Foreign Income	336	94
Cigarette Tax Increase and Vapor Tax	150	155
Limit Qualified Data Center Tax Exemption	31	70
Reinstate Estate Tax Exclusion	28	36
Other Tax Provisions	5	5
Total	\$1,636	\$1,352

Reserve Changes and Use of Balances

Total Reserves – Gov Recommendation



Long Term Budget Outlook

(\$ in millions)	FY 2022-23	FY 2024-25	Biennial Growth	Annualized % Growth
Forecast Revenues	\$51,157	\$54,576	\$3,419	3.3%
Projected Spending	52,416	55,289	2,873	2.7%
Structural Balance	\$(1,259)	\$(713)		
<i>Balance w/carryforward and reserve use</i>	<i>\$470</i>	<i>\$(243)</i>		



Q & A