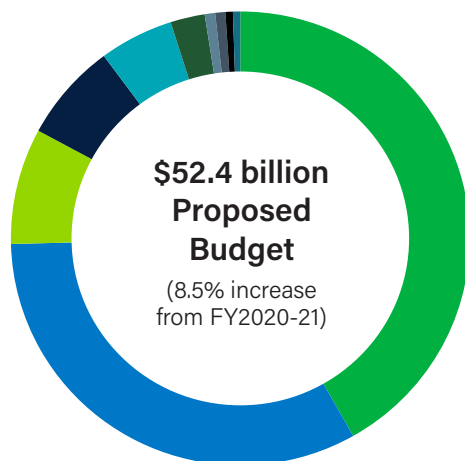




# Governor's Budget Proposal (FY 2022-2023)



- E-12 Education **\$21,257 M**
- Health & Human Services **\$16,674 M**
- Property Tax Aids and Credits **\$4,200 M**
- Higher Education **\$3,556 M**
- Public Safety **\$2,655 M**
- State Government **\$1,233 M**
- Jobs & Economic Development **\$374 M**
- Environment **\$364 M**
- Transportation **\$266 M**
- Agriculture & Housing **\$262 M**

## Budget Highlights

### Education

- **\$79.5 million** increase in Fiscal Year 2021 and **\$662.2 million** increase for education in FY 2022-23
- **\$301 million** increase for a 1% boost on the general education per pupil formula in FY 2022 and **2.5%** in FY 2023

### Health & Human Services

- Includes several Blue Ribbon Commission on Health and Human Services cost saving measures
- **\$750** one-time payment for families in the Minnesota Family Investment Program

### Jobs & Economic Development

- **\$11.4 million** and applying a **0.6%** employer premium rate to employee wages for the creation of a statewide Family and Medical Leave Program administered by DEED
- **\$50 million** increase to expand broadband access
- **\$50 million** one-time funding in forgivable loan programs for small businesses

## Tax Increases & Other Changes

- Raises **\$1.636 billion** in new revenue for FY 2022-23
- Creates a fifth-tier income tax bracket for couples earning more than **\$1 million (\$500,000** for single-filer) at a **10.85%** rate
- Increases corporate franchise tax rate by **1.45%**
- Imposes an additional **4%** on capital gains over **\$1 million**
- Expands the Working Family Tax Credit
- Enlarges first-tier income tax bracket by expanding the income threshold to under **\$42,800**

## Upcoming Dates

### End of February

February Budget Forecast

### March 12, 2021

1<sup>st</sup> Committee Deadline

### March 19, 2021

2<sup>nd</sup> Committee Deadline

### April 9, 2021

3<sup>rd</sup> Committee Deadline

## Contact Us



### Sonnie Elliott

Principal ■ Faegre Drinker Consulting  
+1 612 766 8630  
sondra.elliott@faegredrinker.com



### Tom Freeman

Director ■ Faegre Drinker Consulting  
+1 612 766 8155  
thomas.freeman@faegredrinker.com



### Donovan Hurd

Advisor ■ Faegre Drinker Consulting  
+1 612 766 8876  
donovan.hurd@faegredrinker.com



### Dave Johnson

Partner ■ Faegre Drinker  
+1 612 766 7506  
david.johnson@faegredrinker.com



### Emily Nachtigal

Advisor ■ Faegre Drinker Consulting  
+1 612 766 6852  
emily.nachtigal@faegredrinker.com