

# FACT SHEET | A Fiscally Responsible Budget for a Better Minnesota

## *2016 Budget for a Better Minnesota*

Governor Dayton and Lt. Governor Smith are proposing a fiscally responsible budget that balances the needs of the state while protecting Minnesota's structurally balanced budget. Governor Dayton and Lt. Governor Smith's budget would leave \$571 million on the bottom line in the next biennium, on top of a record-high \$1.6 billion budget reserve and \$350 million cash flow account. Together, this means Governor Dayton and Lt. Governor Smith are keeping more than \$2.5 billion on-hand to safeguard our budget. Their budget would also make critical investments in kids and families, expand economic opportunity to more Minnesotans, make essential investments in transportation and infrastructure, and ensure clean, affordable water for Minnesotans.

### Responsible Fiscal Management

- **From a \$6 Billion Hole to Six Straight Forecasted Surpluses** – When Governor Dayton took office in 2011, the state faced a \$6 billion budget deficit, following a decade of deficits. Now, Minnesota is finally on sound fiscal footing, with six straight projected budget surpluses. Governor Dayton and Lt. Governor Smith are committed to ensuring our state does not slip back into the same fiscal mess.
- **Record High Reserves** – This year, thanks to Minnesota's growing economy and continued budget surpluses, our state added another \$600 million to our budget reserves, bringing the account to \$1.6 billion – the highest in state history. And Minnesota has \$350 million in the cash flow account. These reserves, along with the \$571 million the Governor and Lt. Governor's budget would leave on the bottom line in the next biennium, will keep more than \$2.5 billion on-hand to help protect against future downturns.
- **Better for Business** – Since Governor Dayton righted the state's fiscal ship, Minnesota's ratings by national credit agencies have begun to recover from the dip they took under decades of deficits, shifts, and gimmicks. A higher credit rating saves Minnesota taxpayers, cities, and counties money on interest payments makes investors more likely to look favorably on Minnesota, and makes the state a more attractive place to do business, as evidenced by Minnesota's rating by CNBC as the [Top State for Business](#).

### Responsible Investments for a Better Minnesota

- **Smart, Sustainable Investment** – Recognizing the importance of not stretching Minnesota's budget too thin, Governor Dayton and Lt. Governor Smith have focused their budget proposal on investments that can be covered with the cash we have on hand. Spending on proposals like big, long-term tax cuts for businesses would remove hundreds of millions of dollars from our state budget every year. Governor Dayton and Lt. Governor Smith are focused on investing within our means, to build a strong budget for a better Minnesota.
- **Saving \$571 Million** – To ensure that our state budget is not overextended, and to prevent future budget deficits, Governor Dayton and Lt. Governor Smith are leaving \$571 million on the bottom line. This fiscal prudence will ensure that changes in Minnesota's revenue forecasts do not cut into our essential investments in children, families, and communities.

### Fiscal Responsibility: By the Numbers

<b>\$6 billion</b>	Deficit when Governor Dayton took office in 2011
<b>\$900 million</b>	Current budget surplus
<b>\$571 million</b>	Amount Governor Dayton and Lt. Governor Smith are leaving on the bottom line in their budget proposal.
<b>\$1.9 billion</b>	State's record-high budget reserves, after an additional \$600 million was added earlier this year, and including \$350 million in the cash flow account