

EMMER

for GOVERNOR

Emmer For Governor.com
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Tom Emmer's Budget Plan:

The only honest budget plan from the only straight-talking candidate

A comparison with the current biennium, the projected autopilot budget for the next biennium, and the Dayton and Horner plans

	Actual FY 2010–11 General Fund	Projected FY 2012–13 (autopilot increase)	Dayton Proposed FY 2012–13	Horner Proposed FY 2012–13	Emmer Proposed FY 2012–13
REVENUES					
Revenues Collected/Projected	\$30.537 billion	\$32.907 billion	\$32.907 billion	\$32.907 billion	\$32.907 billion
Job-Creating Tax Relief			NONE	Delayed until FY 2014–15	–0.626 billion
Tax Increases			4.4 billion	2.15 billion	No Tax Increases
Gaming Revenue			0.3 billion	0.25 billion	None for balancing the budget
Total Revenues	\$30.537 billion	\$32.907 billion	\$37.607 billion (?)	\$35.307 billion (?)	32.281 billion
Other Tax Increases			Property tax increase	<i>Calls for 1/2% county sales tax increase</i>	
SPENDING					
K–12 Education	\$13.336 billion	\$14.361 billion	\$14.36 billion	\$14.72 billion	\$13.836 billion
K–12 Shift	–1.947 billion	1.261 billion	NOT STATED	Begin repayment in FY 2014–15	Begin repayment in FY 2014–15
Higher Education	2.812 billion	2.917 billion	NOT STATED	3.28 billion	2.5 billion
Health and Human Services	9.083 billion	12.0 billion	NOT STATED	12.14 billion	9.75 billion
Aids and Credits	2.976 billion	3.455 billion	NOT STATED	NOT STATED	2.295 billion
Agencies and Other State Spending	4.453 billion	4.685 billion	NOT STATED	NOT STATED	3.9 billion
Uncategorized Increases			NOT STATED	0.145 billion	
Uncategorized Decreases			0.672 billion	2.45 billion	
Total Spending	30.713 billion	38.679 billion	?	35.1 billion	32.281 billion
Result	Balanced with one-time federal money	Only a deficit if autopilot increases are assumed	INCOMPLETE WORK	INCOMPLETE WORK	BALANCES
Bonding Bill			For 2011 “Jobs Plan”	\$0.400 billion	Critical Needs Only (e.g., flooding, infrastructure)

Candidate Comparison on Budget Proposals

REVENUES

Job-Creating Tax Relief

- ▶ Sen. Dayton's plan offers no proposed job-creating tax relief.
- ▶ Tom Horner's plan will delay job-creating tax relief until FY2014–15

Tax Increases

- ▶ Sen. Dayton's plan burdens the middle class with a \$4.0 billion "Tax Fairness" proposal. His plan also includes \$400 million in "additional sources" but Dayton's plan does not balance the budget unless the top income tax rate increases to over 15%.
- ▶ Tom Horner's plan sights an ambiguous \$2.15 billion "net increase" as Horner's revenue projections are not verified.

Gaming Revenue

- ▶ Sen. Dayton avoids making any explicit statements on the revenue numbers that justify his stated \$300 million in revenue from gambling.
- ▶ Tom Horner simply projects a \$250 million in revenue increases but lists no specifics.

Total Revenue

- ▶ Sen. Dayton's plan lists a projected revenue of \$37.607 billion but is based on unverified calculations.
- ▶ Tom Horner's plan projects a \$35.307 billion which is on top of a proposed 1/2 % county sales tax increase.

SPENDING

K-12 education

- ▶ Sen. Dayton's plan spends \$14.36 billion plus calls for spending to "increase every year," but does not specify how much or where the funding would come from for such increases.
- ▶ Tom Horner's plan spends \$14.72 billion on K-12 education but offers no specifics.

K-12 shift

- ▶ Sen. Dayton's plan does not expressly detail when or how he would repay the shifts but he has said only that he "hopes" to be able to repay them in the next two years.
- ▶ Tom Horner's plan calls for repayment beginning in FY2013–14.

Higher Education

- ▶ Sen. Dayton's plan does not include any details on higher education spending.
- ▶ Tom Horner's plan assumes \$2.92 billion plus undetailed \$360 million in "investment", minus something in "redesign".

Health and Human Services

- ▶ Sen. Dayton's plan does not include any details on health and human services spending.
- ▶ Tom Horner's plan assumes \$12 billion in spending plus \$140 million in new federal Medicaid spending minus unspecified cuts to health and human services.

Aids and Credits

- ▶ Sen. Dayton's plan does not include any details on aids and credits.
- ▶ Tom Horner's plan does not include any details on aids and credits.

Agencies and other State Spending

- ▶ Sen. Dayton's plan does not include any details on agencies and other state spending.
- ▶ Tom Horner's plan does not include any details on agencies and other state spending.

Uncatergorized Increases

- ▶ Sen. Dayton's plan includes a property tax increase.
- ▶ Tom Horner's plan includes \$145 million in "innovative funds" but does not give any details beyond that.

Uncatergorize decreases

- ▶ Sen. Dayton's plan calls for \$672 million in spending cuts (items #9-17 in his plan) and expressly states he has "\$635.4 million to go" in order to balance the budget. This is based on Dayton's pie in the sky revenue projections which according to Politics in Minnesota will fall at least \$2.0 billion short. This will leave over \$2.6 billion in unspecified cuts.
- ▶ Tom Horner's plan calls for \$2.45 billion in unspecified "cuts and redesigns" (\$1.35 billion in cuts and \$1.1 billion in "redesign").

Total spending

- ▶ Sen. Dayton's plan is incomplete which only allows for a rough guess as to what his budget would actually allocate for total spending.
- ▶ Tom Horner's plan is also incomplete, it comes close to balancing the budget at \$35.1 billion but revenue amounts are unverified and no cuts are specified.

BONDING BILLS

Bonding

- ▶ Sen. Dayton's plan briefly mentions, without detail, a bonding bill in his "Jobs Plan" but offers no other information regarding bonding.
- ▶ Tom Horner calls for unspecified \$400 million in unspecified bonding.

Tom Emmer's FY 2012–13 Budget Proposal

REVENUES

Revenues collected/projected **\$32.907 billion**

Job Creating Tax Relief **(0.626 billion)**

(see Emmer Budget Plan, Part 1: Jobs-creation agenda to put Minnesotans back to work for full details)

- ▶ Provide tax relief to encourage job creation and business investment.
- ▶ Reduce the current rate of the business (corporate franchise) tax of 9.8%
 - Reduce to 8.8% in 2011, 7.8% in 2012, further phased-in reductions to 3% by 2015, and eventual repeal.
- ▶ Provide tax relief to small business to get them hiring again.
 - Provide a 10% subtraction beginning in 2011 of active pass-through income for S-corporations, partnerships, and LLCs.
- ▶ Reduce the state general property tax.
 - Prevent this tax levy from increasing by inflation adjustment and will reduce the levy amount by \$100 million in FY2012–13, with further reductions in future biennia.
- ▶ Increase Minnesota employers' opportunities to grow knowledge and technology jobs by expanding the state Research and Development Tax Credit.
 - Expand the R&D credit to regain Minnesota's competitive footing with other high-tech intensive states.
- ▶ Accelerate the growth of start-up companies and subsequent jobs through expansion of the angel investor tax credit.
 - Expand existing credit to provide more help to early-stage enterprises, many of which are highly mobile technology companies.
- ▶ Prevent delays in business reinvestment by making the capital equipment sales tax refund an upfront exemption.
 - Change the refund to an outright exemption.
- ▶ Extend the capital equipment exemption to service companies subject to the sales tax.

Tax Increases **Tom Emmer will not raise taxes of any kind**

(See Emmer Budget Plan, Part 1: Jobs-creation agenda to put Minnesotans back to work for full details)

Gaming Revenue

- ▶ Tom Emmer will not expand gaming funds to balance the state budget.

Total Revenues **\$32.281 billion**

SPENDING

K-12 Education

\$13.836 billion

Tom Emmer calls for holding K-12 education funding harmless in the next biennium. Tom Emmer is committed to ensure that this critical spending of the budget is not reduced.

An Emmer administration will be focused on reprioritizing existing K-12 funding to address critical needs. Changes in priorities can be accomplished without undermining local school districts'. Additionally an Emmer administration will create urban school district empowerment zones and reduce state mandates by allowing school districts to have greater authority to operate their districts and reduce state mandates for all school districts.

K-12 Shift

Net Savings (1.947 billion)

An Emmer Administration will begin identifying a repayment schedule in FY2012-13 and plan to begin repaying the shift in FY2014-15. Enacting the Emmer Jobs Agenda and putting Minnesotans back to work, the economy will grow and repayment may be triggered more quickly.

Higher Education

2.500 billion

An Emmer administration will be focused on redesigning and reforming our higher education system to meet the needs of 21st century student. Minnesota's College and University system must produce the highest quality graduates possible allowing our young adults and businesses to compete in the global marketplace.

Health and Human Services

9.750 billion

The Emmer budget plan calls for Health and Human Services budget of \$9.75 billion; an over \$650 million increase in state funding.

An Emmer administration will refocus spending on programs for children and seniors which have been historically underfunded; calls for additional funding of top priorities: Nursing homes and Children's mental health.

Emmer will achieve major cost containment by: pursuing administrative simplification; redesign government programs such as GAMC and Minnesota Care; reduce waste and fraud and seek private market alternatives to state programs without reducing coverage and access.

Additionally an Emmer administration will enact the following cost-savings measures:

- ▶ \$360 million savings from no early MA expansion
- ▶ \$230 million one-time FMAP savings carried forward

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Aids and credits **2.295 billion**

The Emmer plan calls for reforming Local Government Aid to focus solely on public safety and critical infrastructure needs. Over several decades, LGA expanded to an often politically targeted subsidy for many local governments – in the process paying for non-critical services. An Emmer administration will reform local government aid giving certainty to local units of government as they plan their budgets.

An Emmer Administration will immediately sit down with the League of Minnesota Cities, Coalition of Greater Minnesota Cities and Association of Minnesota Counties to identify mandate reforms that will elevate unnecessary burdens on local units of government.

Agencies, and other state spending **3.900 billion**

An Emmer administration will focus on reorganizing bureaucracies and programs which are not fundamental to state government's mission; merging agencies to streamline decision making and reduce costs; reduce the government workforce through attrition and early-retirement.

Total Spending **\$32.281 billion**

BONDING BILLS

Bonding

Emmer bonding bills will focus on critical needs, such as flood relief and infrastructure.

Tom Emmer FY 2012–13 Budget	Total Revenues	\$32.281 billion
	Total Spending	\$32.281 billion
	Deficit	\$0