COVID-19 Vaccine (https://mn.gov/covid19/vaccine/find-vaccine/locations/index.jsp) – Find out when, where, and how to get your shot.

Vaccine Rewards (https://mn.gov/covid19/vaccine-rewards/index.jsp) – Your shot to a safe summer. Claim your reward by June 30.

Newsroom

Welcome to the Office of Governor Walz and Lt. Governor Flanagan Newsroom. Here you will find our latest press releases, statements, and other information.

View entire list

Governor Walz Announces Minnesota's COVID-19 Recovery Budget

Governor Walz's biennial budget proposal supports working families, ensures students catch up on learning, and helps small businesses stay afloat

January 26, 2021

[ST. PAUL, MN] – Governor Tim Walz today announced **Minnesota's COVID-19 Recovery Budget** – his budget proposal for the next biennium. As Minnesota continues to battle the COVID-19 pandemic, Governor Walz's budget supports working families, ensures students catch up on learning, and helps small businesses stay afloat while driving economic recovery.

"Minnesotans have met the challenges of COVID-19 pandemic as they always do when faced with hardship – with grit and resiliency. Now, as we look toward the future, Minnesotans are ready to confront the challenges we face today while investing in a brighter future. That's why I am proposing Minnesota's COVID-19 Recovery Budget to ensure we emerge from this crisis stronger than before," said Governor Walz.

“Not every Minnesotan was impacted by the COVID-19 pandemic equally. We know the COVID-19 pandemic hit our working families, small businesses, and students particularly hard. They need our help,” Governor Walz continued. **“The budget I am unveiling today will make significant strides in helping those Minnesotans stay afloat.”**

Minnesota’s resilient economy has helped Governor Walz successfully manage state finances with three years of budget surpluses, and he and the Lieutenant Governor are committed to working with both Democrats and Republicans to balance the budget while investing to rebuild Minnesota’s economy and build a better future.

“We have often said that a budget is not only a fiscal document – it’s a moral document,” said Lieutenant Governor Peggy Flanagan. **“This budget reflects the morals of the majority of Minnesotans. I am proud that this budget makes smart choices to invest in the future by asking the wealthiest to pay their fair share and supporting those who have borne the heaviest burdens of the COVID-19 pandemic, all while maintaining a fair and balanced budget.”**

ENSURING STUDENTS CATCH UP ON LEARNING

Every child deserves a high-quality education, no matter their race or zip code. The COVID-19 pandemic has exacerbated existing disparities in education. As schools reopen to in-person learning, Governor Walz is focused on helping students recover and catch up on learning. Outlined in the Due North education plan, Governor Walz’s budget tackles the challenges of the past and present to ensure that each and every student has an educational experience that values who they are and supports them to reach their highest potential both in and out of school. His budget includes a total new state investment in e-12 education of $745 million, in addition to recent federal investments of $649 million for COVID education recovery.

The Governor recommends increasing the general funding formula by one percent in the first year of the biennium and 2.5 percent in the second, for a total new investment of $300 million over the biennium. The general funding formula is the biggest source of state aid to schools in Minnesota and affects every student in the state. It is also the most flexible aid schools receive, allowing them to make local decisions to meet the unique needs of each student and school. Other financial streams build off the formula, multiplying the impact for all students across the state.

Governor Walz’s budget also provides students with opportunities to catch up on learning by dedicating $57.5 million of federal funds to expand summer programming with small class sizes, longer programming, and transportation for students. Additionally, Governor Walz’s budget supports school readiness in four- and five-year-old students by providing $20 million in one-time funding for early learners to attend a star-rated public or private preschool or pre-kindergarten in-person learning program at no cost to them.

SUPPORTING SMALL BUSINESSES & DRIVING ECONOMIC RECOVERY

Minnesota’s small businesses and workers are bearing a large burden of the COVID-19 pandemic in order to protect their entire community amid restrictions that are saving lives. By supporting small businesses and driving economic recovery, Governor Walz’s budget ensures that communities across Minnesota aren’t just surviving, they are thriving.

Governor Walz proposes investing $50 million in a new Small Business COVID Support forgivable loan program to help the hardest hit businesses sustain their operations and emerge from the pandemic. These forgivable loans will support cultural, entertainment, and hospitality industries. The program includes set-asides for Greater Minnesota businesses and minority owned businesses. Governor Walz also proposes investing $3 million per year in new supports for small businesses who have been hit especially hard by COVID-19. These include investments in outreach and technical assistance; equity support for nonprofit lenders; and small business incubators serving minority, veteran, and women business owners.

Minnesota's COVID-19 Recovery Budget also prioritizes supporting the next generation of Minnesota's workforce. The COVID-19 pandemic is creating temporary financial hardships for thousands of Minnesota college students, including food and housing insecurity, which threaten their ability to stay in school. The Governor's proposed $1.3 million increased investment in Emergency Assistance grants will help more students weather these hardships so they can continue their education.

SUPPORTING WORKING FAMILIES

Many working families lost everything due to the COVID-19 pandemic. Minnesotans know that we all do better when we all do better—and a lot of our neighbors need help. Governor Walz's budget ensures that those who have been hit hardest by the COVID-19 pandemic have the resources they need to survive by expanding access to critical assistance, investing in Minnesota's working parents, and helping workers stay on the job.

The Governor recommends expanding the Working Family Tax Credit for over 300,000 eligible Minnesota households. This will provide working families with a tax credit to help with the many financial constraints they face. Working families rely on this credit to make ends meet, it is an important source of financial stability for workers and their children.

Most Minnesota workers will need to take time off at one point during their careers to take care of themselves, a new child, or a family member, but too many Minnesotans don't have access to paid leave. Governor Walz proposes creating a statewide program providing 12 weeks of paid leave for individuals with a serious medical condition, to use to care for a family member, or to bond with a new child. This program will ensure that Minnesota families won't have to choose between caring for a loved one and paying their bills.

Additionally, the Governor's budget prioritizes Minnesotans who need the most support, proposing more uniform methods for calculating benefits for public assistance programs, while eliminating burdensome, time-consuming monthly reporting requirements for Minnesota Family Investment Program and General Assistance cases. The Governor's budget also includes a one-time Minnesota Family Investment Program payment of up to $750 to support about 32,400 Minnesota families, including 64,000 children.

LEVELING THE PLAYING FIELD

In order to make robust investments in education, the Governor recommends raising taxes on the wealthiest Minnesotans and big corporations. He will do that by establishing a fifth-tier income tax rate for household incomes above $1,000,000 and increasing the corporate tax rate for large, profitable companies. The Governor also recommends taxing foreign income when it is repatriated to the United States, returning the estate tax exclusion to $2.7 million for individuals (not small businesses or farms), and imposing a four percent tax on capital gains over $1,000,000 for individuals, trusts, and estates. This additional revenue will help level the playing field and ensure all Minnesotans have a fair shot at economic recovery.

Additionally, the Governor recommends investing $95 million for working families by expanding the first tier individual income tax bracket and cutting taxes for more than one million households. This is in contrast to Republican leaders who want to cut to the bone – and refuse to ensure that the wealthy and profitable corporations pay their fair share. These cuts would hurt vulnerable Minnesotans at a time when they need support the most, especially our seniors and children.

More resources on Minnesota's COVID-19 Recovery Budget:

1. See the attached fact sheets or visit the Governor's website (https://mn.gov/governor/buildonemn/) for highlights from on Minnesota's COVID-19 Recovery Budget.
2. Visit Minnesota Management and Budget's website at mn.gov/MMB for full details on Minnesota's COVID-19 Recovery Budget.

Permalink: http://mn.gov/governor/news/index.jsp?id=1055-466509 (http://mn.gov/governor/news/index.jsp?id=1055-466509)

View entire list

Search List

Archives

Categories

RSS feed (/governor/rest/rss/Newsroom?id=1055-35332&detailPage=/governor/news/index.jsp)