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May 19, 2019 Global Agreement and Conference Committee Framework – Attachment 2

In addition to the global targets agreed to by the Governor, Speaker of the House, and Senate Majority Leader the following will be included in the final agreement:

1. **\$59.51 million for Broadband, Agriculture and Housing**
  - \$40 million for broadband in FY20/21 only.
  - \$4.51 million in FY20/21 and \$3.9 million in FY22/23 for agriculture.
  - \$15 million in FY20/21 and \$10 million in FY22/23 for housing.
2. **\$540 million for E-12 Education**
  - General education formula increase of two percent and two percent.
  - Tribal Contract School Funding \$3.536 million in FY20/21 and \$4.670 million in FY22/23.
3. **\$10 million for Economic Development**
  - \$11 million in revenue from unclaimed property in FY20/21 and \$22 million in FY22/23.
4. **\$13.78 million for Environment**
  - Funding to address chronic wasting disease including funding for Department of Natural Resources and Board of Animal Health.
  - Aquatic Invasive Species surcharge of \$10.60 to protect our lakes and waterways.
5. **- \$357.85 million for Health and Human Services**
  - Increased spending offset by Healthcare Access Fund (HCAF) resources of \$270 million in FY20/21 and \$514 million in FY22/23 and \$142 million from the Premium Security Account in FY20/21.
  - All savings need to be substantiated and based on sound assumptions or backed by contingent appropriations.
  - No reduction to Department of Health funding in HCAF.
  - Creation of Blue Ribbon Council to identify \$100 million in savings in FY22/23 and provide recommendations for legislative action. Any savings not implemented by the legislature will be backfilled by a contingent transfer from the budget reserve.
6. **\$150 million for Higher Education**
  - No reduction to University of Minnesota funding in HCAF.
7. **\$125 million for Public Safety**
  - None
8. **\$63.37 million for State Government**
  - \$20 million for cyber security funding.
  - Funding increase for Minneapolis Employees Retirement Fund (MERF) moved to tax bill. Base for MERF retained in state government target.

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**9. \$93.45 million for Transportation**

- Funding for Metro Mobility in FY20 is \$23.190 million. Additional \$13 million in FY 21 for Metro Mobility contingent upon closing balance for FY19 exceeding February forecast estimated closing balance.
- \$13 million for Deputy Registrar reimbursement.
- \$55.67 million for the MnLARS replacement system; and fees for DVS staffing and systems maintenance and operation.
- \$20 million for Disaster Assistance Contingency Account appropriation contingent upon closing balance for FY19 exceeding February forecast estimated closing balance.

**10. Taxes**

- Zero target in tax bill FY20/21 and FY22/23.
- Include \$20 million for MERF per biennium.
- Middle class tax cuts of .25 to the second tier rate starting in tax year 2019 and reduction of the CI levy (Senate proposal). House Chair and Commissioner negotiate an equivalent amount of general fund tax expenditures and spending.

**11. Bonding**

- Debt service for \$440 million General Obligation Bonds.
- Debt service for \$60 million Housing Infrastructure Bonds.

**12. \$30.85 million for Vulnerable Adults**

**Other Agreements**

- \$491.367 million from the budget reserve in FY22/23.
- No savings that cannot be substantiated.
- 1.8% Health Care Provider Tax effective for gross revenues received after December 31, 2019. No carve out, all categories, no sunset.
- Reinsurance for two additional plan years.