

FACT SHEET | Supporting Minnesota Farmers, Rural Economies

An Opportunity Agenda for a Better Minnesota

Minnesota farmers and rural communities are essential to the strength of our economy. Agriculture is the state's 2nd-largest employer, supporting over 340,000 jobs and creating \$90 billion in economic activity across Minnesota every year. Minnesota is also the nation's 4th-largest agricultural exporting state, selling over \$7.3 billion in high-quality agricultural products on the global market. The hard-working families who own and operate 74,000 Minnesota farms, totaling 26 million acres across our state, deserve our thanks, our partnership, and our continued commitment to making their communities even stronger.

This session, Governor Mark Dayton and Lt. Governor Tina Smith are proposing a series of initiatives and investments to help Minnesota farming families, and strengthen rural communities statewide. These efforts are particularly important at a time when commodity prices have declined significantly, and health insurance costs have risen for many farmers. Below is a list of some of the proposals put forward by the Dayton-Smith Administration this Session to help farmers and strengthen rural communities.

Tax Cuts and Financial Assistance for Farmers

- **Cutting Property Taxes for Farmers** – Farm property taxes have increased 114 percent over the last decade. This problem has been compounded by low commodity prices and rising agricultural land values. To help relieve property tax burdens for Minnesota farmers, Governor Dayton's budget would invest \$34 million to cut farm property taxes for school district debt levies by 40 percent.
- **Federal Tax Conformity for the Middle Class** – Early this session, Governor Dayton signed a bipartisan bill, investing \$21 million in federal tax conformity. By aligning the state's tax code with federal changes made by President Obama and Congress, over 200,000 middleclass Minnesotans will benefit from new tax cuts for teachers, students, homeowners who refinance their mortgages, and more.
- **Farmland Estate Tax Reforms** – The Governor has proposed a reform to eliminate the recapture tax paid on inherited farmland subject to the estate tax when the farmland is acquired by the government through eminent domain.
- **Financial Assistance for Farmers** – Minnesota's Rural Finance Authority helps eligible farmers restructure existing debt, recover from disasters, expand their operations, and provides assistance to beginning farmers. After several years of low commodity prices, many Minnesota farmers will likely face a credit crunch in the spring, making it difficult for them to plant new crops and pay their day-to-day bills. Governor Dayton has proposed a \$35 million investment in his Jobs Bill to fund the Rural Finance Authority, and ensure Minnesota agricultural producers receive the assistance they need.
- **Partnering with Farmers to Improve Water Quality** – Governor Dayton recently signed a landmark agreement with the U.S. Department of Agriculture to invest \$500 million (\$350 million federal, and \$150 million state) in a partnership with farmers to improve water quality. The initiative provides direct payments to farmers who voluntarily improve their conservation practices to improve water quality. Governor Dayton's Jobs Bill includes \$30 million for the first installment of the state's share of funding.
- **Additional Water Quality Buffer Aid Payments for Farmers** – To help alleviate the cost of compliance with state water quality requirements, Governor Dayton has also proposed in his Tax Bill a program to provide eligible landowners \$40 per acre each year for each tillable acre converted to a water quality buffer strip. Payments would be made for five years beginning in taxes payable 2019.

More Affordable Health Insurance for Farmers

- **Health Premium Relief** – Governor Dayton has signed into law \$312 million for immediate health premium relief to 125,000 Minnesotans who are facing steep cost increases, but do not currently qualify for tax credits to purchase health insurance. This will cut premiums 25 percent for eligible Minnesotans.

- **Giving Minnesotans a Choice for More Affordable Health Coverage** – The Governor’s budget would allow Minnesotans the choice to purchase their health insurance through MinnesotaCare. “MinnesotaCare Buy-In” would save Minnesotans hundreds of dollars on their health insurance costs.

Better Infrastructure in Greater Minnesota

- **Improving the Quality of Local Drinking Water** – The Governor’s Jobs Bill includes \$25 million in funding to match federal grants for affordable, low-interest loans to help local governments update essential clean water and drinking water projects to serve residents and businesses.
- **Flood Hazard Mitigation Grant Program** – Spring flooding can have significant consequences for affected communities by deterring further economic development in the flood plain and putting existing structures at-risk. Governor Dayton has proposed a \$6.5 million investment to complete flood risk reduction projects in Halstad, Montevideo, the Cedar River, and the Redpath Impoundment.
- **Easing Rail Congestion and Improving Rail Safety** – Every day, trains carrying oil and other hazardous materials pass through Minnesota. These trains present real risks to public safety and our natural resources. The Governor’s budget would invest in rail safety to protect those living near railway lines and alleviate traffic for businesses that are backed up by train delays. The plan would fund 75 priority railway infrastructure improvements necessary to improve safety and support economic growth.
- **Better Roads and Bridges** – The Governor’s budget would repair or replace 1,700 miles of roads and 235 bridges. It would also give local leaders the resources and flexibility to repair local roads and bridges in their communities by directing 40 percent of the new revenues to cities, counties, and townships.
- **Local Road Improvement Fund** – Unsafe roads result in deaths, injuries, and damaged property across Minnesota every year. The Governor has proposed a \$70 million investment in his Jobs Bill to help local governments with local road projects that will reduce traffic crashes, deaths, injuries, and property damage. The funding also could be used to help pay the local share of improving state highways.
- **Local Bridge Replacement Program** – Approximately one in ten locally maintained bridges longer than ten feet are structurally deficient or functionally obsolete in Minnesota. It would cost cities and counties approximately \$460 million over the next five years to replace most of them. To help local communities shoulder the cost, the Governor has proposed a \$70 million investment in his Jobs Bill for the Local Bridge Replacement Program to fund the rehabilitation or replacement of local bridges.
- **Broadband Infrastructure Grants** – About 22 percent of Minnesotans in rural areas lack access to affordable, reliable broadband internet. Since 2014, Governor Dayton has invested \$66 million in broadband infrastructure grants, connecting 25,949 households, 3,176 businesses, and 244 community institutions to broadband. The Governor’s budget includes \$60 million to further expand broadband access for Greater Minnesota households and businesses.
- **Investing in Communities** – Governor Dayton’s budget includes \$30 million in Local Government Aid (LGA) and County Program Aid (CPA) to help local governments provide high-quality, essential services for their residents, and reduce the need for property tax increases to pay for those services.

Eliminating Paperwork and Red Tape

- **More Efficient Wetland Permitting** – The federal government regulates the discharge of dredged or fill material into Minnesota’s waters, including wetlands. This federal regulation creates a complex regulatory web for businesses, which must comply with both state and federal law. The Governor’s budget includes \$500,000 to streamline permitting requirements and assume regulatory authority from the federal government. This would help create a single online portal for applicants to apply for projects impacting wetlands and waters.

- **Business Friendly Data Services** – The Governor’s budget includes \$800,000 to increase the number of Pollution Control Agency reports and permitting applications available online. By putting these reports online in an easily accessible format, businesses can get information quicker and more easily, without wasting time or money.

Education and Research Investments for Greater Minnesota Communities and Farmers

- **Agricultural Utilization Research Institute Expansion** – Scientists at Minnesota’s Agricultural Utilization Research Institute (AURI) play a critical role in developing new uses and opportunities for the agriculture products grown by Minnesota farmers. This year, the Governor has proposed a \$690,000 investment to help build a developmental kitchen for food entrepreneurs at AURI’s facility in Crookston and to add new equipment and technology upgrades at AURI’s Waseca and Marshall Facilities that will be used to develop new products from otherwise unusable Ag waste.
- **Developing Next Generation Crops** – The Governor’s budget includes \$2 million to develop field demonstrations of Minnesota’s next generation of economically viable cover and perennial crops. Integrating more perennials and cover crops into row crop production will protect the state’s surface and groundwater resources while increasing efficiency, profitability, and productivity of Minnesota farmers.
- **Investing in Aging Rural Classrooms** – All Minnesota students need a world-class education, no matter where they live. But in school districts without high-value land, the burden of paying for modern schools can fall disproportionately on just a few businesses, farms, and homeowners. That is why the Governor’s budget would invest \$62 million over four years to help school districts repay school bond levies without overly burdening farmers, businesses, and other private property owners.
- **Higher Education** – Before Governor Dayton took office, state funding for higher education had been cut significantly. Since then, the Governor and Legislature have made progress to restore higher education funding to keep tuitions in check, increase direct financial aid for students, and invest in classroom improvements. The Governor’s budget would invest \$318 million in higher education.
- **Minnesota State and the University of Minnesota** – The Governor’s budget invests \$125 million in Minnesota State campuses statewide, and \$96.8 million in the University of Minnesota, to support world-class higher educations for Minnesotans, and to support a world-class workforce for our state’s economy. The Dayton Jobs Bill would also invest \$135 million in infrastructure improvements at Minnesota State and the University of Minnesota, to ensure our students have world-class classrooms and laboratories to learn and train in for the jobs of the future.
- **Teacher Workforce** – Great teachers can make all the difference for kids, helping them access opportunity and achieve success. But each year, Minnesota schools lose about 5,800 teachers to retirement, relocation to other states, and career changes, with Greater Minnesota communities hit especially hard. To expand opportunities for teachers, students, and communities across our state, Governor Dayton’s budget includes \$5 million to attract and train over 800 new teachers by 2021.
- **More Funding for Every School** – Governor Dayton’s budget would increase per pupil funding by 2 percent in each of the next two years for Minnesota’s K-12 public schools. These increases would invest an additional \$371 million in all Minnesota public school districts, everywhere in Minnesota.
- **Expanding Access to Quality Child Care** – Governor Dayton’s budget would invest \$84 million in the Child Care Assistance Program to expand access to quality childcare and remove red tape for families and childcare providers. These changes will improve care for more than 30,000 Minnesota children from working families and increase access to child care in Greater Minnesota. The Governor’s Tax Bill would also expand the Child Care Tax Credit to benefit more than 95,000 Minnesota families.
- **Voluntary PreK** – Last year, Governor Dayton secured \$25 million to begin voluntary pre-Kindergarten in 74 school districts. This session, the Governor’s Opportunity Agenda would invest \$75 million in voluntary preK to expand early learning opportunities for thousands more Minnesota families. Governor Dayton’s Budget would also continue funding for early learning scholarships.