

## Governor Walz and Lieutenant Governor Flanagan's 2025 Budget

General Fund Proposals with Net Fiscal Impact Only, \$ in 000s

#	Agency	Proposal	FY 2025-27	FY 2028-29
<b>1</b>	<b>Targeted Investments</b>		<b>748,416</b>	<b>635,479</b>
<b>2</b>	<b>Fraud Prevention</b>		<b>44,938</b>	<b>38,863</b>
3	Attorney General	Expand Medicaid Fraud Division Staffing	782	782
4	Children, Youth and Families	Electronic Statewide Attendance Tracking	4,893	2,229
5	Children, Youth and Families	Increase Capacity of Compliance Team	489	532
6	Corrections	Bed Costs for Theft of Public Funds Penalty Increase	57	232
7	Education	Fraud Detection and Prevention	1,100	1,100
8	Human Services	Background Study Disqualifications Under Limit of Public Funds	512	508
9	Human Services	EIDBI Provisional Licensure and Program Integrity	11,644	11,466
10	Human Services	Improving Supportive Recovery Housing Options	2,758	(1,149)
11	Human Services	Preventing and Detecting Fraud, Waste, and Abuse in Human Services	7,240	9,508
12	Human Services	Program Integrity Investigative and Analytics Infrastructure	11,321	9,085
13	Management and Budget	Enhanced Oversight Capacity	2,752	3,180
14	Public Safety	State Fraud and Financial Crimes Section	1,390	1,390
15				
<b>16</b>	<b>Economic Growth</b>		<b>66,100</b>	<b>47,170</b>
17	Pollution Control	Permitting Efficiency	2,680	1,050
18	Tax Aids, Credits and Refunds	Expand Research and Development Credit	45,500	39,600
19	Tax Aids, Credits and Refunds	Sustainable Aviation Fuel Policy and Funding Package	10,600	4,200
20	Multiple	All Other Economic Growth Proposals	7,320	2,320
21				
<b>22</b>	<b>Operating</b>		<b>387,289</b>	<b>451,492</b>
23	Executive Branch Agencies	Operating Adjustment	288,254	367,574
24	Judicial Branch	Operating Adjustment	44,515	59,598
25	Constitutional Officers	Operating Adjustment	2,554	3,420
26	Executive Branch Agencies	Expand Operating Budget Carry-Forward Authority	30,000	15,000
27	Multiple	All Other Operating Proposals	21,966	5,900
28				
<b>29</b>	<b>Critical Program Shortfalls</b>		<b>65,713</b>	<b>34,063</b>
30	Higher Education, Office of	State Grant Expansion	15,000	15,000
31	Human Services	Extend Access to Audio-Only Telehealth	16,944	1,616
32	Human Services	Maintain Funding to End HIV in MN	6,000	-
33	Human Services	Sustainable Funding for Accessing Federal Data Sources	8,322	12,029
34	Military Affairs	Sustain State Enlistment and Retention Bonus Program	8,000	
35	Multiple	All Other Critical Shortfall Proposals	11,447	5,418
36				
<b>37</b>	<b>Other Targeted Investments</b>		<b>184,376</b>	<b>63,891</b>
38	Education	Additional Unemployment Insurance Aid for Hourly Workers	9,106	(2,779)
39	Education	Compensatory Revenue Modification	44,283	
40	Human Services	Investments in Community First Services and Supports	68,320	50,515
41	MMB Non-operating	One-time 0.25 Percent Employee Pension Contribution Holiday	55,906	
42	Multiple	All Other Targeted Investment Proposals	6,761	16,155
43				
<b>44</b>	<b>Cuts and Curbing Growth</b>		<b>(907,471)</b>	<b>(1,928,456)</b>
<b>45</b>	<b>Curbing Growth in Disability Waivers</b>		<b>(348,436)</b>	<b>(982,312)</b>
46	Human Services	Reduce Disability Waiver Growth: Cap Inflationary Adjustments	(160,122)	(482,285)
47	Human Services	Reduce Disability Waiver Growth: Day and Unit Based Services	(44,647)	(111,029)
48	Human Services	Reduce Disability Waiver Growth: DWRS Rate Exceptions	(48,972)	(79,783)
49	Human Services	Reduce Disability Waiver Growth: Residential Services	(94,695)	(309,215)
50				
<b>51</b>	<b>Other HHS Savings</b>		<b>(147,359)</b>	<b>(405,730)</b>
52	Children, Youth and Families	Cancel Funding for Mille Lacs Band of Ojibwe for AICWI	(21,080)	(15,786)
53	Human Services	Nursing Home Facility Payment System Changes	(68,640)	(150,130)
54	Human Services	Pharmacy Carveout	(12,758)	(49,616)
55	Human Services	Substance Use Disorder Treatment Service Changes	(3,780)	(20,273)
56	Human Services	Uniform Administration of NEMT	(22,364)	(102,904)
57	Multiple	All Other HHS Savings Proposals	(18,737)	(67,021)
58				

#	Agency	Proposal	FY 2025-27	FY 2028-29
59	<b>Curbing Growth in Special Education Transportation</b>		<b>(48,628)</b>	<b>(54,860)</b>
60	Education	Reduce Special Education Transportation Reimbursement	(48,628)	(54,860)
61				
62	<b>Realigning Funding Sources</b>		<b>(123,502)</b>	<b>(123,502)</b>
63	Human Services	Increasing the Health Care Access Fund Medical Assistance Share	(50,000)	(50,000)
64	Metropolitan Council	Reduce Transit System Operations Appropriation	(64,908)	(64,908)
65	Multiple	All Other Realigning Funding Sources Proposals	(8,594)	(8,594)
66				
67	<b>Other Responsible Reductions</b>		<b>(239,546)</b>	<b>(362,052)</b>
68	Education	Eliminate Alternative Teacher Compensation Revenue	(78,705)	(173,137)
69	Education	Eliminate Nonpublic Pupil Education Aid	(52,522)	(56,414)
70	Education	Eliminate Nonpublic Pupil Transportation Aid	(56,218)	(58,437)
71	Revenue	Repeal Tax Filing Modernization Account	(5,000)	
72	Tax Aids, Credits and Refunds	Reduce Aquatic Invasive Species Prevention Aid	(4,810)	(9,620)
73	Tax Aids, Credits and Refunds	Reduce Sustainable Forest Incentive Payments	(5,240)	(11,290)
74	Tax Aids, Credits and Refunds	Repeal Local Government Cannabis Aid	(13,100)	(32,400)
75	Multiple	All Other Reduction Proposals	(23,951)	(20,754)
76				
77	<b>Revenue</b>		<b>(414,459)</b>	<b>(474,606)</b>
78	<b>Cutting Sales Tax; Closing Loopholes</b>		<b>(184,217)</b>	<b>(240,328)</b>
79	Tax Aids, Credits and Refunds	Lower Statewide Sales Tax Rate and Expand to Professional Services	(185,200)	(235,800)
80	Revenue	New Corporate Franchise Tax Division Passthrough Audit Unit	983	(4,528)
81				
82	<b>HMO Surcharge Increase</b>		<b>(173,307)</b>	<b>(177,286)</b>
83	Human Services	Increasing HMO Surcharge	(173,307)	(177,286)
84				
85	<b>Other Adjustments</b>		<b>(56,935)</b>	<b>(56,992)</b>
86	Direct Care and Treatment	Increase County Cost of Care for Minnesota Sex Offender Program	(39,600)	(39,600)
87	Direct Care and Treatment	Inpatient Competency Examination Liability and Data Sharing	(16,760)	(16,760)
88	Multiple	All Other Revenue Adjustment Proposals	(575)	(632)
89	<b>Net General Fund Impact, All Proposals</b>		<b>(573,512)</b>	<b>(1,767,582)</b>