

January 18, 2019

Minnesota Legislative Update: Policy Committees Begin

Policy committees in both the House and Senate began holding hearings this week. Most of these were issue overviews from staff and agencies. Bill hearings are expected to be scheduled starting next week. The University of Minnesota regent selection process also got underway, with candidates introducing themselves to legislators and testifying in committee.

Higher Education

The University of Minnesota and the Minnesota State College system appeared before legislators to present their biennial budget requests for fiscal years 2020 and 2021. The University of Minnesota's request came in at a total of \$87 million. The University of Minnesota focused heavily on the need to remain competitive with other universities to prevent the loss of expert faculty members and researchers, with 60 percent of the requested increase funding faculty and staff compensation. The University also highlighted their role in the state economy, emphasizing their research and development in areas such as medicine and agriculture.

Minnesota State Colleges requested \$246 million in new funding. According to their proposal, these programs aim to provide employers with a more skilled workforce by increasing the availability of career technical and professional education to students. They also emphasized the funding needed to provide additional non-academic programs for students impacted by food insecurity, homelessness, mental illness and other challenges. Representatives of Minnesota's State Colleges testified that funding their request would keep tuition rates flat.

Federal Government Shutdown

Management and Budget Commissioner Myron Frans testified before a number of committees this week on potential Minnesota impacts to the ongoing federal government shutdown. Commissioner Frans testified that federal workers, many

going without pay during this period, are not the only ones impacted by the shutdown, citing difficulties endured by small business owners and investors. The full extent of the continued shutdown is not yet known but the overall impact will continue to negatively impact Minnesotans and the economy.

Dr. Kalambokidis, the head of Economic Analysis at Minnesota Management and Budget, testified to the Senate Finance Committee that a recent report by IHS suggested a federal shutdown would have a modest, negative impact on GDP in Minnesota. She also said expected back pay will eventually help mitigate the effects. Dr. Kalambokidis did not address whether the impact would become much more pronounced if the shutdown continued for a very long period.

Transportation Funding

Commissioner Margaret Anderson Kelliher testified in front of the House Transportation and Finance Committee regarding the increased need for transportation funding. The Legislature has been unable to agree to a long-term funding mechanism for Minnesota's transportation system. The current funding will mainly go towards preservation. There is a general agreement among legislators that \$6 billion over the next 10 years is needed. Governor Walz supported increasing the gas tax during his campaign, while Republican leaders opposed a tax increase and proposed redirecting general fund revenue given the current projected surplus.

Climate Change

The House Energy and Climate Finance and Policy Division heard from six University of Minnesota professors regarding climate change this week, warning that if humans don't reduce the production of greenhouse gases, Minnesota's weather and landscape will shift to more closely resemble Kansas.

The professors spoke to how climate change would affect agriculture, cities and public health. Testifiers noted that one-third of greenhouse gas emissions comes from food production. Without change, Minnesota will have warmer winters and longer growing seasons for farmers, with problems outweighing the benefits. For cities and public health, the professors said, there will be fewer days below freezing and more days above 95 degrees. They added that it would be similar to living 500 miles south. The increase in temperature will increase heat-related illnesses and decrease air quality.

Even if carbon emissions ceased today, the climate has already warmed and will continue to. The professors said that the key moving forward is to both mitigate greenhouse gases and adapt ecologically-friendly social and economic systems to moderate damage.

Important Dates

- February 19, 2019 – Governor’s Budget Recommendations Released
- Last week of February – February Budget and Economic Forecast Released
- April 13, 2019 – April 23, 2019 – Legislative Break
- May 20, 2019 – Session Adjourns

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