

MUCA Capitol Happenings

By Nick de Julio, Ewald Consulting

The end of this week means the end of the policy committee meetings at the State Capitol for the year, with some exceptions. Next week the Legislature is on break for the entire week and no committee hearings or floor action will be scheduled. With the policy deadlines behind us we can look ahead to the calendar for the rest of the session. The legislature reconvenes on Tuesday, April 7. Governor Mark Dayton will deliver his State of the State speech on Thursday, April 9 to a joint session of the House and Senate in the House Chamber at the Capitol. Then the third deadline looms where appropriations bills must pass through the committee process by Friday, April 24. Lastly, the Legislature must adjourn for the year by Monday, May 18.

While it was a much quieter week at the Capitol compared to last week as committee work was a little bit more focused, we got a better idea of each caucus's priorities as the budget targets were released by the two majority caucuses. It is no shock that the Senate DFLers and the House Republicans have differing priorities as to where the states funds should go. See below for a detailed snapshot of the targets. One area of concern that we will be watching over the next month or so is the House Environment and Natural Resources budget target. With a proposed cut we want to make sure that any water infrastructure funds or matching grants are not cut along with the budget of the Public Facilities Authority.

Responsible Contractor Language

This week the House Commerce Committee passed [HF 1257](#) (Zerwas) out of committee and sent it to the floor. AGC testified in favor of the bill and there were no real questions raised by the committee. After the previous stop and the Senate hearing it was clear that concerns raised by MUCA and others at this time regarding the language not going far enough had no impact on members as there were no questions. While changes going forward are a positive step, it does not go far enough. The plan for MUCA is to keep talking about more changes over the summer. One way to do this is to invite legislators for sight visits and inform them about the steps that have to be taken to comply and what that means. Unfortunately, we will also have to be waiting for someone to take a hit for not complying. Once that happens we will have more examples to point to as to why this is a bad law and the ramifications of it. We will be working with other stakeholders around this issue over the summer and fall so we are ready in 2016.

[SF 1853](#) which was introduced by Sen. Carla Nelson (R-Rochester) is the repeal/amend language that MUCA and other worked on. We are still looking for a House author to introduce the

language for us. Once and if something happens that we need to move with our language next session, we will be ready to act.

Veterans Preference Bills

MUCA is continuing to stay engaged with bill authors of [SF 222](#) and [HF 141](#) which would direct local units of government to implement a bid preference program for veteran owned businesses for capital projects that use state funds. MUCA has talked with both authors and expressed some concerns on what that would mean for other small business, women owned businesses and minority owned businesses. We will continue to address these concerns with them until the language is comfortable with MUCA. In the House an amendment has been drafted that would change language from “must” to “may”. This amendment has not been taken up yet. We will continue to track it.

House and Senate Budget Targets – The Big Picture

The House announced their overall budget targets last Monday. The House proposal includes \$2 billion in tax cuts as well as setting aside \$100 million to the state budget reserve. The House also cuts about \$1.1 billion from Health and Human Services spending, spends about \$3 billion less than Gov. Dayton and increases state spending by about 1.7%.

The Senate announced their budget proposal Friday and ended up in the middle of both Gov. Dayton and the House with their spending level falling right between the two. Sen. Bakk said their proposal cuts less in taxes than the House proposal and it spends less revenue than Gov. Dayton’s proposal. The Senate also sets aside \$250 million for the budget reserve, more than double what the House set aside. The House has \$319 million unallocated as compared to the Senate amount of \$13.5 million. Here is a side-by-side comparison of the House and Senate budget targets:

	House	Senate
Education	\$157 million	\$350 million
Higher Education	\$53 million	\$205 million
Taxes	\$2.2 billion	\$459 million
Health & Human Services	-\$1.1 billion	\$341 million
Environment and Nat Resources	-\$24.5 million	\$20 million
Agriculture	\$9.5 million	\$9 million
Transportation	\$147.9 million	\$25 million
Public Safety	\$82.3 million	\$117 million
Job Growth & Energy	-\$20.5 million	\$14 million
State Govt Finance	-\$67.4 million	\$52 million
Capital Investment	-\$20.788 million	\$9 million
Budget Reserve	\$100 million	\$250 million
Unspent Funds	\$314 million	\$13.5 million

In the coming month the House and Senate will pass their budgets out of their respective committees where they will ultimately meet in a conference committee to work out the differences between the two bodies and the Governor.

What can you do?

Legislators are home on a break through April 6. Now is a good time to [connect](#) with them. They need to know what impact the budget targets will have on programs as well as what potential policy changes might have on your businesses.

Please let me know if you have any questions.

Thanks,
Nick