



2011 LEGISLATIVE SESSION UPDATE



Minnesota Workforce
Council Association
August 10, 2011

Anne Olson, Director

Context

- \$5.2 billion deficit (down from \$6.1 in February forecast)
- New DFL governor/administration
- New Republican-controlled Legislature
- New leadership in both bodies
- New committee chairs and legislative staff



Context

- 1700 bills introduced
- 48 sent to governor
- Social issues, referenda on constitutional amendments dominate final weeks (DOMA, voter ID, etc.)
- Little compromise between Legislature and governor on major budget issues



Context

Governor vetoed many of the proposals put forward by the legislature

Dayton has vetoed as many bills in his first year as former Republican Gov.

Tim Pawlenty vetoed in his entire first term.



MWCA Priorities

Dislocated Worker Program Funding

Number of Dislocated Workers Served	
SFY 2010 (July 1, 2009 – June 30, 2010)	20,507
SFY 2009	16,350
SFY 2008	13,033

Statute Year	Transfer Amount	Session Law
1991	\$5,000,000 each year of FY 92-93	Chapter 292
1993	\$3,054,000 in FY 94, \$2,303,000 in FY 95	Chapter 369
1995	\$3,000,000 each year of FY 96-97	Chapter 224
1997	\$3,500,000 each year of FY 98-99	Chapter 200
2003	\$550,000 each year of FY 04-05	Chapter 128
2008	\$8,000,000 one-time in FY 09	Chapter 393
2009	\$2,500,000 each year of FY 10-11	Chapter 78



MWCA Priorities

Services for Dislocated Workers

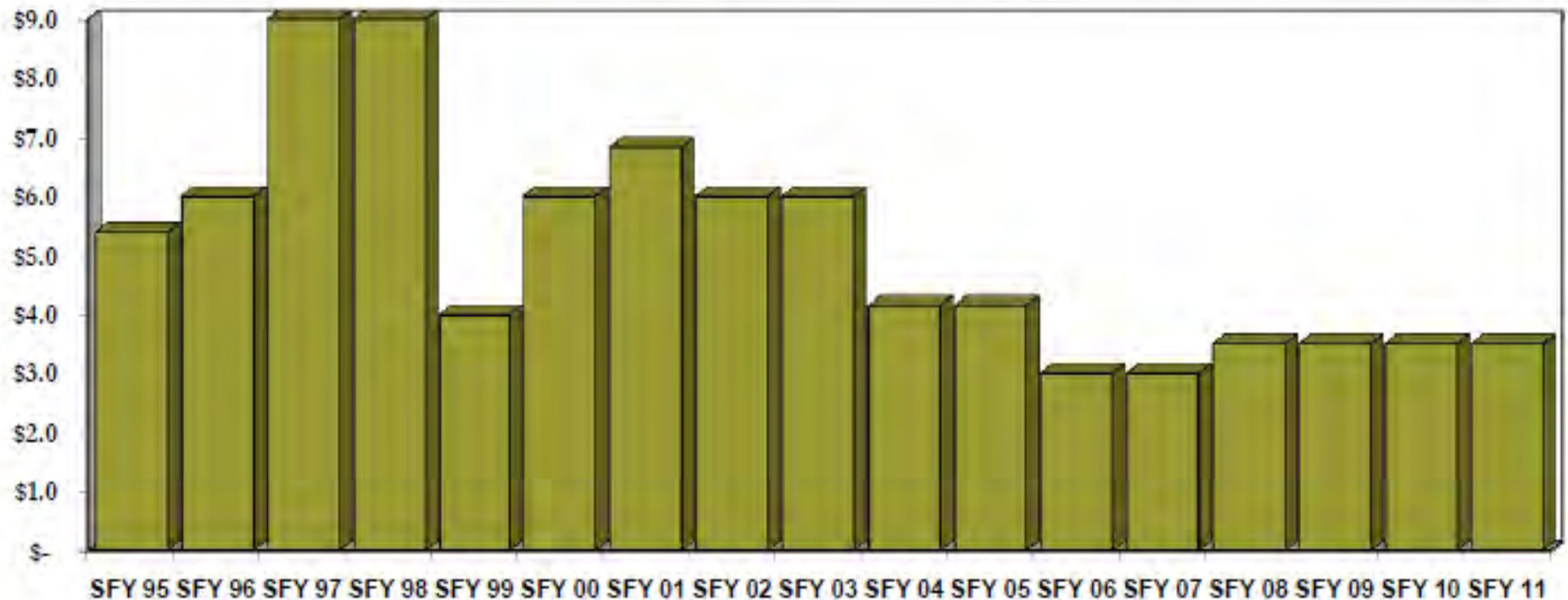
- ✓ securing additional resources for Dislocated Worker programs
- ✓ ensure that this dedicated fund remains true to its intended purposes, reverting back to its original name (Dislocated Worker Fund).



MWCA Priorities

Minnesota Youth Program Funding

MINNESOTA YOUTH PROGRAM FUNDING: SFY 1995 to SFY 2011



MWCA Priorities

Minnesota Youth Program Funding

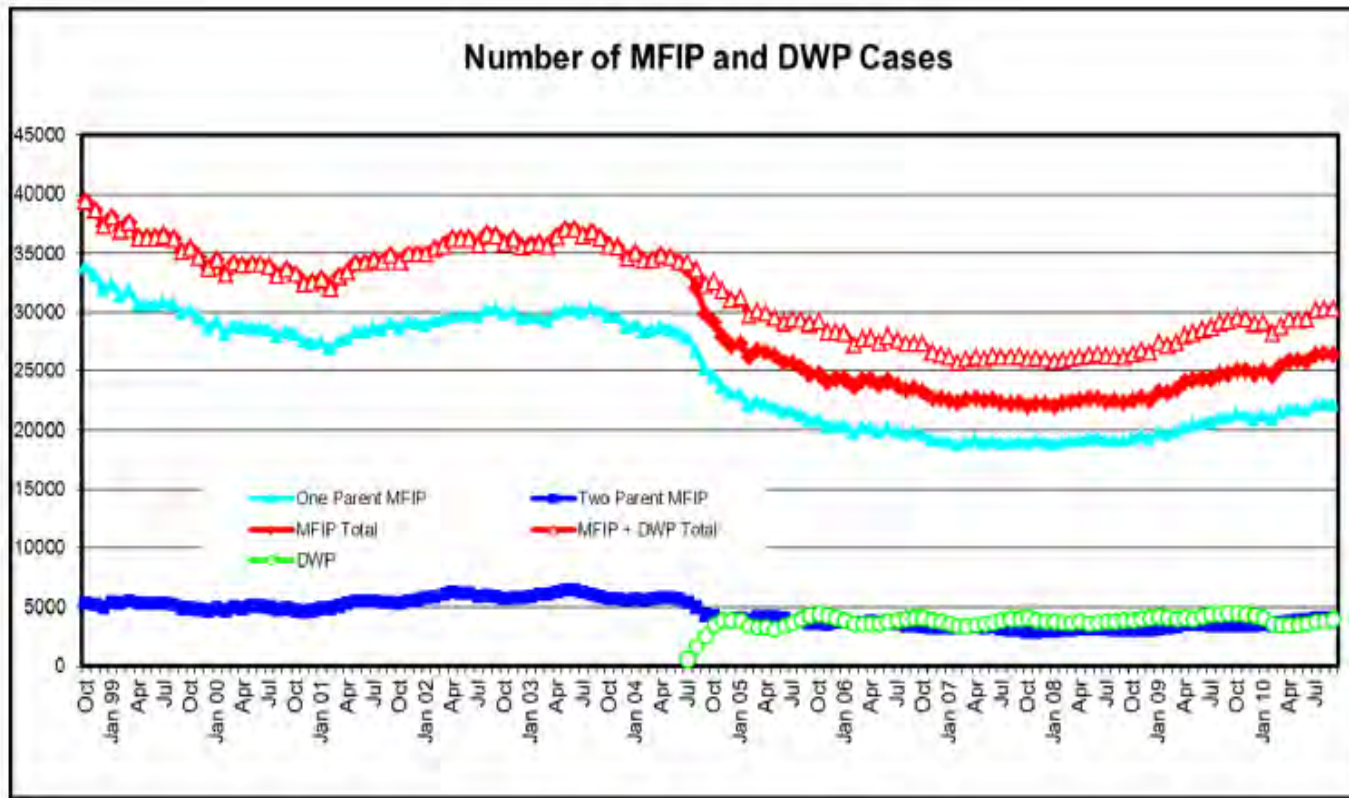
MWCA advocates for the restoration of general funds for the Minnesota Youth Program.

MWCA is requesting an appropriation of \$10 million annually to address unemployment, provide work experience and academic enrichment activities to economically disadvantaged and at-risk youth state wide.



MWCA Priorities

MFIP Funding



MWCA Priorities

**Preserve Funding for the Minnesota
Family Investment Program (MFIP) Work
Support Grant**



Governor's Budget

\$800 million in spending reductions

MWCA Issues

- ✓ MFIP consolidated fund reduced \$20 million per biennium
- ✓ Originally \$28 million.



Governor's Budget

\$800 million in spending reductions....

- ✓ Higher education cutting by \$171 million
- ✓ Job Skills Partnership Board cut by \$221,000



Governor's Budget

.... But not all bad news

- ✓ Provided additional money to the Dislocated Worker Program by transferring UI Penalty & Interest Surplus to the fund
- ✓ Held Minnesota Youth Program harmless



House Budget

- ✓ Provided additional money to the Dislocated Worker Program by cutting line item appropriations, including MYP
- ✓ Created a competitive fund for youth programs
- ✓ Cut to MFIP Consolidated Fund \$28 million



Senate Budget

- ✓ Transferred money from the Workforce Development Fund to the General Fund
- ✓ Created a competitive fund for youth programs and adult programs
- ✓ No cut to the MFIP Consolidated Fund



Then What Happened?

- Governor vetoed all spending bills except the Ag bill.
- Thus, the following provisions were all in limbo until resolved in a special session...



MWCA and the Special Session

- MWCA Executive Committee approved a measure to appeal to the Court to ensure federal funding during a shut down



What Was in the Final Bill?

Global Agreement:

Made an additional \$1.4 billion available through:

- Approximately \$762 million of resources by delaying aid payments to school districts by an additional 10%, going from paying the aid 70% within the school year and 30% by the following October to paying the aid 60% within the school year and 40% by the following October , and
- Approximately \$640 million of resources by “securitizing” the state’s annual \$160 million tobacco settlement payment that are currently a general fund resource.



What Was in the Final Bill?

Minnesota Youth Program:

- ✓ No Funding, Policy Changes for MYP
- ✓ Competitive Grant Process beginning in 2013, under jurisdiction of GWDC and DEED for other youth, adult serving programs.



What Was in the Final Bill?

Dislocated Worker Program:

Increase in the “bottom line” for
Workforce Development Fund =
Additional Resources for Dislocated
Workers were NOT included

(Priority for House Chair Gunther)



What Was in the Final Bill?

Minnesota Family Investment Program:

Additional \$500 million to the health and human services omnibus budget over that passed by the Legislature and vetoed by the governor during the regular session.

The \$11.4 billion budget represents an 11.6% increase (\$1 billion) over current state funding levels.

✓ \$20 million cut to MFIP Consolidated Fund



What Was in the Final Bill?

Policy Changes:

- ✓ Restrictions on use of EBT cards
- ✓ Vehicle Asset Limit Reduced



What Was in the Final Bill?

Indirect Impact:

County Program Aid

- County program is reduced by \$36 million per year for the current biennium. July payments were delayed to account for the reduction passed by the Legislature. Next biennium and beyond CPA is permanently reduced by \$32 million per year.



What Was in the Final Bill?

Indirect Impact:

The bill includes some additional investments in workforce training and business development:

- \$4 million for Vocational Rehabilitation Services
- \$300,000 for State Services for the Blind to secure federal matching
- \$3 million in one-time funding for the Minnesota Investment Fund to encourage business expansion.
- \$2 million in one-time funding for the Redevelopment Account to help development sites with particular problems, such as environmental contamination.
- \$500,000 for Enterprise Minnesota, a consulting company that works with expanding businesses.

What Was in the Final Bill?

Indirect Impact:

These limited new general fund investments are largely paid for by cuts in other job training and business development opportunities:

- The Job Skills Partnership, which supports job training or retraining partnerships between educational institutions and businesses, is cut by five percent in FY 2012-13.
- There is a three percent reduction in extended employment, which helps people with significant disabilities to maintain and advance their employment.

Questions?



Anne Olson, Director

- (651) 789-4323
- (651) 303-4858
- aolson@mncounties.org