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## 2018 Minnesota Legislative Session Outlook Recap

**Legal Update**

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Fredrikson & Byron's 2018 Session Outlook event provided those in attendance with an entertaining preview of what to expect during the upcoming session with tensions still lingering from political battles throughout the interim.

The legislative panel consisted of leaders from each caucus: **Speaker of the House Kurt Daudt**, **House Minority Leader Melissa Hortman**, **Senate Minority Leader Tom Bakk** and **Senate Deputy Majority Leader Michelle Benson**, who also chairs the Senate Health and Human Services Finance and Policy Committee. Also, a major thank you to our moderator, award-winning veteran Twin Cities Public Television political reporter **Mary Lahammer**.

Below is a summary of responses from the four panelists to a variety of questions which were asked this year. For more detail about the program summary or more information about Fredrikson & Byron's Government Relations Team, contact Kevin Goodno at 612-492-7348 or [kgoodno@fredlaw.com](mailto:kgoodno@fredlaw.com).

**Session Priorities**

*What are the main priorities of your caucus this legislative session? Are there any feelings of ill will stemming from some of the legal battles that occurred during the interim, which may hinder real progress on these priorities this session?*

Based on the responses from the panelists, we can expect tax conformity and further tax reforms to be a major topic of discussion during this session. Speaker Daudt expressed his optimism concerning the upcoming February forecast and predicted a half billion dollar surplus. Senator Benson added that the changes at the federal level present an opportunity to simplify Minnesota's tax code and keep the state competitive. Senator Bakk was more cautious towards the fiscal stability of the state economy and that too much money was spent last session, and focus should be given to leaving the next legislature and governor a balanced budget.

Representative Hortman highlighted the work of Representative Olson and others in developing what they called the "Minnesota Values Project," which identified three

different policy priorities: affordability and access to healthcare, affordable college tuition and fully funding K-12 education.

While all of the panelists expressed their interest in moving past previous political battles and working together, tensions did seem to persist. Funding the legislature looks like it will not be as simple as the Republicans had hoped for, with Democrats demanding that state contracts be included in any legislative funding bill. This news came as a shock to Speaker Daudt, though Representative Hortman conceded that Republicans have the votes to move any budget bill forward without her caucus' support.

## **2018 Elections**

*With two U.S. Senate seats, the Governor and the full House on the ballot, what will some of the major themes be in the 2018 election?*

Each caucus leader had a unique take on what to expect this fall. Senator Benson highlighted the benefits of the federal tax bill as well as the failure of accountability and lack of oversight within government programs such as MNLARS and MNSure. Speaker Daudt echoed the positive impact that the tax bill will have on the middle/working class. Representative Hortman contradicted these statements and asserted that the fact is that the Republicans have only helped the rich get richer and have ignored the middle/working class. Senator Bakk explained that caucuses have lost the ability to control their messaging as independent expenditures have become a dominant force in campaigns. Senator Bakk said that he will follow the vision laid out by the presumptive DFL gubernatorial candidate, Tim Walz. Interestingly, Speaker Daudt said that he has not closed the door on a run for governor himself.

## **Bonding**

*Last session, the legislature completed the undone work from 2016 with the passage of a bonding bill. How much is your caucus willing to invest in capital projects in 2018 and what types of projects need to be in – or out – of the bill to earn your member's support?*

Unsurprisingly, the DFL leaders were pushing for a larger bonding bill while the Republican leaders pushed for a more conservative bonding bill. The Democrats focused more on construction projects aimed at creating jobs for working families. While the Republicans acknowledged that there was not a bonding bill passed in 2016, they made sure to mention that they already made significant investments last year and that their members would not have much of an appetite for another large bonding bill. As far as numbers, Representative Hortman is pushing for the largest possible bonding bill at \$1.5 billion, Senator Bakk felt like \$1 billion was probably the max he would be able to negotiate, and Speaker Daudt mentioned a possible \$800 million cap.

## Constitutional Amendments

*Constitutional crisis was in the news a lot in 2017 on issues like the Governor's veto of legislative funding and the role of the Lt. Governor. Will you support any Constitutional Amendments for the 2018 ballot to address these or other issues?*

All of our panelists expressed their interest in addressing the succession of the Lieutenant Governor through a Constitutional amendment in 2018. A possible transportation funding amendment to dedicate automotive taxes to roads and bridges was discussed, with Republicans favoring the idea and Democrats cautioning against taking funding away from the general fund.

## People with Disabilities

*Minnesota's system of community based services for seniors and people with disabilities is in the midst of a serious workforce shortage. What ideas do you and your caucuses have for addressing this current workforce shortage, which will only continue to grow as more seniors and people with disabilities seek access to community based services to maintain their independence in the community?*

The senators tackled this question and neither of them suggested a funding increase, highlighting the increases that have already occurred in the recent past. Senator Benson emphasized the work of Senator Relph to find a new pool of workers. She also addressed the issue of the moratorium on beds, as well as our state's tax system, which encourages early retirees to move out of state and then to return later in life to take advantage of our state's level of senior care. Senator Bakk advised that, due to a lack of resources, the state cannot be the only answer in this area and that families will have to step up and take care of their family members in need of care.

## Unsettled Teacher Contracts

*With over 150 school district prek-12 teacher contracts unsettled, what resources will you offer to help districts move forwards?*

The house members were given this question. Representative Hortman said that increase given was not enough and that the state needs to help districts with construction costs so they can refocus their levy revenues. Speaker Daudt had issues with how the funding increase was given, with 2 percent in the current biennium and 2 percent in the next. His preference would have been to give just 3 percent in the current biennium so that they do not have to lobby the next legislature in the next biennium. He went further to add that the ability to fund these increases is hindered due to increasing demand for Health and Human Services dollars to fund programs such as MNSure and social welfare.

## Sexual Harassment

*How will you be addressing sexual harassment institutionally? In particular, how do*

*you plan to address sexual harassment of female lobbyists?*

Several ideas were presented for addressing the issue of sexual harassment at the Capitol. Senator Bakk said that he is working with Senator Gazelka to examine what other states are doing and that they will be working together to revise current policies. Representative Hortman made it clear that this must be addressed and that she was confident based on conversations with the other leaders that it will be, but that there needs to be a non-partisan reporting system. Speaker Daudt has developed a zero tolerance policy within the House and has scheduled a mandatory sexual harassment training session, threatening the removal of committee assignments for failure to attend. He also announced the formation of a subcommittee to oversee workplace safety and respect, chaired by Majority Leader Joyce Peppin.

Check out snippets from this event in Mary Lahammer's coverage on Almanac.