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2019 Minnesota Legislative Session Outlook Recap

Legal Update

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Fredrikson & Byron's 2019 Session Outlook event provided an early opportunity to hear from legislative leadership in preparation for the January 8 start of session.

The legislative panel consisted of the four leaders from each caucus: **Speaker-Designate Melissa Hortman, the current Speaker of the House Kurt Daudt, Senate Minority Leader Tom Bakk** and **Senate Majority Leader Paul Gazelka**. 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 Department, contact Kevin Goodno at 612.492.7348 or kgoodno@fredlaw.com.

Session Priorities

What are the main priorities of your caucus this legislative session and how do you plan to accomplish them?

Senators Gazelka and Bakk were both interested in picking up where they left off last session by fast tracking solutions on school safety, elder abuse and the opioid crisis. The budget will clearly be a priority; however, Senator Bakk advised spending restraint as the budget surplus will consist of a large amount of one-time money. Representative Hortman highlighted the budget areas that are top priorities for her caucus including investments in education from early childhood to college, healthcare and the individual market, economic security with interest in pursuing paid family leave, and moving a stand-alone bill forward to prevent the 7 percent cut to disability services. Representative Daudt expressed his desire to move quickly on tax conformity in the first month of session. His caucus will also be pushing for transportation funding with special attention on roads and bridges, as well as education reforms and investments targeted at closing the achievement gap.

New Administration

Governor-Elect Tim Walz campaigned on his One Minnesota plan. In that spirit, what kind of commissioner appointments would you like to see to bridge partisan and geographical divides?

There seemed to be an agreement between all four panelists that Greater Minnesota must be properly represented in the new administration. Representative Daudt believes that the geographical divide in the state and around the country is growing and that the DFL is becoming increasingly metro based. Representative Hortman discussed how the DFL had not fared well in 2016 in rural Minnesota, but that they listened to the message that was sent during that election and her caucus will be working closely with Governor-Elect Walz to address the concerns of Minnesotans in all areas of the state.

Legislative Reforms

Are there any legislative reforms that could foster a more collaborative and transparent lawmaking process?

Representative Hortman spoke of the work that Representative Gene Pelowski has undertaken in this area and that we can expect budget targets to be released earlier, open conference committees, and no more “garbage bills.” While there will no longer be any omnibus omnibus bills, there will still be omnibus bills for each committee, but the finance and policy bills will be separate. Representative Daudt criticized the new committee structure, specifically how all finance committees are subdivisions of Ways & Means and that this will create confusion on the current status of bills within the committee process.

Tax Conformity

With tax season quickly approaching, what actions will your caucus take to address tax conformity and when will those actions be taken?

Our panelists agreed that there is very little that can be done to fix any issues for the current filing period and that this is an important issue that needs to be addressed, but there was disagreement about the urgency this issue demands. Representative Daudt would like have a deal passed within the first month of session so that tax preparers can be ready with amendments. Senator Bakk did not believe it would be possible to pass something quickly unless there was an agreement among leadership to not allow partisan amendments, which Representative Daudt was quick to agree to. Representative Hortman and Senator Gazelka will be relying on their tax committee chairs to decide the best course of action.

Education

Governor Dayton’s tenure in the realm of education was defined by early education. How will your caucus interact with a new administration to steer education policy in the state?

Senator Gazelka would like to look at policy innovations as well as scholarships for students of failing schools to attend different schools. Representative Daudt said that the legislature needs to look at addressing some of the issues with policy reform as there is not a limitless amount of money. Senator Bakk mentioned the amount of money that has been put into the system over the years without significant movement in test scores. He would like to see money invested outside of the formula as well as allowing for alternative pathways to teaching, especially at the high school level. Representative Hortman stressed that any changes in education policy must include the input of teachers. She mentioned that education funding has not matched inflation and that the budget forecast will impact what can be done.

Healthcare

The area of Health and Human Services will be a very busy one this upcoming session, with the legislature having to confront complex issues including the crisis level workforce shortage that community based disability, mental health and senior services are facing; future funding of the Health Care Access Fund; Re-insurance; Elder Abuse; Opioid Epidemic; and potential changes around Single Payer/MN Care Buy-In. Which of these issues do you see as priorities for your caucus, and how do you see your caucus addressing these issues?

Representative Daudt said that this will and has to be the healthcare session. Senator Gazelka and Representative Hortman will be looking to their chairs to tackle a lot of these issues. Senator Bakk addressed the MN Care Buy-in proposal and the need to maintain a system for low income workers without employer provided insurance. Senator Gazelka and Representative Daudt took issue with the reimbursement rates under MN Care and their impact on rural providers.

Marijuana

Recreational marijuana. Yes or no?

Senator Bakk – No

Senator Gazelka – No

Representative Hortman – Will have a discussion with her caucus.

Representative Daudt – Probably no as this is a federal issue.

Paid Family Leave

Will paid family leave be considered this session?

All panelists agreed that this will be discussed this year, but that it will have to work for all businesses large and small.

Undocumented Citizens

Will your caucus support issuing drivers licenses for undocumented citizens? Yes or no?

Senator Bakk – Yes

Senator Gazelka – After the border is secured.

Representative Hortman – Yes

Representative Daudt – No

Homelessness

Communities across the state are facing challenges in housing — everything from a stark increase in the visibility of Minnesota’s homeless population, to a growing number of cost-burdened families, to a lack of new construction. What will your caucus’ priorities be to address Minnesotans’ needs for housing and our ability to maintain a competitive economic advantage through housing that is affordable at every income level?

Investments in mental and chemical health services were commonly discussed as the primary solution to addressing this issue. Senator Gazelka highlighted the importance of public-private partnerships. Senator Bakk focused on the need for skills training. Representative Hortman gave a nod to Representative Hausman and the work she will be doing to address these issues in her committee.

*At this point, Senator Bakk had to leave.

Clean Energy/Climate

Share your thoughts on these issues?

Representative Hortman spoke about how as we as a state transition away from less clean energy sources and towards alternatives, we can and should do so in a way that grows both Minnesota jobs and our state’s economic power. She also noted that Minnesota has more to lose than many other states if we are not a leader on this issue, given how critical climate is to key Minnesota industries and activities including our crops, our forests and our fish. Senate Gazelka said that as we as a state move toward more clean energy sources, we have to prioritize doing so in a way that is cost efficient and does not weaken our state’s position in the broader market. Representative Daudt echoed this sentiment about the need to move forward on clean energy/climate issues in a way that focuses on equalizing economies, citing the specific example of problematic outcomes if Minnesota and the U.S. work to decrease our emissions while China increases theirs.

Childcare

What will your caucus do to address the childcare workforce shortage?

Representative Hortman acknowledged that childcare is the lynch pin to people having a successful work life, but that the providers are not getting paid enough for the value of service that they provide. The Republican leaders blamed regulations and low reimbursement rates for the shortage and were open to tax credits as well as cracking down on corruption.

2018 Elections

In Minnesota, and across the country, power shifted from the Republicans to the Democrats. Do you believe voters were trying to send a message, and if so, what was that message?

Representative Hortman said that while voters were trying to send a message to President Trump, she does not believe that Democrats won in Minnesota because of that, but rather that they worked harder and spent more money. Representative Daudt focused on the geographical divide in the state and throughout the country and how the DFL is becoming increasingly a metro based party. Senator Gazelka believes that President Trump was a major factor in the 2016 election, the 2018 election, and he will also play a factor in the 2020 election as well.

Workforce and Economic Development

In the area of workforce and economic development, what are your priorities and how do you plan to accomplish them?

Representative Hortman spoke about the need to return to including a strong focus on vocational and technical training, noting high school age youth sometimes are not aware of these options. Senator Gazelka spoke of the need to bridge the gap between the skills that individuals have and the jobs that exist. Senator Bakk spoke of the strong need to address broadband if we want to address workforce and economic development, also noting that broadband is one time funding so somewhat easier to fund. Representative Daudt echoed the need to broaden our focus to include vocational and technical training given that such training can lead to high paying jobs.

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