

ewaldatthecapitol

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February Forecast

On Friday, Feb. 27, the Minnesota Management and Budget released its latest budget forecast for fiscal years 2016-2017. According to the report, the state will have a budget surplus of over \$1.8 billion, an increase of \$800 million over the previously estimated near \$1 billion surplus predicted last November. The House, Senate, and governor will take this new budget information into account as they continue to examine Gov. Dayton's budget recommendations. Additionally, the House and Senate will release their budget targets in the next 25 days (these targets will reflect each chamber's budget priorities for the next biennium).

Funding Deficiency Bill Signed into Law

The funding deficiency bill passed the House and Senate this week. The bill was originally intended to bring needed funding to the Department of Human Services, the Department of Health, the Department of Natural Resources, and the Minnesota Zoo; however, the bill became contentious when Gov. Dayton unexpectedly announced pay raises to the commissioners of state departments. The House and Senate included different language in their respective bills that would delay those increases, but since they couldn't agree on the differences the bill went to a conference committee. After a long committee meeting on Wednesday night, they ended up with a bill that would suspend the pay raises until July 1 and remove

the governor's authority to raise commissioner pay without approval from the legislature starting July 2. That will leave a one-day window on July 1 for Gov. Dayton to decide if he wants to keep the previously proposed pay raises. The bill was passed by the House and Senate and signed into law by Gov. Dayton on Thursday.

Truck Weights Debate Heard in House this Week

The debate over whether or not to raise the allowable weight of trucks on Minnesota roads got its first real airing this week, when members of the House Transportation Committee considered [HF 620](#) on Monday. Current state law allows a truck to carry 80,000 pounds on five axles, although exemptions are provided for timber and agricultural goods. The proposed legislation would raise the limits to 90,000 pounds for six-axle trucks, and 97,000 pounds for seven-axle trucks. All of Minnesota's neighboring states have limits higher than what's allowed in Minnesota, and some proponents argue that this puts our state at a competitive disadvantage in the region.

Opponents of the measure stated the belief that heavier trucks do more damage to roads and bridges, and are less safe than the trucks currently on the roads. Proponents, who include a diverse swath of chambers of commerce from throughout the state as well as several professional associations whose members invest in shipping, noted data from a comprehensive

They said it:

"Minnesota is truly a success story. We have a balanced budget and a growing economy."

- Myron Frans, Commissioner of the Minnesota Department of Management and Budget, on news of Minnesota's budget surplus

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MnDOT study showing that heavier trucks with their loads more evenly distributed actually cause less wear on roads and bridges, and this legislation could mean thousands fewer trucks on Minnesota roads each year.

The bill was laid over for possible inclusion in an omnibus transportation bill that will be heard later in the 2015 legislative session.

Universal PreK

This week the House Education Innovation Committee heard a bill (HF 46) that would create a voluntary, universal pre-Kindergarten program throughout the state of Minnesota. The bill, authored by Rep. Erin Murphy (DFL-St. Paul) would allow 4-years-old to participate in a universal, all-day public pre-school program. When the bill was put to a committee vote, it ultimately failed on a vote of 11 opposed and 8 in favor. Opponents cited concerns about not targeting those children who most need help, and also had concerns about the effect this would have on private childcare providers' ability to retain competitive prices.

After the bill was rejected, committee Chair Sondra Erickson (R-Princeton) reminded members and the public that the governor's proposal is still being reviewed in the Education Finance Committee, so there will continue to be discussion on the issue later in session.

Social Security Benefits

Minnesota is currently one of seven states that tax Social Security income. This week the House Aging and Long Term Care Policy Committee heard five bills to remove this tax. All of the bills aim to remove the income tax over time, but how much time and by how much money is where they differ. All of the bills were passed by the committee and referred to the House Tax Committee.

Minimum Wage for Tipped Employees

A bill was heard that would create a new tier for the minimum wage law. This tier would include service employees who receive tips as part of their income and would reduce their minimum wage rate by \$1 an hour. Restaurant owners testified that the wage increase from last year has unintended consequences of increasing the cost to customers and exacerbating the earnings gap between servers and untipped restaurant employees. The bill passed the House Job Growth and Energy Affordability Policy and Finance Committee, and can now be voted on by the entire House.