



Southwest/West Central

June 16, 2021

- **Legislative Review**
- **June Special Session**
- **Looking ahead**

Climbing out of the pandemic

One year ago: **\$5B deficit** and 10% unemployment

December: **\$1B deficit** and unemployment cut in half

February: \$1.6B surplus

Federal Relief – ARP

State Revenue update





School Budgets Impacted

- May 2020 Education COVID bill
 - Fund transfer authority, forecast adjustments
- September 2020: Pandemic enrollment aid
- Compensatory hold harmless



Divided Legislature

- House DFL (71-58-4-1)
 - People of Color & Indigenous Caucus (POCI)
- Senate GOP (34-31-2)

Thin majorities and new sub-caucuses



Priorities

- Walz, House DFL & POCI Caucus:
 - Racial equity
 - Lots of funding and policy
- Senate – no new taxes, no new policy



Getting to “Yes”

- May 17 Leadership agreement
 - E-12 = \$525M & \$675M
 - \$1.2B over 4 years
- Deadlines? May 28, June 4, 14 and 30....
- Trading offers

Senate GOP Offer

- 3%&1.5% = \$1.1B over 4 years
- Education Savings Accounts = Vouchers
- Very little in new policy



House DFL Counteroffer

- 2%&2% = \$960M over 4 years
 - Salvage VPK slots
 - Money into EL and Special Ed
- Lots of new policy



After the budget is settled....

Does virtual legislating work? Hybrid model into the future?

2022 session starts on January 31, 2022

May 23: Constitutional End of Session

- It's a redistricting year...
- It's a bonding year...

\$1.2B in ARP left for 2022 legislature to grapple with

2022 Election: Gov, Senate, House all on the ballot

