

## Minnesota Government Shutdown Update - July 15, 2011

July 15, 2011 by [Matthew J. Lemke](#)

Republican legislative leaders and Governor Dayton have agreed to the framework of a budget deal that they hope will bring an end to the “Government Shutdown,” currently in its 15th day. The Governor will back off of his tax increase proposals and use more shifts and borrowing, as well as cuts, to balance the budget. In exchange, the Republicans will agree to a higher overall spending limit and will drop their proposal to cut 15 percent of state workers. Additionally, Republicans agree to remove certain policy provisions from the bills and a \$500 million bonding bill will be assembled. Other parameters of the agreement include:

- Shift school aid payments from 70/30 to 60/40 (resulting in an additional \$700 million available to spend in the biennium);
- Issue tobacco bonds to cover remaining gap as agreed to by Governor, Speaker and Senate Majority Leader (also resulting in approximately \$700 million in additional spending for the biennium);
- Increase per student formula by \$50/year to cover additional borrowing costs;
- Add \$10 million more to University of Minnesota to equalize reductions with MnSCU; and
- Restore funding to Department of Human Rights and Trade Office.

However, significant work remains to flesh out the the details of the individual budget bills and tensions remain high on both sides. To date, the Governor has said that he will not call a special session immediately in order to pass a “lights on” bill, hoping to keep the pressure on individual legislative members -- particularly Republican members -- to vote for the global agreement. It is expected that Democrat leaders and many of their members will vote against the bills. In fact, Governor Dayton said in a radio interview today that, “I would not vote for the tax bill either.” The Governor went on to say that the minority caucus leaders are not obligated to support the agreement. This means the Republican caucuses will have to gather the votes necessary from Republican members to pass the agreement.

At this point, the public input on the process is minimal at best and there is little if any opportunity to be part of the discussion. In fact, until the budget is passed, the State Capitol doors will remain locked, meaning the public may not see the final bills until shortly before passage.