2021 Legislative Session Update
2021 Session

• Session convened on Tuesday, January 5 with committees holding numerous informational hearings

• This session, the legislature and administration will have to address:
  • Projected budget deficit as they form the next biennial budget
  • COVID-19 response and logistical challenges
  • Redistricting
November Budget Forecast

• Projected budget surplus of $641 million in the current biennium (through June 2021).

• Projected deficit of $1.273 billion for the 2022-23 biennium.

• Budget will be based on updated February Forecast
Governor’s Budget

Governor Walz’s proposed budget was released on January 26
MINNESOTA’S
COVID-19 RECOVERY BUDGET

Budget Math for Fiscal Years 2022 and 2023

<table>
<thead>
<tr>
<th>What we are trying to solve</th>
<th>How we solve</th>
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<tbody>
<tr>
<td>Budget Gap: $1.28 billion</td>
<td>Carry-over from Current Year Budget: $217 million</td>
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<td>Budget Reserve: $1.04 billion</td>
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<td>Stadium Reserve: $130 million</td>
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<td>Net New Investments</td>
<td>Additional Revenue (Includes $230 million in tax cuts targeting working families): $1.66 billion</td>
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<td>(Includes $150 million in spending reductions): $1.3 billion</td>
<td>Total: $3.05 billion</td>
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<td>Total: $2.58 billion</td>
<td>Total: $3.05 billion</td>
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Regional Park System

• **Regional Parks Operations & Maintenance**
  - **$9.14 million** each year (**$18.28 million** for the biennium) for parks operations and maintenance; distributed to the 10 implementing agencies

  - Combination of Lottery-in-lieu and General Fund

• **Legacy Parks & Trails Fund**
  - Continues 40/40/20 split for Regional Parks, State Parks (DNR), and Greater Minnesota Parks & Trails
  - **$21.6 million** in FY2022 and **$19.57 million** in FY2023 for regional parks; projects selected by the elected boards of the implementing agencies
Environmental Services Finance

Legacy – Clean Water Fund

• $919,000 each year for the Water Supply Sustainability Program

• $250,000 each year for the water efficiency grant program
Environmental Services Policy

• Provide authorization in statute for the Council to establish an inflow & infiltration program for private properties funded through the Municipal Wastewater Charge
  – Current lack of resources for homeowner mitigation (not eligible for bonding funds)
  – Substantial source of I/I in wastewater system
  – Private property mitigation would defer and/or offset the need to invest in new or larger MCES infrastructure to treat clear water
Transportation Policy

• Provide clarity in statute to regulate use of BRT guideway lanes, specifically to prohibit use of the guideway by non-transit users

• Authorize the Council to establish an administrative citation program for fare enforcement
  – Alternative to judicial citation that is a misdemeanor with a $180 fine and adjudicated by the courts
  – Allow non-sworn personnel to inspect fares and issue administrative citations
  – Council would develop program to process citations
Transportation Finance

• Regional Transit Capital (RTC) Bonds authorized
  – $48.4 million in 2021; $50 million in 2022
  – Used for replacement buses, bus facilities, and other capital enhancements.
  – Includes Metro Transit, Metro Mobility, Opt-Out Providers, and Dial-a-Ride Programs

• Base level funding continued for General Fund appropriation (Metro Mobility and Transit System Operations)
  – Total of $89M in FY22; $88.63 in FY23
Transportation Finance

Federal Relief Funds backfill operating deficits and support Transit Safety initiative

• Support anticipated shortfalls in the FY22-23 biennium for Metro Mobility ($48.6m) and Rail Operations ($17.8m)

• Support Transit Safety initiative in FY22-23 biennium ($15.3m)
2021 Session Timeline

• February Forecast will revise November Forecast and be used as basis of budget

• Easter Passover Break: End of day Friday, March 26 through Monday, April 5

• The legislature must adjourn by May 17, 2021

• *Potential impacts on budget recommendations if a new federal relief bill is passed