

# 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

#### What we are trying to solve

Budget Gap: **\$1.28 billion**

Net New Investments  
(Includes \$150 million in spending  
reductions): **\$1.3 billion**

**Total: \$2.58 billion**

#### How we solve

Carry-over from Current  
Year Budget: **\$217 million**  
Budget Reserve: **\$1.04 billion**  
Stadium Reserve: **\$130 million**

Additional Revenue (Includes  
\$230 million in tax cuts targeting  
working families): **\$1.66 billion**

**Total: \$3.05 billion**

# 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



METROPOLITAN  
C O U N C I L