

May 19, 2009

Its Over!

Rather abruptly actually!

Pensions: Scaled down pension bill passed, it does include the volunteer state-wide pension plan and OSA work group which contains the provision allowing you to retire, collect your volunteer pension, and return to service after 60 days separation. Bill becomes law on August 1.

Primary Seat Belt: Passed both house and senate and awaiting Governor's signature.

Codes: The major bill creating the residential council was pulled earlier so did not pass.

Fire Safety Account: Legislature appropriated just under \$9 million, we believe there is \$10 million in the fund. Difference just stays there. Money used to fund CAT Teams, Fire Marshal (reduced their budget by \$100,000 a year) and Training Board which should see an increase from last year's \$800,000+ to over \$1.3 million for reimbursements.

FF Licensure: Passed both senate and house and awaiting Governor's signature.

Unallotment: More later but initial understanding is Governor cannot unallot from special revenue accounts (Fire Safety Account) but can un-allot money appropriated from FSA to Fire Marshal and Training Board. Also, unsure if he can un-allot pension aids but early research indicates he can. No talk of doing this that we have heard though.

May 20, 2009

Sherry provided this to me, thought it was all excellent information.

The Governor signed appropriation bills totaling \$34 billion; however, the projections are that the state will bring in only \$31 billion in new revenue. That left a gap of \$3 billion. During negotiations, both the Governor and Legislature were open to using the education shift as one of the ways to close the gap, providing \$1.8 billion. Then, Governor Pawlenty line-item vetoed \$400 million, leaving a gap of about \$1 billion.

The major contention was how to close a \$1 billion gap.

The Legislature wanted new permanent revenue--a tax increase, and the Governor wanted to use tobacco bonds-borrowing.

Since the Governor and Legislature did not reach agreement, if there are not sufficient revenues to balance the budget beginning July 1, 2009, the Governor has the authority to balance the budget through the process of unallotment, providing the Governor with wide discretion in cutting or eliminating programs.

Saturday night the governor made legislators aware of his priorities in balancing the budget. In that proposal, he recommended the following cuts:

- Reducing local government aid and related property tax relief by \$450 million.
- Cutting health and human service spending by \$250 million this would be in addition to the \$503 million cut in the omnibus bill and his veto of GAMC totaling \$380 million. In the end the cut to HHS would be over \$1.1 billion

- Decreasing payments to state colleges and universities by \$190 million.
- Trimming \$100 million from tax breaks including the renters' credit, political contribution refund and payments to counties in lieu of taxes.

Governor Pawlenty also suggested delaying \$1.8 billion in payments to schools until the 2012-13 biennium. Total of cuts and shift equal \$2.8 billion

The Governor has stated that education, public safety and corrections would remain priorities.

[Click Here for Information on the Unallotment](#)