



MHP Capitol Update

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Capitol Notes

Housing Not On Priority Lists

The House and Senate Majority Caucuses released their legislative priorities last week and affordable housing wasn't on the list. Education, health care, early childhood education, transportation and property tax relief were at the top of the list. Legislators indicated that these five issues were major concerns during the last election and many newly elected members ran on platforms that included them. In addition, the House DFL Caucus ran a statewide campaign focused on these issues.

Although concerns about the growing tide of foreclosures is getting attention and will force the housing issue to the forefront, housing remains a secondary priority for many lawmakers. However, many legislators privately indicate a need to invest in housing and affordable housing advocates have a number of strong legislative supporters that will push for increased investments. The challenge will be to support those efforts and push housing up to the top of the various caucus agenda's.

Governor's Budget Recommendations

Real action on budget and policy items will not occur until after Governor Pawlenty releases his budget recommendations on January 22nd. Agencies submitted their budget recommendations late last year and the Finance Department is finalizing theirs this week.

It is our understanding that Minnesota Housing (previously the MHFA) made a significant request for one-time money to address a variety of programs and needs. We expect Finance to look favorably upon that request, but it will compete with a variety of other priorities, including a number of gubernatorial initiatives announced in the last few weeks.

The budget will set the baseline discussion for tax and spending initiatives this session. Should the administration's revised budget, which will be presented in late February, show additional revenue, another opportunity will be provided to enhance housing investments.

New Revenue Commissioner Understands Affordable Housing

Ward Einess was appointed by the governor to serve as revenue commissioner after filling in as acting commissioner of the Department of Employment and Economic Development, or DEED. He was promoted to that spot from the deputy commissioner position. Prior to his DEED experience, he was on the governor's staff and focused on tax and housing policy where he worked with MHP on a variety of funding and policy matters. His understanding of these two areas should assist MHP in advancing some of its tax initiatives this year.

Committee Action

Slow Committee Start

The next few weeks of committee hearings will be dominated by policy and budget overviews. A few committees, particularly those focusing on taxes, will take up a few bills related to state conformity with federal taxes, or begin hearings on property tax related issues.

We expect both the House and Senate Housing Committees to begin overview presentations this week.

Senate Committees – Housing Related

Last week we reviewed the members of House committees that will most affect housing policy. Here is a list of Senate committees that the majority of housing issues will flow through. Again, please let us know if you have contact with any of the following committee members.

Health, Housing and Family Security: Mon. and Wed., Room 15, Cap., 12:30-2:45 p.m.

In the past, housing has not been clearly defined as any committees' focus. The chair of Health, Housing and Family Security, Senator Marty, is a strong affordable housing supporter. There are 5 new legislators on this committee and not many members from last year's committee that addressed housing. *Newly elected senators are denoted with *.*

| | |
|---|---|
| John Marty, D (Roseville) Chair | Patricia Torres Ray*, D (Mpls) Vice Chair |
| Paul Koering, R (Fort Ripley) Lead Republican | Linda Berglin, D (Mpls.) |
| John Doll*, D (Burnsville) | Sharon Erickson Ropes*, D (Winona) |
| Michelle Fischbach, R (Paynesville) | David Hann, R (Eden Prairie) |
| Linda Higgins, D (Mpls.) | Debbie Johnson, R (Ham Lake) |
| Tony Lourey*, R (Kerrick) | Ann Lynch*, D (Rochester) |
| Yvonne Pretner Solon, D (Duluth) | Betsy Wergin, R (Princeton) |

Economic Development Budget Division: Mon. and Wed., Room 107, Cap., 3:00-5:30pm

This committee is a group of experienced incumbents and has only two freshman senators on it. However, one of the freshmen, Senator Vandevveer, has significant experience—he previously served five years in the House. Economic Development oversees the budgets of Minnesota Housing and the Department of Employment and Economic Development, or DEED.

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|---------------------------------------|---|
| Dave Tomassoni, D (Chisholm) Chair | Dan Sparks, D (Austin) Vice Chair |
| Amy Koch, R (Buffalo) Lead Republican | Tarryl Clark, D (St. Cloud) Ass't Majority Leader |
| Dick Cohen, D (St. Paul) | Scott Dibble, D (Mpls.) |
| Michelle Fischbach, R (Paynesville) | Gary Kubly, D (Granite Falls) |
| Jim Metzen, D (So. St. Paul) | Mary Olson*, D (Bemidji) |
| Julianne Ortman, R (Chanhausen) | Pat Pariseau, R (Farmington) |
| Tom Saxhaug, D (Grand Rapids) | Ray Vandevveer*, R (Forest Lake) |

Finance: Mon. through Fri., Room 123, 8:30-11:00 a.m.

The Finance Committee is dominated by veteran legislators and a number of Finance Division chairs. It will have the job of setting the final state budget and review specific spending bills passed by budget divisions.

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| Dick Cohen, D (St. Paul) Chair | Dennis Frederickson, R (New Ulm) Lead Republican |
| Ellen Anderson, D (St. Paul) | Linda Berglin, D (Mpls.) |

Don Betzold, D (Fridley)
Jim Metzen, D (So. St. Paul)
Tom Neuville, R (Northfield)
Pat Pariseau, R (Farmington)

Steve Dille, R (Dassel)
Steve Murphy, D (Red Wing)
Sandy Pappas, D (St. Paul)
LeRoy Stumpf, D (Plummer)

Bytes and Bits

New Ballplayers at Capitol

Aside from the change in leadership in both the House and Senate, the number of new legislators is staggering. There are 35 (26%) newly elected House members and over 50 incumbents who have served less than 2 terms. The Senate has 18 (27%) new members and more than half of the incumbents have roamed the Capitol halls for less than two terms. Don't wait to get to know your legislator if he or she is new!

Rangers in Key Positions

Iron rangers are back in a number of critical positions in both the House and Senate. In the House, Tony Sertich is majority leader (the number two spot) and Loren Solberg will chair the Ways and Means Committee. In the Senate, Tom Bakk will head up the Taxes while Dave Tomassoni will watch over the budgets of Minnesota Housing and DEED. Housing advocates from the Northland will need to be active. Demonstrating program benefits for rural areas will be important, as well.

As the old Capitol saying goes, our state motto "L'etoile du nord" means ' means send the money north!"

Correction

Last week we mistakenly reported that Sarah Anderson, member of the House's Property and Sales Tax Division is a Democrat, when, in fact, she is a Republican.

Distributed weekly during the legislative session and periodically outside of session, the **MHP Capitol Update** provides information about bill introductions, committee hearings, policy analysis, and political chatter in St. Paul. **MHP Capitol Update** is published by Minnesota Housing Partnership, and content is provided by MHP's lobbying team, Cindy Jepson and Julian Loscalzo. To share ideas for future issues, ask questions, or to unsubscribe, please contact Barb Jacobs at bjacobs@mhponline.org or 651-649-1710 ext. 117.

Minnesota Housing Partnership's mission is to promote homes for all Minnesotans and to assist Minnesota communities in the creation and preservation of housing affordable to low- and moderate-income people.