

May 12, 2017

With only ten days left in the 2017 session a budget agreement between Governor Dayton and legislative Republicans has yet to materialize.

Negotiations on global budget targets were proceeding in a typical fashion until this week, when House & Senate budget conference committee reports began to appear. Republican leaders did not believe budget negotiations were making progress quickly enough so they opted to pass their bills and send them to the Governor. Governor Dayton made it clear at the time that he would veto all of those bills and he followed through on that promise this morning, vetoing the five budget bills sent to him so far.

Normally negotiations would pick back up after this kind of maneuver, but a handful of complications have arisen making negotiations unlikely to resume until Monday.

The Senate hasn't yet passed all of the budget bills due to the absence of a Republican Senator with a family emergency, putting the balance of the Senate at 33-33. 34 votes are needed to pass a bill off the floor and no DFL votes would be cast in favor of the current budget bills.

In addition, tomorrow is the Governor's Fishing Opener in St. Cloud, an event attended not only by the Governor but also by legislative leaders. And of course Sunday is Mothers' Day, traditionally a day when the legislature has tried to avoid meeting.

While the House is meeting today to process some smaller bills, the Senate is not meeting and most members have already headed home for the weekend. It is an unexpected time to take such a long break given the ticking clock. It is still possible the leaders will get together at some point over the weekend but at this time it is unclear exactly when they will pick up negotiations.

While time is running short, a week can be a long time at the legislature so there is still hope for an on-time finish. It's no easy task to reconcile the substantial differences between the two sides, especially in the area of taxes which is likely the lynchpin to a global agreement. There are also some significant policy items that are still unresolved, including Real ID and uniform labor standards. If an agreement isn't reached by May 22<sup>nd</sup> a special session will be required to complete budget work. It's possible the looming deadline and prospect of a special session, or worse: a government shutdown, will be the motivation necessary to reach a final deal. And you never know, having the Governor, Speaker, and Senate Majority Leader together in a boat for a few hours tomorrow could be just what it is needed to shake things loose... stay tuned.