



Dedicated to a Strong Greater Minnesota

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Strong bi-partisan support emerges for Local Government Aid

ST. PAUL—The Local Government Aid program would finally be restored to its 2002 funding level under a new bill recently introduced at the Minnesota Legislature.

S.F. 874, authored by Sen. Lyle Koenen (DFL-Clara City), and H.F. 685, authored by Rep. Paul Anderson (R-Starbuck), would add \$45.5 million to the LGA program over the next two years—\$22.75 million in both 2016 and 2017.

“We thank Rep. Anderson and Sen. Koenen, as well as the strong bi-partisan group of co-authors, for recognizing the importance of LGA and introducing legislation that would bring funding for this vital program back to the level it was at more than a decade ago,” said Heidi Omerza, president of the Coalition of Greater Minnesota Cities and a member of the Ely City Council.

“LGA is the lifeblood of Greater Minnesota communities,” Omerza continued, noting that 90 percent of cities in Minnesota depend on LGA. “It allows cities to provide infrastructure and critical services like police and fire protection, snow removal and libraries while helping to keep property taxes low. When the LGA program is underfunded, cities and residents across the state suffer.”

In 2013, LGA got a much-needed boost when the Legislature reformed the program’s formula and increased funding to aid communities in their recovery from the Great Recession. The formula reform and funding increase allowed cities to reinvest in infrastructure, make long-overdue equipment purchases, fill vacant positions and grant moderate salary and benefit increases to employees. It also successfully helped to restrain property taxes—last year saw the third-lowest increase in city property tax levies in the past 25 years.

However, the LGA program has still not fully recovered from cuts in the early and mid-2000s, and the program still receives 9 percent less funding than it did in 2002. The legislation introduced by Anderson and Koenen would remedy this lingering issue and fully restore LGA to its previous funding level.

“The recent reforms did a lot to improve the LGA program and show that our lawmakers are committed to helping cities pay for necessary services, but the current funding level still doesn’t meet the demands of rising costs,” Omerza said. “With the state surplus totaling more than \$1 billion, we hope the Legislature will continue to make LGA a priority this year.”

The Coalition of Greater Minnesota Cities is a nonprofit, nonpartisan advocacy organization representing 85 cities outside of the Twin Cities metropolitan area. The Coalition educates legislators about issues important to Greater Minnesota. Visit the CGMC online at greatermncities.org.

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