



Dedicated to a Strong Greater Minnesota

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Legislature passes bill to restore LGA funding to 2002 level

LGA increase was Coalition's top priority; Governor expected to sign bill next week

ST. PAUL—It took years of advocacy by city leaders and a late-night special session to get there, but funding for the Local Government Aid (LGA) program is finally being restored to its 2002 high-water mark.

The tax bill passed by the Legislature in the wee hours of Saturday morning contains a \$26 million increase in LGA for 2020, followed by an additional \$4 million boost in 2021, bringing total funding for the program to \$564 million. The bill is now headed to Gov. Walz's desk. He is expected to sign it, along with other key budget bills, on Tuesday.

“Our No. 1 priority for this year was to get LGA funding back up to the 2002 level,” said Ron Johnson, who serves as president of the Coalition of Greater Minnesota Cities (CGMC) and is a member of the Bemidji City Council. “I’m ecstatic that the Legislature and Governor were able to work together to make that goal a reality. Cities all across the state, and especially in Greater Minnesota, are going to benefit from this important investment.”

This increase has been a long time coming for the nearly 90% of cities in Minnesota who rely on LGA to help pay for city services (such as public safety, street maintenance, parks and libraries) and restrain property taxes. While LGA has received occasional boosts in funding in recent years, cities have still been playing catch-up since drastic cuts to the program in the mid-2000s.

“As city officials, we work hard to keep our city budgets and property tax levies in check, but it is difficult when costs for everything from employee health insurance premiums to construction materials continue to rise,” Johnson said.

“A great thing about LGA is that it gives cities the flexibility to make investments wherever they are most needed,” he added. “With this bump in funding, some cities will be able to hire an additional firefighter or replace a beaten up old snowplow, while others might use the extra LGA to hold down their levies.”

Bradley Peterson, executive director of the CGMC, credited tenacious city leaders, Gov. Walz, House Tax Chair Rep. Paul Marquart (DFL-Dilworth) and other state lawmakers for their hard work in getting the LGA increase through the Legislature this year.

“Successes like this have many parents,” Peterson said, noting that LGA is a prime example of an issue where the divided state government was able to reach a compromise for the good of the state.

In addition to LGA, there were other bright spots for Greater Minnesota in the special session.

The Legislature approved funding to help address the child care shortage in Greater Minnesota, including \$750,000 to be divided between the six Minnesota Initiative Foundations for child care provider training and business assistance and an additional \$750,000 for child care grants, of which at least 60% must go to Greater Minnesota. It also passed \$40 million for rural broadband, \$18 million for clean water infrastructure grants, \$3.5 million for the Greater Minnesota Business Development Public Infrastructure Grant Program and \$1.35 million for the Greater Minnesota Job Training Incentive Program.

However, there were some major disappointments in the session as well.

After legislative leaders were unable to agree on adopting any new revenues for transportation, the Legislature passed a pared down transportation bill that included no funding for small-city streets and no additional funding for the Municipal Street Aid or Corridors of Commerce programs.

And perhaps the biggest disappointment of the session was the failure to pass a bonding bill. Johnson said city leaders were counting on a bonding bill to help pay for critical infrastructure needs such as repairs to wastewater treatment plants and other city facilities, road improvements and new or expanded child care facilities.

“In some ways this was a bittersweet legislative session for Greater Minnesota overall,” Johnson said. “We are pleased with the LGA increase, but the lack of a bonding bill or comprehensive transportation bill means many important projects will have to be pushed aside for at least another year.”

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The Coalition of Greater Minnesota Cities is a nonprofit, nonpartisan advocacy organization representing 97 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 and follow us on Twitter [@greatermncities](https://twitter.com/greatermncities).