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Equal Opportunity Housing and Equal Opportunity Employment

Legislative Summary 2011

The 2011 regular Legislative Session ended May 21 without a comprehensive budget deal; only the agriculture budget bill had been signed. All other budget bills were vetoed by Governor Dayton on the day after the session ended. Minnesota Housing’s state appropriation budget was not signed by Governor Dayton until July 20, just a few hours after a short Special Session in which all remaining budget bills were passed by the House and Senate. With a \$5 billion state budget deficit, Minnesota Housing received a 6.3% appropriation reduction. Although the final FY2012-2013 agency budget of \$76.096 million is less than the governor’s recommendation, it is higher than the House and Senate conference committee recommended. Set forth below is a summary of housing-related legislation enacted during the 2011 Legislative Sessions.

Jobs and Economic Growth Omnibus Budget Bill (2011, 1st Special Session, Chapter 4, Article 1, Section 4)

Minnesota Housing Finance Agency Budget, FY2012-2013

MN Housing Programs	FY10-11 Base Budget	Governor FY12-13 Base Budget	Final FY12-13 Base Budget
Bridges	\$ 5,276,000	\$ 5,276,000	\$ 5,276,000
Family Homelessness Prevention	\$ 14,930,000	\$ 14,930,000	\$ 14,930,000
Housing Trust Fund (HTF)	\$ 21,110,000	\$ 19,110,000	\$ 19,110,000
Homeownership Assistance (HAF)	\$ 1,720,000	\$ 1,716,000	\$ 1,594,000
Preservation (PARIF)	\$ 14,425,000	\$ 14,638,000	\$ 14,626,000
Challenge	\$ 14,786,000	\$ 14,318,000	\$ 13,910,000
Capacity Building	\$ 500,000	\$ 434,000	\$ 250,000
Homeownership Counseling(HECAT)	\$ 1,730,000	\$ 1,502,000	\$ 1,502,000
Rehab Loans	\$ 7,062,000	\$ 5,266,000	\$ 4,898,000
TOTAL	\$ 82,039,000	\$ 77,190,000	\$ 76,096,000

Above is a chart summarizing the State Fiscal Year 2012 to 2013 state appropriations budget for Minnesota Housing passed in the first special session, a comparison to the Governor’s budget recommendation, and the base budget the agency received in FY2010-2011.

- The three programs serving primarily homeless and persons at-risk of homelessness did not receive reductions below the governor’s recommendation;
- The Challenge program (-\$408,000) and Rehab Loan program (-\$368,000) received the largest reductions below the governor’s recommendation;
- Capacity Building received \$184,000 less (-42%) than governor’s recommendation;
- More than one-half of the funds awarded for foreclosure prevention and assistance activities under HECAT may be used for mortgage or financial counseling services; and
- The amount available exclusively for housing projects for American Indians in the first eight months of the fiscal year is reduced proportionately to \$1,208,000, 9% of Challenge funds.

Minnesota Housing finances
 and advances affordable housing
 opportunities for low and moderate
 income Minnesotans to
 enhance quality of life and foster
 strong communities.

Additional provisions of interest in the Jobs and Economic Growth Omnibus Budget Bill (Chapter 4, 2011, 1st Special Session)

- Manufactured Home Relocation Trust Fund (Article 3, Section 57, Subdivision 12): Establishes a \$1 million cap on manufactured home park owner payments into the manufactured home relocation trust fund.
- Effective Date (Article 4, Section 1): Provides that the act is effective retroactively from July 1, 2011.

Capital Investment (Bonding) (Chapter 12, 2011, 1st Special Session)

- No provisions for affordable housing were included in the bonding bill.

Health and Human Services (Chapter 9, 2011, 1st Special Session)

- Long-term Homeless Services (Article 10, Section 3, Subdivision 4g): Provides a one-time appropriation of \$700,000 in the first year of the biennium (2012) from the federal TANF fund for long-term homeless supportive services. Total appropriations for this program in the last biennium (FY10-11) included \$3 million in one-time only funding. The \$700,000 in one-time only funding brings the total for the program to \$2.3 million below the total funding for the previous biennium. The base is increased by \$42,000 in FY2014 and by \$43,000 in FY2015.
- Group Residential Housing (Article 10, Section 3, Subdivision 3e): The program was funded at a level that allows it to continue without program modifications to reduce costs.

State Government, Innovations and Veterans Omnibus (Chapter 10, 2011, 1st Special Session)

- Pay for Performance Pilot Program (Article 3, Section 26-28): A pilot program will be established by Minnesota Management and Budget to demonstrate the feasibility and desirability of using up to \$10 million in state appropriation bonds to pay for services based on performance and outcomes. Bonds may be issued only to the extent that program savings, as measured by a return on investment calculation, exceed debt service payment on the bonds. A report is due to the governor and legislature on January 15 of each year during the pilot program.
- Strategic Sourcing (Article 3, Section 41): By September 1, 2011, the commissioner of administration must issue a RFP for a contract to promote the use of data analytics to achieve efficiencies in strategic sourcing. The RFP may require the vendor to provide recommendations for improvements to methods used by the commissioner to analyze and reduce spending on goods and services, including but not limited to spend analysis, product standardization, contract consolidation, negotiations, life-cycle costing and other techniques.
- State Job Classification (Article 3, Section 42): MMB must report to the legislature by January 15, 2012 on a process to redesign and consolidate the job classification plan for executive branch employees, with a goal of assigning all classified positions to no more than 50 job families.
- Shutdown Service Credit (Article 3, Section 45): A state employee who was laid off or placed on unpaid leave during July 2011 shall receive a service credit and credited salary in a retirement plan as if the employee had actually been employed during the unpaid leave.

- Consolidation of Information Technology Services (Article 4, Sections 2-9): The Chief Information Office (CIO) in the Office of Enterprise Technology (OET) is responsible for providing or entering into managed service contracts for the provision of specified information technology systems and services to state agencies. The CIO must enter into service-level agreements with each state agency governing the provision of information technology systems and services, assets and personnel by July 1, 2012. This provision does not require expansion or consolidation of office space, data centers, help desks or other systems.

Taxes Omnibus (Chapter 7, 2011, 1st Special Session)

- Renter Property Tax Refund (Article 6, Section 8-9): Reduces the percent of rent constituting property taxes used in calculating the renter property tax refund from 19 percent to 17 percent beginning with claims based on rent paid in 2011.

Foreclosure Initiatives

- Foreclosure provisions for residential tenants application clarified (Chapter 58, 2011 Regular Session): Clarifies that Minnesota Statutes 2010, section 504B.285, subdivision 1a applies only to residential tenants. Landlords do not need to extend the process for holding tenants over in the event of a foreclosure to commercial tenants.

Miscellaneous Bills

- Modification of Effective Dates for Lead Certification Requirements (Chapter 2, 2011 Regular Session): The deadline is extended from February 1, 2011 to August 1, 2011 for residential contractors, residential remodelers, manufactured home installers and residential roofers performing renovations on residential structures constructed prior to 1978 to become certified to perform lead work under new EPA regulations.

Copies of legislation

To access the specific language of any of the legislation mentioned, find the chapter number from the links below.

2011 Regular Session:

http://www.house.leg.state.mn.us/bills/chapters.asp?ls_year=87&session_year=2011&session_number=0

2011, 1st Special Session:

<https://www.revisor.mn.gov/laws/?view=session&year=2011&type=1>

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