

MINNESOTA CHAMBER JOBS AGENDA
2012 Preliminary Legislative Priorities

The Minnesota Chamber partnered with a pro-business majority in the 2011 Legislature to deliver meaningful results on the statewide business community's priorities. We must build on those victories to ensure that Minnesota employers can succeed in a global economy.

Following are our members' preliminary priorities for 2012 as the Minnesota Chamber advances the private-sector jobs agenda.

BUDGET REFORM

Policy-makers must restore long-term stability to the state's balance sheet without increasing the tax burden on private-sector job-creators. The state's budget shortfall was resolved in 2011 without a general fund tax increase – a solution, however, that was less than ideal. Many believe the state will face another budget shortfall for the remainder of the FY 2012-13 biennium, and a \$1.9 billion shortfall already is forecast for FY 2014-15.

Legislative initiatives:

- ◆ Focus our budget on statewide priorities and enact outcomes-based budgeting.
- ◆ Request and receive federal Medicaid waivers authorized by the 2011 Legislature that will allow Minnesota's programs to assign enrollees to a care system suited to their individual health status and location, and the care system will be paid based on outcomes.
- ◆ Continue to lead and advocate state and local government redesign with a goal of lowering the per-unit costs for delivery of programs and services.
- ◆ Continue to advocate for public employee compensation reform so salary and benefits packages more closely align with private-sector systems.

EDUCATION

Minnesota employers demand a world-class workforce if they are to compete in the global economy. Minnesota's achievement gap between white students and students of color is among the worst in the nation; that's unacceptable. We also must minimize the time and resources spent on remedial instruction in post-secondary institutions. It is projected that 85 percent of all the job growth in Minnesota between 2008 and 2018 will require some postsecondary education.

Legislative initiatives:

- ◆ Improve teacher evaluation by eliminating the "last in, first out" approach to teacher layoffs. Replace it with a system based in part on the academic performance of students.
- ◆ Reinstate the Graduation-Required Assessments for Diploma (GRAD) math test, or its equivalent, as a requisite for high school graduation.
- ◆ Advocate a higher education policy with greater emphasis on producing workers for available jobs and closing the skills gap.

ENERGY

Energy – cost and reliability – looms larger and larger for businesses in their decisions to locate and expand facilities. Minnesota is losing the competitive edge it once enjoyed due to unpredictable electricity rates. Without that certainty, businesses will take their jobs elsewhere.

Legislative initiatives:

- ◆ Require that electric rates in Minnesota be based primarily on the cost of serving the customer.
- ◆ Lift the bans on consideration of additional nuclear power and the development/use of new coal-fired electricity generation.

ENVIRONMENTAL PERMITTING

Companies remain frustrated with environmental review and permitting despite recent improvements to the system. State agencies must redefine “customer service” if they expect to rebuild confidence in the private sector. The process needs more certainty and predictability to the process.

Legislative initiatives:

- ♦ Monitor the Minnesota Pollution Control Agency to ensure that permittees are notified within 30 days that permit applications are complete. If permits are incomplete, reasons should be stated.
- ♦ Create a permit advocate to oversee large economic development projects and their permitting requests and processes.

HEALTH CARE

Minnesota employers rank among the best in the nation in terms of providing health benefits, but the percentage is slipping. The gap is widening between those employers who offer health care benefits and those who do not. Minnesota must take steps to preserve an employer-based health care system.

Legislative initiative:

- ♦ Design and implement a health insurance exchange that allows Minnesota employers and individuals to shop for coverage based on both the quality of care and price.

MAJOR POLICY INITIATIVE: TAX REFORM

Minnesota’s tax system is one barrier to job creation. A reformed tax system can improve the state’s competitiveness and address the volatility of state revenues.

Minnesota Chamber initiative:

- ♦ Research the feasibility of a major tax reform initiative.
- ♦ Make the proposal the focal point of the 2013 session.
- ♦ Our tax reform proposal should: be revenue neutral; make the tax system more competitive and stable; use Governor Pawlenty’s 21st Century Tax Reform Commission report as a starting point.