

State Revenue Collections and Budget Update

The state Department of MN Management and Budget (MMB) released two pieces of information today concerning the state's budget, a FY2020 revenue collections update and estimate of the state's projected budgetary balance for the FY 2022-23 biennium.

The information shows revenue collections for FY2020 were -\$58 million lower than the amount projected in May estimates. The adjusted amount reflects processed tax payments and modifies the state revenue report released earlier this month that projected this number to be \$168 million.

Information released today also shows that the budget for the FY2022-23 is not structurally balanced in the next biennium, with expenditures anticipated to exceed revenues by \$4.7 billion. The numbers released today also project an FY 2022-23 budgetary imbalance in the state's general fund of -\$6.6 billion. This figure includes the imbalance of -\$2.3 billion in FY2022-21. These estimates were constructed using the information and modelling that went into the interim budget forecast that was released by MMB in May. The information released today adds detail for FY 2022-23 that was not included in the original information released in May.

To view the update, click [HERE](#). Please contact Patricia Nauman at 651-215-4002 or patricia@metrocitiesmn.org with any questions.

Federal CARES Act Funds and Reporting for Local Governments

The State Office of MN Management and Budget (MMB) has developed a reporting system for local governments that receive funds from the Coronavirus Relief Fund (CRF) of the Federal CARES Act. The system will include a Microsoft Excel form that cities, counties and townships will be required to download, fill out on a monthly basis and submit to MMB. This will be a cumulative form that is downloaded once and then updated and submitted monthly. Below are links to the form and the email address to which reports should be sent. The reporting system should be available sometime today, Friday, July 31st.

Reports will be due seven business days after each certification period, with the first report for any funds received prior to July 25 due on August 11, 2020. Cities that received funds on July 29 will have until the next submittal date to submit the report.

MMB will compile reported information on categories of expenses and the rate of spending and publish reports monthly. This information will include any local governments that did not submit a report. Published reports will be provided to the Legislature and media. Reporting requirements may be adjusted if federal guidance is updated.

Cities will need to have their SWIFT supplier ID to start the report. The form will include broad categories for expenses (medical, payroll, economic support, and other) and the report should include a summary of expenses by category. Cities should include what has been spent and what has been obligated to be spent. Each category on the form includes information on qualifying expenses under that category. If you have distributed funds back to the county, you will be asked to provide the amount of funds returned, the name of the county and the date funds were returned. For cities in Hennepin and Ramsey counties, cities should note any returned funds to hospitals, and the name of the hospital to which funds were provided.

Cities should confirm that expenses meet the overall federal criteria: the expense is necessary to respond to COVID-19, the expense is not accounted for in the current budget, and the expense was incurred during the eligible period between March 1 and November 15, 2020.

Form: <https://mn.gov/mmb/covid-19-response-accountability-office/>

Please submit to: CRAOffice.MMB@state.mn.us

Please contact Patricia Nauman at 651-215-4002 or email: patricia@metrocitiesmn.org with any questions or concerns.

Governor Announces School Re-Opening Plan

On Thursday, Governor Walz and members of his administration announced a Safe Learning Plan for the 2020-2021 school year through [Executive Order 20-82](#). The **Minnesota Safe Learning Plan** includes information covered and links to MDH and MDE information. The plan allows for local flexibility on re-opening that is based on COVID-19 county case data and is responsive to changes in outbreaks. The state has provided a matrix and guidance on the learning model parameters for districts. Parents may also choose distance learning for their children. School districts will work in collaboration with MDE, MDH and local officials on parameters based on cases by county of residence. A link to county data can be found: <https://www.health.state.mn.us/diseases/coronavirus/stats/wschooll.pdf>. The state is providing recommendations to guide re-opening, but districts may implement local models based on their local virus mitigation best practices. MDH can override local decisions based on public health concerns.

Districts will receive \$250 million from the coronavirus relief fund (CRF) to cover operational costs. The state will provide each student and staff with one face covering, and each school with three disposable face masks per student, as well as face shields for all licensed teachers. Educators will have access to testing. All school districts and charter schools are required to adhere to state health requirements and recommendations [in MDH 2020-21 Planning Guidance for Schools](#) and [MDE 2020-2021 Planning Guidance](#)

Metropolitan Council Releases 2019 Population Data

Population estimates for the region and local units of government were released by the Metropolitan Council. The [2019 estimates](#) are based on Council review and analysis of data and input by cities.

Data shows the region has grown by 300,000 people since 2010 (a 10.6 percent growth rate) and as of April 1, 2019 stood at 3.153 million residents. 30 percent of the growth resided in Saint Paul and Minneapolis. Two-thirds of the population change was from a greater birth rate than death rate, and one-third of the growth was from migration. The majority of migration growth was international immigration to the region.

Average household size had decreased in previous decades but showed a slight increase in 2019 (2.52 in 2019 versus 2.5 in 2010). Concurrently, a greater share of the region's households are smaller (1-2 people), while larger households (3-6 people) have decreased as a share. 6+ person households have increased by 0.2 percent.

The annual estimates are important to cities because they are used to allocate funding from several sources including local government aid, local street aid, contributions and distributions from the Fiscal Disparities program, and regional parks funding. Population estimates by city and township are available on the Council website in both [pdf](#) and [spreadsheet](#) formats.

Livable Communities Program Housing Goals for Re-Enrollment

Metro Cities is working with the Metropolitan Council to inform all eligible cities about re-enrollment in the Livable Communities Program (LCA) for the 2021-30 period. One requirement for participation is to adopt local affordable and life cycle housing goals. Housing goals for participating cities expire at the end of this year. State laws governing the LCA program require local housing goals to be adopted by November 15th of this year, in order for cities to be eligible for LCA grants in 2021.

Metro Cities has worked with the Council and city officials and staff to determine a methodology for housing goals that recognizes available funding as well as opportunities for local tools and initiatives.

Cities with completed 2040 comprehensive plans should have received communication from the Council on the need to re-enroll and information on your specific local affordable and life cycle housing goals, and next steps. If you did not receive this information, please contact Tara Beard, LCA Manager, at tara.beard@state.mn.us

Metropolitan Council Adopts Wastewater Rates and Charges

The Metropolitan Council has adopted 2021 wastewater rates. A series of webinars with local governments and industrial users were held earlier in the year to discuss the 2021 budget.

The adopted rates include a two percent (2%) increase on wastewater rates. Rates will vary for each city based on its flow. SAC will remain flat at \$2,485 per unit for 2021. More information on the 2021 rates can be [found here](#).

Metro Cities News is emailed periodically to Metro Cities member mayors, councilmembers, city managers/administrators, and city staff to keep officials and staff abreast of important metro city issues.

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