

Blake, Cumah (GOV)

From: Swenson, Matt (GOV)
Sent: Saturday, May 16, 2015 2:31 PM
To: Mark Dayton; Smith, Tina (GOV); Tincher, Jaime (GOV); Piper, Emily (GOV); Sen, Katy (GOV); Hume, Bob (GOV); Zakula, Linden (GOV); Dornfeld, Joanna (GOV); Hardy, Shawntera (GOV)
Subject: Bakk Transcript
Attachments: 2015_05_16_bakk_senate_floor_scrum.docx

See attached and below.

Sen. Bakk Senate Floor Scrum

5/16/15

Bakk: We've reached an agreement with our Republican counterparts across the street, and it appears like we're going to have enough time to be able to get finished within the constitutional deadline.

Reporter: The Governor's not happy, especially with your education funding.

Bakk: Well, the Governor would like to spend more, I would like to spend more. I actually sided with the Governor in the private conversations at his target number. But Republicans were just not willing to go there.

Reporter: What happens now? What's the path forward?

Bakk: Well, we're going to pass the bill, and I imagine then we're going to go home. We've reached the constitutional deadline, the Governor then has 14 days to decide whether he wants to sign or veto the bill, or let it become law without his signature.

Reporter: What he said this morning, Senator, was that I'll veto, if it's only \$400 million. He says there's a billion dollars on the bottom line, and I'm going to refer to my notes here because I want to quote him accurately. He says if that money is used for tax cuts for millionaires and large corporations, he would sure as heck be astounded that any Democrat would support that. His words this morning.

Bakk: Well the money on the bottom line will be available to the legislature next year to spend on either appropriations or on tax cuts.

Reporter: To the fact that he says he's astounded that any Democrat would support that?

Bakk: I don't know that, there's not a specific legislative proposal in front of us for us to consider.

Reporter: So you think you can craft something in conference committee he can accept?

Bakk: Well, if they can craft something within the \$400 million that's in the target, that the Governor supports, I absolutely support accommodating the Governor within the \$400 million target.

Reporter: [inaudible]

Bakk: Well, when the Speaker and I put the deal together yesterday over at the Residence, we then met with the Governor, and he said well, you've had two hours to put this deal together, I need a couple hours to consider it, and take a look at it before I make some decision. So, the issue for the legislature is, just mechanically, we're running out of time. And I think we'd be letting Minnesotans down to not finish the work of the legislative session done by the constitutional deadline.

Reporter: How do you explain that much money left on the bottom line, though?

Bakk: Well that's what the Republicans wanted to do. And, you know, they would have liked to have spent that General Fund money on transportation and on tax cuts. That's where it would have gone. And I'm unwilling to cut taxes at a time when we're not investing in people.

Reporter: Realistically, is there time for a transportation bill this year?

Bakk: It seems very unlikely. But there is money to consider a transportation tax package yet this session, but the Speaker and I have not discussed what that would look like.

Reporter: So there would be no rail safety provisions in any of the bills as it stands right now?

Bakk: I think the only way rail safety provisions would happen is if some of them were included in the bonding bill. And there will be a relatively small bonding bill. The Speaker and I have not talked about exactly what's going to be in it yet, but clearly we have to do the work that's still being done on the Capitol, and there are some other, smaller provisions. I think the bill will be big enough [inaudible].

Reporter: [inaudible] ...given the Governor has said he wants to avoid possible special sessions.

Bakk: The Republican House won't do it. And I can't make them do it.

Reporter: Why isn't there any way to get his approval, or to negotiate with him the education bill -- he also has other complaints with your proposal. Why didn't you do that before you came out with your big announcement yesterday?

Bakk: Well, the Speaker and I met with the Revisor yesterday morning at 8:00, and she laid out for us the timelines of when she needed bills, how much time it took in order to make sure that the bills got back to the floors of the House and Senate so that they can pass before the constitutional deadline.

And the Speaker and I felt by late afternoon yesterday we were pushing up against the timeline where it couldn't be accomplished. Now, what I think the Governor needs to consider is, the last offer with the House Speaker, the Governor, on education was \$250 million. 250. So, they were a long ways apart. And I suspect that if the Governor decides to veto the bill, I think it's very risky, that, he maybe doesn't get the [inaudible] from the House.

They left him at \$250, maybe they insist that's where they want to leave. And, the thing about education is, on July 1st, all the education funding is an open and standing appropriation, so schools will continue to get the normal money that they get, except for the fact that they won't get the \$400 million that the Governor may or may not veto.

On July 1 all the education funding is an open and standing appropriation, so the schools will continue to get the normal money that they get, except for the fact that they won't get the \$400 million the Governor may or may not veto. I think that's incredibly risky. These Republicans do not want to spend money on state government and that includes schools.

I frankly think the Governor could be getting set up by them. He may get a smaller education bill, if it goes into a special session. He may be in a position and I'm going to support him, if he decides to call a special session. But, I can't make the Republicans do things.

And on July 1, the schools will get all the money they got in the last biennium. The only thing that will happen in the education area is that the Department of Education will be shutdown. I don't have any clue if that affects the function of schools, I suspect probably not, but that's what the impact would be with this department. There will not be an impact on the E-12 schools.

Stassen-Berger: How will you support him in a special session, if you're not supporting his position now?

Bakk: I am. I supported his position of \$676 million right up until the Speaker and I went and privately cut a deal. I supported him at \$676 million. The House was at \$250 million and as we were driving on our way to Almanac, the Governor texted me that he'd now take \$550 million. But, he was at \$676 million, when the Speaker and I really closed the deal on the session. So, the Governor came down \$126 million after we left. I don't know if there's a path between him and the Speaker. I don't object, I still support the Governor's \$676 million, if he can get the House to support that, then I'd be glad to support it.

Davis: He also talked about buffers. What about buffers?

Bakk: Well, after the Speaker and I reached an agreement on all of the appropriation bill targets, we met with the Governor at the Residence and shared with him what we had arrived at. He asked about buffers, we told him then that a lot of work was being done around buffer language that I think there is some pretty broad agreement on. Our intent was to put that in the Environment and Finance Bill that [inaudible].

Davis: Pretty far apart from what he wanted to bridge?

Bakk: I think it's been negotiated out so that there is some compromise language that I think in general everyone supports. I don't know if the Speaker's position is going to hold on buffers as we start to negotiate a bill... [inaudible].

Reporter: [inaudible]

Bakk: I don't know if that's going to be in the bill. The position that the Speaker and I have given to the conferees is this is your budget target. To the extent that we could there are very few conditions on the bill relative to their target. Those will really be negotiated by the conference committee. The speaker and I have told the chairs that on policy provisions if there aren't three votes on both sides that the policy provisions are dead.

Davis: So they can take up policy provisions?

Bakk: Well, if it's in one of the bills and the House has a lot of policy in it, I suspect they are going to move their policy for adoption. If there's not three votes on the Senate side, it's not going to be in the bill.

Reporter: Senator, given where things stand now, do you think you can get the budget done by Monday?

Bakk: The Legislature is going to have to.

Reporter: So the question is what the Governor does?

Bakk: The Governor, I believe has 14 days to decide what he wants to do.

Pugmire: Are you willing to meet with the Governor to talk about the education issue further or has the train left the station?

Bakk: My staff reached out to the Governor's Office this morning and told them that I personally [inaudible] have a conversation with 'em. I don't know if anything has been put on the calendar or not, or whether that would happen today or tomorrow, or Monday, or later.

Sturdevant: Some years, the Legislature has put conditions on the November Forecast money. We have in statute now that some of that goes into the reserve, other kinds of spending provisions. Is there anything like that as part of this agreement?

Bakk: Yes, there is a – when we close the books on June 30th, there will be some additional money that is not appropriated by the Legislature. Collections for March and April are about \$360 million above forecast, so we cannot recognize that money until the November Forecast.

The decision that we did make is on the Disaster Relief Account, we are going to sweep \$15 million of

the money left on June 30, that's not currently being considered by the legislature. We would sweep \$15 million of it before it got to the forecast. That's similar to what we did with the school shift, back in 2013.

The \$15 million that the Governor has asked for the relief fund will be available for what's currently under law, and we're going to add a provision that allows it to be available for avian flu purposes. If the Governor feels he needs additional money to address that.

Reporter: Have you heard anything about conference committees meeting in the last few hours?

Bakk: Well, Senator Latz has been working with Representative Cornish, Senator Bonoff, and Representative Nornes have exchanged some numbers back and forth in higher ed. I know Senator Wiger and Representative Loon have exchanged some offers back and forth. I mean, the work is going on, and it'll get done.

And the Speaker and I, we personally met with the caucus committee chairs together and told them that they're going to be given a time to finish, and if they're not done we're going to take the bills over and finish them ourselves. We are going home before the constitutional deadline.

The Speaker and I are rock-solid on that, barring something unforeseen happening, like the Revisor's computer system crashing, we're planning on going home.

Reporter: Have you figured out those deadlines?

Bakk: No.

Reporter: And you don't expect conference committee reports from before this afternoon?

Bakk: It seems unlikely, the only two that could potentially be ready would be judiciary and higher ed, and they haven't gone to the Revisor yet. So it seems like if we have something on those two it would be later into the evening if we were going to do them. I think if they come too late, we probably just would come back from our afternoon and take them.

Our intent is to have a session tomorrow, be ready for any conference committee reports that are ready.

Reporter: Later tomorrow?

Bakk: Later in the afternoon.

Reporter: Several members of your caucus support the Governor's position on education...

Bakk: I support the Governor's position on education. But I can't get the House to agree to it. So, I just can't get it into the conference committee report so that we can get a vote on it.

Reporter: [inaudible]

Bakk: Uh, I think it's better than 1985 was.

[laughter]

Bakk: The last time the legislature was lined up like this with a Democratic Governor, Democratic Senate, Republican House was 1985. And they didn't get the work done. And they had to come back in June and accomplish it. I feel we don't have that option this year. The Capitol is going to close on Tuesday. The ventilation systems are going to be taken out, the vote boards, because they have to disconnect the power, are going to go black. And there is no opportunity to come back. I've looked at the construction schedule, and it would cost a lot of money to delay the construction on the Capitol if the Speaker and I weren't done, and I don't support that.

Reporter: How much is a lot?

Bakk: Depends on how... If the Governor calls a special session, I suppose it would depend on how long we had to keep the Capitol open, and modify the construction schedule. But it could cost millions of dollars.

Reporter: So when you were in the boat with the cigars and the Governor, pre-K didn't come up?

Bakk: Never came up, we were catching fish. And we caught enough fish that, kind of almost any time someone had a fish on the line. I mean, to get 35 walleyes in three hours? Someone's catching a fish most of the time. And, so honestly we had a nice day, talked almost no politics. I joked a little bit with the Governor that we were putting the life jacket on him in case he fell overboard, because I didn't want to explain to the law enforcement, what, how come the Governor didn't come back. We wanted to make sure we could pull him in if something happened.

Reporter: And you're not fishing for a veto now?

Bakk: I think that's incredibly risky on the Governor's part. I think he needs to pause and think about the potential impacts of that. I mean, the House was at \$250 million, and my guess is that's probably where they're going to restart the negotiations, if and when the Governor decides to call a special session.

Reporter: Was it at all embarrassing, though, to end a session, after starting it with a nearly \$2 billion surplus to have this huge amount on the bottom line and a surplus that presumably will keep getting bigger. Doesn't it cement the argument that folks are being over-taxed?

Bakk: Well, no, I think what it says is that some money is being reserved for some things that are my priority and the Speaker's priority. My priority is transportation, the Speaker's priority are tax cuts, and we have left some money on the bottom line to try and accomplish those things. And if it can be accomplished and a special session can be called and I would say the earliest could be reasonably called this December when the new building is opened and we have temporary chambers. I'm absolutely willing to work towards that goal. I just don't know how we would accomplish a special session with the Capitol closed.

Matt Swenson | Press Secretary & Senior Communications Advisor

Office of Governor Mark Dayton & Lt. Governor Tina Smith

116 Veterans Service Building

20 West 12th Street, St. Paul, MN 55155

Office: [REDACTED] | Cell: [REDACTED]

Working to Build a Better Minnesota

[Web](#) | [Twitter](#) | [Facebook](#)

DISCLAIMER: This e-mail is intended to be read only by the intended recipient. It may contain confidential and/or privileged information, and may be protected from disclosure by law. If you are not the intended recipient, any review, dissemination, retransmission, distribution or copying of this e-mail (or its attachments) is strictly prohibited. If you received this e-mail in error, please notify the sender immediately and delete this e-mail and any attachments.