“Midwest Regional Roundup”

Midwestern Higher Education Commission
November 15, 2018
Fargo, North Dakota
2018
Economic/Fiscal Context
The Economy

- Recovery continuing; indicators still positive
- Real GDP growth in 48 states, but uneven in MW
- Plains states outpacing Lakes states
- Midwest GDP rates (Q1): -0.6% (ND) to 3.1% (SD)
- Low unemployment (Sept.): 2.5% (IA) to 4.6% (OH)
The Fiscal Picture

- State budget recovery also continuing – 9th year
- Revenues mixed; Slower spending growth in FY 19
- Key cost drivers: K-12; Medicaid; Higher Ed
- Fund balances still healthy, especially in Midwest
- Uncertain impact of federal tax changes
2018 Session Highlights
2018 Session Highlights

• Relatively strong fiscal condition

• Election year dynamics

• Productive sessions; interesting special sessions
2018 “Top Ten”

• Budget “Bliss” in Illinois
• School Funding (yes, again) in Kansas
• School Safety (OH, WI)
• Pension Reform in Minnesota
• Water Quality (MI, IA, OH)
2018 “Top Ten”

• Workforce Development (IN, MI)
• Payday Lending in Ohio
• Child Welfare in Nebraska
• Institutional Issues in South Dakota
• Lieutenant Governor Shuffle (IA, MN, MO)
Select “Other Issues” – 2018

- Tax Cuts (IA, MO, KS)
- Civil Forfeiture (IN)
- Paid Sick Leave (MI)
- Guns (IL, KS)
- Opioids (IN, OH, MN)
Select “Other Issues” – 2018

• Health Insurance (IA, WI)
• Capital Budgets (OH)
• Abortion (IN, IA, MO, NE)
• Medical Marijuana (MO, IL)
• Utility Regulation (MO)
2018 Election Results
2018 Elections

• Legislative races: 87 of 99 chambers, including all but 2 in Midwest (KS and MN Senates)

• Gubernatorial races: 36 of 50 states, including 9 of 12 in Midwest (all but IN, MO, ND)

• Ballot measures: 155 in 37 states, including 22 in 7 Midwestern states
Partisan Control in Midwestern States 2014
Partisan Control in Midwestern States 2015/16
Partisan Control in Midwestern States 2017/18
Partisan Control in Midwestern States 2019
2018 Elections

• D’s gained about 50 seats across the region; net gains in 8 of 12 Midwestern states

• Only 1 chamber flipped (MN House) – R’s still control 19 of 22 partisan chambers and more than 60% of total seats

• Most significant Democratic gains were in gubernatorial races (+4)
Partisan Composition of Midwestern State Legislatures (1993-2015)

- Seats held by Republicans
- Seats held by Democrats
Partisan Composition of Midwestern State Legislatures (1993-2017)
Partisan Composition of Midwestern State Legislatures (1993-2019)
Partisan Seat Gains in Midwestern State Legislatures (2014 Elections)
Partisan Seat Gains in Midwestern State Legislatures (2016 Elections)
Partisan Seat Gains in Midwestern State Legislatures (2018 Elections)
2019 Legislative Session Preview
Key Issues – 2019

- School Funding (KS, IN, ND, others)
- Property Tax Reform (NE)
- School Safety (several)
- Opioids
- Mental Health (IA, ND, SD)
- Transportation/Infrastructure (ND, MI)
Key Issues – 2019

- Workforce Development (IN, ND)
- State Funding of Local Gov’ts (OH)
- Tribal Taxation (ND)
- Medicaid Managed Care (IA)
- Others: Pensions, Education Reform, Prison Overcrowding, Auto Insurance, Hate Crimes, . . .
74th MLC Annual Meeting

Chicago, Illinois
July 21-24, 2019
Please Join Us!
“Congratulations, Larry!”
Thank You, MHEC!

Mike McCabe
Director
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