Midwestern Higher Education Commission
November 19, 2019
Indianapolis, Indiana
2019
Economic/Fiscal Context
The Economy

• Recovery continuing; growth slowing

• Real GDP growth in all 50 states

• Plains states narrowly outpacing Lakes states

• Midwest GDP rates (Q2): 1.0% (IN) to 2.4% (NE)

• Low unemployment (Sept.): 2.3% (NE, ND) to 3.9% (IL)
The Fiscal Picture

• State budget recovery also continuing – 10th year
• Revenues and spending both growing in FY 20
• Key cost drivers: K-12; Medicaid; Higher Ed
• Fund balances still healthy; higher in Midwest
• Challenges and opportunities
2019
Session Highlights
2019 Session Highlights

• New biennium; longer sessions
• Healthy fiscal environment
• New political landscape
Partisan Control in Midwestern States 2019/20
The Divided Government “Rub”

- Kansas – Medicaid exp.; tax relief; school funding
- Michigan – Budget; gas tax
- Minnesota – Competing House and Senate priorities
- Wisconsin – “Lame-Duck” laws
2019 Key Recurring Issues

• Taxes
• Gambling Expansion
• Mental Health Services
• Education
• Social Issues
Select “Other Issues” – 2019

• Minimum Wage (IL)
• Wage Theft (MN)
• Fertility Fraud (IN)
• Judicial Selection (IA)
• Energy (OH)
Select “Other Issues” – 2019

• Marijuana (IL)
• Industrial Hemp (KS, SD)
• Auto Insurance (MI)
• Prison Overcrowding (NE)
• Cyber Security (OH)
Just One More . . .
Jon Godfread: World’s Tallest Politician
2020
Legislative Session
Preview
Key Issues – 2020

• Gambling Expansion (several)
• Tax Reform (KS, NE and others)
• Transportation/Road Funding (MI, others)
• Opioid Abuse and Drug Addiction
• Vaping
• Affordable Daycare (IA)
Key Issues – 2020

• Medicaid Expansion (KS)

• Water Quality (MI, OH, others)

• Capital Investments (MN)

• Workforce Development and Retention (several)

The Political Front:
Election Year 2020
Partisan Composition of Midwestern State Legislatures (1993-2019)
EY 2020 – What’s At Stake?

• Gubernatorial races: 11 states, including just 3 in Midwest (IN, MO, ND)
• Legislative races: 44 states; every chamber in the Midwest except the MI Senate
• Redistricting on the horizon
• Ballot measures pending
“Welcome, Susan!”
75th MLC Annual Meeting

Detroit, Michigan
July 19-22, 2020
Please Join Us!
Thank You, MHEC!

Mike McCabe
Director
CSG Midwestern Office