



**The Council
of State
Governments**

“Midwest Regional Roundup”

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

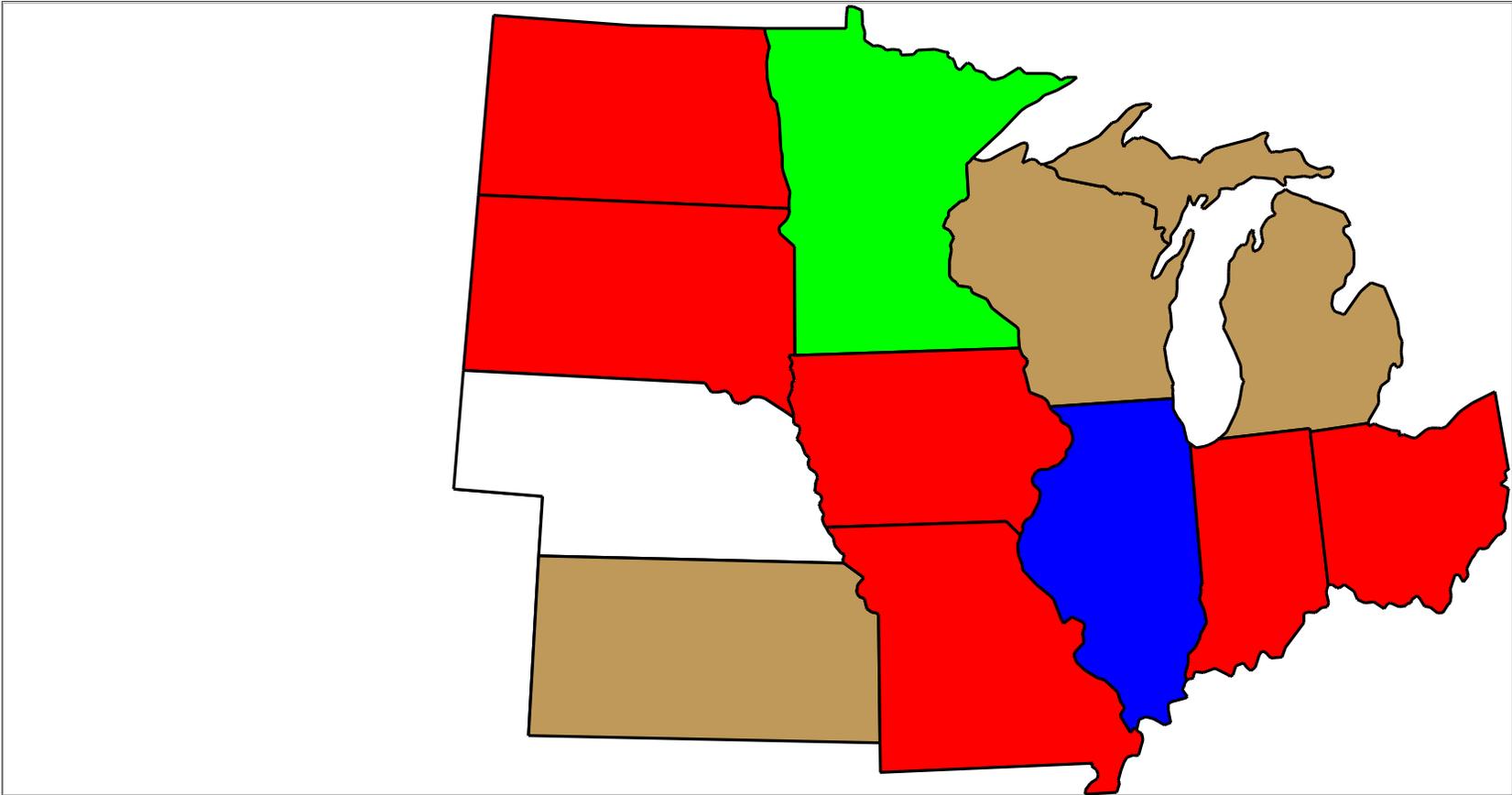
- **State budget recovery also continuing – 10th year**
- **Revenues and spending both growing in FY 20**
- **Key cost drivers: K-12; Medicaid; Higher Ed**
- **Fund balances still healthy; higher in Midwest**
- **Challenges and opportunities**

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

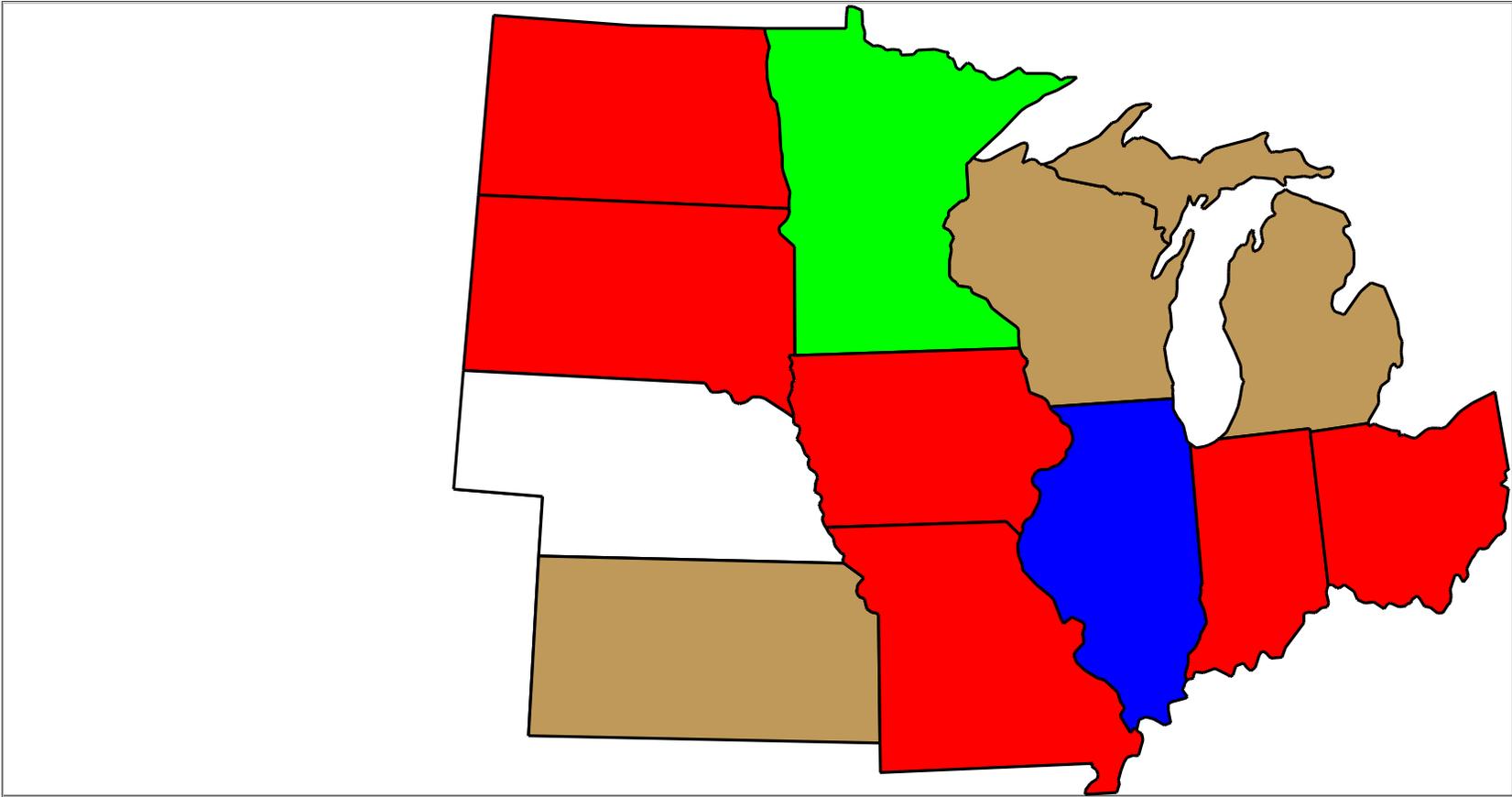
- **Gambling Expansion (several)**
- **Tax Reform (KS, NE and others)**
- **Transportation/Road Funding (MI, others)**
- **Opioid Abuse and Drug Addiction**
- **Vaping**
- **Affordable Daycare (IA)**

Key Issues – 2020

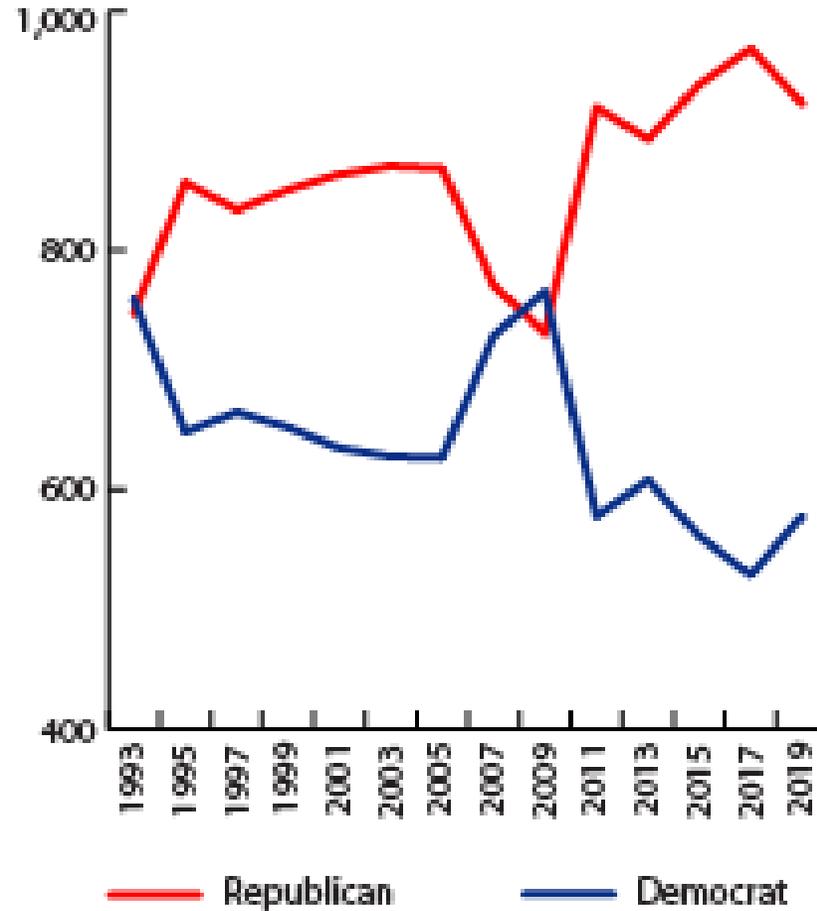
- **Medicaid Expansion (KS)**
- **Water Quality (MI, OH, others)**
- **Capital Investments (MN)**
- **Workforce Development and Retention (several)**
- **Others: Higher Ed Funding, Telehealth, Election Security, Domestic Violence . . .**

The Political Front: Election Year 2020

Partisan Control in Midwestern States 2019/20



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!



MIDWEST

Thank You, MHEC!

Mike McCabe

Director

CSG Midwestern Office