



**The Council
of State
Governments**

“Midwest Regional Roundup”

**Midwestern Higher Education Commission
November 15, 2018
Fargo, North Dakota**

2018 Economic/Fiscal Context



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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



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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)**



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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)**



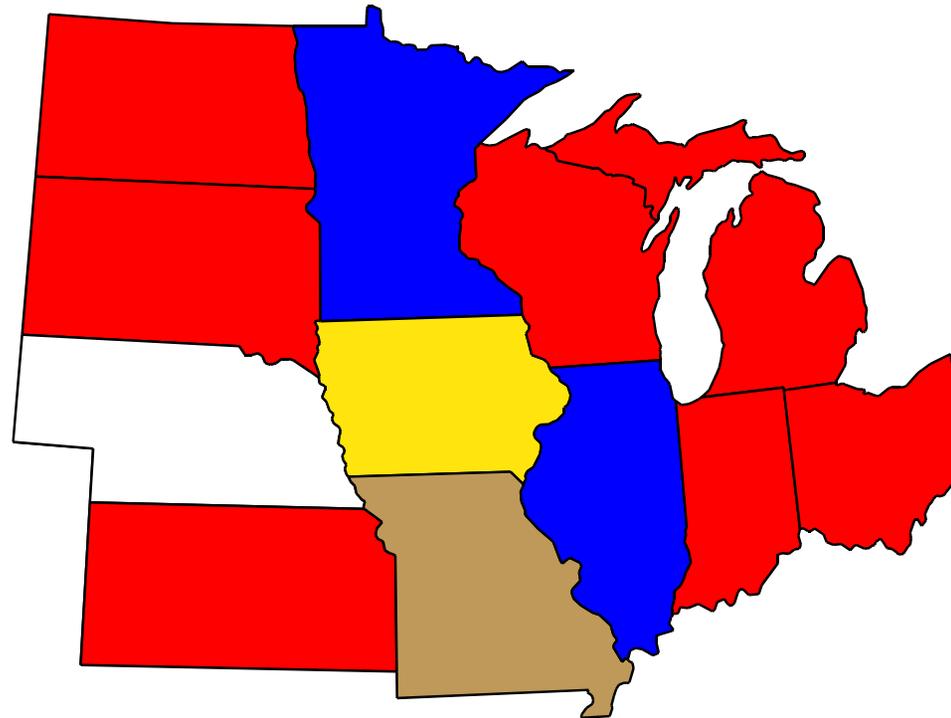
2018 Election Results

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**

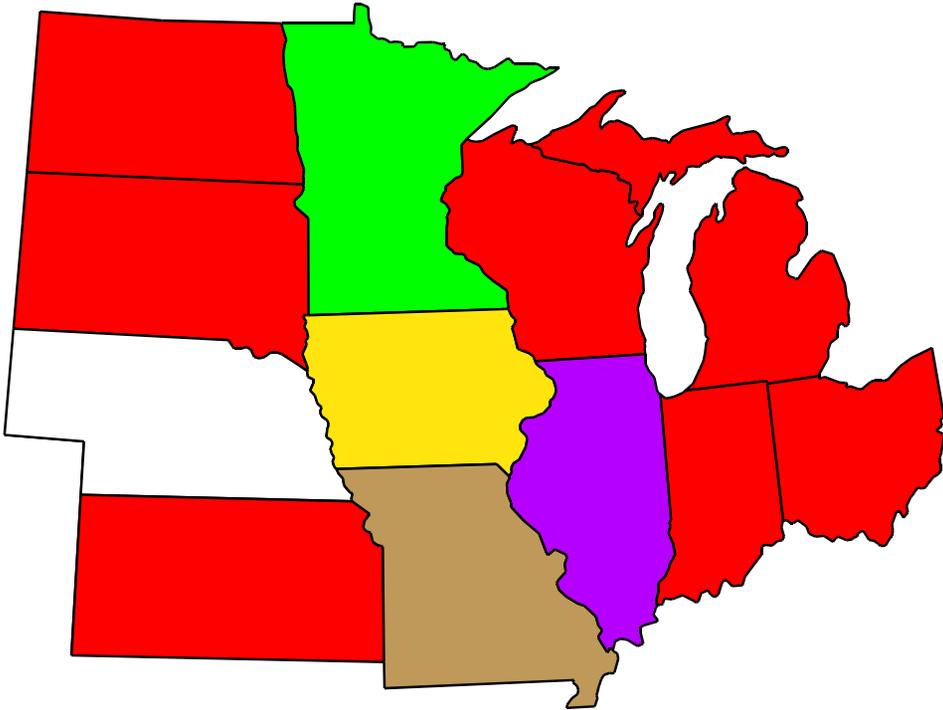


Partisan Control in Midwestern States 2014

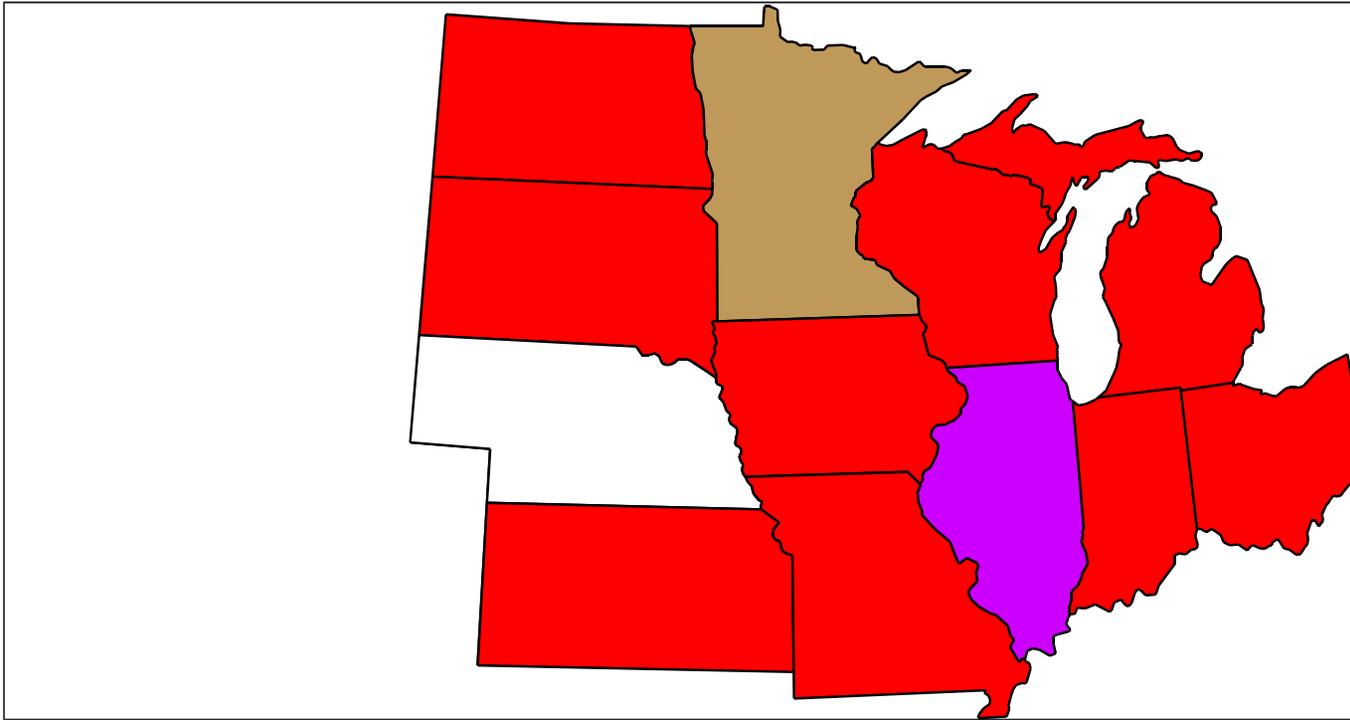


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Partisan Control in Midwestern States 2015/16

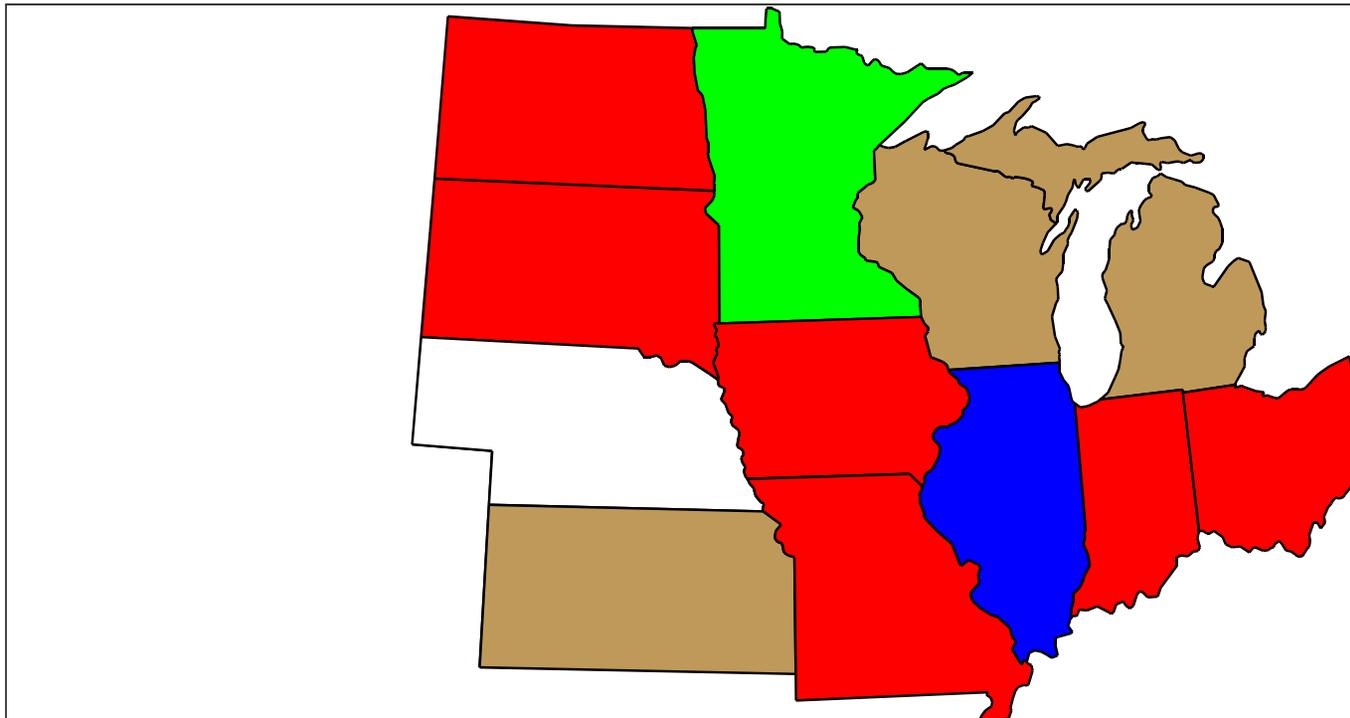


Partisan Control in Midwestern States 2017/18



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Partisan Control in Midwestern States 2019



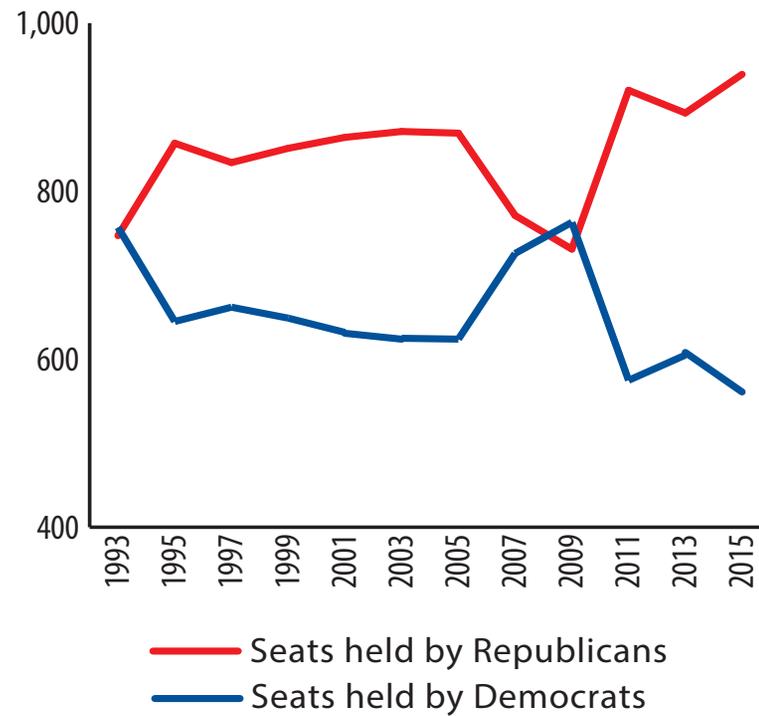
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2018 Elections

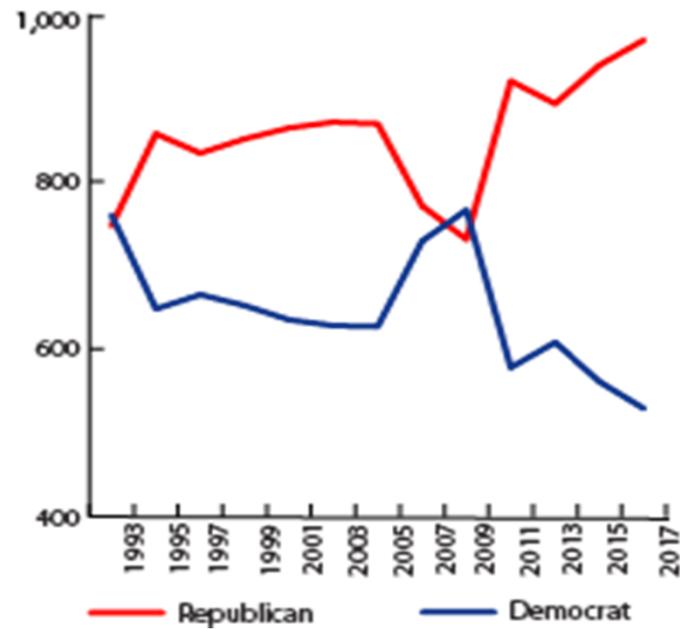
- **D's gained about 50 seats across the region; net gains in 8 of 12 Midwestern states**
- **Only 1 chamber flipped (MN House) – R's still control 19 of 22 partisan chambers and more than 60% of total seats**
- **Most significant Democratic gains were in gubernatorial races (+4)**



Partisan Composition of Midwestern State Legislatures (1993-2015)

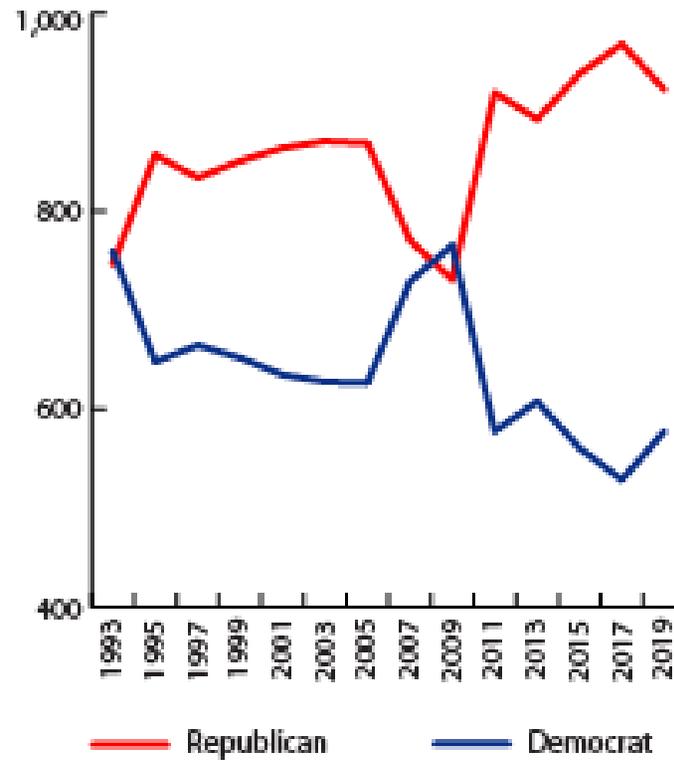


Partisan Composition of Midwestern State Legislatures (1993-2017)



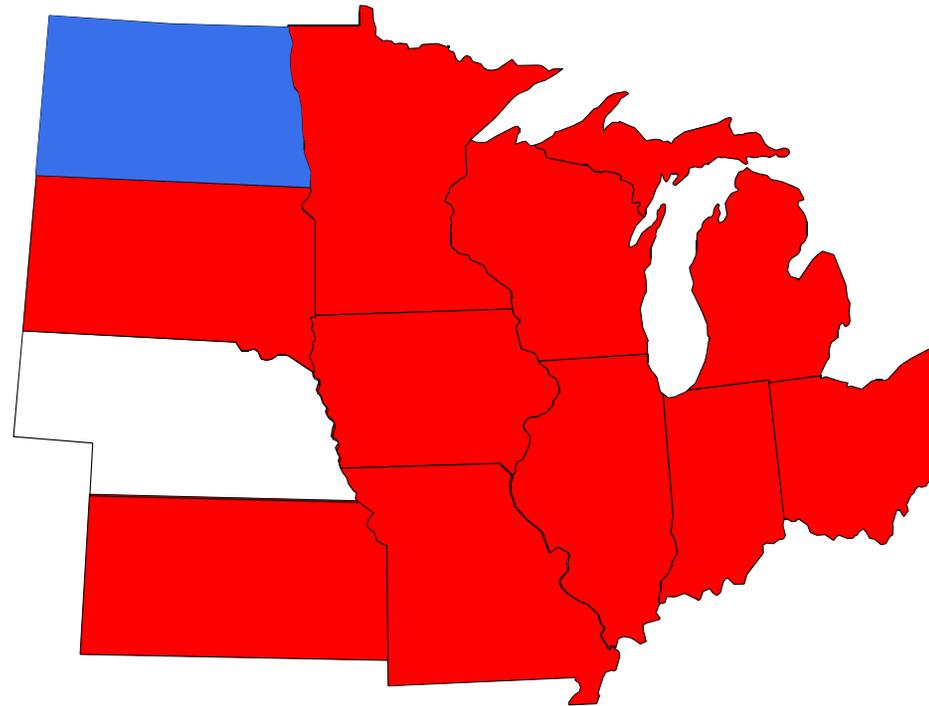
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Partisan Composition of Midwestern State Legislatures (1993-2019)



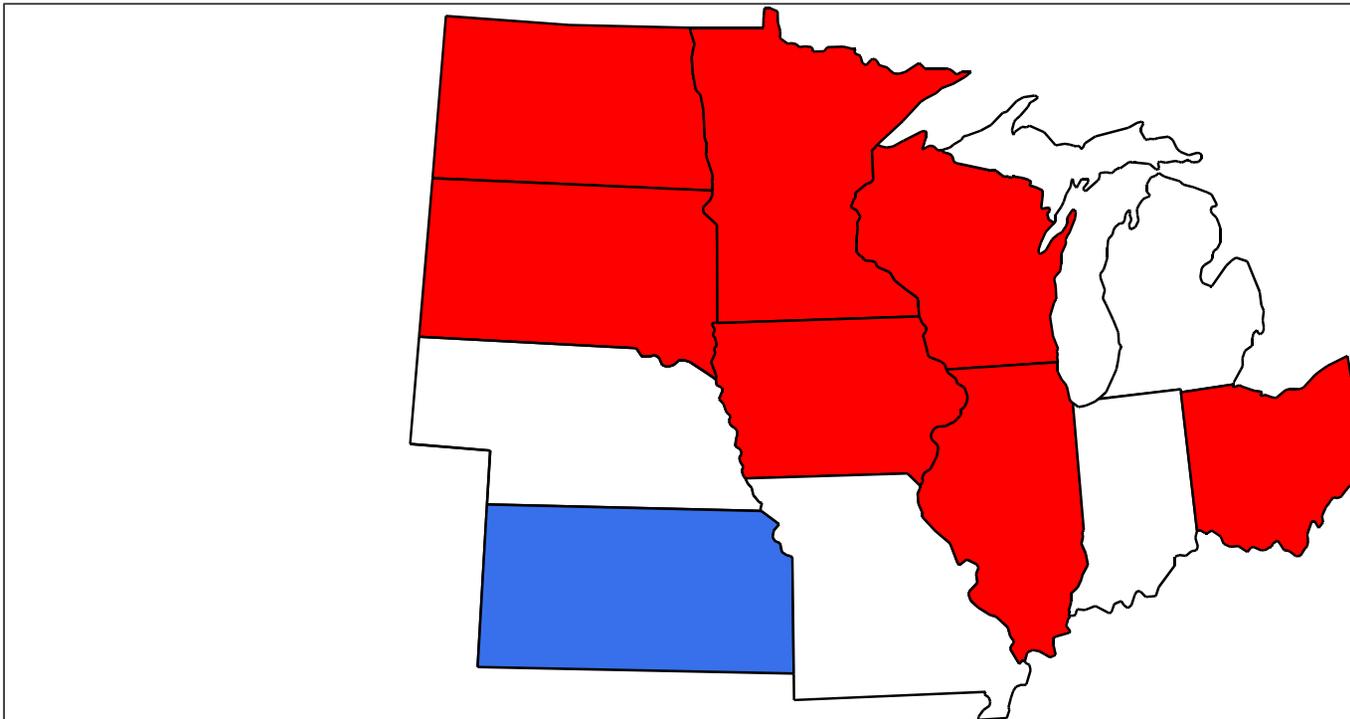
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Partisan Seat Gains in Midwestern State Legislatures (2014 Elections)



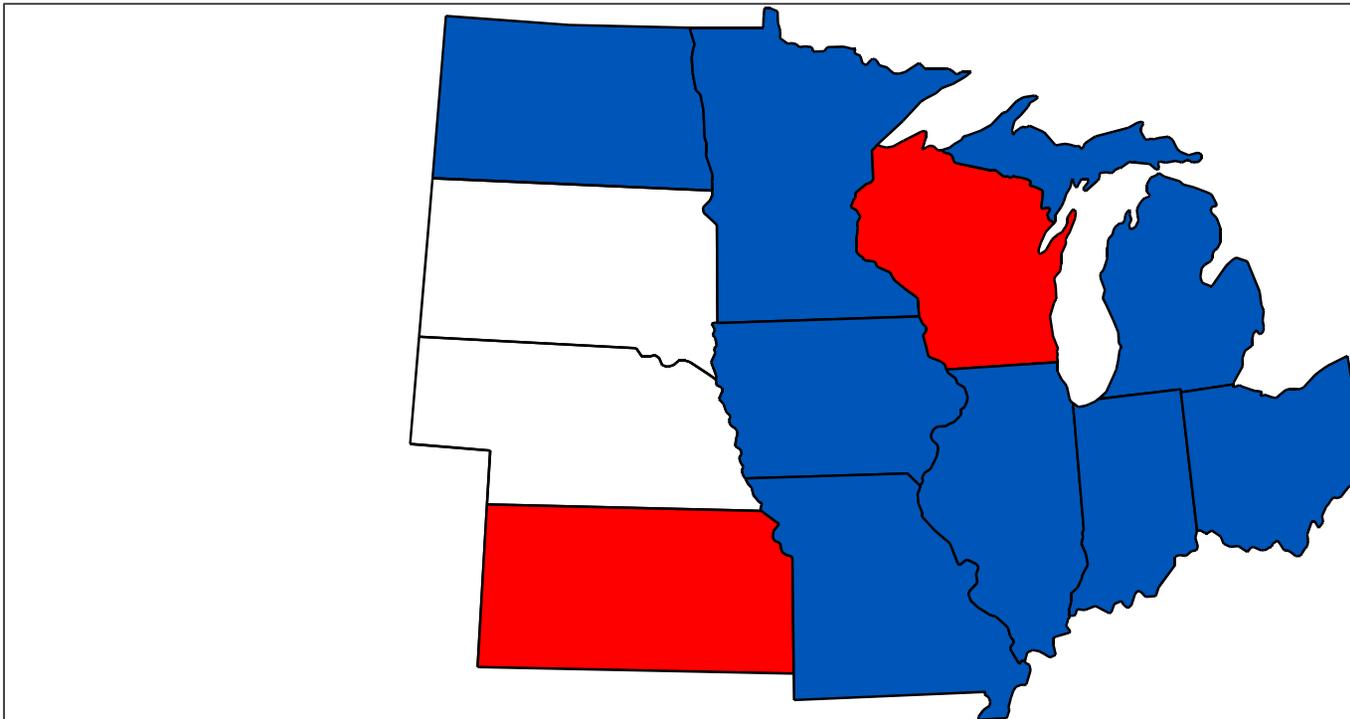
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Partisan Seat Gains in Midwestern State Legislatures (2016 Elections)



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Partisan Seat Gains in Midwestern State Legislatures (2018 Elections)



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2019 Legislative Session Preview



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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!



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“Congratulations, Larry!”



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Thank You, MHEC!

Mike McCabe

Director

CSG Midwestern Office