



Request for City Council Committee Action from the Department of Intergovernmental Relations

Date: September 30, 2013

To: Council Vice President Robert Lilligren and Chair Elizabeth Glidden
Referral to: Committee of the Whole: IGR Subcommittee

Subject: Federal, State, Local update

Recommendation: Receive and File

Prepared and Approved by:

Gene Ranieri, IGR Director _____

Supporting Information: (Please note that Congress could take action to resolve the shutdown prior to the Committee of the Whole. If there is a resolution an update will be presented to the Committee).

Federal: The federal fiscal year (FY2013) ended at midnight September 30 and the new fiscal year (FY2014) begins on October 1. The House and Senate failed to agree on an action to fund 2014 federal appropriations for the federal government. As a result of the inaction the federal government has partially "shutdown" until a funding measure can be approved by both bodies and signed by the President. Essential functions such as defense, social security and medical assistance will continue.

The city of Minneapolis received federal grants in calendar year 2012 that amounted to approximately \$26.0 million. Most city departments do not anticipate any issue with the shutdown if it is relatively short. If the shutdown is prolonged, the time to reimburse for grant eligible expenses could be longer than usual. Another potential impact is the lack of contact with federal agencies. Scheduled meetings and possible decisions on projects and programs having federal participation could result in delays. At this time some federal agencies have announced to the city their operating procedures during a shutdown.

The Department of Housing and Urban Development (HUD), for example, will retain 349 employees out of 8700 to provide minimal service. HUD's Office of Community Planning and Development which administers the community development block grant will operate with a limited staff complement but has set a priority to approve grant expenditure requests from local agencies. (The city's current CDBG program year is funded with FY 2013 funds so current funding exists for our CDBG programs). The Federal Transit Administration (FTA) and the Office of Justice Programs of the Department of Justice will also operate with minimal staff and these agencies indicate that they will not be able to process funding requests or conduct oversight of projects.

In surveying city departments, the Department of Health and Family Support identified five persons who are participating in the Center for Disease Control's Public Health Prevention Specialists (PHPS) and Public Health Associates. The programs participants are funded by the CDC and as such would be furloughed if there is a shutdown. The specialist is a highly skilled person having a master's degree and one year of public health experience who serves two years with a public health agency. Associates are college graduates who are interested in public health and are mentored by a local public health agency. The shutdown would delay projects that are staffed by the specialists or associates.

The Department is monitoring any further communications that will be issued by the federal government.

State: Several legislative committees will be holding hearings during October. Among them that are of interest to the city are the following:

1. Legislative Commission on Sports Facilities, 1PM, October 3, State Capitol Room 123.

The commission will take testimony from the Sports Facilities Authority, the Minnesota Vikings and the Gambling Control Board.

2. House Environment Finance Committee, 1PM, October 7, and 8:30AM, October 8, Room 5 State Office Building.

The Committee will hear testimony on the 7th from state agencies regarding water resources. Additional testimony on water resources and a DNR update on several topics including Asian carp will be heard on the 8th.

3. Legislative Commission on Pensions and Retirement, October 23 and October 24.

The agenda has not been released but the city's amendments to the MERF bill could be heard.