

= 2011 Minnesota state government shutdown =

The 2011 Minnesota state government shutdown was a government shutdown affecting the U.S. state of Minnesota . The shutdown was the result of a fiscal dispute between the Democratic ? Farmer ? Labor Party (DFL) Governor Mark Dayton and the Republican @-@ majority Minnesota Legislature , that was not resolved by the constitutional deadline on June 30 . The Republican caucuses and their leaders demanded bigger spending cuts , and for the budget shortfall to be met without tax increases , while Dayton demanded some tax increases . The shutdown started at midnight on July 1 , and ended after a budget bill was passed and signed on July 20 .

During the shutdown all less important parts of the state government , that were not identified as critical services before the shutdown or in several court cases , suspended their operations . Most state government services were identified as critical or otherwise allowed to continue , so as much as 80 percent of state government spending continued . The eventual budget agreement started to form after Governor Dayton announced on July 14 that he would " reluctantly " pass the last proposal of the Republican legislative leadership before the shutdown , but with conditions . The shutdown was disruptive to the government and some Minnesotans , but its ultimate economic impact was minimal . Politically , it could have influenced the Republican electoral defeat in the 2012 state elections , although there were other factors that may have been more important .

= = Background = =

Going into the 2010 state elections , the Minnesota government faced an approximately \$ 5 billion budget shortfall in the coming 2011 ? 2013 biennium , left over from the outgoing administration of Republican Governor Tim Pawlenty . The Republican Party claimed that the shortfall was a result of unsustainable increases in spending , and pledged to balance the budget without raising taxes . In the gubernatorial election , former U.S. Senator Mark Dayton campaigned pledging to close the budget deficit by increasing income taxes on the state 's highest earners .

The Republicans won control of both houses of the legislature for the first time in decades , while Dayton narrowly defeated Republican candidate Tom Emmer with 44 % of the vote . Many of the newly elected Republican legislators were affiliated with the Tea Party movement and had more anti @-@ government positions than the Republican establishment . Both Dayton and Republican legislators claimed a popular mandate for their positions .

Minnesota 's state government cannot operate without appropriations under law , as mandated by the Minnesota Constitution . However , state courts have determined that Priority One and Two Critical Services must continue in the event of a shutdown . Services that must remain uninterrupted to avoid a potential immediate threat to public health or safety are considered Priority One , and some additional services are designated Priority Two . Before the shutdown , a list of priority services was compiled and prepared by Minnesota Management and Budget , based on recommendations from state agencies .

Since Minnesota had divided governments for decades before 2010 , a number of past budgets had brought the state close to a shutdown , and there had been one shutdown before in state history . After Governor Pawlenty and the Republican @-@ majority House could not agree on a budget with the DFL @-@ majority Senate in 2005 , the state government went through a nine @-@ day shutdown .

= = Preceding budget negotiations = =

Governor Dayton formally proposed a state budget on February 15 , calling for \$ 37 billion in state spending , necessitating cuts of about 10 percent to most state agencies . Because the state was projected to take in only about \$ 32 billion in taxes , the rest of the budget shortfall was covered by increases to income and property taxes for wealthier Minnesotans , as he had promised during his campaign . Meanwhile , Republican legislators , led by House Speaker Kurt Zellers and Senate Majority Leader Amy Koch , demanded the budget be kept below \$ 32 billion .

As negotiations went on during the legislative session , Dayton suggested compromise budget frameworks ultimately reducing his proposed budget to \$ 35 @. @ 8 billion , but insisted that he would go no further and that Republicans were not amenable enough to compromise . The legislature passed budget bills that balanced the budget with significant cuts to social and infrastructure services , rather than raising any taxes . They described their budget as a compromise with the DFL after the state 's revenue forecast was revised upward , as it called for \$ 34 billion in state spending increased from \$ 32 billion . Dayton claimed that the impasse was the doing of " extreme right @-@ wing " freshman Republican legislators whom he did not talk to , and that he had cordial relationships with Republican leaders . In a statement at the end of the session on May 23 , Dayton said " Here I am in the middle ? and they haven 't moved " . Republicans , including Koch and other legislative leaders , consistently insisted they would not accept a budget of over \$ 34 billion , citing polls suggesting public opinion was on their side . During the session , the Republican Party held a rally calling for tax cuts at the State Capitol on May 7 . Protesters supporting Dayton 's tax increases and opposed to the Republicans , many from public employee unions , gathered at the capitol multiple times , including at the end of the session .

By the day after the regular session ended , Dayton had vetoed all of the budget bills passed by the legislature , and said in a statement that he anticipated a shutdown would occur . Dayton did not call a special session of the legislature to further address the budget during May or June , claiming that the lack of agreement between him and Zellers and Koch would make it unproductive to do so . He remained in contact with legislative leaders , sticking by the \$ 35 @. @ 8 billion budget he proposed late in the session , with minor changes . As the end of June approached , Koch urged the governor to call a session to pass a temporary ' lights @-@ on ' bill while a final deal was reached , but he refused to answer this proposal on the grounds that extending the budget 's deadline would not serve the goal of reaching a final agreement . Since the budget impasse had not ended by the end of June 30 , the shutdown began at midnight of June 30 ? July 1 , 2011 .

= = Shutdown = =

At that time the shutdown began , all state government spending and operations not considered to be critical stopped . Suspended state services included driving tests , childcare assistance , senior and disability linkage lines , criminal background checks , and road construction . State government offices , state parks , highway rest areas , and sites run by the Minnesota Historical Society , among others , closed . The commissioner of the Department of Human Services , Lucinda Jesson , said that letters had to be sent to over 580 @, @ 000 households that relied on the department for social services to notify them about the possible shutdown . More critical parts of the state government , including public safety , health care , benefit payments , and care for residents of state facilities continued . Services that were continued during the shutdown could have amounted to as much as 80 percent of state spending .

During the first days of the shutdown , many programs requested that their funding continue , especially social service organizations that relied on state funding . To hear their pleas , the courts appointed retired State Supreme Court judge Kathleen Blatz as a special master . Dayton and State Attorney General Lori Swanson also both submitted petitions to the Ramsey County District Court when the shutdown began , asking for the court to clarify whether some programs could continue . Judges Kathleen Gearin and Bruce W. Christopherson issued their rulings on July 7 , finding that some programs could start again , including criminal background checks , public schools , and local government aid . Gearin complained that the governor and legislature should have been responsible for making decisions about which services could stay open . Gearin had previously heard a case from the Minnesota Zoo , which asked to remain open despite the shutdown , and another from the Canterbury Park horse racing track in Shakopee . While both pay for themselves at least during the summer , Gearin determined that only the Zoo was allowed to operate without legislative appropriations , so she allowed the Zoo to open on July 2 but ordered Canterbury Park to remain closed the same day .

= = Effects = =

During the shutdown , some 19 @, @ 000 state employees were laid off . State and federal government employees in Minnesota lost approximately \$ 65 million in wages over the course of the shutdown . Because of court rulings , some of the 36 @, @ 000 state employees who received layoff notices leading up to the shutdown continued or returned to work during the shutdown . Laid @-@ off employees were immediately eligible for unemployment benefits , and continued to receive health insurance , costing the state millions a week .

In addition to the costs associated with staff , Minnesota lost some revenue during the shutdown . The Minnesota State Lottery did not sell tickets during the shutdown , which meant the state could have lost about \$ 1 @. @ 25 million in revenue daily . Minnesota stopped selling tax stamps for cigarettes , which must be affixed to each pack before sale . The Star Tribune reported that cigarette sales would come to a halt by mid @-@ August if no more tax stamps were issued . The state also stopped issuing liquor purchasing cards , which businesses need in order to purchase liquor from wholesalers . Many stores , bars , and restaurants renewed their liquor purchasing cards before the shutdown . However , the purchasing cards for approximately three hundred establishments expired on the first day of the shutdown , July 1 . Liquor purchasing cards would have continued to expire on the first day of each month . Alcohol brand licenses expired , so MillerCoors lost their license to sell 39 brands of beer in Minnesota , and had to have them removed from shelves .

While public schools remained open during the shutdown , and teachers continued to be paid following Gearin 's ruling , the shutdown interfered with their operations , and would have caused serious problems if it had continued . Teachers could not renew or receive new licenses during the shutdown , creating a backlog , and property tax levy approvals could have been delayed . No fishing , hunting , and boating licenses or new drivers ' licenses were issued during the shutdown . Taxes continued to be due , but tax refunds stopped .

Services for state parks stopped , including roads , making them mostly accessible only by foot , and causing a number of problems . An official for the Department of Natural Resources told the Pioneer Press that visitors were relieving themselves on trails in Gooseberry Falls State Park , as the restrooms were closed , and that uncollected garbage attracted bears in Crow Wing State Park . Vandalism occurred at Afton State Park , where the main office was " ransacked " and a group of twelve " ripped off shingles and pieces of deck for firewood , burned additional furniture and wrote messages bragging about breaking in for free " . While many state @-@ run attractions were closed during the shutdown , institutions not part of the state government stayed open . Museums such as the Science Museum of Minnesota reported an increase in visits , as did county parks and attractions in neighboring states .

In an arson case at the former home of Governor Dayton near Lake Harriet in Minneapolis , police were " investigating the possibility that someone [was] upset over last week 's shutdown " .

In total , about \$ 48 million in revenue was lost , and over \$ 10 million was spent on expenses related to preparing for and recovering from the shutdown . Overall , the shutdown disrupted the state government 's activities , the lives of some Minnesotans (especially the most vulnerable) , and private sector work such as road construction , but had minimal impact on the larger economy of the state .

= = Budget agreement = =

For the first two weeks of the shutdown , there was little progress and neither the governor nor the Republican leaders made proposals accepted by the other side . On July 4 , Republican lawmakers affirmed their commitment to not agree to a budget of over \$ 34 billion . Documents leaked after June 30 stated that the Republican leadership included anti @-@ abortion provisions , a voter ID requirement , and a ban on stem cell research during the budget negotiations . Both the Republican legislative leaders and Dayton (along with DFL legislative leaders) toured Minnesota to make their case to Minnesotans . The government shutdown ended after Governor Dayton announced on July 14 that he would accept the last Republican offer before the shutdown , albeit with certain conditions

The Republican offer called for an approximately \$ 35 billion budget and no tax increases , and relied on delaying the payment of some K @-@ 12 school aid and issuing bonds against future tobacco revenue to cover the remaining gap . It differed from the previous Republican proposals in several provisions , particularly increasing the K @-@ 12 per @-@ student formula by \$ 50 per year to cover additional borrowing costs , adding \$ 10 million to the University of Minnesota budget to equalize Minnesota State Colleges and Universities cuts , and restoring funding to the Department of Human Rights and the Trade Office . Dayton 's conditions were that measures on social issues such as abortion be dropped from the budget , 15 percent reductions to state employees in all agencies be dropped , and a \$ 500 million infrastructure construction bonding bill .

When a final agreement was reached with the Republican legislative leadership , Dayton called a special session of the legislature on July 19 . The legislature met on July 20 and passed the budget bills , which were signed the same day by the governor . Most state employees returned to work on July 21 , facing a backlog of unfinished work and new problems in many agencies . After the budget was passed , Dayton said he approached Republicans again after meeting with ordinary citizens ? who said they wanted government services to resume and did not care how the shutdown was ended ? and because he feared a worse budget deal and unease in the DFL legislative minorities . Zellers said when the deal was finalized that in his view it was " a deal that we can all be disappointed in , but a deal that is done , a budget that was balanced . " His sentiments that a ' balanced ' budget needed to be passed , and that both sides had something to be unhappy about , were echoed by Koch .

= = Political influence = =

According to a MinnPost poll , Minnesotans blamed the Republican legislature more for the shutdown . Overall , 42 % said Republicans in the legislature were more responsible , 21 % said the DFL governor was more responsible , and 22 % volunteered an answer that they were equally to blame . As expected , partisans blamed the other party more ; only 10 % of Republicans blamed the legislature more , and only 2 % of DFLers blamed Dayton more . Following the shutdown , DFL Representative Phyllis Kahn authored a continuing appropriations bill that would prevent government shutdowns in the event of disagreements between the governor and legislature , as she had done in several past sessions . The House commissioned a policy brief from its research department , published in December 2011 , that looked into what such a bill would require . The brief noted that such ideas had been considered before , including after the 2005 shutdown , and had been abandoned .

In the state elections of 2012 , during which all members of the legislature (but not the governor) were up for election , the shutdown was a major campaign issue . The Republicans lost their majorities in both houses of the legislature , giving the DFL full control of the state government . Kurt Zellers and other Republican legislators said the shutdown probably was one reason for their electoral defeat . However , other national and state issues may have had more of an influence on the result . The presidential race was also on the ballot , as were the proposed Minnesota Marriage Amendment and Voter ID Amendment , which had been put on the ballot by the legislature in 2011 . All of these ballot items increased the turnout of DFL @-@ leaning voters .

After winning control of the state legislature , the DFL passed a \$ 38 billion budget containing the tax hikes on the wealthy that Dayton had wanted in 2011 . The shutdown still was a political issue in the 2014 elections , when gubernatorial candidates Zellers and Marty Seifert were among the candidates for statewide office who had been Republican legislators during the shutdown . Zellers claimed having " balanced the budget without a tax increase " during the shutdown was his signature accomplishment as speaker , but he was criticised by Republican rivals and DFL leaders alike for the shutdown and for the means by which the budget was balanced .