



## Co-op Kudos

Congratulations to Select Sires Inc. and Accelerated Genetics on the [announcement](#) of their merger.

NRECA's Youth Tour will have a [record-setting attendance](#) of 1,800 students promoting a unified message of safety, hope and activism in the Nation's Capitol.

## Cooperative Network Calendar

**June 20: Resolutions Committee Meeting,** Eau Claire, Wis.  
[Learn More...](#)

**June 21: Dairy Committee and Dairy Legislative and Regulatory Committee meetings,** La Crosse, Wis.  
[Learn More...](#)

**July 27: Wisconsin Agricultural Credit Issues Conference,** Stevens Point, Wis.  
[Learn More...](#)

**[Save the Date!](#)**



## Cooperative Network News

### Minnesota

#### **Courtroom battle over budget begins to brew between lawmakers**

On the heels of yet another acrimonious end to the 2017 session, legislative leaders recently filed a lawsuit against Governor Mark Dayton over his line-item veto of legislative branch funding for the upcoming biennium. The leaders contend that his de-funding one branch of state government by another branch is unconstitutional and a violation of separation of powers. Due to his de-funding of the legislature starting on July 1, a courtroom showdown between two of the three branches of government is on the horizon. Claiming the governor took an unconstitutional step to defund the legislature, House Speaker Kurt Daudt (R – Crown) and Senate Majority Leader Paul Gazelka (R – Nisswa) stated their disappointment with the governor's decision over differences he and his administration had previously agreed to. After the lawsuit was filed, the governor in turn hired former Minnesota Supreme Court Justice Sam Hanson as his outside counsel. The court could rule the line-item veto unconstitutional and funding must continue to flow to the legislature, or a ruling could favor the governor which could result in a special session to settle the outstanding items the governor continues to object to that were included in the bills he has already signed into law.

#### **Key legislation for electric cooperatives signed into law**

Minnesota's electric cooperatives had several major successes at the legislature this session. "Local democracy" legislation was enacted this year aimed at eliminating unnecessary and duplicative regulation of electric cooperatives that are already regulated by local democratically elected boards. Compromise language contained in the Jobs, Economic Growth, Commerce, Energy, and Housing omnibus budget bill requires independent third party mediation to resolve disputes between cooperative member-owners and their utility. Regulation by these local boards is done within state and federal law, balancing the interests of the members of the local cooperative. In addition, the Judiciary and Public Safety omnibus budget bill contained language to include electric cooperatives as eligible entities to be paid the nonfederal share for publicly owned capital improvement projects from the state disaster assistance contingency account. In addition, language was included in the same bill to ensure a minimum balance is maintained in account.

**Aug. 8: Electric Sector meeting, St. Cloud Minn.**

Cooperative Network was pleased to throw our strong support behind these initiatives in partnership with our allies at the Minnesota Rural Electric Association.

**Legislation allowing meeting flexibility for credit unions signed into law**

Cooperative Network supported legislation to allow credit unions flexibility in how they notify members and allow them to use e-communication was recently signed into law. S.F. 1190/H.F. 1477, authored by Sen. Andrew Mathews (R – Milaca) and Rep. Kelly Fenton (R – Woodbury), was included as a key lobbying issue for credit union members during Co-op Day at the Capitol. The bill doesn't change the requirement that members are notified of annual and special meetings, and members who don't opt into electronic communications would still get paper notices. The legislation was supported overwhelmingly on both the Senate and House floors and was also supported by the Minnesota Department of Commerce. Another key aspect of the legislation is that it would provide savings on printing & postage benefit for credit union members which would in turn lower fees and allow for higher rates of returns. We would also like to thank our allies at the Minnesota Credit Union Network for their leadership and work on this issue. From legislative advocacy, to the partnership during their annual meeting and Day at the Capitol, our work together has been extremely valuable – to our organizations, but more importantly to our members. We look forward to strengthening our partnership with MnCUN in the future to serve our members in working to fulfill the sixth Cooperative principle: Cooperation Among Cooperatives.

**Tax bill repeals agriculture containment tax exemption**

The agriculture containment tax exemption law was repealed last month when the governor signed the tax bill into law. Cooperative Network had worked diligently on this issue throughout the course of session and news of the repeal was unexpected. Tax conference committee members had previously agreed to adopt language that would modify the tax exemption, not completely repeal it. However, the conference report on the tax bill that contained the modification was vetoed by the governor. An outright repeal had not been considered by the legislature nor publicly supported by the Department of Revenue (DOR) this past session. The DOR publicly stated that they had concerns with the modification language and with creating a partial tax exemption, however they did not comment on support for a full repeal. Conversations with lawmakers indicated the DOR supported the full repeal and opposed the modification language during closed door negotiations. Now that the governor has signed the tax bill into law, agriculture containment property that was classified by an assessor as exempt for pay 2016 or 2017 will remain exempt. Cooperative Network is disappointed that the modification language was not supported, and continues to inform lawmakers that the issue be revisited if there is a special session this summer and during the 2018 legislative session.

**Cooperative Network urges congressional opposition to HUD policy**

Members of Minnesota's congressional delegation were recently made aware of a recent situation with the United States Department of Housing and Urban Development (HUD) that stands to have a major effect on senior housing cooperatives throughout the Upper Midwest. During the previous administration, HUD established a policy which now precludes senior housing cooperatives from restricting occupancy to seniors, making these communities functionally indistinguishable from any non-age restricted multi-family housing community. Cooperative Network informed members of the delegation that HUD's policy creates an entirely new class of protected individuals that has effectively eliminated seniors' ability to live among their peers. Under the express terms of the Fair Housing Act (FHA), HUD does not have the legal authority or standing to create policies or regulations that violate the Act. On behalf of the thousands of Minnesotans who reside in the over 80 senior housing

cooperatives throughout the state, Cooperative Network respectfully requested the members of Congress to encourage HUD to abandon this new internal policy.

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# CO-OPS COMMIT

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## Co-op Month 2017

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*Cooperative Network, together with NCBA CLUSA, have announced this year's theme for National Co-op Month: "Co-ops Commit". [Click here to learn more.](#)*

### Wisconsin

#### **JFC rejects Walker's self-insurance plan**

On Thursday of last week the Joint Committee on Finance (JFC) voted 16-0 to not include a self-insurance plan for state employees in the 2017-19 State Budget. Committee members were concerned that such a plan would not generate Walker's anticipated savings of \$60 million and it could end up costing state government more. JFC instructed the Group Insurance Board (GIB) achieve savings through better negotiations and a drawdown of insurance reserves to replace the \$60 million that Walker had written in his budget. Time is running short for the legislature to finish the 2017-19 State Budget by the end of the state's fiscal year on June 30, 2017.

#### **ACCP council meets, approves reimbursement recommendations**

The Agricultural Chemical Cleanup Program Council met Tuesday, June 13 and approved DATCP staff recommendations for site cleanup reimbursement for three companies, including two cooperatives. The council chose Sept. 18 for its next quarterly meeting. Cooperative Network participates on the Council.

#### **APS rule proposal set for hearings July 14 and July 19**

DATCP public hearings are set on proposed Agricultural Producer Security rule changes on July 14 in Stevens Point and July 19 in Madison. The proposed rules will change assessments for grain dealers, milk contractors and vegetable contractors. For grain dealers, an automatic reduction in the fund assessments paid by grain dealers would occur when the grain dealer portion of the fund exceeds the statutory maximum, which is \$6 million. More hearing details will be forthcoming in the future.

#### **Legislative Audit Bureau releases audit of unemployment reserve fund**

The Legislative Audit Bureau (LAB) this month released an audit of the financial statements of the Wisconsin Unemployment Reserve fund, which accounts for regular unemployment benefits paid to eligible individuals and is funded primarily through taxes paid by employers. The LAB noted that the fund's net position as of June 30, 2016, was \$1.2 billion, an increase of \$905 million from the net position two years earlier. They stated, "The increase in net position is a result of revenues from employer taxes and other sources exceeding benefit payments and transfers since fiscal year 2011-12. In fiscal year 2015-16, employer taxes and other revenue totaled \$936.5 million, compared to total benefit payments and transfers of \$521.3 million." LAB also observed that due to the cash balance continuing to increase as of June 30, 2016, the second lowest tax rate schedule applies in calendar year 2017. The audit was done at the request of the Department of Workforce Development (DWD).



### **Cooperative Network participates at Wisconsin FFA Convention**

Cooperative Network was very active and visible at this year's Wisconsin FFA Convention, which had the theme: "Small Acts, Big Impact." In addition to Cooperative Network's sponsorship of several contests and awards, various staff served as contest judges and advised participants in the "FFA Day on the Hill" event on how to communicate with your legislator.



David Erickson, who retired as Cooperative Network's Director of Member Services in 2015, was inducted in the Wisconsin FFA Hall of Fame, in recognition of his impact on the State FFA Association. Cooperative Network's Director of Communications, Sara Schoenborn, was awarded an Honorary State FFA Degree, the highest degree that the FFA Association can bestow on a non-member.

## Federal

### **Coverage election period for MPP begins July 3**

The USDA recently reminded participants in the Margin Protection Program for Dairy that the annual coverage election period for calendar year 2018 MPP-Dairy coverage begins July 3, 2017, and ends Dec. 15, 2017. Participating dairy operations that participated in any of coverage years 2014 through 2017 are required to participate in the MPP-Dairy program through 2018 with at least catastrophic coverage. To enroll in 2018 MPP you must make your coverage elections, pay a \$100 administrative fee and complete and submit form CCC-782 to your FSA county office between July 3 and Dec. 15, 2017.

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