

WEEKLY LEGISLATIVE UPDATE

May 19, 2025

Issue No. 19

Anoka | Benton | Blue Earth | Carver | Chisago | Crow Wing | Dakota | Olmsted | Otter Tail | Rice | St. Louis | Scott | Sherburne | Stearns | Washington | Winona | Wright

HEADLINES

Legislative leaders agree to joint targets, some bills move but more don't as special session looms

On Thursday morning <u>legislative leaders announced</u> <u>agreed-upon joint targets</u> between the House DFL, House Republicans, Senate DFL, and Governor's office. While Senate Republican leader Mark Johnson was present for much of the negotiations he did not sign the agreement and did not take part in the press conference. (In theory Republicans do not need to provide votes for any budget agreements since the DFL has a 34-33 majority in that chamber, unlike in the House where the 67-67 tie requires bipartisan agreement to get to the 68 votes that are constitutionally required for any bill to pass.)



General Fund Net Targets House/Sen/Gov Agre 1 Net Targets FY 2025-27 FY2028-29 2 Areas Within Omnibus Rills 3 K-12 Education (420,000)4 Health and Human Services (97,680) 20,000 (70,000)HCAF Balance Financing (115,000) Provider Tax Gross Revenue Definition & HCAF Financing (23,900) (30,100) Other DHS 38,000 NEMT (22,780)(104,778)Children and Families 6,000 (15,000) 11 Human Services (270.000) (820,000) Higher Education 22,000 13 Agriculture, Broadband and Rural Development 9.000 3.000 Housing and Homelessness Prevention 15,000 3,800 15 Environment, Climate, and Legacy (6.500) 2.500 Energy, Utilities, Environment & Climate (4,000)(4,000)17 Commerce and Consumer Protection (3,000) (12,000) 18 Workforce, Labor, and Economic Development (28,000)(38,800)Jobs and Economic Development (30,000)Labor 2,000 1.200 21 State Government 45,000 50,000 22 Veterans and Military Affairs 50,508 54,538 (1,064) 24 Transportation (115,000) (133,000) 25 Judiclary and Public Safety 107,423 112.079 Judiciary 19.163 54.822 88,260 57,257 28 Debt Service and Capital Projects (10,907)(168,028) Taxes and Local Aids (118,000) (190,000) 31 Other Items 32 Pensions 80,000 33 Executive Branch Carryforward 30,000 15,000 9.164 (47.400) (283,056) (1,805,583) 38 Remaining balance excluding inflation 1,884,138 (290.472) 39 Structural balance excluding inflat (2,174,610) 40 Percent reduction in structural imbalance 45%

With the targets announced there were varying degrees of work being done on different omnibus bills. Some conference committees, like Higher Education, met and exchanged public offers. Others did work behind the scenes and had one meeting to adopt the agreed upon language, as was the case in Housing and Cannabis. There were committees that held public meetings without making much progress, such as Workforce & Labor, and there were of course committees that didn't hold public meetings and made even less progress. And then there are bills like Bonding and Taxes which typically travel last. There appears to be no exception to that rule this year, with Bonding being as difficult to project as ever. While both chambers have released tax bills neither of them align with the joint targets and neither of them ever moved to a floor vote.

While the legislature has bills that could or should still make it across the finish line yet today, most notably Pensions, there are far more bills destined for special session negotiations. It's unclear when that special session will take place. We should know more in the coming days if not hours. Some at the capitol were still hoping for a special session that could be held and

wrapped up May 22-23, but more were acknowledging that it would be difficult to move the remaining bills across the finish line before June.

What's unclear is when that special session gets called how the bills will be put together. Most likely they will be closed door negotiations between chairs with informational hearings held once agreements have been reached and a special session has been called. Theoretically that type of special session could wrap up in a day or two. That's the model the legislature followed in 2019. But if a special session is called it could drag on longer than anticipated. In 2021 the Governor called a special session that started on June 14 with omnibus bills getting introduced on the first day. It wasn't until July 1 that the legislature finally adjourned that year. The added dynamics of upset caucuses, a tied House, a one seat DFL majority in the Senate, and a significant budget deficit in the out biennium make this path more complicated to navigate than either of those recent examples.

One thing that is certain is that from a process perspective everything goes back to square one. If a bill was in conference committee during the regular session, some version of it has to be reintroduced once special session begins. That means the special session won't have the advantage of conference committee reports, which cannot be amended and can move faster during the last few days of regular session.

News and Notes:

- Omnibus bill tracking: MICA has put together an <u>omnibus bill spreadsheet</u> to help keep track of the current status of
 each omnibus bill: if it's passed off the floor, in conference committee, etc. We should note that things can and will
 change rapidly, and the spreadsheet as published in this Legislative Update reflects one static moment in time each
 week. That spreadsheet is available below and a version that will continue to be updated is <u>available online</u>.
- Future updates: MICA's regularly scheduled legislative update will go out tomorrow afternoon. After that the timing of these updates will depend on the timing of special session and if/when there is substantive news to report. We'll keep you updated as we can. In the meantime, if you have any questions, please feel free to reach out to any MICA team member our contact information is at the bottom of this update.

OMNIBUS BILL TRACKING (AS OF 5/19/2025 9:00 AM)

MICA Budget Bill Tracking	House Bill	Status	Senate Bill	Status	Conference Committee Members	Status
Taxes Omnibus	HF2437	On House floor	SF2374	On Senate floor		Special session
Transportation Budget & Policy Omnibus	HF2438	Passed House 85-49 on 4/28	<u>SF2082</u>	Passed Senate 37- 28 on 5/1	House: Koznick, Olson, Koegel, Tabke Senate: Dibble, Johnson Stewart, Carlson, Clark, Jasinski	Special session
Capital Investment Omnibus		To be released		Senate spreadsheet (not final)		Special session

MICA Budget Bill Tracking	House Bill	Status	Senate Bill	Status	Conference Committee Members	Status
Health and Human Services Budget and Policy Omnibus	HF2435	Passed House 95-38 on 5/12	<u>SF2669</u>	Passed Senate 34- 33 on 5/14	Wiklund; Mann; Utke, Bierman; Kotyza-Witthuhn; Reyer; Backer; West; Nadeau	Special session
Human Services Budget Omnibus	HF2434	Passed House 109-25 on 5/5	<u>SF3054</u>	Passed Senate 35- 32 on 5/7	Hoffman, Fateh, Maye Quade, Mohamed, Abeler, Schomacker, Gillman, Jacob, Noor, Keeler, Curran	Special session
Human Services Policy Omnibus	HF2115	Passed House 121-13 on 5/5, Conference report on House floor	<u>SF2443</u>	Passed Senate 35- 32 on 5/7	Hoffman, Fateh, Maye Quade, Rasmusson, Abeler, Schomacker, Gander, Noor, Frederick	Language approved by conference
Cannabis Omnibus	<u>HF1615</u>	Passed House, 82-50 on 5/5, conference report repassed 80- 50 on 5/17	<u>SF2370</u>	Passed Senate 34- 32 on 4/28, Conference Report repassed 34-33 on 5/17	Dibble, Port, Rasmusson, Stephenson; Hanson, J; West; Allen	Language approved by conference
Environment Budget & Policy Omnibus	HF2439	Passed House 129-5 on 5/5	<u>SF2077</u>	Passed Senate 35- 30 on 4/29	Hawj, Kunesh, Johnson-Stewart, Green, McEwen, Heintzman; Schultz; Nelson; Fischer; Pursell; Finke	Special session
Energy, Utilities, Environment, and Climate Budget and Policy Omnibus Bill	HF2442	Passed House 112-21 on 5/7	<u>SF2393</u>	Passed Senate 36- 31 5/12	Acomb, Kraft, Swedzinski, Sexton	Special session
Legacy	HF2563	Passed House 115-19 on 4/25, Conference Report repassed 113- 21 on 5/18	<u>SF2865</u>	Passed senate, 41-26 5/12, Conference Report repassed 37-30 on 5/18	Hawj, McEwen, Pha, Mohamed, Pratt, Vang, Hussein, McDonald, Skraba	Language approved by conference
Agriculture, Broadband, and Rural Development Budget and Policy Omnibus	HF2446	Passed House 130-3 on 4/24, Conference Report repassed 130- 4 on 5/18	<u>SF2458</u>	Passed Senate 43- 23 on 4/30, conference report repassed 58-8 on 5/18	Anderson PH, Hanson, R, Harder, Smith, Godfrey, Burkel; Putnam, Kupec, Westrom	Language approved by conference

MICA Budget Bill Tracking	House Bill	Status	Senate Bill	Status	Conference Committee Members	Status
E-12 Education Policy Omnibus	HF1306	Passed House 131-3 on 5/16	<u>SF1740</u>	Passed Senate 39- 26 on 4/24	Cwodzinski; Kunesh; Maye Quade; Gustafson; Coleman, Jordan; Hill; Bennett; Lawrence	Special session
Jobs, Labor, and Economic Development Budget & Policy Omnibus	HF2440	Passed House 115-19 on 5/9	<u>SF1832</u>	Passed Senate 35- 30 on 4/29	Pinto; Greenman; Frazier; Baker; Zeleznikar; Mekeland, Champion; McEwen; Mohamed; Hauschild; Oumou Verbeten; Draheim	Special session
Veterans and Military Affairs Budget and Policy Omnibus	HF2444	Passed House 126-6 on 4/29, Conference Report repassed 130- 0 on 5/17	<u>SF1959</u>	Passed Senate 65- 0 on 4/23, Conference Report repassed 45-19 on 5/17	Anderson, Gustafson, Putnam; Bliss, Duran, Xiong, Hemmingsen-Jaeger	Language approved by conference
Commerce Budget & Policy Omnibus	HF2443	Passed House 112-19 on 4/29	<u>SF2216</u>	Passed Senate 35- 29 on 4/23	Klein, Dahms, Seeberger; Her, Elkins, O'Driscoll, Rymer	Special session
E-12 Education Finance Budget Omnibus	HF2433	Passed House 93-41 on 5/16	<u>SF2255</u>	Passed Finance, on Senate floor		Special session
Housing and Homelessness Prevention Budget and Policy Omnibus	HF2445	Passed House 106-25 on 4/29, Conference Report repassed 108- 26 on 5/18	<u>SF2298</u>	Passed Senate 40- 24 on 4/22, Conference Report repassed 36-31 on 5/17	Port, Boldon, Lucero; Igo, Nash, Howard, Kozlowski	Language approved by conference
Higher Education Budget and Policy Omnibus	HF2431	Passed House 120-14 on 4/28	<u>SF2483</u>	Passed Senate 37- 28 on 5/1	Rarick, Robbins, Wolgamott, Coulter, Fateh, Putnam, Duckworth	Conference committee meeting
Liquor Omnibus	HF2027	On House floor	<u>SF2511</u>	Passed Senate 53- 12 on 4/28		
Pensions	<u>SF2884</u>	Passed Ways & Means on 5/18, on House Floor	SF2884	Passed Senate 55- 12 on 5/18		Language passed by senate
State and Local Government and Elections Budget & Policy Omnibus	HF2783	Passed House 113-21 on 5/1	<u>SF3045</u>	Passed Senate 35- 29 on 4/25	Xiong, Carlson, Maye Quade, Westlin, Lang; Klevorn, Nash, Freiberg, Altendorf	Conference committee meeting

COMBINED HEARING SCHEDULES

Next 7 Days Combined Hearing Schedule

CONTACT US

Executive Director
Nathan Jesson

nathan.jesson@mica.org 479-651-5416 (cell) 651-222-8737 (office)

Transportation Legislative Liaison

Amber Backhaus

amberb@unitedstrategiesllc.com

612-963-2232 (cell)

Health & Human Services Legislative Liaison

Nancy Silesky

nancy@cortholten.com 651-747-7242 (cell) 651-291-1900 (office)

Environment Legislative Liaison

Rachel Sosnowchik rachel@goffpublic.com 402-651-0238 (cell)