

MESSERLI | KRAMER

2022 Session Summary

Table of Contents

Introduction

- [The Return to the Capitol](#)
- [A Historic Surplus and Federal Funding](#)
- [Targets and a Budget Framework](#)
- [Looking Ahead](#)

Bills That Passed

- [COVID-19 Workers' Compensation Presumption](#)
- [Southwest Light Rail Transit Project Audit](#)
- [ALS Research and Caregiver Support](#)
- [Russia Divestment](#)
- [Reinsurance](#)
- [Unemployment Insurance Trust Fund and Frontline Worker Pay](#)
- [Omnibus Liquor Bill](#)
- [Mental Health Omnibus Bill](#)
- [Omnibus Legacy Bill](#)
- [Omnibus Health and Human Services Policy Bill](#)
- [Environment and Natural Resources Trust Fund Bill](#)
- [Omnibus Veterans and Military Affairs Bill](#)
- [Omnibus Agriculture and Broadband Finance and Policy Bill](#)

Bills That Did Not Pass

- [Bonding Bill](#)
- [Omnibus Cannabis Bill](#)
- [Sports Betting Bill](#)
- [Paid Family Medical Leave Bill](#)
- [Omnibus State Government, Transportation, and Pensions Bill](#)
- [Omnibus Tax Bill](#)
- [Omnibus Education Finance and Policy Bill](#)
- [Omnibus Higher Education Finance and Policy Bill](#)
- [Omnibus Health and Human Services Finance Bill](#)
- [Omnibus Jobs, Energy, and Commerce Finance and Policy Bill](#)
- [Omnibus Housing Finance and Policy Bill](#)
- [Omnibus Public Safety and Judiciary Finance and Policy Bill](#)
- [Omnibus Environment Bill](#)

Elections and Redistricting

Introduction

The deadline for the Minnesota Legislature to pass bills came and went without much to show for it. With one week left in the Regular Session, Legislative Leaders and the Governor announced spending targets for each of the committees. The agreement divided up the surplus three ways between spending, tax cuts, and money left on the bottom line. The agreement included \$4 billion in spending and \$4 billion in tax cuts. The 4 billion in spending included: \$1 billion for K-12 Education, \$1 billion for HHS, \$450 million for Public Safety and \$1.32 billion for the other spending areas. The agreement also included a \$1.48 billion bonding bill plus \$150 million in cash for capital projects.

The morning before adjournment, most major bills remained unresolved and Speaker of the House Melissa Hortman acknowledged that there wasn't enough time to process bills before the midnight deadline. The Speaker said she would ask Governor Walz to call a Special Session to finish up work if agreement could be reached. Senate Majority Leader Jeremy Miller responded that the Senate had no interest in a special session and encouraged chairs to get agreement in any areas they were able to by midnight. The Governor had also stated several weeks earlier that he would not call a Special Session.

Conferees did reach agreement on the Omnibus Tax Bill; however, without the spending bills that were part of the global agreement, the House refused to pass the Tax Bill. Neither the House or the Senate released a bonding bill at any point during session.

The Legislature worked up until midnight and passed a handful of smaller bills; however, none of the larger bills were acted upon. Immediately after session ended, the Governor said he would call a Special Session if an agreement could be reached; however, Senate Majority Leader Jeremy Miller was cool to the idea. As of the writing of this summary, discussions were continuing on the possibility of coming back to finish all of the undone work.

A Historic Surplus and Federal Funding

In February 2022, the Department of Management and Budget released the budget forecast that legislators would use to assemble supplemental budget bills. Adding an additional \$1.5 billion to the then \$7.7 billion forecast, Minnesota's surplus rose to a historic \$9.253 billion. Typically in even-numbered years, the Legislature focuses on bonding projects and filling in the budget where necessary. With the incredible size of the surplus, a long list of new or expanded programs and tax cuts quickly made their way into conversations.

Several factors can be credited to creating this historic surplus such as increased consumer spending, incomes, and corporate profits. Decreased spending played a role with the state spending \$270 million less in the current biennium, primarily in E-12 education and health

and human services. Minnesota's consistently decreasing unemployment rate, down to 2.5% in March 2022, was also a factor.

The Legislature also had federal spending programs, such as the American Rescue Plan (ARP) and the Infrastructure Investment and Jobs Act (IIJA) to consider. Minnesota received an \$8.5 billion investment from the American Rescue Plan to utilize in three categories: \$2 billion in local fiscal recovery funds including \$644 million direct to 21 urban cities; \$2.8 billion in state fiscal recovery funds including immediate COVID response, long-term pandemic recovery, and revenue replacement; and \$3.5 billion in federal programming for initiatives supporting families, students, and small businesses. The federal Infrastructure Investment and Jobs Act will allocate \$6.8 billion for Minnesota's roads, bridges, broadband, and many other areas of infrastructure.

Looking Ahead

After the dust of the Session and potential Special Session settles, the Legislators will focus on their next endeavors: retirement or reelection. Every ten years, following a federal census, Legislative and Congressional districts are redrawn to reflect demographic changes. These new maps lead to significant turnover in the Legislature and contested races between colleagues or newcomers challenging incumbents. The Governor, all statewide offices, each of Minnesota's eight Congressional House seats, and all 201 Legislators will be on the ballot this November.

Bills That Passed

COVID-19 Workers' Compensation Presumption

H.F. 1203 Representative Wolgamott/Senator Howe

View the bill summary [here](#).

[Chapter 32](#)

Back in 2020, legislation established a presumption that first responders who contracted COVID-19 would be eligible for workers' compensation benefits. The presumption sunset on December 31, 2021. Beginning on January 1, 2021 a first responder who contracted COVID-19 would have to affirmatively show that they contracted it at work. The bill reestablished the presumption effective the day it was passed, February 3, and it is not retroactive. This was the first bill passed by the Senate in the 2022 Regular Session.

Southwest Light Rail Transit Project Audit

H.F. 3035 Representative Hornstein/Senator Dibble

View the bills summaries here: [House](#) and [Senate](#)

[Chapter 39](#)

The Southwest Light Rail will be a 14.5 mile extension to the current Metro Green Line, connecting downtown Minneapolis to Eden Prairie. Approved for construction in May 2018 by the Met Council and Hennepin County, the Southwest Light Rail project has since exceeded original costs and met significant delays. In 2021, three years after its approval, the project is \$200 million over budget. The project was highlighted in an independent expert review which led to the passing a bill requiring the Legislative Auditor to perform a special review the Southwest Light Rail project.

ALS Research and Caregiver Support

Representative Lislegard / S.F. 3372 Senator Tomassoni

View the bills summaries here: [House](#) and [Senate](#)

[Chapter 42](#)

This bill did pass.

On March 30, Governor Walz signed a \$25 million bill to fund research for Amyotrophic Lateral Sclerosis (ALS) as well as to provide support for ALS caregivers. The bill was authored by Senator David Tomassoni, a veteran Iron Range Senator who was diagnosed with ALS in 2021.

There are few treatment options and no cure for the progressive disease affecting nerve cells in the brain and spinal cord. This legislation provides \$20 million to the Office of Higher Education for competitive grants for research into the disease's prevention, treatment, causes, and cure. The legislation had tremendous bipartisan support in both bodies and from the Governor.

Russia Divestment

H.F. 4165 Representative Jordan / S.F. 3928 Senator Housley

View the bills summaries here: [House](#) and [Senate](#)

[Chapter 43](#)

Following Russia's invasion of Ukraine, the Minnesota Legislature passed bipartisan legislation ordering Minnesota's state pensions and other state-administered funds to divest any Russian and Belarusian assets. This bill also prohibits state agencies from entering into any contracts with companies headquartered in Russia or Belarus. Indirect holdings of investment funds are not impacted, nor does it affect local or county governments except if the State Board of Investment manages their investments.

Reinsurance

H.F. 3717 Representative Stephenson / S.F. 3472 Senator Dahms

View the bill summary [here](#).

[Chapter 44](#)

This bill did pass.

First enacted in 2017, Minnesota's reinsurance program was created to support the private insurance market by temporarily combating high premiums. The reinsurance program absorbs a portion of the most expensive claims to keep health plans from drastically raising premiums to cover costs. The Legislature voted to reauthorize the program for five years and to fund it for three. Both sides agree ongoing work is needed to find a permanent solution to lower premium costs.

Unemployment Insurance Trust Fund and Frontline Worker Pay

H.F. 3166 Representative Pelowski / S.F. 2677 Senator Pratt

View the bills summaries here: [House](#) and [Senate](#)

[Chapter 50](#)

This bill did pass.

A top priority for many legislators this session was addressing the Unemployment Insurance (UI) trust fund. During the COVID-19 pandemic, unemployment numbers reached a record high causing many Minnesotans to apply for unemployment insurance. The UI trust fund

quickly depleted the \$1.7 billion in reserve leading Minnesota to turn to the federal treasury to cover its UI obligations, ultimately borrowing \$1.2 billion.

Minnesota had to repay these federal loans but Legislators had difficulty agreeing on a path forward. The Senate passed a bill to repay the federal loans and replenish the UI trust fund in February 2022. The House passed a similar bill but added \$1 billion for frontline worker payments, an issue from the 2021 session. The addition of frontline worker bonuses to the UI agreement was the primary reason it was a controversial issue.

During the June 2021 Special Session, the Omnibus Tax bill appropriated \$250 million for bonuses for frontline workers and created a legislative working group to determine which frontline workers were awarded the bonuses and how much the individual checks would be. They were unable to come to an agreement in 2021 so it was tasked to the 2022 Legislature to compromise. Following intense discussions, the agreement reached repaid the federal loans, replenished the unemployment insurance trust fund at \$2.7 billion, and provided \$500 million for frontline worker bonuses.

Omnibus Liquor Bill

H.F. 2767 Representative Stephenson / S.F. 3008 Senator Dahms

View the bill summary [here](#).

This bill did pass

This year the Minnesota Legislature passed the biggest rewrite to Minnesota's liquor laws since Sunday sales became legal in 2017. The law expands the off-sale options for breweries and distilleries including allowing the state's largest breweries to sell growlers, as well as allowing smaller breweries to sell four and six packs to go, up to 128-ounce daily limit per customer. Distillers can now sell larger, 750-mililiter bottles from their cocktail rooms.

Previously, brewers making more than 20,000 barrels of their own beer could not sell to-go growlers this bill raises that cap to 150,000 barrels. The bill alters the State's open wholesaling law and requires all importers and in-state makers of distilled spirits to make their liquor available to all wholesalers and manufacturers in the state equally. Also included is the establishment of a nine-member liquor regulation advisory council, to make recommendations on all future proposals to the Legislature.

Mental Health Omnibus Bill

HF2725 Representative Edelson/Senator Draheim

View the Bill summary [here](#).

The bill did pass.

Minnesota's first Mental Health Omnibus Bill became known to the public late on the final day of Session. It was a surprise to many because it was formed in secret. The bill appropriates

\$92.7 million to fund mental health programs and initiatives ranging from establishing loan forgiveness for mental health professionals to expanding the use of mobile crisis service teams.

Policy Provisions

- Expands the use of mobile crisis services teams;
- Expands mental health services to criminal defendants deemed incompetent to stand trial; and
- Establishes a State Competency Restoration Board in the Judicial Branch.

Appropriations Provisions

- \$10.1 million to district courts to pay for additional competency examination costs for criminal defendants deemed incompetent to stand trial;
- \$22.3 million to hire and oversee “forensic navigators” to coordinate mental health services to criminal defendants deemed incompetent to stand trial;
- \$10.2 million for adult mental health initiatives;
- \$9.6 million for grants for adult mobile crisis services;
- \$2 million for school-linked behavioral health grants;
- \$2 million for shelter-linked behavioral health grants;
- \$1.6 million for educational loan forgiveness for mental health professionals;
- \$1.2 million for a mental health urgency room pilot program; and
- \$1 million for a grant for a licensed community mental health center specializing in services for African American children and families.

Omnibus Legacy Bill

H.F. 3438 Representative Lillie / S.F. 3701 Senator Ruud

View the bill summary [here](#).

The bill did pass

In 2008, Minnesota voters approved the “Legacy Amendment”. This amendment increased the state sales tax by .375% with the money to be spent on the outdoors, clean water, parks and trails, and arts and cultural heritage. Of these four funds, outdoor heritage is allocated annually, while the other three are funded biannually. This spending pattern set the precedent for the 2022 omnibus Legacy bill.

The original House bill proposed spending \$225 million in FY23, the majority for the Outdoor Heritage Fund at \$159 million. From the Clean Water Fund, \$47.4 million would go to fourteen earmarked projects replacing lead water service lines. The final allocations were \$12.1 million from the Arts and Cultural Heritage Fund and \$6.5 million from the Parks and Trails Fund. This bill was passed off of the House Floor where it was sent to the Senate to be amended with the final compromise language.

Similar to the House proposal, the new language funds the Outdoor Heritage Fund at \$159M but strips all other funding. The \$159 million would fund a variety of restoration, protection and enhancement projects, with \$83.4 earmarked for habitat projects, \$35 million for prairies, \$26.8 million for wetlands, and \$13.3 million for forests. An important policy provisions allows the Clean Water Council to make recommendations for uses of the Clean Water Fund on an annual basis. It will also provide extensions and funding for projects that were slowed down due to the pandemic.

Omnibus Health and Humans Services Policy Bill

[HF 4065](#) Representative Liebling/Senator Abeler

This bill did pass.

The Health and Human Services Finance and Policy Conference Committee was unable to come to agreement on the finance provisions but was able to create a policy-only compromise bill that passed unanimously in the Senate and on a party-line vote in the House. Notable provisions in the bill include:

- Establishing a loan forgiveness program for individual home and community-based service workers for education in nursing and other health care fields;
- Permitting licensed pharmacists to inject prescribed medication and place drug monitoring devices;
- Modifying chemical dependency education and training to include naloxone;
- Making it unlawful to limit a patient's access to an organ transplant based on race and ethnicity;
- Extending the amount of time a homeless person or family can stay in transitional housing from 24 to 36 months;
- Expanding the scope of mental health data that can be shared with law enforcement agencies responding to a person undergoing a mental health crisis; and
- Establishing the Opioid, Substance Use, and Addiction subcabinet in the Executive Branch.

Environment and Natural Resources Trust Fund Bill

HF3764 Representative Hansen/Senator Westrom

View the Conference Committee Report [here](#).

This bill did pass.

The Conference Committee Report on the Environment and Natural Resources Trust Fund passed out of both bodies on a bi-partisan basis. The bill appropriates \$70.88 million for projects across Minnesota. The Conference Committee followed the recommendations of the Legislative-Citizen Commission on Minnesota Resources. The bill will fund 85 conservation projects across the state.

Omnibus Veterans and Military Affairs Bill

H.F. 4468 Representative Ecklund / S.F. 4233 Senator Lang

View the bill summary [here](#)

Chapter [54](#)

The bill did pass

Passed with overwhelming support, the Omnibus Veterans and Military Affairs bill was signed by the Governor on May 10. The bill helps prevent veteran homelessness, fund veterans homes and cemeteries, as well as provide service bonuses to eligible veterans and their families. The provisions had been part of a larger omnibus package including state government and transportation but unlike previous years, veterans and military affairs was a stand-alone bill. The bill appropriates \$52.35 million in supplemental funding the Department of Veterans Affairs in FY23, and increases the base appropriation by \$4.09 million in FY24 and following years.

Provisions include:

- \$2.2 million to the Department of Military Affairs;
 - \$2 million going to the National Guard for enlistment incentives
 - \$200,000 to the Minnesota Navy League for the USS Minneapolis-St. Paul
- \$24 million for service bonuses to post-9/11 veterans and Gold Star families;
- \$5.41 million for the Minnesota Assistance Council for Veterans to establish permanent housing for veterans;
- \$1.71 million for engagement, outreach and support of temporary housing options for veterans;
- \$1.1 million for tenancy support and landlord engagement;
- \$830,000 for the Redwood Falls veterans cemetery;
- \$774,000 to upgrade the wastewater system for veterans campground on Big Marine Lake;
- \$500,000 for a Fisher House in Fargo for those receiving care at the Fargo VA medical center;
- \$450,000 for county veterans service office grants;
- \$147,000 for veterans' service organization grants; and
- \$10.33 million in FY22 for the building of veterans' homes in Bemidji, Montevideo, and Preston and a one-time appropriation of \$16.54 million in FY23.

Omnibus Agriculture and Broadband Finance and Policy Bill

H.F. 4366 Representative Sundin / S.F. 4019 Senator Westrom

Conference Committee [Spreadsheet](#) and [Language](#)

The bill did pass

The omnibus Agriculture and Broadband bill aims to support Minnesotans across the state. The broadband provisions create new programs to expand broadband to underserved communities, as well as invest significantly in the Border to Border fund. The Agriculture provisions support farmers of all ages from training grants for schools, to beginning farmer tax credits, and to funding for livestock and specialty crop producing. The bill also invests significantly in farmers hit hardest by the recent drought. Housing policy and allocations were previously included in this bill, however, there were no agreements so all housing language was removed.

Agriculture Provisions Include:

- Funding for the Agricultural Growth, Research, and Innovation Program;
 - \$1.25 million in FY23 for Bio incentive Payments;
 - \$650,000 in FY23 for Livestock Processing Facilities Grants;
- \$500,000 in FY23 for the Soil Health Financial Assistance Program;
- \$827,000 to support Emerging and Beginning Farmers;
- \$3 million to the Agriculture Emergency Fund;
- \$141,000 to the Beginning Farmer Tax Credit;
- \$500,000 for Farm Down Payment Assistance Grants;
 - \$750,000 in following years;
- \$350,000 in grants for K-12 schools to start meat cutting training programs;
- \$1 million to the University of Minnesota for equipment to test for animal diseases;
- Relief Efforts for the 2021 drought;
 - \$8.1 million for livestock farmers and specialty crop producers impacted;
 - \$2.5 million to refund the Rural Finance Authority Revolving Loan following their drought relief loans; and
 - \$5 million to the Dept. of Natural Resources to replace drought killed seedlings.

Broadband Provisions Include:

- \$25 million to the Border to Border Broadband Fund;
- Requiring the Department of Employment and Economic Development to prepare a grant application to the Treasury Department, requesting \$60.7 million of Minnesota's capital projects fund be allocated for broadband projects; and
- Establishing the Broadband Line Extension and the Lower Population Density Pilot programs.

Bills That Did Not Pass

Bonding Bill

The bill did not pass

The second year of the biennium is typically a bonding year and the state had a surplus of funds. While there was nothing that the legislature was required to do this Session many legislators saw a bonding bill as a top priority.

The House Capital Investment Committee held many hearings with testimony on projects across the State. The Senate held four hearings all Session, focused on The Federal Infrastructure Investment and Jobs Act, Water Infrastructure, the Governor's Bonding Proposal, and Higher Education Asset Preservation.

On May 16 the Governor, Speaker of the House, and Senate Majority Leader set a target for a \$1.4 billion bonding bill, and \$150 million for cash projects. The House and Senate did not meet publicly about a bonding bill after budget targets were released and neither body released a bill.

Omnibus Cannabis Bill

H.F. 600 Representative Winkler / S.F. 757 Senator Lopez Franzen

View the bill summary [here](#).

This bill did not pass.

Despite the House bill receiving nearly a dozen hearings, and a bi-partisan vote off the Floor last year, the effort to legalize adult-use cannabis failed. The bill would have created a regulatory oversight board and would have expunged low-level criminal cannabis convictions, as well as placing legal limits on the use, possession, and transportation of cannabis and cannabis products. The House bill passed off the Floor on May 13, 2021, on a 72-61 vote. The Senate companion didn't receive a hearing in either year and on May 18, 2022, there was a motion for it to be withdrawn and placed on General Orders, which did not prevail.

Sports Betting Bill

H.F. 778 Representative Stephenson / S.F. 574 Senator Chamberlain

View the House bill summary [here](#).

View the amended Senate language [here](#).

This bill did not pass.

One of the more high profile bills was an effort to legalize sports betting. With bipartisan support and bipartisan opposition in both bodies, the House and the Senate were unable to come to compromise over whether the Native American tribes should get exclusive rights to run the betting operations, or whether the state's two race tracks should be allowed to get in on the action.

The bill, allowing residents age 21 and older to bet on sports and would be conducted by tribal entities, was passed 70-57 on the House floor. Seven Republican voted with the Democrats in favor, and four Democrats voted against the bill. The Senate version of the legal sports betting bill would have allowed Canterbury Park and Running Aces to offer sports betting. The Senate bill never received a floor vote.

Paid Family Medical Leave

H.F. 4326 Representative Rasmusson / S.F. 3885 Senator Coleman

View the bill summary [here](#).

This bill did not pass.

H.F. 1200 Representative Richardson / S.F. 1205 Senator Kent

View the bill summary [here](#).

This bill did not pass.

Conversations surrounding Paid Family Leave gained significant traction this session with two drastically different proposals. Senator Coleman and Representative Rasmusson's language would have authorized certain insurers to offer paid family leave insurance benefits to small businesses. Paid leave would have remained an optional benefit, with either employers or employees covering the premiums. This proposal passed off the Senate Floor in early May and was included in the Senate Omnibus Tax Bill. The Senate Tax Bill also contained additional language that would have provided a tax credit for small business contributions to these benefits for employees. Capped at \$3,000 per employee, these credits would have been available to businesses with fewer than 50 employees. This proposal was not included in the final Tax Conference Committee Report.

Senator Kent and Representative Richardson's proposal would have allocated \$30 million for a paid family leave program, following the same model as the state's unemployment insurance program. The House bill made its way through committee and was adopted into the House

Omnibus Jobs, Energy and Economic Development Bill. This proposal was not included in the final Jobs, Energy, and Economic Development Conference Committee Report.

Omnibus State Government, Transportation, and Pensions Bill

H.F. 4293 Representative Nelson / S.F. 3975 Senator Kiffmeyer

View the bill summaries here: [House](#) and [Senate](#)

The bill did not pass

In both the House and Senate, the State Government Omnibus contained State Government, Elections, Transportation and Pensions provisions. The policy and budgetary differences between the House and Senate proved to be too much for the Conference Committee to overcome.

The biggest sticking point was the reallocation of the auto parts sales tax. Currently, a portion of the revenue from the auto parts sales tax is dedicated to roads and bridges. The Senate bill would have dedicated all of the Revenue while the House proposed sixty percent to go to roads and bridges and forty percent to go to transit. Unable to reach a compromise on that particular issue, there was no State Government, Transportation, and Pensions bill.

State Government/Elections

House Provisions:

- Allocating \$76.9 million for State Government, targeting technology updates, and a state match for federal funding to improve the administration and security of elections;
- Allowing the Governor to declare a peacetime emergency for a cyberattack;
- Designating Juneteenth, June 19, as a state holiday;
- Expanding the requirements related to the use of absentee ballot drop boxes;
- Allowing absentee ballots to be opened and counted beginning 14 days prior to an election; and
- Additional modifications and notifications on absentee and sample ballots.

Senate Provisions:

- Allocating \$6 million for the Secretary of State for local election grants to hire temporary staff for voter registration;
- Requiring specific security markings to identify genuine absentee ballot paper and additional security and transparency measures to drop boxes;
- Requiring all legal services of the Attorney General's office to be performed only by employees, not contracted lawyers;
- Ensuring non-profits receiving grants from the State have a track record of quality financial management and changes in reporting requirements;
- Moving the Capitol Security Advisory Committee's sunset from June 30, 2022, to 2036;

- Prohibiting any “Pay to Play Clubs” which would provide lobbyists with direct access to Legislators for a fee; and
- Appropriating \$4 million to Minnesota IT Services in FY23, and \$1 million in each Fiscal Year to provide and maintain election Livestream recordings and requirements for absentee ballot boards.

Transportation

House Provisions:

- \$225 million for transportation, including an \$80 million state match for federal funding;
- Funding to construct the Minneapolis-Duluth Northern Lights Express passenger rail;
- Funding high-priority bridge construction and improved, as well as Department of Transportation buildings and facilities;
- \$500,000 for planning for arterial bus rapid transit (BRT);
- Changes to Corridors of Commerce Allocation and Selection Process;
- Requiring the Department of Public Safety to create an implementation plan for a speed safety camera pilot project; and
- Establishing a reintegration drivers’ license for persons incarcerated for at least 180 days and whose drivers’ license was suspended prior to incarceration.

Senate Provisions:

- Providing more than \$5.7 billion in transportation funding, including \$4.32 for roads and bridges over the next five years;
- Dedicating 100% of revenue from existing auto parts sales taxes to roads and bridges;
- Terminating the NorthStar Rail Line;
- Requiring counties to pay all guideway costs including, planning, design, engineering and construction;
- Suspending all planning for the Blue Line (Bottineau)LRT;
- Changes to Corridors of Commerce Allocation and Selection Process;
- Prohibiting planning for Reconnect Rondo; and
- Creating a Minnesota sports teams commemorative license plate to raise money for team foundations.

Pensions

House Provisions:

- Shifting the investment return assumption for some retirement plans;
- Creating temporary postretirement adjustments for the judges retirement plan and the unclassified employees retirement plan;
- Appropriating \$390 million from the general fund to the state’s various pensions’ plans.

Senate Provisions:

- N/A

Omnibus Tax Bill

H.F. 3669 Representative Marquart / S.F. 3692 Senator Nelson

[Conference Committee Spreadsheet](#)

The bill did not pass

Negotiators reached a compromise on a \$4 billion tax bill which, if passed would have been the largest tax cut in Minnesota history. The Tax Bill included a complete elimination of social security income tax. The bill would have cut income taxes, reducing the first bracket income tax rate from 5.35% to 5.1%. Costing \$277 million in the first year, this change would have impacted 2.6 million Minnesota tax filers. The bill also featured a child and dependent care credit, an expanded K-12 education credit, and complete elimination of the tax on Social Security income. It would have extended the historic tax credit and created a new market tax credit. The bill did not include any direct rebates, such as “Walz checks.” Property tax cuts would have included \$373 million in tax relief for renters, and would have moved the timeframe for filing for relief.

Although there was a compromise, the bill was not voted on by either body. The tax bill was tied to the \$8 billion broader deal, where little agreement was found.

Omnibus Education Finance and Policy Bill

H.F. 4300 Representative Davnie / S.F. 4113 Senator Chamberlain

View the bill summaries here: [House](#) and [Senate](#)

The bill did not pass

The Education Conference Committee received a \$1 billion target from leadership in the last week of Session. Throughout negotiations, the House and Senate had a few shared priorities including increased investments in literacy and the special education cross-subsidy. The House had additional priorities that they wanted to tackle and fund this Session and the Senate wanted to focus all resources on literacy and the special education cross-subsidy.

The House’s Final Offer included:

- \$20,000 for Computer Science Blueprint;
- \$14 million for Early Learning Scholarships;
- \$56 million for Unemployment Insurance for Hourly School Workers;
- \$27 million for Level 4 Mental Health Grants;
- \$52 million for Language Essentials for Teachers of Reading and Spelling (LETRS);
- \$2.2 million for Regional Centers/Service Cooperatives
- \$2.4 million for BOLD-Literacy Unit Administration
- \$3.6 million for BOLD-Expand Literacy and Dyslexia Data Collection;

- \$1 million for Network for the Development of Children of African Descent;
- \$24 million for School Meals Aid;
- \$660 million for the Special Education Cross-Subsidy Reduction Aid Increase; and
- \$105 million for Student Support Personnel Aid.

The Senate's Final Offer included:

- \$5 million per year for Level 4 Mental Health Grants;
- \$3.6 million for Expanded Literacy and Dyslexia Data Collection;
- \$52 million for Language Essential for Teachers of Reading and Spelling (LETRS);
- \$926 million for the Special Education Cross-Subsidy Reduction Aid Increase; and
- \$2 million for Regional Literacy Support Directors and Regional Centers.

Omnibus Higher Education Finance and Policy Bill

H.F. 3872 Representative Bernardy / S.F. 3510 Senator Tomassoni

View the Conference Committee Report [here](#).

The bill did not pass

The Higher Education Conference Committee came to an agreement on how best to spend an additional \$20 million in the current biennium. The Conference Committee report did not receive a Floor vote in both bodies. The bill did not pass.

The bill would have provided \$8.2 million for Minnesota State, of which \$4.25 million was for workforce development scholarships, \$3.1 million to maintain campus operations, and \$800,000 for an Allied Health technician scholarship program. The University of Minnesota would have received \$3 million, of which \$2 million would have been for the Natural Resources Research Institute, and \$1 million would have expanded the Promise Program to support students with financial needs. The agreement would have also provided more than \$8.8 million for the Office of Higher Education for grant programs to help students who are parents, underrepresented student teachers, and for workforce development.

Of the \$8.8 million:

- \$3 million in a onetime grant program to recruit and train students to become certified nursing assistants;
- \$1 million to three tribal colleges for general operations and maintenance;
- \$1 million to Owatonna Learn to Earn Coalition to help Owatonna and Steele County region to grow and retain a talented workforce, and conduct a comprehensive local needs assessment to examine and future workforce needs;

Additionally, \$500,000 would have been appropriated to establish an Inclusive Higher Education Technical Assistance Center pilot project. The project aimed to increase access to higher

education for students with intellectual disabilities. The bill would have also provided \$75,000 to expand Hunger-Free Campus Grant programs to private, nonprofit postsecondary institutions.

Other policy provisions included:

- Requiring an affirmative consent standard in the sexual harassment and sexual violence policies of postsecondary institutions;
- Requiring institutions to train students on the affirmative consent standard;
- Prohibiting Minnesota State schools from placing students in developmental education courses based on testing alone;
- Adding a requirement for the governor’s consideration in making appointments to the Minnesota State Board of Trustees;
- Changing the current composition of the Regent Candidate Advisory Council to include 10 legislators, five current faculty members (one from each campus) and the five student body presidents; and
- Requiring at least one member of the Board of Regents from each congressional district.

Omnibus Health and Human Services Finance Bill

H.F. 4706 Representative Tina Liebling / S.F. 4410 Senator Jim Abeler

View the final House and Senate Offer [Here](#).

The bill did not pass.

Similar to many other omnibus bills, both bodies had a shared vision but very different approaches to addressing the issues their bills face. The Health and Human Services Conference Committee met to deal with the current crisis in the healthcare industry by addressing the high cost of healthcare, the healthcare workforce shortage, as well as supporting behavioral health.

The Health and Human Services Finance Omnibus bill did not pass. The Conference Committee was tasked to create a compromise bill within their \$1 billion budget target. The Senate proposal spent \$1 billion over the next four years, and the House proposal spent \$1.377 billion incorporating some federal funds. They were never able to bridge the gap in funding and the finance bill was not created and did not pass.

The House’s Final Offer included:

- Changing the Child Care Assistance Program’s definition of “family”;
- Funding for Childcare Stabilization Supports;
- Emergency Shelter Facility Grants;
- Emergency Services Grants;
- Homeless Youth Act Grants;
- Healthy Beginnings;

- Long COVID Study;
- No Surprises Act Enforcement;

The Senate's Final Offer included:

- Funding for current food shelf programs;
- Medical gas fee reduction;
- Funding for Department of Health technology modernization; and
- Competency Restoration (included in the Mental Health Omnibus).

Areas of Agreement:

- Funding to make Child Care reprioritization permanent;
- Workforce Revitalization for PCAs;
- Fuel Rate adjustment for NEMTs;
- Medical Assistance for Former Foster Care Youth;
- Hennepin County Homelessness;
- Ramsey County Continuum of Care; and
- Creation of the Palliative Care Advisory Council.

Omnibus Jobs, Energy and Commerce Finance and Policy Bill

H.F. 4355 Representative Noor / S.F. 4091 Senator Pratt

View the Conference Committee report [here](#).

The bill did not pass

In the final days of Session the Jobs, Energy, and Commerce Conference Committee was able to come to a compromise on a final Conference Committee report. The bill was part of the larger \$8 billion agreement so although there was a compromise made on the bill, the bill did not get a Floor vote.

Policy Provisions:

- Establishing Immigrant and Refugee Affairs within the Department of Employment and Economic Development;
- Establishing the Canadian Border Counties Economic Relief Program;
- Regulating Combative Sport Contests;
- Modifying Window Cleaning Laws;
- Establishing a Solar Energy Contingency Account;
- Establishing a State Energy Competitiveness Account.

Appropriations Provisions:

- \$8.23 million for General Workforce Development Grants;
- \$10.45 million for Employment and Training Programs;
- \$1.2 million for Labor Standards and Apprenticeship;
- \$858,000 for Workforce Development Initiatives;
- \$300,000 for Workers' Compensation Court of Appeals;
- \$20 million for Solar Energy Production Incentive Program;
- \$4.1 billion for Solar on Schools;
- \$2.35 billion for Supplemental State Weatherization grants;
- \$1.37 billion to help the Commissioner of Commerce to administer Infrastructure Investment and Jobs Act (IIJA) Funds and to help local governments to leverage those funds;
- \$14.88 million for State energy Competiveness Account.

Omnibus Housing Finance and Policy Bill

H.F. 4366 Representative Sundin / S.F. 4019 Senator Westrom

View the bill summaries here: [House](#) and [Senate](#)

The bill did not pass

The Housing omnibus bills contained significant differences in both funding and policy interests. The House language allocated nearly \$230 million, and the Senate took a smaller approach to allocate \$50 million in general fund spending for new and existing programs. No agreement was reached therefore, all housing language was removed from the omnibus Agriculture and Broadband bill.

House Appropriations

- \$100 million in community stabilization through naturally occurring affordable housing;
- \$50 million for first-generation homebuyers assistance, including a pilot down payment assistance program;
- \$20 million for the Minnesota Housing challenge program, which provides affordable permanent rental housing;
- \$14 million for family homelessness prevention;
- \$10 million to the Housing Trust Fund for rental assistance; and
- \$10 million for the Homework Starts with Home program.

House Policy

- Modifying the Homework Starts with Home program;
- Establishing a lead-safe homes grant program;
- Authorizing the issuance of \$400 million in housing infrastructure bonds;

- Establishing a community stabilization project;
- Establishing a strengthening supportive housing model program; and
- Making several changes to landlord-tenant provisions.

Senate Appropriations

- \$35 million for homeownership investment grants to increase the supply of owner-occupied multi-family or single-family housing;
- \$10 million for workforce homeownership program which increases resources and efforts for homeownership for communities of color; and
- \$5 million to establish a targeted loan pool, the 9,000 Equities Fund, which provides affordable first mortgages or equivalent financing opportunities in underserved communities of color.

Senate Policy

- Limiting the governor’s emergency powers to prohibit or delay eviction proceedings;
- Prohibiting a city from requiring a Planned Unit Development (PUD) agreement in lieu of proposed residential development;
- Prohibiting cities from conditioning any zoning approvals on material, design, or other conditions if not currently required by the State Building Code;
- Establishing a manufactured housing mortgage financing and down payment assistance program;
- Repealing the exception to rent control that allows local units of government to control rents if approved by voters in an election, retroactively from November 1, 2021; and
- Prohibiting Minnesota Housing grantees from using grant funds to hire lobbyists.

Omnibus Public Safety and Judiciary Finance and Policy Bill

H.F. 4608 Representative Mariani / S.F. 2673 Senator Limmer

View the bill summaries here: [House](#) and [Senate](#)

The bill did not pass.

Legislators agreed that public safety would be a top priority in the 2022 Session. Republicans took a “hard on crime” stance to support the retention and recruitment of peace officers. Democrats called for innovating public safety while funding community-based crime prevention programs.

Both Senate and House included funding for local law enforcement body cameras. The Senate would include \$5 million in grants to local law enforcement agencies for purchasing cameras and storing video images captured by them. It would require a 25% local match. The House would provide \$15 million, but would require body camera footage to be released to families within five days after a deadly force incident and to the public within 14 days.

House Appropriations:

- 6% pay increase for judges and employee compensation;
- \$50 million for public defender budget increase;
- \$55 million in emergency community safety grants;
- \$25 million in local community policing grants;
- \$10 million in co-responder (“violent interrupter”) grants;
- \$4 million in victim support programs;
- \$25,000 for prosecutor training fund;
- \$1.821 million for AG Office Criminal Enforcement Increase;
- \$2.5 million for the Department of Human Rights;
- \$1 million for public safety radio grants; and
- \$2.5 million in youth wellness support and mental health programs.

House Policy:

- Prohibiting technology companies from selling educational data or using for commercial purposes;
- Requiring manufacturers to make parts, documentation and diagnostic tools for digital electronic equipment available to independent repair providers or the equipment owner;
- Banning limiting a patient’s access to an organ transplant based on a patient’s race and ethnicity;
- Preventing employers, including labor unions and employment agencies, from requesting a job applicant’s pay history; and
- Permitting law enforcement officers to attach a mobile tracking device to a stolen vehicle prior to court approval if the vehicle owner agrees or reported the stolen vehicle.

Senate Appropriations:

- 6% pay increase for judges and employee compensation;
- \$50 million public defender budget increase;
- \$30 million for police retention and recruitment bonuses;
- \$100,000 for prosecutor training;
- \$5 million for body cameras;
- \$2 million for a gunfire detection system for the Ramsey County Sheriff’s Department; and
- \$2 million for Violent Crime Enforcement Teams statewide.

Senate Policy:

- Creating a new crime of organized retail theft;
- Establishing a standalone crime of carjacking;
- Making penalties for fentanyl possession the same as those for heroin;
- Establishing new mandatory minimum sentences for certain violent crimes; and

- Establishing the crime of fleeing a peace officer in a motor vehicle while operating the vehicle in a culpably negligent manner.

Omnibus Environment Finance and Policy Bill

S.F. 4062 Representative Hansen/Senator Ingebrigtsen

View the Conference Committee report [here](#).

The bill did not pass

In the final hour of the 2022 Session the Environment and Natural Resources Conference Committee published their Conference Committee Report. One notable change was agreement to increase the amount of lotter-in-lieu funding coming out of the General Fund from 72.43% to 76%.

Policy Provisions Included in the Report:

- Requesting the MPCA to study other states’ air and emission funding programs to modernize our current system;
- Limiting the Commissioner of Natural Resources from imposing additional antler point restrictions;
- Allowing property owners to nonlethally scare deer or elk that are causing damage to agricultural props;

Appropriations Included in the Report:

- \$3.16 million for the Pollution Control Agency;
- \$8.49 million for the Department of Natural Resources;
- \$2 million for Explore Minnesota Tourism;
- \$1.75 million for Board of Water and Soil Resources;
- \$800,000 for the Metropolitan Council for parks and trail maintenance;
- \$75,000 for the Minnesota Zoo

Redistricting and Retirements

Every ten years, following a federal census, Legislative and Congressional districts are redrawn to reflect demographic changes. It is the duty of the Legislature to redraw the maps every ten years. This year the House and Senate prepared two very different sets of maps for the Minnesota Legislature and Minnesota’s Congressional districts. Since Legislators were unable to reach a compromise before the deadline, the responsibility was tasked to a panel of judges appointed by the Supreme Court. The panel of judges created the map of legislative and congressional districts that Minnesota will use for the next ten years.

Due to redistricting, all 201 Legislators are up for reelection this year, resulting in contested races between incumbents as well as long list of retirements. We anticipate significant legislator turnover in the 2023 Legislature. On the next page please find a list of all of the legislative retirements that have been announced so far:

2022 Legislative Retirements

House Retirements			
District	Member Name	Party	Notes
04B	Paul Marquart	DFL	
09A	John Poston	R	
10B	Dale Lueck	R	
11A	Mike Sundin	DFL	
15A	Sondra Erickson	R	
17A	Tim Miller	R	
20B	Todd Lippert	DFL	
21A	Barb Haley	R	
22B	Rod Hamilton	R	
38B	Ami Wazlawik	DFL	
39A	Bob Dettmer	R	
39B	Shelly Christensen	DFL	
41A	Connie Bernardy	DFL	
53B	Steve Sandell	DFL	
55B	Tony Albright	R	
63A	Jim Davnie	DFL	
65B	Carlos Mariani	DFL	
66A	Alice Hausman	DFL	

Senate Retirements

District	Member Name	Party	Notes
3	Tom Bakk	I	
4	Kent Eken	DFL	
6	David Tomassoni	I	
8	Bill Ingebrigtsen	R	
9	Paul Gazelka	R	
10	Carrie Ruud	R	
17	David Osmek	R	
18	Scott Newman	R	
21	Michael Goggin	R	
23	Julie Rosen	R	
25	David Senjem	R	
30	Mary Kiffmeyer	R	
31	Michelle Benson	R	
33	David Osmek	R	
40	Chris Eaton	DFL	
42	Jason Isaacson	DFL	
44	Ann M. Johnson Stewart	DFL	
49	Melisa Lopez Franzen	DFL	
53	Susan Kent	DFL	
57	Greg Clausen	DFL	
63	Patricia Torres Ray	DFL	

Current Members Running for Different Offices in 2022

Members Seeking Another Office				
District	Member Name	Body	Party	Notes
2B	Steve Green	House	R	Running for Senate.
07A	Jen Schultz	House	DFL	Running for 8 th U.S. Congressional District
8A	Jordan Rasmusson	House	R	Running for Senate.
14A	Tama Theis	House	R	Running for Senate.
18B	Glenn Gruenhagen	House	R	Running for Senate.
21B	Steve Drazkowski	House	R	Running for Senate.
23B	Jeremy Munson	House	R	Running for 1 st U.S. Congressional District.
25B	Liz Boldon	House	DFL	Running for Senate.
26B	Nels Pierson	House	R	Running got 1 st U.S. Congressional District.
30B	Eric Lucero	House	R	Running for Senate.
31B	Cal Bahr	House	R	Running for Senate.
33B	Kelly Morrison	House	DFL	Running for Senate.
46A	Ryan Winkler	House	DFL	Running for Hennepin County Attorney.
53A	Tou Xiong	House	DFL	Running for Senate.
54B	Tony Jurgens	House	R	Running for Senate District 41.
65A	Rena Moran	House	DFL	Running for Ramsey County Commissioner.
37	Jerry Newton	Senate	DFL	Running for House.
43	Chuck Wiger	Senate	DFL	Running for Maplewood City Council.
54	Karla Bigham	Senate	DFL	Running for Washington County Commissioner.