



GOVERNMENT RELATIONS UPDATE

ADVOCATING FOR MINNESOTA'S HOSPITALITY INDUSTRY

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By Hanna Zinn • May 16, 2025

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It's the final countdown! Four days remain in the legislative session before the House and Senate are constitutionally required to adjourn. Expect long floor debates, behind closed door deals, and any number of surprises to arise before midnight on Monday. The House, Senate and Governor's office released their final agreed upon budget targets on Thursday, now tasking legislative conference committees to compile the budget bills to fit those targets. I've got the details for you on those targets in this week's GRU. Stay tuned! Expect to see a special Government Relations Update in your inbox on Monday breaking down all the last-minute deals.

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Session Snapshot



The big picture: Capitol Chaos Part II? The release of the much-anticipated joint budget targets came to the shock and disappointment of many in the Capitol building. [At a press conference announcing the agreement](#), Gov. Walz noted disappointment and compromise on all sides was needed to reach an agreement.

“This has never happened in American history where you had a divided legislature so closely divided. ... We may have differences, but we have not succumbed to the idea that we let dysfunction rule, and that democracy and compromise are seen as virtues and not vices. ... At the end of the day to get a deal done, we had to compromise.”

Go deeper: A few controversial compromises in the budget agreement include the ending of unemployment benefits for hourly school employees and the elimination of MinnesotaCare eligibility for adult undocumented immigrants in Minnesota. The leaders have also agreed to a shutdown of the Stillwater correctional facilities, citing ongoing maintenance and upkeep costs.

- **By the numbers:** Major spending cuts agreed to include a \$1.09B cut in Human Services funding, \$420M in cuts to K-12 Education funding in fiscal years 2027-28, \$248M cuts to Transportation funding, and \$308M in reduced spending for Taxes. The conference committees for these policy areas will spend the next few hours and days deciding which appropriations and policies will make up the final budget bills. See the final budget targets list [here](#).

Yes, and: A couple of big policy areas were left out of the budget agreement: changes to Paid Family Medical Leave and Earned Sick and Safe Time.

Why it matters: With time dwindling down, the window for modifications to be made seems to be growing smaller and smaller. However, after a tumultuous few months, I wouldn't discount any possibility of a last-minute deal.

Dive in: Here's an updated version of all the omnibus bills currently moving through the legislature.

In Conference Committee:

- [Human Services Policy](#)
- [Public Safety and Judiciary](#)
- [Higher Education](#)
- [Human Services Finance](#)
- [Transportation](#)
- [Health](#)
- [Climate and Energy](#)
- [Agriculture and Broadband Development](#)
- [Legacy](#)
- [Workforce, Labor and Economic Development](#)
- [Veterans and Military Affairs](#)
- [Environment and Natural Resources](#)
- [Commerce and Consumer Protection](#)
- [Housing](#)
- [State and Local Government](#)

Passed Conference Committee:

- [Cannabis](#)

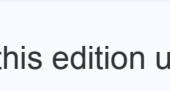
What's next: Now that the joint budget targets are available, conference committees will work diligently to align their budget bills with those targets. These bills head to each chamber for floor debate after passage out of committee. All bills heard on the House floor need to have bipartisan support for a bill to pass.

- **One fun thing:** For those interested in the legislative process, check out the Minnesota Legislature's website [here](#) for more information on how a bill becomes law. Based on that page, the MN Legislature is right in between “Conference” and “Floor”.

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