



2025 Legislative Session Summary

Last Updated: June 20, 2025

Prepared by
Tom Poul and Laura Harris



555 N Wabasha Street, Suite 220
Saint Paul, Minnesota 55102

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Introduction

The 2025 legislative session was a difficult session proving that narrow margins and unexpected events can grind a legislature to a halt. The session was unique from the moment the legislature convened on January 14, with a 33 to 33 tie in the Senate and only half of the House in attendance.

Tasked with crafting a budget for fiscal years 2026–27, lawmakers wrestled with meager revenues and a staggering \$5.95 billion shortfall projected for FY 2027–28. Like many recent budget years, the legislature required extra time to complete their work. They were able to finish crafting the state budget during a one-day special session in June.

Senate Starts in an Unexpected Tie

The Senate began the 2025 session tied 33-33 after former Senate Majority Leader Kari Dziedzic (DFL-Minneapolis) passed away on December 27, 2024. Her battle with ovarian cancer led her to resign from the leadership position before the start of the 2024 legislative session. In 2024, she served as the Chair of the State Government Committee.

Under the power-sharing agreement that followed, all Senate committees were co-chaired and composed of equal numbers of DFL and Republican members, and the Senate was presided over by co-Presidents. On January 28, Doron Clark (DFL-Minneapolis) won a special election to fill the vacancy. Once he was sworn in, the DFL regained its one-seat majority and voted to end the power-sharing agreement. The Senate defaulted back to a structure with narrow DFL-majorities on committees, DFL-committee chairs, and a DFL Senate President.

Chaotic Start in the House

In the November election, 67 DFL candidates and 67 Republican candidates were elected, preparing the Minnesota House to be tied for the first time since the 1978 election. Democratic candidate Curtis Johnson was elected to represent District 40B, succeeding Rep. Jamie Becker-Finn. In the final weeks of the campaign, his opponent, Paul Wikstrom, challenged Johnson's residency. A district court judge ruled that Johnson did not meet the residency requirements and was therefore ineligible to serve. Johnson chose not to appeal and submitted his resignation to Governor Walz. Although Governor Walz called a special election for January 28, 2025, the Minnesota Supreme Court found that his actions were premature and delayed the election until March 11.

With the 40B seat vacant, Republicans held one more seat than the DFL and dismissed the power-sharing agreement they had been working on with the House DFL. In response, House DFL members boycotted the start of the 2025 session. They held a private swearing-in ceremony on the Sunday before the session began.

On the first day of session, Secretary of State Simon, acting as presiding officer, welcomed and swore in the Republican members and then adjourned for lack of quorum. After he departed, House Republicans remained in the chamber and went through the motions to operate the House

without a presiding officer. They elected a speaker, appointed committee chairs, introduced bills and held hearings.

The House DFL and the Secretary of State petitioned the Minnesota Supreme Court to clarify the quorum requirement. Republicans contended that 67 members constituted a quorum given the vacancy which meant there were only 133 eligible members of the House. The DFL maintained that a full body of 134 members required 68 present to conduct business. Ten days into the session, the Court ruled that 68 members were necessary to reach a quorum in the Minnesota House of Representatives.

Following the Court's ruling, the Minnesota House Republicans showed up at the Capitol every day without the House DFL members. Each day, the Secretary of State would declare that with 67 members being present there was not a quorum, and the House would adjourn until the following day when they would go through the same motions.

Power Sharing Agreement Breaks House Impasse

On the evening of February 5, the House DFL and Republican caucuses issued a joint statement outlining a power-sharing agreement and ending the DFL boycott. Under the agreement, Lisa Demuth (R-Cold Spring) became Speaker of the House for the biennium. Republicans would chair committees unless the House was tied, in which case each committee would have co-chairs and co-vice chairs. Committees would include equal numbers of DFL and Republican legislators, but one DFL member on each committee would be a nonvoting member unless the House was tied. The agreement established a House Fraud Prevention and State Agency Oversight Policy Committee with a 5-3 Republican advantage for the biennium.

On March 17, Representative David Gottfried (DFL-Shoreview) was sworn in to fill the District 40B vacancy, restoring the 67-67 tie and marking the first day of the 2025 session with every district represented.

Senator Eichorn Resigns

On March 17, Senator Justin Eichorn (R-Grand Rapids) was arrested for attempting to solicit sex from a minor. Both Republican and DFL legislators immediately called for his resignation. The Senate planned to expel him from the Minnesota Senate on March 20. Minutes before the Senate was going to expel him, Senator Eichorn sent a letter of resignation to the Governor. In his letter to the Governor Eichorn wrote, "I am resigning my seat in the Minnesota Senate District 6 effective immediately. I must focus on personal matters at this time." Senator Farnsworth assumed chief authorship of every bill Eichorn had led, and Eichorn was removed as co-author from all other bills. A special election to fill the vacancy was held on April 29. Keri Heintzeman (R-Nisswa) won and was sworn in on May 6.

Budget Woes

In March, the Office of Minnesota Management and Budget (MMB) released its February Forecast, projecting a \$456 million surplus for the biennium. MMB warned that spending the full surplus would create a \$5.995 billion deficit in FY 28–29. In response, Governor Walz proposed

a supplemental budget that cuts \$725 million in FY 25–27. The House then issued targets to reduce general fund spending by \$1.16 billion in FY 26–27, while the Senate’s targets called for \$754 million in reductions.

Committee deadlines followed a two-date structure rather than the usual three: first and second policy deadlines were both April 4 at 5:00pm and the third deadline was April 11 at 12:00pm.

The legislature also took brief recesses for Eid, Easter, and Passover.

The House and Senate released separate budget targets this year. A diversion from the typical process, which includes releasing targets that are signed off on by the Governor, Speaker, and Senate Majority Leader. The House released targets March 29; the Senate released targets March 28. The targets contemplated different numbers and different years in their proposals.

Joint budget targets were released on May 15 with only a handful of days left in the 2025 session. The joint targets were agreed to by the Governor, Senate Majority Leader, House Speaker, and House Speaker Emerita. The only caucus leader not signing off on the final deal was Senate Minority Leader Mark Johnson. The final agreement included a few policy provisions including eliminating MinnesotaCare eligibility for adult undocumented immigrants and closing the Stillwater prison in 2029. The announcement came with strong backlash, including chanting and press conferences, from DFL members who were blindsided by the announcement to repeal MinnesotaCare for undocumented adults.

The End of Session

The Minnesota Legislature adjourned its session on May 19 in accordance with the constitutional requirement to recess no later than the first Monday following the third Saturday of May. The legislature was able to pass only a few omnibus bills in the final days of the legislative session. On the final day of session, key appropriations bills for health care, education, human services, transportation, taxes, environment, energy, and more had not been completed.

Special Session

Since the state budget remained unresolved, legislators spent the next three weeks in working groups negotiating their remaining omnibus bills under the terms of a leadership agreement signed by Governor Walz, Speaker Lisa Demuth, Speaker Emerita Melissa Hortman, and Senate Majority Leader Erin Murphy. Workgroups composed of conferees from the session, or members named by legislative leaders, were instructed to meet in person and to exchange simultaneous offers at least twice daily. Most working groups did not meet publicly or only met publicly to announce their final budget agreement.

The legislature returned for a brief special session on June 9, to pass the remaining budget and policy bills. The legislature came to order at 10:00 am and was able to pass fifteen bills before the House adjourned around 11:00 pm, and the Senate adjourned closer to 2:00 am. The bill that took the most time on both the House and Senate Floors was a bill to repeal healthcare coverage for undocumented Minnesota adults which took more than four hours on the House Floor.

Tragedy

In the early hours of June 14, 2025, tragedy struck the State of Minnesota when legislators were targeted in violent attacks. Senator John Hoffman and his wife, Yvette, were shot multiple times in their home by a man impersonating law enforcement. Their daughter, Hope, was home at the time and was able to call 911, enabling them to receive emergency care. They are currently being treated at Mercy Hospital and are expected to recover. After arriving at the Hoffmans' residence, the attacker visited the homes of two other legislators and then proceeded to the home of Speaker Emerita Melissa Hortman.

A Brooklyn Park police sergeant, aware of the earlier attack on Senator Hoffman, instructed law enforcement to check on other elected officials. Officers arrived at Speaker Emerita Hortman's home while the assailant was present. A gunfire exchange occurred, and the suspect fled into the backyard. Tragically, both Speaker Emerita Melissa Hortman and her husband, Mark, were killed.

Following a 43-hour manhunt, the suspect was apprehended. He now faces six federal charges, including murder, which could result in the death penalty if pursued by prosecutors. He is also facing four state charges, including second-degree murder. Hennepin County Attorney Mary Moriarty has announced that her office will pursue a first-degree murder charge as well.

Looking Ahead

Senator Nicole Mitchell (DFL-Woodbury) is facing felony burglary charges related to an incident that occurred during the 2024 legislative session. In response to the charges, she was removed from all committee assignments and excluded from caucus meetings. Her trial, initially scheduled for the second week of the 2025 session, was postponed to June 16. However, following the tragic events that occurred the weekend prior, the trial has been rescheduled once again and is now set for July 14.

A special election will be required to fill the House seat vacated by the death of Speaker Emerita Melissa Hortman (DFL-Brooklyn Park). The Governor has not yet issued a formal call for that election. However, a special election is expected to occur before the start of the 2026 legislative session.

Senator Omar Fateh (DFL-Minneapolis) is running for Mayor of Minneapolis. The election takes place on November 4, 2025. If he is elected, a special election will be called to replace him in the Minnesota Senate.

The 2026 legislative session begins February 17, 2026, and it will be a policy year.

Status of 2025 MNASCA Legislative Priorities

The 2025 Minnesota legislative session saw progress on several issues affecting ambulatory surgical centers (ASCs). MNASCA actively engaged in efforts to improve reimbursement rates, reduce regulatory burdens, and ensure ASCs were not inappropriately included in broader health care mandates. Below is a summary of what passed, what did not, and other legislation of interest.

Central Service Technician Certification – PASSED AS AMENDED

Establishes certification and credentialing requirements for central service technicians in hospitals and ASCs, with phased implementation and specific exemptions. MNASCA remained neutral on the bill, provided it included a grandfather clause for current technicians, alternative certification pathways, and an 18-month implementation delay. At the same time, we raised concerns about the potential impact on workforce shortages, as certification requirements could further shrink an already limited candidate pool. We also highlighted that language barriers pose a significant obstacle for non-native English speakers taking standardized exams, and encouraged policymakers to offer certification exams and study materials to multiple languages to improve accessibility.

Facility Fees Prohibition – PASSED AS AMENDED

This legislation requires hospitals and health systems to report 2026 facility fee billing data, which will be published online by the Department of Health. As originally introduced, the bill would have prohibited hospital-affiliated provider-based clinics from charging certain facility fees. Throughout the session, MNASCA raised strong concerns about the bill's scope—particularly the broad rulemaking authority granted to the Commissioner of Health, which could have enabled future expansion of the facility fee ban to include additional outpatient, diagnostic, imaging, or surgical services. MNASCA successfully advocated for the removal of this rulemaking authority, ensuring that ASCs would not be subject to unintended regulatory overreach. The final version of the bill limits its focus to data reporting rather than prohibiting facility fees.

Medical Assistance Reimbursement for Outpatient Services – PASSED AS AMENDED

A new assessment on Managed Care Organizations (MCOs) will fund an increase in Medical Assistance (MA) reimbursement rates to 100% of the Medicare level—but only for mental health services. This assessment leverages federal matching funds. While MNASCA joined the Minnesota Medical Association (MMA) to advocate for a broader adjustment to bring all outpatient MA reimbursement rates up to the Medicare level, the increase does not extend to the full range of outpatient services identified in the Department of Human Services' HHS Rate Study.

Earned Sick & Safe Time (ESST) Modifications – PASSED

Minnesota's ESST law has imposed significant administrative and operational burdens on healthcare providers, compounding ongoing staffing challenges. MNASCA advocated for practical changes to ease these pressures and safeguard patient care. The legislature adopted the following modifications to the law:

- Employers may establish “reasonable” notification policies for unforeseeable ESST use.
- Documentation can be requested after two consecutive days (reduced from three).
- Employees may voluntarily trade shifts while using ESST.
- Employers using projected accruals must reconcile with actual hours worked.

Paid Family & Medical Leave (PFML) Premium Cap Reduction – PASSED

While MNASCA joined other groups to advocate for changes to the 20-week leave requirement, and an exemption for employers who already offer generous PTO and PFL-type policies to employees, these changes were ultimately not included in the final package. The only change made to this program, which is effective January 1, 2026, is a reduction in the annual premium cap from 1.2% to 1.1% of taxable wages.

Reinsurance Program – PASSED

A new funding structure was established to support the reinsurance program:

- 2026: One-time \$145 million transfer from the Health Care Access Fund
- 2027: Funding through a health insurer assessment
- 2028: Offset by a tax credit from the General Fund

Allied Health Technicians Scholarships – DID NOT PASS

[HF 2639](#) establishes a new scholarship program to support up to 1,000 Minnesota students entering accredited health technician programs by 2028. Eligible fields included medical lab technology, respiratory therapy, radiology, and surgical technology. Each student would receive a \$5,000 scholarship, paid directly to their school, and commit to working in the field after graduation. The first awards were planned for the 2026–2027 academic year, with required legislative reports in 2027 and 2028 on program outcomes and workforce impact. The bill included a \$5.38 million appropriation for scholarships, outreach, and administration. The bill did not receive a hearing this session.

Healthcare Provider Immunity – DID NOT PASS

[HF 1647/SF 971](#) grants criminal immunity to licensed or registered health care providers for harm or damages resulting from acts or omissions while providing treatment and services, as long as they act within their legal scope of practice. The immunity does not apply in cases involving gross negligence or willful, malicious, or intentional misconduct. The legislation also clarifies that it does not alter or affect any existing immunities, liabilities, or legal procedures established under other laws or contracts.

Price Transparency Enforcement – DID NOT PASS

[HF 1077/SF 1589](#) prohibits collection of medical debt if a provider is not in compliance with required implementation of price transparency standards. The bill was carried by Rep. Steve Elkins and Sen. Melissa Wiklund. It did not receive a hearing.

Prior Authorization Denials – DID NOT PASS

[HF 3334](#) introduced late in the 2025 session by Rep. Anquam Mahamoud, creates a legal pathway for patients to hold insurance companies and reviewing physicians accountable for wrongful prior authorization denials. The bill allows legal action if a denial caused harm and deviated from medical standards or the recommendation of the patient's treating provider. It requires proof that relevant medical information and professional judgment were disregarded. The legislation also gives enforcement authority to the Attorney General and explicitly protects treating providers from liability. The bill did not advance this session.

Provider Tax Increase – DID NOT PASS

MNASCA joined other groups to successfully oppose a proposed increase in Minnesota's provider tax from 1.8% to 2%. Unlike other assessments, the provider tax is not reimbursable, placing the full financial burden directly on providers. MNASCA submitted a letter to the Senate Finance Committee urging lawmakers to reject the increase and instead pursue more equitable, sustainable funding solutions. In the end, the proposed hike was excluded from the final Health and Human Services Omnibus bill, and the provider tax will remain at 1.8%.

Restrictions on the Corporate Practice of Medicine – DID NOT PASS

This proposal, offered as amendment [H2779A1](#) to HF 2779 in the House Health Finance and Policy Committee, seeks to strengthen safeguards against inappropriate business influence over medical practices. The bill would explicitly prohibit non-medical entities from interfering in clinical decisions, including appointment durations, diagnostic coding, and referrals. Authored by Rep. Liz Reyer, the measure focuses on addressing harmful practices that threaten medical independence, rather than targeting specific organizational models. While the bill received a hearing in the House, it did not meet the committee deadline this session. We expect Rep. Reyer will reintroduce these proposals next session.

Key Provisions:

1. **Ownership Restrictions:** Only licensed medical professionals can own or operate a medical practice. Non-medical individuals or companies are prohibited from employing doctors or engaging in the practice of medicine.
2. **Ownership Requirements:** Doctor-owners must demonstrate meaningful control of their practices. Individuals cannot manage both a medical practice and a management services company, or be paid for doing both. Practices cannot sell or transfer control of their ownership or assets, and gag agreements with management companies are void. Only medical practices can advertise their services under their own name.
3. **Limits on Business Control:** Medical practices cannot give up control over operations that influence patient care, such as staffing, billing, pricing, or clinical standards. Practices must retain control over key decisions like hiring, revenue use, and third-party contracts. Doctors' professional judgment must remain free from business interference. Delegation to management companies is allowed only if doctor-owners retain full authority.
4. **Compensation for Management Services:** Management or administrative service providers cannot be paid based on the volume or income of healthcare services. They can only receive fair market value for the services they provide.
5. **Enforcement:** The Minnesota Attorney General is responsible for enforcing these rules.

Transparency in Healthcare Ownership – DID NOT PASS

[HF 2779/SF 2939](#) requires health care entities in Minnesota to report detailed information about their ownership, control structures, affiliated entities, and financial arrangements to the Department of Health. The bill also calls for an annual public report on trends in healthcare consolidation, including ownership changes and affiliations. Authored by Rep. Liz Reyer, the legislation aims to shine a light on increasingly complex ownership structures—particularly those involving private equity and corporate entities—to better understand how financial flows impact patient care and community health. While emphasizing transparency, the bill also seeks to balance reporting requirements with the protection of sensitive business information. The proposal did not advance this session, but we expect Rep. Reyer to reintroduce it next year.

Key Provisions:

1. **Reporting Requirements:** Health care entities must submit information such as their name, address, tax ID numbers, ownership interests, and financial reports by March 1 annually. Reports are required following any transaction involving the entity, starting from 2026.
2. **Public Access:** The commissioner will publish the reported data annually, including trends in health care consolidation.
3. **Exemptions:** Small health care entities with fewer than three physicians or less than \$10 million in annual revenue may be exempt from some reporting, though they must report after certain transactions.
4. **Penalties:** Health care entities that fail to report or provide false information may face civil penalties, with a maximum fine of \$50,000 for smaller entities and up to \$500,000 for others.
5. **Enforcement:** The commissioner has authority to audit and inspect health care entities' records to ensure compliance with the reporting requirements.

Other Legislation of Interest – PASSED

Insurance Regulations & Coverage

- **External review of insurance denials:** Requires the commissioners of health and commerce to contract with multiple organizations providing independent external reviews of adverse determinations, removing previous references to the commissioner of administration.
- **Health benefit reviews:** Requires the commissioner of commerce to maintain capacity to conduct at least one mandated health benefit proposal review annually.
- **Health plan discontinuation:** Permits health carriers to discontinue offering a specific type of individual health plan if they meet required notice provisions and offer comparable alternative coverage to affected enrollees.
- **MinnesotaCare eligibility for undocumented adults:** The budget agreement reached by the Governor, House Republican and DFL leadership, and the Senate DFL included a policy change to remove undocumented immigrant adults from MinnesotaCare. The final bill prohibits enrollment in MinnesotaCare for individuals who are 18 years old or older who are not already enrolled in the program. It makes all undocumented noncitizens who are age 18 or older ineligible for MinnesotaCare beginning January 1, 2026.
- **Plan cancellation & nonrenewal:** Clarifies that enrollees must receive 30 days' notice of cancellation or nonrenewal, except in cases where 90 days' notice is required due to plan termination or eligibility for replacement coverage.
- **Telehealth access:** Continues coverage of audio-only telehealth services for two more years. Without action, this coverage would have sunset on July 1, 2025. Extends audio-only telehealth access under MA, MinnesotaCare, and private insurance plans through FY 2027.
- **Physical Therapy:** Coverage is limited to 14 visits per year, unless prior authorization is granted for additional visits.
- **Occupational Therapy:** Coverage is limited to 24 visits per year, unless prior authorization is granted for additional visits.

Patient Notification, Consent & Reporting

- **Explanation of benefits (EOB) access:** Allows patients to receive uniform explanations of benefits electronically.
- **Nonopioid directives:** Provides authority to a patient to execute a “non-opioid directive,” which allows patients the ability to provide instructions to caregivers for them not to receive opioids. It allows exemptions for emergency circumstances if the practitioner does not have access to the patient’s medical record, or if in the prescribers’ professional opinion, it is necessary to administer an opioid to treat the patient.
- **Sensitive examinations:** prohibits the performance of a “sensitive examination” of a patient, unless the patient has provided written consent for the examination. Sensitive examination is defined as a pelvic, breast, or rectal examination. Establishes informed consent standards and restrictions on sensitive examinations performed on anesthetized or unconscious patients.

- **Social media & mental health notification:** Requires social media platforms to display a mental health warning label when users access them and empowers the attorney general to investigate violations.

Prescription Drugs & Formularies

- **340B program:** Expands reporting requirements for 340B covered entities and updates technical language.
- **Drug formularies:** Prohibits health plans and pharmacy benefit managers (PBMs) from making certain midyear changes to their drug formularies, which helps ensure patients retain access to medications already prescribed during the plan year.
- **Drug pricing transparency:** Requires manufacturers to provide expanded prescription drug pricing data to the Department of Health.
- **Drug rebates:** Includes drug rebates in the tax base for wholesale drug distributor taxation.

Scope of Practice, Licensing & Certification

- **Certified midwives:** Grants the Board of Nursing authority to license certified midwives, outlines their scope of practice, and enables MA reimbursement for midwife services. These professionals have the same education curriculum as nurse midwives, but are not required to be registered nurses.
- **Foreign medical practice licensure:** Creates a new licensing pathway for international medical graduates (IMGs) who have not graduated from an accredited residency program. The new pathway requires a two-year limited license that requires the IMG to practice under the supervision of a licensed physician in a rural or underserved area. Also specifies conversion requirements for a full license.
- **Physician Assistant collaborative agreements:** Updates rules for collaborative practice agreements between physician assistants (PAs) and physicians. Allows PAs to collaborate with physicians licensed in other states or U.S. territories, in addition to those licensed in Minnesota.
- **Optometrists scope of practice:** Expands the scope of practice for optometrists to allow more prescribing authority and to provide limited injections.

Workforce & Human Resources

- **Labor standards for rest and meal breaks:**
 - Establishes a guaranteed minimum 15-minute paid rest break for every four hours worked, replacing the previous “adequate time” standard.
 - Requires a 30-minute unpaid meal break for every six consecutive hours worked.
 - Clarifies that employers are not obligated to pay for meal breaks, consistent with existing labor laws.
 - Employees are entitled to two 15-minute rest breaks during an 8-hour shift, plus a 30-minute unpaid meal break for every 6 hours worked. Breaks must be offered but can be voluntarily waived by employees.
 - Introduces legal remedies for employees denied proper rest or meal breaks, allowing recovery of the unpaid break time at the employee’s regular rate of pay.

- **Provider mental health program funding:** One-time appropriation of \$250,000 to the Minnesota Medical Association (MMA) to fund the implementation of the Treat Yourself First campaign. This campaign is designed to encourage physicians, nurses, pharmacists, optometrists, chiropractors, and other practitioners to get mental health care if they need it.

Other Issues

- **Cannabis regulation:** The 2025 Cannabis Policy bill introduces significant reforms to Minnesota's cannabis framework, addressing regulatory, medical, and equity considerations. Building on the 2023 legalization of adult-use cannabis, it establishes an implementation framework through the Office of Cannabis Management and details license rollouts to create a safe, well-regulated market. The bill also supports social equity applicants and enhances protections for medical cannabis patients.
- **Healthcare Interpreter Services Work Group:** Creates a 15-member work group focused on spoken language healthcare interpreting. The group is tasked with developing recommendations to improve access to and support for interpreter services across Minnesota's healthcare system. MNASCA supported this effort as part of the Healthcare Workforce Support Coalition, recognizing the critical role interpreters play in delivering equitable, patient-centered care.
- **Radiation equipment oversight:** Increases fees and strengthens requirements related to ionizing radiation-producing equipment and x-ray equipment inspections. Authorizes rulemaking on handheld dental x-ray use.

Joint Budget Targets

Global Budget Agreement Committee Targets General Fund Net Targets

\$ in thousands

House/Sen/Gov Agreement

	FY 2025-27	FY2028-29
1 Net Targets		
2 Areas Within Omnibus Bills		
3 K-12 Education	-	(420,000)
4 Health and Human Services	(97,680)	(297,878)
5 Health	20,000	(70,000)
6 HCAF Balance Financing	(115,000)	(120,000)
7 Provider Tax Gross Revenue Definition & HCAF Financing	(23,900)	(30,100)
8 Other DHS	38,000	42,000
9 NEMT	(22,780)	(104,778)
10 Children and Families	6,000	(15,000)
11 Human Services	(270,000)	(820,000)
12 Higher Education	22,000	4,500
13 Agriculture, Broadband and Rural Development	9,000	3,000
14 Housing and Homelessness Prevention	15,000	3,800
15 Environment, Climate, and Legacy	(6,500)	2,500
16 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)
19 Jobs and Economic Development	(30,000)	(40,000)
20 Labor	2,000	1,200
21 State Government	45,000	50,000
22 Veterans and Military Affairs	50,508	54,538
23 Elections	(1,064)	106
24 Transportation	(115,000)	(133,000)
25 Judiciary and Public Safety	107,423	112,079
26 Judiciary	19,163	54,822
27 Public Safety	88,260	57,257
28 Debt Service and Capital Projects	(10,907)	(168,028)
29 Taxes and Local Aids	(118,000)	(190,000)
30		
31 Other Items		
32 Pensions	80,000	80,000
33 Executive Branch Carryforward	30,000	15,000
34 Lead Lines	3,000	-
35 Other Items	9,164	(47,400)
36 Total GF Impact	(283,056)	(1,805,583)
37		
38 Remaining balance excluding inflation	1,884,138	(290,472)
39 Structural balance excluding inflation	-	(2,174,610)
40 Percent reduction in structural imbalance		45%

5/14/2025

Melanie Hoffman
Ricky
Quilley



Budget Targets

(\$ in Thousands, Not Joint Targets)

HOUSE			SENATE		
COMMITTEE	FY 26-27	FY 28-29	COMMITTEE	FY 25-27	FY 28-29
AGRICULTURE	17,000	17,000	AGRICULTURE	(313)	2,928
CAPITAL INVESTMENT	10,000	0	CAPITAL INVESTMENT	0	0
CHILDREN AND FAMILIES	25,000	(15,000)	CHILDREN AND FAMILIES	INCLUDED IN OTHER TARGETS	INCLUDED IN OTHER TARGETS
COMMERCE	3,000	(10,000)	COMMERCE	1,614	2,578
EDUCATION	40,000	0	EDUCATION	0	(687,400)
ELECTIONS	(1,824)	106	ELECTIONS	(1,064)	(15,146)
ENERGY	0	0	ENERGY	(4,000)	(4,000)
ENVIRONMENT	(10,000)	0	ENVIRONMENT	(1,000)	2,000
HEALTH	(50,000)	(175,000)	HEALTH	(261,811)	(336,860)
HIGHER EDUCATION	0	0	HIGHER EDUCATION	100,000	25,000
HOUSING	75,000	7,650	HOUSING	3,000	1,000
HUMAN SERVICES	(300,000)	(1,000,000)	HUMAN SERVICES	272,000	430,000
JUDICIARY	30,000	30,000	JUDICIARY	106,230	114,394
PUBLIC SAFETY	50,000	50,000	PUBLIC SAFETY	INCLUDED IN JUDICIARY TARGET	INCLUDED IN JUDICIARY TARGET
STATE GOVERNMENT	45,000	45,000	STATE GOVERNMENT	45,298	55,761
TAXES	(40,000)	(40,000)	TAXES	(365,000)	(370,000)
TRANSPORTATION	0	0	TRANSPORTATION	(226,990)	(132,382)
WORKFORCE	(50,000)	(50,000)	JOBS	8,649	4,546
LABOR	INCLUDED IN WORKFORCE TARGET	INCLUDED IN WORKFORCE TARGET	LABOR	357	798
PENSIONS	124,000	124,000	PENSIONS	45,000	0
OTHER	13,341	0	OTHER	0	0
INFLATION ADJUSTMENTS	(1,145,305)	1,597,465	DEBT SERVICES	27,048	25,719
TOTAL GENERAL FUND CHANGE	(1,159,788)	(2,608,759)	TOTAL GENERAL FUND CHANGE	(754,024)	(1,738,758)

Special Session Agreement



Agreement for Special Session 2025

In order to pass legislation critical to the health, well-being, and safety of the citizens of Minnesota, the Governor of Minnesota and the below legislative leaders agree as follows:

1. The Governor will call a Special Session to convene on Monday, June 9, 2025, at 10:00 a.m. at the State Capitol in Saint Paul, Minnesota.
2. The activity of the legislature during the Special Session must be confined to the following bills and corresponding appropriations:
House Files:
 - a. Revisor number 25-05702: Modifying MinnesotaCare for Undocumented Adults Bill
 - b. Revisor number 25-05697: Health and Human Services Policy and Appropriations Bill (and Children and Families)
 - c. Revisor number 25-05685: Commerce and Consumer Protection Policy and Appropriations Bill
 - d. Revisor number 25-05696: Human Services Appropriations Bill
 - e. Revisor number 25-05713: Education Policy and Appropriations Bill
 - f. Revisor number 25-05709: Transportation Finance and Policy Bill
 - g. Revisor number 25-05718: Capitol Investment Bill
 - h. Revisor number 25-05695: Taxes and Local Aids Bill
 - i. Data Center Bill

Senate Files:

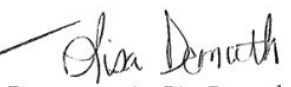
- a. Revisor number 25-05671: Environment and Natural Resources Appropriations Bill
- b. Revisor number 25-05711: Jobs, Labor, Economic Development Policy and Appropriations Bill
- c. Revisor number 25-05669: Higher Education Policy and Finance Bill
- d. Revisor number 25-05688: Energy, Utilities, Environment and Climate Policy and Appropriations Bill
- e. Revisor number 25-05682: Technical Revisor Corrections Bill

3. With due regard to the individual rights and authorities of each member of the Minnesota Legislature, the undersigned legislative leaders, as representatives of their caucuses, agree that:
 - a. The legislative leaders will not support amendments to the above bills after the bills are finalized by agreement of the leaders below, except where an amendment is agreed upon by the leaders below. The finalized bills will be conveyed to the House and Senate on Monday, June 9, 2025, and must be voted upon or passed by both bodies before 7:00 a.m. on Tuesday, June 10, 2025.
 - b. Both the Senate and the House of Representatives will declare an urgency under Article IV, Section 19 of the Minnesota Constitution. Senate Rule 2 and House Rule 1.04, requiring that a bill be given three readings on three separate days, and any other rules that would prevent passage of the above bills before 7:00 a.m. on Tuesday, June 10, 2025, will be suspended.
 - c. No other bills other than those listed above may be passed.
4. The Special Session must conclude within one legislative day. Both the House and the Senate must adjourn the Special Session sine die before 7:00 a.m. on Tuesday, June 10, 2025.
5. This agreement may be changed by the agreement of the undersigned leaders.

Signed on Friday, June 6, 2025



Tim Walz
Governor



Representative Lisa Demuth
Speaker of the House



Representative Melissa Hortman
Speaker Emerita



Senator Erin Murphy
Senate Majority Leader



Senator Mark Johnson
Senate Minority Leader

New House Members

Minnesota House DFL Members

- 8A – Peter Johnson
- 35B – Kari Rehrauer
- 38A – Huldah Hiltzley
- 40B – David Gottfried (Special Election, Vacant Seat – March 2025)
- 49A – Alex Falconer
- 50A – Julie Greene
- 61A – Katie Jones
- 62B- Anquam Mahamoud

Minnesota House Republican Members

- 1B - Steve Gander
- 2A – Bidal Duran
- 7B – Cal Warwas
- 16A - Scott Van Binsbergen
- 18A – Erica Schwartz
- 19B - Thomas Sexton
- 22B – Terry Stier
- 26A – Aaron Repinski
- 24A – Jimmy Gordon
- 28B – Max Rymer
- 41A – Wayne Johnson
- 41B – Tom Dippel
- 58B – Drew Roach

New Senate Members

Minnesota Senate DFL Members

- 45 – Ann Johnson Stewart (Replaced Congresswoman Kelly Morrison – Nov. 2024)
- 60 – Doron Clark (Replaced Senator Kari Dziedzic – Feb. 2025)

Minnesota Republican Senate Members

- 6 – Kari Heintzeman (Replaced Senator Justin Eichorn - May 2025)



April 26, 2025

Dear Chair Marty and Members of the Senate Finance Committee:

On behalf of the Minnesota Ambulatory Surgery Center Association (MNASCA), I am writing to express our opposition to the proposed increase in Minnesota's provider tax from 1.8% to 2% as included in the Senate Omnibus Health and Human Services Bill (SF 2669, Article 6, Section 22).

We echo the concerns raised by the Minnesota Medical Association (MMA), which has called the provider tax one of the most regressive taxes in our healthcare system. Increasing this tax raises the overall cost of care and places a disproportionate burden on smaller providers like ambulatory surgery centers (ASCs), many of which operate on narrow margins and lack the financial reserves of large health systems.

This proposed increase comes at a time when healthcare providers are already grappling with a wave of costly new state mandates—including Paid Family and Medical Leave, Earned Safe and Sick Time, new ergonomic standards, limits on medical records charges, surgical smoke evacuation requirements, medical debt regulations, and salary transparency laws. Taken together, these policies are creating significant administrative and financial pressure on providers across the state.

Unlike some other assessments, the provider tax is not reimbursable meaning its full cost falls directly on healthcare professionals and facilities that are already stretched thin by workforce shortages, rising costs, and stagnant reimbursement rates. For ASCs, this could mean scaling back services, reducing access, or even closure—jeopardizing timely, affordable care for thousands of Minnesotans.

We urge you to reject this proposed tax increase and instead pursue equitable, sustainable solutions that do not compromise frontline healthcare providers or reduce access to essential care.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tracy Mills", is written over a light blue horizontal line.

Tracy Mills, President

Minnesota Ambulatory Surgery Center Association



February 24, 2025

Dear Senator Wiklund,

On behalf of the Minnesota Ambulatory Surgery Center Association (MNASCA), I am writing to express our strong support for SF 1402, increasing Medical Assistance and MinnesotaCare outpatient payment rates. This legislation addresses a significant issue in our healthcare system and aligns with the recent Minnesota Department of Human Services study recommending outpatient rates be raised to 100% of Medicare levels.

The proposed rate increase will provide:

- **Improved Access to Care:** Higher reimbursement rates will enable healthcare providers to continue offering services to Medical Assistance and MinnesotaCare patients, ensuring better access to necessary outpatient care.
- **Support for Healthcare Providers:** The current reimbursement rates, at only 60-70% of Medicare and 30% of commercial payers, are unsustainable for many providers. This increase will help ensure the financial viability of outpatient care facilities.
- **Phased Implementation:** The three-year phase-in approach allows for a gradual adjustment to the new rates, making it more manageable given the projected state budget forecast.

MNASCA is committed to promoting high-quality, value-driven surgical services in Minnesota. We believe SF 1402 is a crucial step towards achieving this goal and ensuring the long-term sustainability of outpatient care in our state.

We appreciate your leadership in addressing this critical issue and look forward to collaborating with you to pass SF 1402.

Sincerely,

Tracy Mills, President
Minnesota Ambulatory Surgery Centers Association



Minnesota Society of
Interventional Pain Physicians

The Voice of Interventional Pain Medicine in Minnesota

February 19, 2025

House Commerce Finance and Policy Committee
Minnesota Senate Office Building
Saint Paul, Minnesota 55155

Dear Chair O'Driscoll, Lead Her, and members of the committee,

We are writing to express our concern over the upcoming expiration of funding for the state's reinsurance program, the Minnesota Premium Security Program, which helps over 160,000 Minnesotans afford their health care coverage. We respectfully urge you to expedite passing funding for the program early this session to avoid uncertainty and sticker shock for Minnesota families when shopping for insurance in 2026.

Minnesota has done extraordinary work to achieve and maintain one of the lowest uninsured rates in the country – even with the added challenges of the pandemic and the recent redeterminations effort. We are deeply concerned about the impact the loss of reinsurance would have on premiums, especially considering enhanced federal subsidies are set to expire at the same time. A [recent Star Tribune editorial](#) wrote about the sticker shock coming to those who buy insurance on their own if nothing is done to extend reinsurance. Those buying insurance on their own may see premiums increase as much as 50%, resulting in an

estimated 93,000 Minnesotans becoming uninsured. For those becoming uninsured, this will mean Minnesotans will delay seeking care for ongoing chronic conditions and increasing medical debt if all their care is paid out of pocket. Providers and hospital systems will see an increase in patients with untreated conditions and will provide more uncompensated care.

As the Star Tribune article points out – this loss of coverage in this market is avoidable – the legislature can and must act now to ensure that Minnesotans can continue to access the care they need. We urge your support for reinstating reinsurance funding to the Premium Security Account and continuing this vital program for plan years 2026 and 2027.

Sincerely,

Minnesota Council of Health Plans

Minnesota Chamber of Commerce

Minnesota Business Partnership

Minnesota Hospital Association

Minnesota Medical Association

National Association of Benefits & Insurance Professionals Minnesota Chapter (NABIP MN)

Minnesota Society of Interventional Pain Physicians

Minnesota Ambulatory Surgery Center Association (MNASCA)

Health Plan Partnership of Minnesota

National Federation of Independent Business (NFIB)

Twin Cities Orthopedics (TCO)

Minnesota Chiropractors Association

Cannabis Policy Bill

S.F. 2370 Senator Dibble/Representative Stephenson

Effective Date: May 24, 2025

[Chapter 31](#)

The 2025 Cannabis Policy bill introduces significant reforms to Minnesota’s cannabis framework, addressing regulatory, medical, and equity considerations. Building on the 2023 legalization of adult-use cannabis, it establishes an implementation framework through the Office of Cannabis Management and details license rollouts to create a safe, well-regulated market. The bill also supports social equity applicants and enhances protections for medical cannabis patients.

Office of Cannabis Management & Regulatory Oversight

- Transfers full oversight of the state’s medical cannabis program from Minnesota Department of Health (MDH) to Office of Cannabis Management (OCM) by March 1, 2025, including patient registration, manufacturer regulation, and product standards.
- Clarifies that the Office of Cannabis Management is a state agency with the authority to engage in government-to-government relations with Tribal Nations.
- Expands OCM’s administrative flexibility to address business relocation, license transfers, and changes to business names or structures.

Medical Cannabis Program – Transition & Patient Access

- Expands eligibility for certifying medical cannabis patients to include physician assistants and advanced practice registered nurses, broadening patient access.
- Allows designated caregivers to cultivate up to eight plants for patients and—if over 21—an additional eight plants for personal use.
- Requires patients to notify OCM when assigning cultivation responsibilities to a caregiver and prohibits dual cultivation in those cases.
- Recognizes Tribal medical cannabis programs, allowing Minnesota patients enrolled in Tribal programs to access medical cannabis from state-licensed manufacturers.

Hemp-Derived Products & Low-Potency Edibles

- Creates a new license type for lower-potency hemp edible wholesalers, expanding supply chain options for compliant product distribution.
- Allows Minnesota manufacturers to export hemp products that do not meet in-state requirements, as long as they comply with the laws of the destination state.
- Clarifies that hemp-derived cannabinoid products may not be marketed for use on nonintact skin or mucous membranes, but allows sublingual (under-the-tongue) use.
- Updates edible beverage rules to allow a beverage with up to 10 milligrams of THC to be labeled as a single serving, removing the two-serving label requirement.

Licensing, Social Equity, and Business Operations

- Expands social equity eligibility to include individuals with adjudicated (not just convicted) cannabis-related offenses.

- Allows cannabis vendors to provide samples at licensed cannabis events, subject to OCM approval and safety standards.
- Permits cannabis testing facilities to begin testing operations while actively seeking accreditation, improving laboratory access during early implementation.
- Authorizes local governments to issue provisional retail registrations to cannabis businesses with preliminary state approval, enabling early local oversight.
- Permits municipal liquor stores to hold separate licenses to sell lower-potency hemp edibles, aligning municipal retail operations with state law.

Criminal Justice and Expungement

- Clarifies expungement and resentencing procedures for felony cannabis offenses under the state's Clean Slate framework.

Commerce Omnibus Bill

SS H.F. 4 Representative Her/Representative Klein

Effective Date: Various

Chapter 4

The 2025 Commerce and Consumer Protection Omnibus bill passed during special session. It allocates \$43.318 million in FY 2026 and \$42.905 million in FY 2027 to the Department of Commerce, with dedicated streams for financial institutions, telecommunications, insurance and the Office of Cannabis Management.

The bill updates financial institution statutes by exempting federally qualified mortgages from service-charge limits, revising interest-rate benchmarks and streamlining default and account-closure notices. It establishes a new Common Interest Community (Homeowners Association) Ombudsperson, funded at roughly \$347,000 annually, to help resolve HOA disputes. It also strengthens the Department's data-call authority, adjusts lead and cadmium restrictions by exempting certain items – such as imported keys (through 2028) and artist materials – and refines EV charging resale rules and telecom discontinuation procedures. Additionally, the bill enhances consumer protections by requiring free water access at ticketed events and ensuring the availability of sealed bottled water.

Significant changes were made to the state's reinsurance provisions require group health carriers to pay a one-time 2028 assessment based on their share of 2027 premiums (with deferral and proportional reallocation options) and direct all proceeds, including a \$145 million FY 2026 transfer, into the state's premium security plan. The act also establishes a reinsurance credit for tax years after December 31, 2028, allowing carriers to offset their state premiums tax dollar-for-dollar against assessment payments, with refunds for any excess.

Appropriations

Department of Commerce: \$43.318 million for FY2026; \$42.905 million for FY 2027

- \$3.035 million/year for financial institutions, including programs to assist low-income and financially underserved populations
- \$3.235 million/year for telecommunications
- \$13.752 million in FY26 and \$13.483 million in FY27 for insurance
- \$33.443 million FY26 and \$36.35 in FY27 for Office of Cannabis Management

Financial Institutions Policy

- Exempts loans meeting Federal Qualified Mortgage standards from service charge limitations.
- Updates the maximum lawful interest rate for conventional or cooperative apartment loans and contracts for deed to the average prime offer rate as defined in federal regulations, plus four percentage points, based on the rate published by the Consumer Financial Protection Bureau at the time the loan's interest rate is finalized, and allows the commissioner to adopt a substitute index if necessary.
- Allows a lender making a mortgage loan to give notice of default via first-class mail (instead of certified) and electronically, if agreed to by the borrower and lender in writing.

- Allows a financial institution, if notice is provided, to close a deposit account if the holder has engaged in harassment towards the financial institution's employees or customers.
- Allows a safe deposit lease to renew automatically at the end of the lease term. Allows a consumer to terminate a lease at any time in writing, or as otherwise provided in the lease.
- Modifies ownership requirements for additional broker licenses.
- States that a lender's compliance with section 47.20, subdivision 8, is optional for conventional mortgage documents dated between August 1, 2024, and July 31, 2025.

Insurance

- Continued funding for state participation in National Conference of Insurance Legislators.
- Eliminates the CPI adjustment for surplus lines premium thresholds—reverting to a flat \$500,000—and ends the annual CPI-based adjustment of required property values for the Minneapolis–St. Paul market.
- FAIR Plan Coverage Notice: when a surplus lines broker places homeowners or property insurance with a nonadmitted insurer, the broker must include a notice on the policy's face in not less than ten-point type, stating that the policyholder may be eligible for coverage through the Minnesota Fair Plan.
- Removes the exemption that previously excluded the Comprehensive Health Association from requirements governing the offering, sale, issuance, and renewal of individual health plans.
- Allows health carriers to refuse renewal of an individual health plan under certain conditions, such as changes in eligibility or other justifications permitted by law.
- Permits health carriers to discontinue offering a specific type of individual health plan if they meet required notice provisions and offer comparable alternative coverage to affected enrollees.
- Clarifies statutory language on health care plan coverage cancellation and nonrenewal.
- Clarifies that enrollees must receive 30 days' notice of cancellation or nonrenewal, except in cases where 90 days' notice is required due to plan termination or eligibility for replacement coverage.
- Requires the commissioner of commerce to maintain capacity to conduct at least one mandated health benefit proposal review annually.
- Requires the commissioner of commerce to adopt standardized forms by July 1, 2026, for legislators and committee chairs to use when submitting mandated health benefit proposals, ensuring the commissioner receives all necessary information to conduct the required evaluation.
- Requires the commissioners of health and commerce to contract with multiple organizations providing independent external reviews of adverse determinations, removing previous references to the commissioner of administration.
- Authorizes the Minnesota Automobile Insurance Plan Service Office (AIPSO) to issue policies, underwrite insurance, adjust claims, and hire or appoint entities to perform these functions.
- Allows AIPSO to distribute risk equitably among members for private passenger, nonfleet auto insurance, including sharing premiums, losses, and administrative costs.

- Sets implementation deadlines, requiring the association to provide estimated assessments by May 1, 2028, notify carriers of final amounts by June 30, 2028, and collect payments by August 1, 2028.
- Allows group health carriers to apply for a payment deferral by May 15, 2028, if payment would result in financial impairment, with final determinations issued by the commissioner by June 15, 2028.
- Shifts deferred amounts proportionally to other carriers and bars deferred carriers from receiving reinsurance payments until full repayment is made.
- Adjusts the total assessment by May 30, 2029, requiring additional payments or issuing refunds based on actual program costs.
- Sends collected assessments to the commissioner of commerce by August 15, 2028, for deposit into the premium security plan account.
- Requires the board to take into consideration the assessment in benefit year 2027 and to ensure MNsure has sufficient operating funds when setting the payment parameters.
- Requires group health carriers to maintain records for at least six years to substantiate assessments, payments, or deferrals, and to make those records available to the commissioner upon request. Beginning January 1, 2028, carriers must cooperate with audits to assess compliance, including ensuring cooperation from contractors and agents.
- Requires the board to include the assessment collected in their annual report to the commissioner and legislature.
- Requires the commissioner of commerce to annually transfer an amount determined by the association from the premium security plan account to MNsure. Federal funds cannot be used for this transfer.
- Allows MNsure to share data classified as private or nonpublic to the Department of Revenue to implement the reinsurance credit.
- Establishes a reinsurance credit, effective for tax years beginning after December 31, 2028, allowing insurance companies to claim a credit against the state premiums tax equal to the assessment paid under section 62E.23 in the prior year; if the credit exceeds the tax liability, the excess is refunded from the general fund, and the credit does not impact fire or police state aid calculations.
- Clarifies that the reinsurance credit cannot be used to reduce March and June 2029 estimated tax installments but may be applied to reduce September and December installments (not below zero), with any remaining credit refundable after the December payment, effective for tax years beginning after December 31, 2028.
- Requires a one-time transfer of \$145 million in fiscal year 2026 from the health care access fund to the premium security plan account, with any unspent funds canceling back to the health care access fund after August 31, 2027.
- Directs the commissioner of revenue to report the total reinsurance credit amount by June 1, 2030, and requires a one-time transfer of that amount from the general fund to the health care access fund by June 30, 2030.

Commerce and Consumer Protection Policy

- Updates statutory references to ASTM fuel specifications.
- Establishes a Common Interest Community Ombudsperson within the Department of Commerce to assist with governance and dispute resolution in common interest communities.

- Defines key terms for the section, including “association” under Chapters 515, 515A, and 515B; “common interest community” as defined in Chapter 515B; “governing documents” as declarations, bylaws, articles of incorporation, and amendments; and “unit owner” as defined in relevant statutes.
- Establishes the ombudsperson position within the Department of Commerce to assist unit owners, tenants, and associations in understanding their rights under Chapter 515B and governing documents, facilitate dispute resolution, and serve in the unclassified service as appointed by the commissioner.
- Specifies qualifications and restrictions for the ombudsperson, who must be skilled in dispute resolution and selected without political affiliation, and who cannot be a unit owner, be employed by or affiliated with association service providers, or hold another public office.
- Outlines the ombudsperson’s core duties, including creating plain-language explanations of governing documents, providing educational resources, and offering informal mediation in qualifying disputes. Also requires the ombudsperson to maintain a public website with legal information and guidance, analyze complaints for systemic issues, and submit reports and recommendations to the Legislature when appropriate.
- Limits the ombudsperson’s authority by:
 - Prohibiting legal advice or formal determinations on disputes.
 - Prohibiting issuance of binding orders in disputes between owners and associations.
- Encourages voluntary cooperation by allowing unit owners and associations to participate in dispute resolution in good faith.
- Classifies data collected by the ombudsperson as private or nonpublic, protecting identities of involved parties.
- Clarifies that the section does not alter landlord-tenant law, preserving existing rights and duties under Chapter 504B and other statutes.
- Allows the commissioner of commerce to issue data calls, meaning requests for data or information for regulatory oversight, and clarifies that a data call is not market analysis and is not subject to section 60A.033.

Commerce Fees and Registration Changes:

- Changes language to make it permissive for the commissioner to adjust the license and technology fee surcharge, with a cap of \$2 million.
- Exempts private fund advisers that pay fees under section 80A.65, subdivision 2b, from the investment adviser registration requirements under section 403.
- Increases the broker-dealer transfer fee to \$65 and imposes a \$50 transfer fee for investment advisers.
- Imposes a \$100 filing fee on private fund advisers for initial or renewal notices.
- Adds references to the North American Securities Administrators Association and the commissioner of commerce in the post registration requirements under section 411.
- Allows continuing education course providers to submit a form to the commissioner to receive approval for credit within 60 days after the offering.

Auto Dealer Changes:

- Prohibits a manufacturer, distributor, or factory branch from prohibiting a new motor vehicle dealer from participating in an auto show.
- Allows a new motor vehicle dealer to participate in up to four auto shows per year outside their licensed county without obtaining an additional license. The auto show must not involve direct sales or pricing displays, but may allow promotional materials, scheduling appointments, collecting customer leads, and test drives under a show-run program.

Miscellaneous Commerce Policy:

- Allows EV charging stations to resell utility-provided electricity without violating resale restrictions.
- Authorizes the Public Utilities Commission to recover administrative costs related to discontinuing telecom services, effective July 1, 2026.
- Establishes a petition and approval process for telecom service discontinuation in areas with VOIP alternatives and preserves service obligations, effective July 1, 2026.
- Updates cross-references for gasoline and ethanol-related fuel specifications.
- Allows retail gasoline stations to maintain one tank of nonoxygenated racing fuel with required signage.
- Regulates retail electric vehicle supply equipment, including definitions, inspection fees, labeling, sales units, advertising standards, and rulemaking authority.
- Creates exceptions to lead content restrictions for internal components, certain keys, and compliant cookware.
- Temporarily exempts class B firefighting foam used in airport hangars from the PFAS firefighting foam prohibition until January 1, 2028.
- Requires venues with over 100 ticketed attendees to provide or allow access to water.
- Allows members to terminate at-will memberships with 30 days' notice.
- Directs the commissioner to update rules to reflect that NASD is now FINRA and permits expedited rulemaking.

Health and Human Services Omnibus Bill

Special Session H.F. 2 Representative Bierman/Senator Wiklund

Effective Dates: Various

Chapter 3

The 2025 Health and Human Services Omnibus Bill was passed during special session and includes appropriations and policy changes across the Departments of Health, Human Services, and Children, Youth, and Families. The bill was worked on extensively during regular session but hit several sticking points, including MinnesotaCare coverage for undocumented Minnesotans, that necessitated leadership-level negotiations and a compromise during special session.

The final bill increases fees for health licensing and facility regulation, expands Medicaid (MA) coverage for certain services, and establishes a single pharmacy benefit administrator for public programs. The bill includes new grant programs for emergency medical services, food access, and housing support. It also updates child welfare and early learning statutes, expands eligibility for mental health services, and strengthens oversight of hospital operations, facility fees, and provider licensing.

Department of Health Finance

- Increases fees for health maintenance organizations and county-based purchasing plans seeking to apply for or renew certification with the Department of Health.
- Updates well and boring-related fees for variances, permits, notifications, disclosures, and licensing, to reflect current operational costs.
- Directs the Health Commissioner to establish a statewide dementia services program to improve service coordination.
- Increases the newborn screening fee to support the addition of metachromatic leukodystrophy (MLD) to the list of screened conditions.
- Allows Tribal Nations to receive American Indian health grants via a noncompetitive formula, while community-based organizations continue through a competitive process.
- Raises licensure and registration fees related to radioactive materials, generally licensed devices, and reciprocity for licenses issued by other states or the federal government.
- Increases fees and strengthens requirements related to ionizing radiation-producing equipment and x-ray equipment inspections. Authorizes rulemaking on handheld dental x-ray use.
- Adjusts license and registration fees for a broad set of health facilities, including acute and long-term care providers, birth centers, supplemental nursing services, and hospice agencies.
- Substantially raises fees and adds requirements for plan reviews and licensing of food establishments, lodging, youth camps, pools, spas, and resorts. Establishes a new technology fee and modifies the hospitality fee.
- Exempts spa pools at single-unit vacation rentals from public pool rules and sets use requirements for renters.
- Raises fees for sanitarians and environmental health specialists and repeals outdated related rule language.
- Requires pediatric primary care providers to distribute information on signs of infant physical abuse.

- Increases the public water supply service connection fee.
- Expands plan review requirements for assisted living facilities and increases related engineering review fees.
- Modifies licensing conditions for a Cook County hospital operating swing beds with an attached nursing facility.
- Extends the Trauma Advisory Council authorization through 2035.
- Permanently establishes the Newborn Hearing Screening Advisory Committee.
- Replaces the four-level violation system for home care and assisted living providers with a five-level structure.
- Converts the Maternal and Child Health Advisory Task Force into a standing advisory committee.
- Directs the department to collect data on epilepsy and seizure disorders and develop a statewide coordination plan.
- Increases the minimum required funding allocation to Federally Qualified Health Centers from 2% to 5%.
- Clarifies asbestos-related licensure and raises associated permit and training fees.
- Creates a health care interpreter work group focused on spoken language needs.
- Requires hospitals and health systems to report 2026 facility fee billing data, which the department will publish online.

Department of Health Policy

- Expands reporting requirements for 340B covered entities and updates technical language.
- Allows patients to receive uniform explanations of benefits electronically.
- Requires manufacturers to provide expanded prescription drug pricing data to the Department of Health.
- Adjusts provider access standards to ensure geographic adequacy in health plans, particularly in the individual and small group markets.
- Shifts administration of the “Healthy Eating, Here at Home” program from the Humanities Center to the Department of Health and incorporates SUN Bucks (Summer EBT).
- Clarifies when hospitals must provide notice and hold public hearings before closing or reducing operations. Defines “controlling person” for hospital accountability.
- Establishes informed consent standards and restrictions on sensitive examinations performed on anesthetized or unconscious patients.
- Broadens membership eligibility for the Health Equity Advisory and Leadership Council and removes timing requirements for appointment recommendations.
- Establishes credentialing requirements for central service technicians working in hospitals and ambulatory surgical centers.

Health Licensing Boards

- Foreign Medical Practice Licensure - creates a limited licensure path for foreign medical graduates, including practice scope and conversion requirements for a full license.
- Occupational Therapy Licensure - updates licensure and regulatory statutes for occupational therapists and assistants.
- Certified Midwives - grants the Board of Nursing authority to license certified midwives, outlines their scope of practice, and enables MA reimbursement for midwife services.

- Chiropractic - establishes and modifies statutory fees for the Board of Chiropractic Examiners.
- Speech Pathology - revises supervision rules and reduces licensure fees for speech-language pathology assistants.
- Counselors - creates a fee structure for interstate compact privileges for licensed professional counselors.
- Social Workers - establishes compact licensure fees and renewal requirements for social workers participating in the multistate compact.
- Dental Therapists - permits dentists to supervise dental therapists practicing in the military.
- Pharmacy Interns - updates qualifications, fees, and requirements for pharmacy interns.
- Drug Reuse - expands central medication repository authority to purchase drugs under limited conditions and clarifies transfer/disposal processes for donated medications.
- Podiatry - modifies statutory fees for the Board of Podiatric Examiners.
- Veterinary – modifies statutory fees for the Board of Veterinary Medicine.
- Licensing Boards - requires the commissioner of MMB to report which health licensing boards have over one year of operating reserves.

Pharmacy Benefits

- Prohibits health plans from making certain midyear changes to their drug formularies, which helps ensure patients retain access to medications already prescribed during the plan year.
- Extends the sunset date of the state’s Drug Formulary Committee to June 30, 2029, allowing continued oversight and recommendations on drug coverage within public programs.
- Single Pharmacy Benefits Administration is established. The Department of Human Services (DHS) is required to contract with a single pharmacy benefit manager to process all pharmacy claims for Medical Assistance (MA) and MinnesotaCare enrollees served under managed care plans. This centralization is intended to reduce administrative complexity and improve consistency in prescription drug services.
- Establishes a temporary \$4.50 per-prescription Directed Payment Program dispensing payment for small and independent community pharmacies serving MA enrollees, effective through calendar year 2026. This payment is meant to support pharmacy sustainability while broader system reforms are implemented.

Office of Emergency Medical Services

- Modifies the existing reimbursement program for EMS training to better support the cost of initial and continuing education for emergency medical responders and EMTs.
- Establishes a Rural EMS Uncompensated Care Pool Program to reimburse ambulance services for emergency responses that are not reimbursed from other sources. .
- Creates a new training and staffing grant program for ambulance services, supporting salary and training costs for new EMTs.
- Establishes an operating deficit grant program to assist ambulance services with persistent financial shortfalls.

Health Policy

- Repeals obsolete effective dates related to environmental laboratory accreditation requirements.
- Requires the commissioner of health to conduct maternal death studies, subject to available funding.
- Updates rules for collaborative practice agreements between physician assistants and physicians.
- Expands optometrists' scope of practice and requires board approval for certain injections.

Minnesota Health and Education Facilities Authority

- Expands the existing Higher Education Facilities Authority into the Minnesota Health and Education Facilities Authority, enabling capital financing for nonprofit health care organizations in addition to higher education institutions.
- Increases the bonding cap to \$5 billion, allocating \$2.25 billion for higher education and \$2.75 billion for health care facilities.
- Modifies the authority's governance structure to reflect expanded scope.

Human Services Health Care Finance

- Extends audio-only telehealth access under MA, MinnesotaCare, and private insurance plans through FY 2027.
- Authorizes a uniform nonemergency medical transportation (NEMT) program across MA and MinnesotaCare.
- Directs DHS to seek federal approval for a hospital assessment and related directed payments to participating MA managed care hospitals.
- Delays implementation of the single dental administrator to January 1, 2028, and requires a subgroup to advise DHS on contracting.
- Establishes service limits for MA-covered physical and occupational therapy.
- Limits chiropractic coverage under MA and MinnesotaCare to enrollees under age 21.
- Clarifies FQHC reimbursement for targeted case management and post-merger acquisitions.
- Adds MA reimbursement for home birth services and modifies coverage for birth centers and related providers.
- Establishes a managed care organization (MCO) assessment to fund MA mental health reimbursement rate increases.
- Creates a county-administered rural medical assistance (CARMA) program.
- Expands MA coverage for long-term ambulatory EKG monitoring and phototherapy.
- Includes drug rebates in the tax base for wholesale drug distributor taxation.
- Directs DHS to seek federal approval to cover traditional healing practices under MA.
- Requires DHS to make IT updates to support enhanced family planning reimbursement.
- Repeals authority for the commissioner of commerce to pursue a state-level public option.

Economic Supports

- Transfers administration of the food shelf program from Hunger Solutions to The Food Group, following their merger.

- Creates a prepared meals grant program to provide ready-to-eat meals for Minnesotans unable to cook due to disability, limited mobility, or resources.
- Establishes regional food bank grants to improve statewide food availability.

Child Protection and Welfare Policy

- Updates definitions, training, and licensing rules for child foster care provided by relatives.
 - Amends the definition of “individual who is related” for family child foster care
 - Clarifies that a domestic partner of related individual seeking family foster care does not need licensure, but all members of the household must have background checks.
 - Clarifies that related foster providers must complete SIDS and abusive head trauma training within 30 days.
 - Clarifies that related foster providers must complete restraint training within 30 days.
 - Clarifies that related foster providers must complete behavioral training within 30 days.
 - Relative foster-care license holders must complete at least six hours of annual in-service training—tailored in consultation with their licensing agency to the needs of the relative children in their care—effective January 1, 2026.
 - For the purposes of foster-care background studies, “relative” adopts the definition in § 260C.007, subd. 27, and includes anyone who was known to the child or the child’s parent before the child’s placement in care.
- Revises procedures for cross-state child maltreatment investigations and appeals.
- Implements provisions of the African American Family Preservation and Child Welfare Disproportionality Act and strengthens inquiries into a child’s heritage, reestablishment of parental rights, extended foster care, and trafficking response.
- Adds truancy provisions and updates mandatory reporting for school attendance.
- Clarifies the definition of “neglect” to address children remaining hospitalized due to unavailable community services.

Child Protection and Welfare Finance

- Allows DCYF to contract with licensed child-placing or Tribal social services agencies for permanency services in out-of-home placements.
- Modifies Minnesota Indian Family Preservation Act (MIFPA) grant timelines and removes the cap on special focus grants.
- Permits modifications to child support redirection when in the child’s best interest.
- Directs DCYF to modernize its child welfare information system.
- Requires a landscape analysis of out-of-school time and youth development programming.

Early Care and Learning Policy

- Designates the Diaper Bank of Minnesota as the sole-source grantee for the diaper distribution program.
- Imposes new data privacy requirements on the Great Start Compensation Support Payments program.

Early Care and Learning Finance

- Updates statute to align with DCYF oversight of the Office of Restorative Practices.
- Requires childcare centers under investigation to install and maintain video surveillance equipment.
- Allows technology grants to fund video camera equipment for childcare providers.
- Modifies the TEACH early childhood scholarship program.
- Aligns CCAP redetermination timelines and reporting requirements with federal guidance.
- Limits family CCAP co-payments to 6.9% of income and establishes required provider training and data submissions.
- Clarifies that DCYF administers the Quality Parenting Initiative Grant.
- Establishes the Office of the Ombudsperson for Family Child Care Providers.
- Directs DCYF to propose updated licensing standards for family childcare.
- Requires the development of centralized IT systems for early childhood programs, contingent on available funding.
- Recodifies two early childhood education programs into statute under MDE and DCYF, respectively.

Department of Children, Youth, and Families Licensing and Certification Policy

- Defines “education” for determining whether individuals meet qualifications to work in childcare centers.
- Implements changes related to continuous licensing, including streamlined renewals and updates to risk-based monitoring.
- Allows license holders to request interpretive guidance on correction orders and modifies public posting timelines for such orders.
- Requires programs to publicly post licensing actions related to maltreatment investigations for four years.
- Removes the prohibition on publishing documented technical assistance under the weighted risk framework.
- Makes permanent the temporary staffing changes enacted in 2023 to address workforce shortages.
- Updates requirements for training in child passenger restraint systems.
- Updates training requirements for substitutes and unsupervised volunteers in childcare centers.
- Makes technical changes to childcare center emergency planning requirements.
- Revises training requirements for substitutes and adult caregivers in family childcare settings.
- Updates certification standards for license-exempt childcare centers for federal compliance.
- Directs the commissioner to standardize licensing timelines and responses to provider inquiries.

Behavioral Health

- Updates the Adult Mental Health Initiative under the governor’s DHS budget bill.

- Expands the definition of “child” under the Children’s Mental Health Act to include individuals aged 18–21 who receive continuous targeted case management services.
- Adds early intervention services for youth and young adults at risk of bipolar disorder to eligible uses under children’s mental health grants.
- Directs DHS to support a pilot “Mental Health Collaboration Hub” to address the issue of children being held inappropriately in hospitals due to lack of placement options.
- Requires DHS to produce a report on psychiatric residential treatment facilities for children.
- Establishes a pilot project in partnership with the Lower Sioux Indian Community to provide culturally specific mental health case management for individuals with complex PTSD.

Background Studies

- Makes technical and clarifying changes to background study statutes and aligns provisions with federal requirements.
- Establishes fees for background studies in child foster care and adoption cases.
- Adds permanent disqualification criteria for individuals with a history of program exclusion or financial sanctions in human services.
- Adds “child torture” to the list of offenses that result in permanent disqualification.
- Requires DHS to give preeminent weight to program integrity when reviewing disqualification reconsideration requests.

Department of Human Services Program Integrity

- Implements provisions from the governor’s DHS budget related to data access, investigations, background study documentation, and administrative review processes.
- Establishes a six-year limit on pursuing monetary recovery or sanctions from a surety bond related to MA enrollment fraud, beginning from the date a debt is affirmed by a final agency decision.

Homelessness, Housing, and Housing Support

- Modifies the Minnesota Supplemental Aid (MSA) equivalent rate adjustment formula under the Housing Support program.
- Creates a Family Supportive Housing Grant Program to help families with children maintain stable housing.
- Directs DHS to seek federal approval to allow MA reimbursement for housing services delivered by Indian Health Services and Tribal-run facilities.

Miscellaneous

- Directs the commissioner of health to provide opiate antagonists to Tribal colleges for use on campuses and in residential buildings.
- Authorizes individuals to use nonopioid directives to instruct providers not to administer or prescribe opioids.
- Establishes standards for green burials and scattering of cremated or hydrolyzed remains in cemeteries.
- Updates eligibility criteria for Housing Stabilization Services to align with expanded policy intent.

- Requires social media platforms to display a mental health warning label when users access them and empowers the attorney general to investigate violations.
- Transfers uncodified statutory authority from DHS to DCYF to align with broader structural changes.
- Requires the commissioners of Health, Human Services, and DCYF to report biennially to the Legislature on grants administered by their agencies.
- Directs DCYF to allocate federal Child Care and Development Block Grant funds for specified purposes.
- Requires DCYF to reduce General Fund expenditures and use TANF funds for specified programs in future years.

Jobs and Labor Omnibus Budget Bill

SS S.F. 17 Senator Champion/Representative Baker/Representative Pinto

Effective Date: Various

Chapter 6

The 2025 Jobs and Labor Omnibus Budget Bill, passed during special session, makes targeted investments to strengthen Minnesota's workforce, expand economic opportunity, and modernize labor protections. While much of the bill was negotiated during regular session, key items, including determination of changes to noncompete provisions, were not resolved until special session negotiations. The bill funds core DEED programs, such as the Minnesota Investment Fund, Job Creation Fund, and Pathways to Prosperity, while supporting childcare, redevelopment, and youth employment. The bill also reduces the annual premium cap for paid family and medical leave program from 1.2% to 1.1% of taxable wages, and it enacts labor standards for rest and meal breaks.

DEED Appropriations

Total appropriations to Department of Employment and Economic Development (DEED):

- FY 2026: \$200.425 million
 - General Fund: \$40.544 million
 - Workforce Development: \$66.569 million
- FY 2027: \$156.201 million
 - General Fund: \$87.024 million
 - Workforce Development: \$63.477 million
- Business and Community Programs:
 - Greater MN Business Development Public Infrastructure: \$2.287M/year
 - Small Business Assistance Partnerships: \$2.72M/year
 - Contaminated Site Cleanup Grants: \$1.772M/year
 - Child Care Economic Development Grants: \$1.5M/year
 - Minnesota Job Creation Fund: \$4.9M/year
 - Minnesota Investment Fund: \$12.37M/year
 - Redevelopment Program: \$1.246M/year
 - Minnesota Job Skills Partnership: \$4.195M/year
 - Jobs Training Grants: \$1.35M/year
 - PROMISE Grant Program: \$5.523M/year
- Workforce Development Programs:
 - Pathways to Prosperity Grants: \$9.15M/year
 - Southeast Asian Community Grants: \$1M/year
 - Job Support Services Grants: \$1.75M/year
 - Minnesota Youth Program: \$4.05M/year
 - FATHER Project: \$750,000/year
 - Sanneh Foundation: \$500,000/year
 - Abijah's on the Backside: \$200,000/year
 - 30,000 Feet: \$125,000/year
 - STEM Ecosystem: \$1.5M
 - Drive for Five: \$6M/year
 - Competitive grant program: \$3.375M/year
 - Trade association grants: \$1.5M/year
 - Business services grants: \$1.125M/year

- Vocational Rehabilitation:
 - FY 2026: \$44,191,000
 - FY 2027: \$44,191,000
- Paid Leave:
 - FY 2026: \$40,544,000
 - FY 2027: \$5,000,000
- Explore Minnesota:
 - FY 2026: \$23,652,000
 - FY 2027: \$18,108,000
- Public Facilities Authority: \$3M in FY 2026 for lead service line replacement grants

Labor and Industry Agencies Funding

- Department of Labor and Industry: \$55.144M in FY2026; \$54.026M in FY2027
- Worker's Compensation: \$34.776M in FY2026; \$34.652M in FY2027
- Workforce Development: \$11.739M in FY2026; \$11.239M in FY2027

Appropriation Modifications

- Makes technical updates to 2023 budget language to clarify and streamline appropriation riders related to the Minnesota Expanding Opportunity Program and PROMISE Act.
- Extends the availability of employment and training grants, including a targeted program in Ramsey County and a Youthprise-led initiative.
- Eliminates federal matching requirements and extends availability of Forward Fund appropriations to June 30, 2030, to allow more flexibility in economic development investments.
- Extends a 2023 grant to the City of Minneapolis to support workforce initiatives and economic opportunity through June 30, 2027.
- Modifies a 2024 appropriation to Arrowhead Economic Opportunity Agency to create a revolving fund for rehabilitation of tax-forfeited properties into workforce housing.
- Redirects funding originally for Explore Minnesota to the Minnesota Humanities Center; extends availability to June 30, 2026.
- Exempts a DEED-funded hospitality industry training program from unnecessary reporting requirements to streamline program implementation.

Employment and Economic Development Policy

- Supports expansion of the Greater Minnesota Business Development Infrastructure Program to include agricultural processing projects involving plants and plant-based products.
- Strengthens CanStartup loan enhancements by increasing loan caps from \$50,000 to \$75,000 (or \$200,000 if matched) and requiring DEED to respond to loan applications within 30 days.
- Sets fees in lieu of interest at the Wall Street Journal prime rate, defines eligible administrative costs, and mandates biannual public reporting of interest rates.
- Shifts the Minnesota Expanding Opportunity Fund structure by converting the program's revolving loan fund into a dedicated special revenue fund.
- Strips the provision allowing Forward Fund dollars to be used to meet federal matching requirements.

- Starts an Office of Public Service within DEED to promote public service careers and partnerships with programs like ServeMinnesota and requires biennial legislative reporting.
- Sanctions DEED Board designee appointments by permitting the DEED commissioner to appoint a designee to serve on the Job Skills Partnership Board.
- Scales up Partnership and Pathways grant caps to \$500,000 and allows colleges to recover indirect costs up to 30% (excluding equipment).
- Strengthens labor-force participation consideration by adding county labor-force participation rates to DEED's grant-funding prioritization criteria.
- Supports Youth-at-Work program expansion by adding mentoring and preemployment services as eligible uses for Youth-at-Work funding.
- Reduces the number of required members on the Workforce Development Board.
- Suspends cannabis-training grants to individuals, shifting the program's focus to organizations.
- Streamlines credential definitions by updating "credential" to include non-postsecondary degrees and repealing the outdated "net impact" definition.
- Clarifies grantee reporting requirements by mandating that grant recipients report fund usage with additional detail on outcomes.
- Authorizing DEED to withhold payments from grantees that fail to provide required reports.
- Creates the Emerging Entrepreneur Program fund as a special revenue account for grants to emerging entrepreneurs, replacing the revolving-loan model.
- Specifies governance clarifications for Explore Minnesota, expanding its mission to include film, outdoor recreation, and livability promotion.
- Simplifies vending-facility terminology by modernizing language in laws governing State Services for the Blind.
- Strengthens UI-misrepresentation penalties by doubling the financial penalty for fraudulently obtained unemployment benefits from 50% to 100%.
- Scales down paid-leave premium caps by lowering the annual premium rate for Minnesota's paid family and medical leave program from 1.2% to 1.1% of taxable wages.
- Reduces community-wealth loan minimum sizes for community-wealth-building projects from \$50,000 to \$10,000.
- Strengthens PROMISE Program reforms by expanding eligibility, raising loan and grant caps, defining terms, and prohibiting speculative use of repaid funds.
- Grants an additional 26 weeks of UI benefits to laid-off workers in the iron-mining industry.
- Establishes a Community Violence Prevention Program as a year-round job-training initiative for at-risk youth and adults, with clear reporting standards.
- Creates the Workforce Development System Task Force by establishing a group to review and reform Minnesota's workforce development strategy, with a final report due January 15, 2027.
- Renames "small business growth acceleration program" to "Made in Minnesota program"
- Strikes redundant reporting requirements by eliminating two DEED reporting mandates: the economic development inventory and net impact analysis.

Labor and Industry Policy

- Establishes reasonable timelines for rest breaks for employees.
- Provides legal remedies and enforcement provisions for employees denied proper rest breaks.
- Mandates employer offered 30-minute unpaid meal break for every six consecutive hours worked.
- Empowers the commissioner to seek court orders to stop repeated or serious violations of labor law.
- Clarifies definitions to ensure state-regulated nursing homes are covered under workforce standards laws.
- Directs DLI, DEED, and Revenue to report on fiscal and worker impacts of misclassification every six years.
- Allows employers to set “reasonable” notification policies for unforeseeable uses of earned sick and safe time.
- Permits employers to request documentation after two days of consecutive ESST, down from three
- Clarifies that employees may voluntarily trade shifts when using earned sick and safe time.
- Requires employers using projected ESST accruals to reconcile with actual hours worked.
- Establishes a DLI fee structure for modular housing inspection and review.
- Adds a \$10 fee for remote inspections of stairway lifts and similar devices.
- Raises annual operating permit fees for elevators from \$100 to \$145.
- Updates electrical code references and clarifies low-voltage licensing rules.
- Creates new fee schedules for electrical inspections and permits and updates existing rules.
- Requires DLI to delegate plumbing inspections for well contractors to the Department of Health.
- Updates the fee structure for plumbing plan reviews and audits.

Repealing MinnesotaCare Coverage for Undocumented Adults

Special Session H.F. 1 Representative Backer/Senator Rasmusson

Effective Date: June 15, 2026

[Chapter 2](#)

The budget agreement reached by the Governor, House Republican and DFL leadership, and the Senate DFL included a policy change to remove undocumented immigrant adults from MinnesotaCare. The announcement of the agreement to roll back the extension of MinnesotaCare for undocumented adults was met with significant pushback from House and Senate DFL members. Frustrated DFL members could be heard chanting their frustrations outside the press conference to announce the budget agreement that included the rollback. They held multiple press conferences on the issue.

Despite DFL opposition, this bill was a key part of the negotiated budget and was the first bill on the House floor during the special session. The final bill prohibits enrollment in MinnesotaCare for individuals who are 18 years old or older who are not already enrolled in the program. It makes all undocumented noncitizens who are age 18 or older ineligible for MinnesotaCare beginning January 1, 2026.

After hours of debate on both the House and Senate Floor, the bill passed both bodies with primarily Republican support. Speaker Emerita Hortman, who helped to put together the final budget bill, was the only member of the House DFL to vote for the bill. In the Senate there were four DFL members who voted in favor of the bill Senators Murphy, Hauschild, Kupec, and Rest. There was a provision included in the final health bill that would withhold funding for MinnesotaCare if the Governor vetoed the bill.