

2025 LEGISLATIVE SESSION REPORT

12025 LEGISLATIVE SESSION REPORT

The 2025 Minnesota legislative session began with unexpected surprises. Notably, for the first time in almost five decades, the House of Representatives was evenly split after the 2024 election, with 67 Democratic-Farmer-Labor (DFL) members and 67 Republican (GOP) members. However, a newly elected DFL representative was found not to have established residency, and the seat was vacated with a special election called for March. On the first day of the legislative session in January 2025, Republican members viewed this as an opportunity to assert control of the House. In response, DFL members declined to attend legislative proceedings at the State Capitol, preventing a quorum for another three weeks until a power sharing agreement was finally brokered. Republicans controlled House committees while they had a 67-66 advantage, until the 40B election was held in March. After the special election was held, Representative David Gottfried (DFL-Roseville) won the election for district 40, and the legislature returned to a tie. As a part of the power sharing agreement, committees were co-chaired by both parties, with an equal number of lawmakers on each committee. House lawmakers also elected Rep. Lisa Demuth (R-Cold Spring) to Speaker of the House for the 2025-26 biennium. Speaker Demuth became the first woman of color elected to the highest position in the House.

It is important to reflect on both the progress made and the work that remains in advancing equity and opportunity across the state. As part of this year's legislative session, state leaders reached a bipartisan deal on a new two-year budget, totaling \$66 billion, about \$5 billion less than the previous cycle. At the same time, legislators passed a \$700

million bonding bill which includes \$215 million for state preservation, \$211 million for water programs, and \$29 million for housing among other investments. While the agreement helped close this session during a 16 hour special session on June 9, achieving a balanced budget and ensuring funding for the next biennium, it included difficult compromises that directly affect Latine communities. A list of the remaining bills signed after the special session can be found here.

One of the most controversial parts of the budget was the decision to end access to MinnesotaCare for undocumented adults. This change was presented as a way to reduce spending in the health budget, but sparked pushback from experts, advocates and community members for "othering" and villainizing immigrants as if they were not deserving of public health care. Removing adults from access to health insurance will not only worsen public health outcomes but will have fiscal implications in the long run.

This document discusses key policy introduced this session and its impact on Minnesota Latine communities. The assassination of Speaker Emerita Melissa Hortman on June 14, days after the end of the Special Session where she played a consequential role to bring all parties to a final agreement, falls outside of our lens of analysis. Nevertheless, her tragic death reverberates across the state. Speaker Emerita Hortman was a public servant committed to creating an inclusive legislative body, guided by values of equity. Her killing raises issues of ongoing political violence, inflammatory rhetoric, and calls to increase public safety safeguards for elected officials in the sate and around the Capitol complex.





K-12 AND HIGHER EDUCATION

As part of the Education Policy and Appropriations Omnibus Bill (<u>Chapter 10</u>, <u>House File 5</u>), in K-12 education, a major win will be to streamline grants that help increase teacher diversity, in pursuit of state goals to increase the number of teachers of color by 2% annually through 2040 (thanks to the implementation of the Increase Teachers of Color Act, or ITCA).* At the same time, in search of ways to prevent reductions elsewhere, such as per-pupil funds or teachers, ITCA grants were reduced. Although MCLA submitted a letter of support for ITCA (SF3128), cosigned by the other Ethnic Councils calling for enhanced funding stability for the Collaborative Urban and Greater Minnesota Educators of Color (CUGMEC), the program was cut by 20% (\$2 million). Support for the Coalition of Teachers of Color and American Indian Teachers was cut by 50% (\$100,000). These cuts may offset any positives from changes to grants administration.

Further wins include policy requiring school districts to engage parents of students with disabilities, and who do

not speak English, to develop education plans for those students in a language the parents understand, with the assistance of translators and translated materials. In the Higher Education Policy and Appropriations Omnibus Bill (Chapter 5, Senate File 1), the North Star Promise program remained unchanged, despite multiple bills trying to make aid more restrictive—especially for undocumented students. MCLA opposed that measure along with other organizations and advocates, submitting a letter in opposition to the repeal efforts (specific to HF10).

Other wins include \$77 million to support unemployment benefits for hourly and seasonal workers. Though the program is expected to end in FY28, workers will receive benefits for longer than was first proposed by the House. Finally, the Department of Education must create an advisory board for dual language immersion program compliance with the Read Act, in an attempt to ensure high levels of literacy in languages besides English.

* The law will provide a one-time \$55.64 million compensatory revenue increase and \$22.96 million more "to develop, continue or expand Grow Your Own new teacher programs to develop a teaching workforce that more closely reflects the state's increasingly diverse student population.



POCI Caucus Press Conference

NORTH STAR PROMISE PROGRAM FUNDING

Goal: Ensure equitable access to higher education for all students, including undocumented and lowincome Latinos.

Outcome:

- \$99 million transfer each biennium to sustain the program.
- \$404,000 each biennium for program administration.

Positive for Latino student college access.



HEALTH

Several health-related efforts that will affect the Latino communities were introduced this session. One key modification is the MinnesotaCare eligibility for undocumented adults. This legislation was included in a standalone bill during the Special Session (HF1/ SF8). Since June 15, date after which the bill was enacted into law, undocumented adults cannot enroll in MinnesotaCare anymore. MCLA strongly opposed this measure which will not result in savings for the healthcare system, but it will be more costly in the long run as people without coverage will go to the Emergency Room, adding a financial burden in hospitals. For Latino community members, especially those adults already enrolled in the program, this action will be distressing after they cannot longer access insurance beginning January 1 of next year. These changes to MinnesotaCare are directed specifically to undocumented adults- undocumented children (individuals 18 or under 18) are still eligible for MinnesotaCare.

MCLA submitted multiple letters related to this issue, including a letter in opposition to HF10. MCLA also coordinated a broader letter co-signed by the Council for Minnesotans of African Heritage (CMAH) and the Department of Human Services' CECLC to preserve MinnesotaCare Expansion for All. MCLA also published a Letter to the Editor in the Star Tribune (May 9, 2025),

addressing misinformation about undocumented workers and highlighting why the MinnesotaCare expansion made economic sense.

Another area of extreme concern was the elimination of grants for people suffering from long-COVID. In the previous session, funds were allocated for grants and support to individuals that were still suffering after the contraction of the virus which left many with severe medical ailments, particularly among people of color.

New initiatives in the Omnibus Health and Human Services Bill (<u>Chapter 2</u>, <u>House File 2</u>), include increasing the number of health practitioners who are foreign-born. This includes easing licensing requirements and expanding limited licenses, which would help many qualified professionals from immigrant backgrounds contribute to Minnesota's healthcare system.

The establishment of a new spoken language interpreters' workgroup was passed in the Health Omnibus Bill, to improve interpretation services in Minnesota's hospitals, which could improve access to healthcare for people who don't speak English as their first language. MCLA testified in support of this legislation (SF2043/HF2007) in both the House Health Finance and Policy Committee and the Senate Health and Human Services Committee.

SPOKEN LANGUAGE HEALTH CARE INTERPRETER WORKGROUP

Goal: Improve healthcare access through better interpretation services.

MCLA Role: Testified and supported creation of the workgroup at MDH.

Outcome: \$265,000 one-time funding to establish the workgroup from the state government special revenue fund.

Positive step for non-English speaking Latino patients.





ECONOMIC DEVELOPMENT

The legislature passed the jobs, labor and economic development omnibus bill (<u>Chapter 6, Senate File 17</u>), which includes several provisions in these areas.

The legislature took up many issues that affect economic opportunity for Latino communities, with some positive outcomes and some disappointments. Legislation against misclassification of workers (when employers falsely label employees as independent contractors to avoid labor protections) is already in place. But in the current session, funding has been allocated for the first time for the enforcement of these provisions, in addition to the continuation of funding for the enforcement of earned sick and safe time, wage theft, prevailing wages, and safe workplaces for meat and food processing workers.

On the other hand, a bill to increase penalties for employers who break labor laws did not move forward, which means the state will not have this additional resource to enforce these laws. However, it included a provision that allows the Department of Labor and Industry to request an order enjoining and restraining violations (temporary restraining order) against employers that break the laws.

Similarly, Paid Family and Medical Leave (PFML) and Earned Sick and Safe Time (ESST) programs also came under pressure, with multiple bills trying to delay or weaken them. In the end, the core protections remained in place, although only minor changes were adopted*. It is expected, though, that proposals of significant changes will be brought back in the next legislative session.

Additionally, provisions that allow workers with non-pay rest breaks during the workday were passed: 15 minutes bathroom breaks within 4 hours of consecutive work, and at least 30 minutes meal break for workdays of six or more hours. Employers that do not allow breaks are liable to pay the regular rate of pay plus an additional equal amount as damages.

Affordable housing efforts had some success. New funding was approved to support first-generation homebuyers and address

racial gaps in homeownership. A preservation framework was also put in place to protect affordable rental housing, which will help many families stay in their homes.

A new common interest community ombudsperson position will be created within the Department of Commerce to assist in understanding tenant rights and facilitate resolution of disputes.

However, two proposals that MCLA supported this session stalled. One of them was a bill to create a low-cost car insurance program for low-income drivers. MCLA submitted a letter of support for HF2215, a proposal to create the insurance program administered by the Department of Commerce. Reintroduction of this bill next year would benefit low-income residents, including low-income Latinos and other underserved communities, who often face financial and systemic barriers to obtaining affordable coverage. This bill would have a significant beneficial impact for this segment of the population that relies on vehicles to go to work or tend to family commitments but struggle to afford commercial insurance.

Similarly, a bill to create an ombudsperson for agricultural and food processing workers did not pass. This would have provided important support for a group that includes many Latino workers, helping them stay safe and know their rights.

Other positive developments include new protections for people who buy homes through contracts for deed—a common method for buyers who can't get traditional loans. The new rules will make these transactions fairer and more transparent, especially benefiting Latino families.

MCLA also submitted a letter in support of SF0922, which would provide funding for the Latino Economic Development Center (LEDC) to expand technical assistance for Latino entrepreneurs.

Additionally, MCLA submitted a letter in support of HF771 (Rep. Kraft), which proposed additional energy assistance to help residents with high energy burdens. Unfortunately, this bill did not make it to the finish line.

^{*}These changes include allowing employers to request documentation, such as a doctor's note, for employees taking two or more days of earned time off-instead of after three days.



IMMIGRATION AND PUBLIC SAFETY

A bill that would have forced local governments to cooperate more closely with federal immigration enforcement did not move forward, which is a win. If passed, this bill would have made it harder for cities to protect immigrant communities and could have discouraged people from reporting crimes or seeking help. MCLA actively opposed this bill through

letters and testimony. MCLA testified in opposition and submitted a formal letter against HF16. Although the bill is technically still alive, it did not gain traction and was blocked from being added as an amendment to other legislation. This is a positive outcome for immigrant safety and trust in local government.





INVESTING IN THE LATINO COMMUNITY

Among some of the wins this session, several Latino-led organizations received important investments totaling at least \$5.8 million that will help strengthen Minnesota's Latino communities: Comunidades Latinas Unidas en Servicio (CLUES), Comunidades Organizando el Poder y la Acción Política (COPAL), the Latino Economic Development Center (LEDC), and NeoMuralismos de México en Minnesota.

These organizations are trusted, with community-based leaders doing the everyday work of cultural preservation, economic advancement, and technical and vocational training. CLUES continues to serve as a cornerstone of support for Latino families with services that span

from health and wellness to education and workforce development. COPAL was part of several efforts this session tied to workforce training, equitable healthcare access, and voter engagement—advocating for policies that give Latino communities more voice and opportunity. The organization helped secure funding for capacity building, career planning, GED attainment classes, educational resources and materials, health resources, training programs, and job navigation for adult individuals.

NeoMuralismos, a new cultural group dedicated to creating and telling the contemporary stories of Latinos through public art and murals, received a \$100,000 one-time investment to support Latino-centered



INVESTING IN THE LATINO COMMUNITY

art and cultural programming—an important win for visibility, representation, and community pride. The arts organization also pushed for funding to create the first Minnesota Latino Museum in the state. Although the bill was heard in an information committee, it did not advance this session.

LEDC secured appropriations for business support,

including funding for Latino-owned commercial and agricultural businesses. This funding helps Latino entrepreneurs access technical assistance and grow their ventures in a sustainable way. Together, these investments show the state's recognition of the power and impact of Latino-led organizations, and why continued, intentional funding is critical for building a more equitable and inclusive Minnesota.

ORGANIZATION	FUNDING AMOUNT	FOCUS AREA	IMPACT ON LATINO COMMUNITIES IN MINNESOTA
CLUES	\$2 Million (FY26-27) -one time appropriation-	Workforce Development	A grant to address employment, economic, and technology access disparities for low-income unemployed or underemployed individuals. Grant money must support short-term certifications and transferable skills in high-demand fields, workforce readiness, customized financial capability, and employment supports.
CLUES	\$1.75 Million (FY26-27)	Workforce Development Services	Appropriation to address employment, economic, and technology access disparities for low-income unemployed or underemployed adult individuals.
COPAL	\$500,000 (FY26-27)	Workforce Development Services	A grant for capacity building, career planning, GED attainment classes, educational resources and materials, health resources, training programs, and job navigation for adult individuals.
COPAL	\$1 Million (FY26-27) -one time appropriation-	Workforce Development Services	A grant for worker center programming that supports primarilylow-income, migrant, and Latinx workers with career planning, workforce training andeducation, workers' rights advocacy, health resources and navigation, and wealth creation resources.
LEDC	\$500,000 (FY26-27)	Economic Development, Business Support	To assist, support, finance, and launch microentrepreneurs by delivering training, workshops, and one-on-one consultations tobusinesses; and to guide prospective entrepreneurs in their start-up process.
NeoMuralismos	\$100,000 (one year)	Arts and Culture	A grant to supports Latino artists and promotes cultural heritage through murals, increasing community pride and cultural visibility.

ITHE SITUATION IN THE U.S. CONGRESS: THE RECONCILIATION BILL

In Congress, the House of Representatives has proposed in the budget reconciliation process a \$300 billion reduction to the Supplemental Nutrition Assistance Program (SNAP), which is the largest in its history. Proposed changes include shifting SNAP costs to the states, reducing eligibility for immigrants, and implementing new work requirements. As many as six million people could lose benefits under the House plan. In addition, more than \$800 billion have been proposed in the same bill in the form of cuts to Medicare and the Affordable Care Act (ACA) that also limits eligibility to immigrants. These anti-immigrant rhetoric policies are fueling legislative decisions nationwide, especially threats to cut funding to states who oppose these potential federal bills. On the other hand, tax cuts for people with incomes above \$500,000 have been proposed, which represent \$1.1 trillion in savings for the richest Americans.

MCLA submitted a letter co-signed by 20 Latino Minnesotan leaders opposing Title XI, Section 112105 of the U.S. House Budget/Reconciliation bill. The provision would impose a 3% tax on remittances sent by immigrants

to their countries of origin, disproportionately affecting immigrant families. The budget reconciliation passed in the House with a 215-214 vote.

The Senate finalized its version at the beginning of July, with a scaled-down plan to reduce SNAP cuts after some pushback from GOP members, who are concerned that red states in particular will be hit hard with administrative SNAP costs. In summary, the new Senate version could include lower SNAP and Medicaid cuts than the original \$300 billion reconciliation House bill.

In addition, there have been many federal disruptions since the inauguration of the new administration. According to the Minnesota Management and Budget's Data and Reporting, at this point, Minnesota state agencies, boards and commissions have reported a total of \$58.9 million in permanent federal funding cancellations, \$82.7 million in temporarily disrupted federal funds, and \$260.3 million in cancelled federal funds made accessible through temporary restraining orders or preliminary injunctions.



ICONCLUSION

The 2025 legislative session was marked by both deep challenges and milestones for Minnesota's Latine communities. Despite a politically divided House and difficult budget negotiations, MCLA remained a strong voice advocating for equity, access, and inclusion. MCLA's active engagement and advocacy through letters, and testimony, helped elevate Latine priorities throughout the session.

The MCLA was profoundly saddened by the assassination of Emerita Speaker Hortman and her husband Mark. Her contributions to our Latine community were invaluable. The MCLA commends her dedication to serving our Latine community, particularly during the historic 2023-2024 legislative session. In addition, Speaker Emerita Hortman prevented a government shutdown by working with members on both sides of the aisle to finalize a budget agreement. The MCLA also wishes a speedy recovery to Senator John Hoffman and his wife. The two of them, and

their daughter Hope, were also the victims of the heinous attacks committed by the same suspect in the killings of the Hortmans.

While some harmful policy decisions—such as the elimination of MinnesotaCare for undocumented adults—will have consequences in local economies, there were also important wins, including investments in Latine organizations that will help our communities, expanded protections for workers, and key education and healthcare changes.

With the loss of Speaker Hortman and the pending trial of Senator Nicole Mitchell (DFL-47), it is still unclear how the political landscape will look like in the months to come as the state government and the legislature still expect another special session to adjust any cuts to the just authorized budget as a result of the federal budget negotiations.



Rosa Tock
Executive Director, Minnesota Council on Latino Affair

MN House

Tuesday, April 1, 2025



ADVISE AND INFORM ON LEGISLATION AND POLICY WITH LATINO MINNESOTANS













