



Mid-Session Update

Special Election Resets the Session

DFL Representative-elect David Gottfried won in a special election for House District 40B on March 11, 2025. This election was significant because it reset the Minnesota House from a Republican Majority, without enough votes to pass bills, to operating under a [power sharing agreement](#) with a tied House of Representatives of 67 Republicans and 67 Democrats.



If This Sounds Familiar, It Is

The legislature was tied after the general election. DFLer Rep.-elect Curtis Johnson successfully won the seat in November, which created an even partisan split of 67-67 in the Minnesota House. However, questions about Johnson's residency brought forward a lawsuit which led to his resignation. This then shifted the balance to 67 Republicans and 66 Democrats.

This led to court battles over quorums, special elections, and procedural authority. Ultimately, as part of a compromise, the Republicans were allowed to be in the Majority until after the special election. Representative-elect Gottfried will be seated next week effectively kicking off the official legislative session in the House.

The power sharing agreement will allow Rep. Lisa Demuth (R - 13A – Cold Spring) to remain Speaker of the House, but in most other respects—committees, conference committees, and appointments to various commissions—decisions will be made jointly and Rep. Melissa Hortman (D - 34B - Brooklyn Park) will be the Speaker Emeritus.

The legislature has a lot of work to do before adjournment of May 19, 2025. They must prepare a budget in the House and Senate. The House budget will need 68 votes to pass the House Chamber. Each party only has 67, which means the budget must have bi-partisan support to reach the 68 votes required for passage.

Meanwhile, Over in the Senate...

The Senate faced its own challenges following the passing of well-liked former Majority Leader Kari Dziedzic on Dec. 27, 2024.

Unlike the House, a power-sharing agreement was reached relatively smoothly, and by early February, the DFL regained majority control of the Senate, following a special election to fill the Dziedzic open seat.

DFLer Doron Clark handily won the Minneapolis seat and was sworn in on Feb. 3, 2025.

FAST FACT

Conference committees typically consist of three to five members, with the majority party holding the deciding vote. However, under the House power-sharing agreement, conference committees will have an equal number of members from each party, creating the potential for a stalemate or tie in decision-making.

Mid-Session Update

The latest [budget forecast](#) from the Office of Management and Budget marks the beginning of the next step of the biennial budget-setting process. Minnesota operates on a two-year budget cycle.

How hard will it be to set the budget in two months? Of the past 5 budget setting cycles, 4 of them required a special session to complete. The only budget completed on time was in 2023 when the DFL party held a trifecta of power: House, Senate, and Governor's Office.

For 2024-2025, the state budget was nearly \$70 billion. The 2026-2027 planning estimate is \$66 billion, covering the two-year period starting July 1, 2025. After adjusting for inflation and one-time funding, the forecast shows a slight surplus of \$456 million for the next two years. However, beyond 2027, the outlook is much more concerning. As of February, the state projects a \$6 billion deficit on a \$71 billion budget for fiscal years 2027-2028.

The original [Governor's Budget](#) is now out of balance following the latest forecast. Over the next two weeks, his administration will announce his 2025 Supplemental Budget Recommendations to address this shortfall and possibly shift certain priorities.



The Rest of Session

The legislature will begin preparing a budget with the deadline for its last stops in House and Senate on April 11.

Beginning the evening of the 11th the legislature recesses on Easter/Passover break and returns on April 22. They will then pass budget the bills from each body and go to conference committee to work out the differences between the House and Senate.

By May 19, the House and Senate must reach an agreement on the budget and send it to the Governor for approval. If they miss this deadline, the Governor can call a special session to force its completion.

The next critical deadline is June 30. Minnesota must have a two year a budget in place by July 1, 2025. The constitution mandates a balanced budget, deficit spending is not allowed. Without a signed budget by July 1, parts of state government will begin to shut down.

