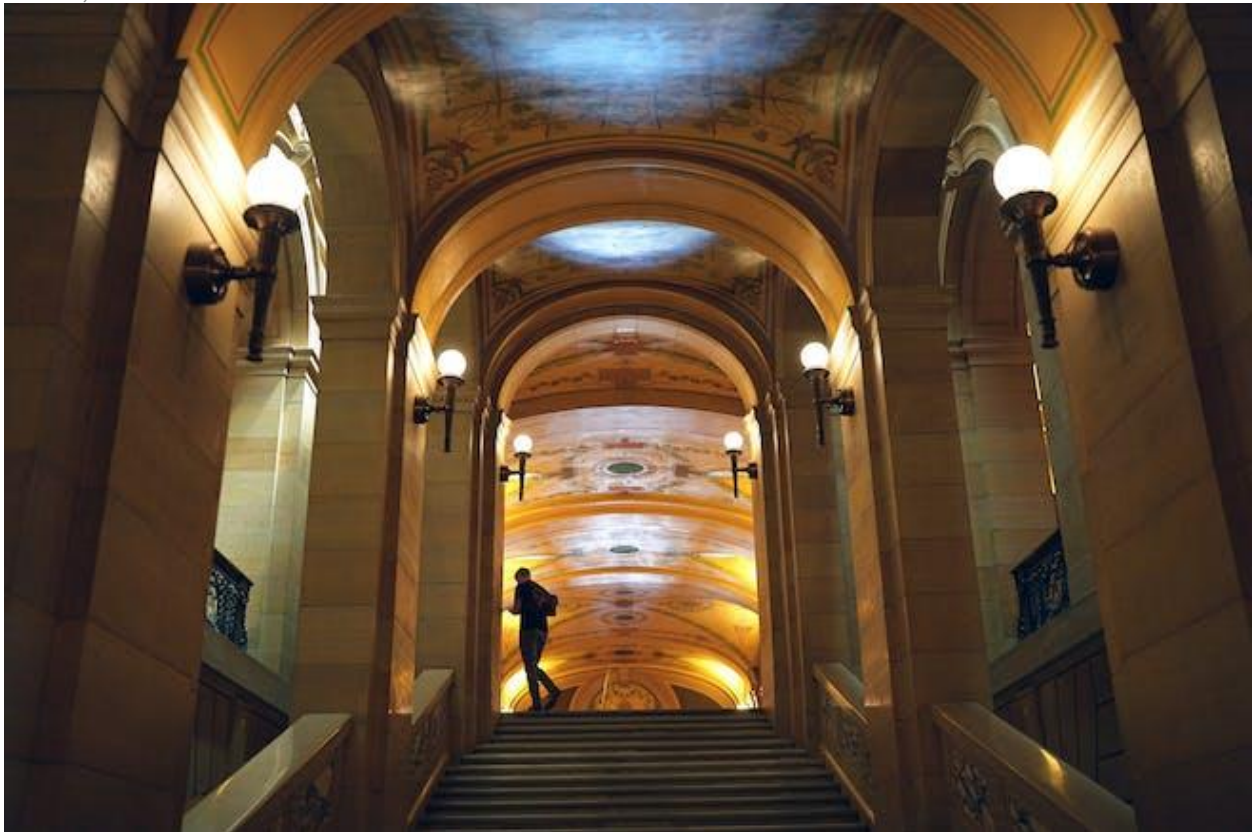


Minnesota legislators strike last-minute deal on \$2.6B infrastructure spending plan

The agreement includes more money that can be used to aid distressed nursing homes. The deal also aims to end the session on time.

By [Jessie Van Berkel](#) and [Briana Bierschbach](#) Star Tribune

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The Minnesota Capitol was somewhat quiet Saturday morning after lawmakers struck a deal overnight to devote up to \$2.6 billion to infrastructure projects, with an increase in aid for nursing homes.

Minnesota lawmakers struck a last-minute deal to devote \$2.6 billion to infrastructure projects, including an increase in aid for nursing homes.

An agreement signed by legislative leaders about 12:30 a.m. Saturday includes \$1.5 billion of borrowing and more than \$1.1 billion in cash for construction and repair projects across the state. It commits \$300 million to distressed nursing homes, all or a portion of which could alternatively be used for other capital projects as GOP lawmakers see fit.

"We've put partisanship aside to make sure that, if you're going to save one thing, we've got to make sure that we are saving our nursing homes," Senate Republican Minority Leader Mark Johnson said during a Saturday news conference.

The deal also aims to end the session on time. A document, signed by the four caucus leaders, says, "We all agree to a timely and efficient conclusion to [the] end of the 2023 legislative session."

For months, the fate of the infrastructure borrowing package — which supports roads, bridges, water systems and other local needs — has remained uncertain. Unlike other bills at the Capitol, it needs a three-fifths supermajority to pass, meaning some Republicans must support it.

[Senate Republicans previously blocked](#) an infrastructure package of \$1.5 billion in borrowing and nearly \$400 million in cash, saying they wanted it paired with tax breaks.

As Monday's legislative deadline approaches, Democrats had planned to sidestep the need for a bipartisan vote. They shifted from the usual borrowing approach to [proposing an all-cash bill of \\$1.3 billion](#) that left out many infrastructure projects Minnesota communities had sought. They said they would pass another \$1 billion in cash next year.

But pressure continued to mount for more money this year. The Legislature has failed to pass a major construction package since 2020, and cities and construction industry groups stressed that Minnesota needs to go big.

"We genuinely understand your frustrations this session," Brian Holmer, president of the Coalition of Greater Minnesota Cities, wrote in a Wednesday letter to Senate Republicans.

"Nonetheless, it is time to focus on what you can deliver for your districts. Passing a bonding bill means clean water, safe roads, housing opportunities, economic development, and good-paying jobs in your communities."

The new infrastructure agreement — which still needs to pass the Legislature — builds on the borrowing and cash bills that the House passed earlier in the session, which Senate Republicans had blocked.

House and Senate Republican caucuses would each receive \$100 million more in cash to dedicate to known and vetted projects under the agreement. They could also use that money to

bump up figures for projects that had previously been listed in the bills. Gov. Tim Walz and the House and Senate Democrats would each get \$30 million more for their priorities.

"This will provide projects that communities want, from wastewater to local parks," said DFL Senate Majority Leader Kari Dziedzic. "These are projects that will help people across the state, and it's jobs across the state."



BRIAN PETERSON, STAR TRIBUNE

Senate Majority Leader Kari Dziedzic, left, and Speaker of the House Melissa Hortman spoke to reporters Saturday about the deal to devote up to \$2.6 billion to infrastructure projects.

Republicans said they were motivated to reach an agreement after both chambers debated a human services budget that they said didn't do enough for struggling nursing homes. The human services bill passed by the Senate on Friday included \$100 million in zero-interest loans for nursing homes, as well as funding to help them tackle workforce shortage issues.

The additional \$300 million for nursing homes will be spread out over the course of four years and targeted toward those facilities most in danger of shutdown, said Republican House Minority Leader Lisa Demuth. The funding will not need to be repaid by the nursing homes.

"Since 2021, 15 nursing homes have closed their doors in Minnesota, and that is something that we have definitely needed to prioritize," she said.

A boost to the size of one-time rebates was part of the negotiations, according to Republican leaders, but Democrats didn't agree to those terms. DFL leaders said they were open to [raising the rebate amount](#) — currently \$260 for an individual and \$520 for married joint filers — but Republicans chose nursing home funding.

The last-minute effort to boost infrastructure spending is tied to Democrats' goal of ending the session by the Monday deadline to adjourn, avoiding the need for a special session. Part of the agreement states lawmakers will stick to "reasonable timeframes" on all remaining debates, and won't amend the infrastructure agreement.

But DFL House Speaker Melissa Hortman said it will require "a superhuman feat" for legislative staff to draft the bill with enough time to vote on it before the deadline.

"It is an unreasonable expectation that we are putting on them," she said. "But they have very often worked miracles."

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