

The Campaign Fund of ACEC Minnesota supports legislative priorities for the engineering industry and enables ACEC Minnesota members to build relationships with important policy makers and make sure the concerns of our industry are addressed. Some of our legislative priorities for the 2025 Session include:

- Advocating for broader use of Qualifications-Based Selection (QBS) in state contracting
- Addressing critical workforce shortages
- Supporting and expanding STEM education programs
- Passing a robust bonding bill
- Building an effective, efficient, environmentally responsible Energy Infrastructure
- Investment in water infrastructure and resources
- Statewide workforce policies that meet employee and business leadership needs
- Promote federal legislation to fix R&D Tax Amortization
- Promote federal legislation to address overhead cap related issues
- Clarify laws regulating lobbying of local officials.



## 2025 Kickoff Report



The 2025 Legislative Session began January 14. The focus of the session is to set a state budget which must be passed prior to July 1. The November Forecast projects a \$616 million surplus at the end of FY26-27, and a \$5.1 billion projected deficit in the FY28-29 biennium.

The Minnesota Senate started the session tied with one vacant seat. The Minnesota Senate operated under a power sharing agreement for the first three weeks of the session, until Senator Doron Clark (DFL-Minneapolis) was sworn in to the Minnesota Senate. The Minnesota Senate is now operating with a one-seat DFL majority, a DFL Senate President, and a one-seat majority on all committees.

Following the 2024 election, the Minnesota House was tied. One DFL member-elect's election was invalidated because he did not live in the district he was running to represent, creating a vacancy. The session began with Republicans having a narrow one-seat majority in the House. The DFL members of the house boycotted the Capitol and denied Republicans a quorum for weeks while legislative leaders met to negotiate House rules, leadership positions, and committee makeup. The election to fill the vacancy in the House is March 11.

An agreement on February 6 made Lisa Demuth (R-Cold Springs) the Speaker of the House and established a Fraud Prevention and State Agency Oversight Policy Committee with a Republican majority. All other committees have a Republican chair and equal numbers of DFL and Republican members, with one DFL non-voting member. If the House returns to a tie after the March 11 election, committees will have co-chairs and an equal number of representatives from both parties.

With the House organized, the legislature can focus on passing a two-year budget and a bonding bill. Bipartisan work will be required to complete the legislature's work by the May 17 adjournment date.

The Campaign Fund of ACEC/MN will remain a resource to connect with policy makers – last year \$36,000 in bipartisan contributions were made to candidates and caucuses. We continue our support for champions of major infrastructure and business issues, as well as for committee chairs, caucus leadership and the Governor. We are always looking for legislators who support our goals – if you know a legislator or candidate who fits that description, please reach out to the Campaign Fund Committee, a list of committee members is below.

ACEC/MN legislative accomplishments include:

- Defeat of sales tax on professional services (4 times)
- Uninsurable indemnification clauses prohibited
- Statute of repose limited to ten years
- Establishing continuing education requirements
- Removal of reverse auctions for engineering services
- Certificate of merit for lawsuits against engineers
- Funding for Board of AELSLAGID investigator
- Removal of 10% retainage on contracts with state
- Defeat of legislation ceding ownership of documents to client
- MVST constitutional amendment
- Gas tax increase and inflation indexing in 2023
- Design-build for transportation projects
- Reduction of onerous fees for exploratory wells
- Defeated requirement that engineering firms representing municipalities provide estimates of service prior to specific knowledge of the project requirements