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## Walz, top lawmakers, reach \$8 billion bipartisan deal to wrap Minnesota session

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PUBLISHED: May 16, 2022 at 9:47 a.m. | UPDATED: May 16, 2022 at 1:18 p.m.

Gov. Tim Walz and Minnesota's top lawmakers struck a bipartisan deal to spend \$8 billion of the state's budget surplus over the next three years on tax cuts, infrastructure projects and new spending to address ongoing challenges from the coronavirus pandemic.

Highlights of the deal include \$1 billion in new money for public schools, \$1 billion for health and human services, \$450 million on public safety and \$1.5 billion for state infrastructure. There's also another \$1.3 billion of spending in other budget areas included in the deal that was finalized over the weekend and announced Monday morning by Walz and legislative leaders.

"With an unprecedented surplus, we have the ability to make significant investments in the things that will improve Minnesotans' lives, like health care, public safety, and education, while also providing tax cuts and putting money in Minnesotans' pockets," Gov. Walz said in a statement announcing the deal.

But the finer points of how all that money gets spent still needs to be worked out. Joint bipartisan committees from the GOP-controlled Senate and DFL-led House have only a few days to agree on what gets funded and what doesn't.

"There's an awful lot of the hard work of democracy to be done this week, but the parameters have been set and they've been done in a way I think should make Minnesotans proud," Walz said during a news conference with House and Senate leaders on the Capitol Mall.

The new spending is roughly split between the current two-year budget that ends June 2023 and the coming biennium.

Minnesota is one of the nation's only politically divided legislatures and Democrats and Republicans have been deeply split on how to use the state's record \$9.25 billion budget surplus. Tax collections continue to come in over expectations and some of that money is included in the future spending plans.

About \$4 billion will be returned to taxpayers in a mix of rate cuts and other reductions.

"We are very pleased that this agreement includes permanent ongoing tax relief so hard-working Minnesotans have more money in their pockets every single paycheck week after week, month after month, years after year," said Senate Majority Leader Jeremy Miller, R-Winona. "Especially at a time when Minnesotans are struggling with record rates of inflation."

In addition to cutting taxes, Democratic-Farmer-Labor Party members have pushed to use the state's surplus to address the lingering effects of the coronavirus pandemic and address other challenges.

"House DFLers have been working all session to reduce costs for families, support workers, and improve public safety," said House Speaker Melissa Hortman, DFL-Brooklyn Park. "We have reached a bipartisan agreement on a budget framework that makes strong investments in families' economic security, education, health care, and public safety to address the challenges Minnesotans are facing."

Getting a deal faced some unusual challenges this year.

Hortman announced last week she tested positive for COVID-19 and had to negotiate remotely. Republicans spent last weekend at their convention in Rochester and Democrats are preparing to hold theirs in the same venue starting Friday.

"If COVID did anything, we learned how to negotiate in some different ways — taking calls on boats and on Zoom calls," Walz said.

The Democratic governor noted that just a few weeks ago, when he gave his State of the State address, the two parties had little they agreed on. Since then they've come to a surprising number of compromises.

Lawmakers inked a deal to spend \$2.7 billion to replenish the state's unemployment trust fund and to spend \$500 million to send \$750 bonus checks to frontline workers. Earlier this year, they also agreed to extended the state's reinsurance program, which helps insurers pay for their sickest patients, for another five years to help keep health insurance rates down.



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