

July 2025

Friends,

I hope you and your family are well. This brochure is my ninth annual Capitol Report. Let me start by saying "thanks" for the privilege of serving our area in the MN Senate. I work for everyone in District 18, whether they voted for me or not.

This legislature was closely divided. Voters gave Minnesota a tied House of Representatives (67-67) and a one seat DFL majority in the Senate at 34-33. These historically close margins meant longer negotiations, but they also increased bipartisanship.

We passed a budget featuring the largest cut in state history, as general fund spending will be reduced from approximately \$71 billion in the last biennium to \$67 billion for 2026-2027. Sometimes state government has to tighten it's belt in the same way MN families often do. We also passed a \$700 million bonding bill to build infrastructure and create good paying jobs. Several good policy changes became law as well.

As I write this, our state is recovering from the tragic shooting events of two legislative colleagues and their spouses on June 14. We will carry on, but we should also ask "what can we do to bring Minnesotans closer together?"

Please don't hesitate to reach out. Meanwhile take care.

Sen. Frentz Successes

Bill authorship is a foundation of legislative work. Sen. Frentz was the Chief author of both the Pension and the Energy omnibus **bills** (described elsewhere in this report). In addition, he was an author of these bills that were passed and signed into law.

Bureau of Criminal Apprehension Lab (SF2389)

Public safety remains a high priority. This legislation provided \$67 million in the bonding bill to build a new state-of-the-art BCA lab facility in Mankato. When completed, Southern MN law enforcement and prosecutors will be able to process evidence more efficiently, modernize technology, and reduce travel time and expense.



Data Centers (SSHF16)

Data centers are large computer processing facilities. This bill included nation-leading environmental and tax provisions. New data centers will provide significant construction jobs, funds for low-income home weatherization, and pay substantial local property taxes.

Taylor Center Roof (SSHF17)

The "asset preservation" funding in the bonding bill will allow needed roof repairs at MSU Mankato to be completed.

World Junior Hockey Championships (SF1061)

\$5 million to help MN host the World Junior Hockey Championships in December in St. Paul. This two-week event is expected to attract 250,000 international visitors and generate over \$75 million for the Minnesota economy.

travis.urness@mnsenate.gov

at Government Expense. tz for MN Senate; Dr Bldg 1010, Mankato, MN 56001

2025 CAPITOL **REPORT**



State Senator Nick Frentz

How Sen. Frentz Voted on Key Bills and Why

Earned Sick and Safe Time Modifications (SF2300) Sen. Frentz voted YES on updates to our Earned Sick and Safe Time law, listening to input from workers and our local business community. Among the changes were clearer notice provisions to small businesses.

Health Care Buy In for Undocumented Workers (SSHF1) This bill passed, eliminating the option for adult undocumented workers to buy in to MN Care. Sen. Frentz voted NO. Rural hospitals wanted a "no" vote because they lose money on uncompensated care costs. Also, Minnesota collects about \$200 million annually in taxes from undocumented workers, so it seems unfair to take the taxes a worker pays and then turn around and prevent them from buying into state health insurance.

Advancing Legislation for 2026

Sen. Frentz will continue to work on these important issues during the next session:

Clean Energy Priorities The recent federal tax bill makes major clean energy changes by reducing support for wind and solar power. Climate change remains a serious matter, so it's more important than ever that Minnesota continues to pursue emerging new technologies like green hydrogen, geothermal power, and battery storage. All show tremendous potential.

Local Water Projects Clean water remains a priority. We need to support better water infrastructure in Eagle Lake, Lafayette, and St. Peter.

Thank You

Thank you to all our outstanding Senate staff. Thank you also to the many local officials who helped me deliver results for the district. Finally, a special thanks to my wife Jill for all her support while I'm in St. Paul during session. I'm glad to be home now in North Mankato.

2026-2027 Budget

The best part of creating our state budget process can also be the hardest part: it must balance. Expenses must be matched by revenue. Here is where your tax general fund dollars come from, and where they are being spent for 2026-2027.

Revenue

(Numbers in Billions)

| Individual Income Tax | \$32.9 (~51%) |
|--|---------------|
| General Sales Tax | \$16.1(~25%) |
| Corporate Franchise Tax | \$6.3 (~10%) |
| All Other Revenue | \$9.5 (~13%) |
| Total Revenue | \$64.8 |
| Carry over from 2024-2025* | \$2.2 |
| * (Total carryover is \$7.4 hillion but \$5.2 is slated for 2028-2029) | |

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TOTAL REVENUE

\$67.0

Spending

(Numbers in Billions)

| E-12 Education | \$25.7 (~38%) |
|--------------------------------------|---------------|
| Health and Human Services | \$23.7 (~36%) |
| Property Tax Aids and Credits | \$4.7 (~7%) |
| Judiciary and Public Safety | \$3.5 (~5%) |
| Debt Service | \$1.2 (~2%) |
| All Other | \$8.2 (~12%) |
| TOTAL SPENDING | \$67.0 |

Sen. Frentz Bipartisan Leadership

Each legislator belongs to a political party, but there are times when it's best to set that aside for the good of the people. Bipartisan bills often have greater durability and "buy in" from both legislators and the public. Sen. Frentz was a founding member of the Minnesota Senate Blue Dog Coalition, a group dedicated to bridging partisan divides and advancing solutions. He works across party lines when appropriate, and more than 56% of his bills had bipartisan co-authors.

Legislative Commission on Pensions

In January, Sen. Frentz was honored to be elected Chair of the Legislative Commission on Pensions and Retirement (LCPR), which oversees nearly \$100 billion in state public employee retirement funds.

The basic mission of the LCPR is to protect the retirement promises we make to our public employees.

Sen. Frentz was the Chief Author of the **Pension Omnibus Bill (SF 2884)** which helped support our teachers, police, firefighters, paramedics, and many more.

Thousands of Minnesota teachers contacted Sen. Frentz to urge passage of the bill. It created a "60/30 Career Rule" for teachers, allowing them to retire at age 60 with 30 years of service with reduced penalties for early retirement. It also gave post-retirement cost of living increases to our public safety community, which were overdue.



The Final Step: The Pension bill signing ceremony with Governor Walz and key legislators.



Sen. Frentz with his Senate Energy Committee staff: Travis Urness, Tyler Kline, and Olivia Syverson.

Senate Energy Committee

Sen. Frentz continued to serve as Chair of the Senate Energy, Utilities, Environment, and Climate Committee. The main committee goals are to help deliver energy that is clean, affordable, and reliable. We also work to support Minnesota's law that transitions us to 100% clean energy by 2040. Climate change is costing us more money and lives every year.

Sen. Frentz authored the **Energy Budget Omnibus Bill (SF2393).** It funded the
Dept. of Commerce Energy Division and the
Public Utilities Commission. It also adopted
"securitization" policies to maintain low
energy rates during severe weather events,
and made other important policy changes.

Listening to the People



Our SD18 Town Hall Meeting in Mankato this February was a full house, demonstrating our area community's strong engagement and interest in state issues.