



Legislative Update

June 23, 2026

Mary Beth Schubert

- Congressionally Directed Spending Update: CSAH 46
- OMB Proposed changes to Uniform Guidance for federal grantmaking - Downs
- Legislative update - Stinson
- Other items?



Congressionally Directed Spending Update: CSAH 46

Georg Fischer

Assistant County Manager- Physical Development

June 23, 2026 General Government and Policy Committee Meeting

- Project 99-013: Planned for 2029 Construction
- Total Project Cost: ~\$46.5M
- Minimum Request Submitted: \$6.5M
- Status:
 - Moving forward in the House: \$500K
 - Not advancing in Senate
- Other External Project Dollars:
 - \$10M (Federal: 2024 Regional Solicitation Funds)
 - \$3.85M (Transportation Economic Development Program-MNDOT-State)
- Unsuccessful 2026 State Bonding: \$18.65M



OMB Proposed changes to Uniform Guidance for federal grantmaking

Mike Erlandson
Downs Government Affairs LLC

June 23, 2026 General Government and Policy Committee Meeting

- On May 29, 2026, the Office of Management and Budget (OMB) published a proposed rule rewriting the Uniform Guidance at 2 CFR Part 200, the federal regulation governing every federal grant, cooperative agreement, and pass-through award.
- The proposed rule introduces new substantive policy requirements:
 - It modifies the termination framework.
 - Integrates federal grants administration with the Treasury Do Not Pay system.
 - Reclassifies 2 CFR Subtitle A from guidance to binding regulation.
 - Revises cost principles, audit requirements, and pass-through entity responsibilities.
- OMB is accepting comments through July 13.

Legislative Update



Dan Dwight | Director of Government Relations, Stinson LLP

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Legislature Adjourns 2026 Session

From Sine Die to Campaign Trail

- The Minnesota Legislature wrapped-up its work for the 2026 session in time for the midnight May 18th constitutional deadline. Facing as closely divided of a legislature as possible, the midterm elections looming on the horizon, and other external factors, expectations were low for what realistically could make it past the finish line.
- Just days before the deadline, legislative leadership and Governor Walz announced that they had reached a deal that would bring session to a close, and lawmakers worked through the weekend to pass:
 - **Office of Inspector General** | Creation and funding of this office that will oversee fraud and misconduct investigations.
 - **IT Modernization Package** | Investment in government program information technology.
 - **\$1.2 Billion for Bonding** | a bipartisan capital investment package.
 - **Aid for HCMC** | \$205 million for Hennepin County Medical Center.
 - A number of other finance and policy supplemental omnibus bills.

County Priority Outcomes

County Priority Update

Bonding | Included in the package are the following projects:

- County Rd. 50 improvements (\$6m)
- Thompson Park Extension
- Hero's & Heritage Trail (\$300,000)
- \$10 million for metro regional parks

LCCMR

- Lebanon Hills Regional Park Natural Resources Restoration and Sustainable Trails Improvements (\$2,126,000)

Community Services

- Human services/IT infrastructure modernization
- Housing- additional FHPAP funds (\$40m)
- African American Family Preservation Act funding for counties
- \$11M for SNAP funding
- \$15M for the ACT

Things that did not get across the finish line

- Crisis mental health funding
- Housing support admin allocation
- Co. Rd. 46 bonding
- Lebanon Hills/Lake Byllesby bonding project
- Park ordinance violation change

Landscape for 2026 election

What's at Stake in the 2026 Election?

Each of the 67 Senate seats, 134 House seats, Constitutional Officer roles, Congressional districts, and one US Senate seat are up for grabs.

Election years are often accompanied by high member turnover. So far, there have been:

- **25** | announced retirements
- **11** | members seeking another constitutional office
- **7** | House members seeking election to the Senate

Stay tuned for more updates as candidate filing has officially closed.

What's at Stake in the 2026 Election?

US Senate | With Sen. Tina Smith's retirement, Congresswomen Angie Craig and Lt. Gov. Peggy Flanagan each hope to fill her vacancy. On the GOP side, Adam Schwarze received the party endorsement but there will likely be a primary between Schwarze, Michelle Tafoya, and Royce White.

As a note, with Sen. Klobuchar running for governor, Minnesota's second senate seat will also be up for appointment.

Governor | Amy Klobuchar/Ben Schierer cruised to endorsement. The GOP endorsement process was messy. Kendall Qualls/Brian Nicholson will face a primary challenge from Lisa Demuth/Ryan Wilson and Mike Lindell/Phillip Parrish.

CD 2 | CD 2 | The Second Congressional District, which is open following Rep. Angie Craig's campaign for Senate, has been a race to watch over the past few cycles. Former State Senator Matt Little is ahead in polling against other DFL candidates Rep. Kaela Berg and Sen. Dr. Matt Klein, in a race that will go to the primary. GOP Sen. Eric Pratt is the endorsed Republican.

Update from State Conventions

This past weekend, both DFL and GOP parties held their state-level endorsing conventions where candidates for statewide office vied to formally receive party backing.

US Senate

- **DFL** | The state DFL party endorsed Lt. Gov. Peggy Flanagan for the US Senate seat being vacated by retiring Sen. Tina Smith. Congresswoman Angie Craig, who opted out of the endorsement process, intends to continue her campaign and face-off against Flanagan in the August primary.
- **GOP** | Former Navy SEAL Adam Schwarze received the GOP party's endorsement over former sports broadcaster Michele Tafoya, who intends to continue on to the primary.

Governor

- **DFL** | Sen. Amy Klobuchar received the DFL endorsement for governor.
- **GOP** | Businessman Kendall Qualls became the GOP-backed candidate for governor, beating House Speaker Lisa Demuth after several rounds of voting. Demuth intends on carrying on through the primary, as does businessman Mike Lindell.

2027 Session Forecast

- **New Chairs** | The outcome of the election will bring a new set of committee chairs in both bodies.
 - Notable members who have been fixtures in various committees over the past years who are retiring include Sen. Ann Rest (Taxes), Sen. Warren Limmer (Judiciary), Sen. Jim Carlson (Elections), Sen. Carla Nelson (Taxes, Education), Sen. Sandy Pappas (Bonding), Sen. Melissa Wiklund (HHS), Rep. Joe Schomacker (Human Services) to name a few.
- **Budget** | Regardless of how majorities shake out, a balanced budget must be passed during the 2027 session.
- Other issues looming on the horizon...



Any Questions?

Thank you!

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