

North Star
State Solutions

LEGISLATIVE AGENDA 2025





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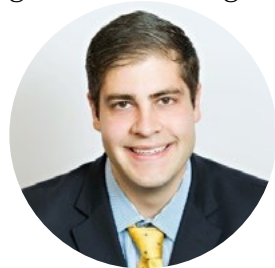
WELCOME

Minnesota is a state of innovation, resilience, and opportunity—dedicated to improving the lives of all who call it home. Our public policies must aim high, setting the standard for long-term economic freedom, opportunity, and prosperity. **Freedom MUST be bold in Minnesota** because the nation is watching, and Minnesota is ready to lead. However, there are areas where we must improve to meet the growing demands of our bright future.

At **Americans for Prosperity Minnesota**, we are a non-partisan, non-profit grassroots organization committed to **bottom-up solutions** that elevate freedom and prosperity for all. We connect individuals with policy, empowering them to raise their voices and create the change we need for a stronger, brighter future. We believe in **limited government**, the **rule of law**, **equal rights**, and **the power of the people** to drive progress.

In Minnesota, we achieve extraordinary things. We work tirelessly to remove barriers, empower individuals, and ensure everyone has the chance to realize their version of the American Dream. While Washington, D.C., remains mired in gridlock, Minnesota has the chance to rise to the occasion and to lead by example—showing the nation what success, prosperity, and opportunity look like when driven by the principles of freedom.

Minnesota is a state of boundless opportunity, and others are taking notice. Together, let's lead with principles that unleash creativity, foster growth, and secure a legacy of prosperity. Let's get to work and ensure that Minnesota can be a beacon for freedom—a state where the North Star guides us to a brighter future for all.



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9,000+
ENGAGED
COMMUNITY
ACTIVIST

85
GRASSROOTS
ASSOCIATES



365,000+
MINNESOTANS
REACHED
AT DOORS*



56
EVENTS
2023-24



98,000+
PHONE
CALLS MADE

LEGISLATIVE PRIORITIES



REFORMING REGULATION

Taxpayer dollars are too valuable to waste on outdated or ineffective regulations. Without reforms, agencies can continue enforcing rules that don't justify their costs. Meanwhile, courts and agencies have for too long treated unclear language in a statute as an express delegation to regulate.

Photo by A. J. Olmscheid



STABILIZING THE BUDGET

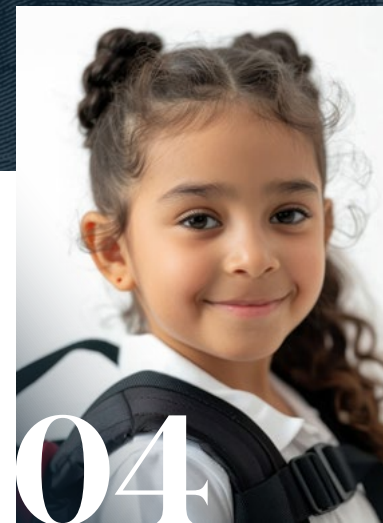
Budget stability ensures better results by smoothing spending across economic cycles. Saving surpluses in good years offsets deficits in downturns, reducing instability and strengthening state sovereignty. A spending cap tied to long-term trends promotes stable governance and protects against federal overreach.



HOUSING MINNESOTA

Housing costs are outpacing incomes, with home prices up 84% from 2012 to 2022 while wages grew just 46%. Nearly 20 million households now spend over half their income on housing. Policymakers should reform zoning laws, legalize diverse housing types, and cut costly regulations to ease this burden.

Photo: Duluth, MN



UNLEASHING EDUCATION

Any child of school age should be able to attend public school for free. This right should not be limited based on a child's residence, but rather it should ensure that the child is able to enroll in any school that meets their needs when space is available.



ENERGIZING INFRASTRUCTURE

Repealing ROFR is key to fostering competition, innovation, and lower energy costs for Minnesotans by breaking utility monopolies that drive up rates. Prioritizing consumers over corporate interests will create a more efficient, reliable, and affordable energy future.

Photo: Plainview, MN



PERSONALIZING HEALTHCARE

Americans for Prosperity advocates for a healthcare system that expands access, lowers costs, and fosters innovation by removing barriers to care. One solution is Direct Primary Care (DPC), where patients pay a flat monthly fee for unlimited access to comprehensive, high-quality primary care.



Photo of Minnesota Senate, 2023

TAXPAYER DOLLARS ARE *too valuable* TO WASTE ON OUTDATED OR INEFFECTIVE REGULATIONS.

Without reforms, agencies can continue enforcing rules that don't justify their costs. Minnesota needs a system that protects taxpayers, holds agencies accountable, and ensures full transparency.

COST BENEFIT ANALYSIS

Right now, Minnesota's laws fall short. While agencies must consider costs and benefits when creating regulations, there's no requirement for State agencies to prove a rigorous cost-benefit analysis (CBA) has been done. This lack of accountability allows outdated and costly rules to persist, wasting taxpayer dollars. Minnesota is falling behind other states in holding agencies accountable and making sure taxpayers get the best value for their dollars.

Other states have been already leading the way: Wisconsin requires a detailed review to ensure every regulation's benefits outweigh its costs. (§227.137(3)) Colorado mandates a standardized process for evaluating regulations before they're adopted or renewed. (24-4-103(2.5))

In Minnesota, this will:

1. Ensure regulations deliver more benefits than it costs by proving the benefit will outweigh the cost to taxpayers.
2. Let citizens hold agencies accountable by giving Minnesotans a way to challenge bad or outdated rules, ensuring our voices are heard.
3. Make analyses public and transparent to taxpayers so your constituents know how their tax dollars are being spent.

JUDICIAL REVIEW AND DEFERENCE

Judicial Review empowers courts to review whether agency rules have been authorized by the legislature, particularly in determining whether a rule is classified correctly as a major rule and whether it requires legislative approval. Courts and agencies have for too long treated unclear language in a statute

as an express delegation to regulate. Ambiguous delegations and deferential courts erode checks and balances and proliferate onerous regulations, stifling economic growth and crushing entrepreneurship. Broad and vague delegations – fortified by deferential courts – drive regulatory inertia; it is time for legislatures to reclaim their constitutional role and provide an equal and opposite force.

We can restore legislative control over rulemaking and enhances judicial oversight. It offers legislators flexibility, enabling delegation and, consequently, high deference in cases where lawmakers prefer that rule makers decide:

- **Clear Delegation:** When the legislature explicitly delegates authority to executive branch agencies to fill in statutory gaps, agencies must promulgate rules, and courts should defer to the agency's interpretations.
- **No Delegation:** Unless the agency clearly delegates authority to the agency, the agency's power is limited to enforcing the statute as written, and the courts will strike down any regulation the agency promulgates, regardless of agency expertise.
- **Ambiguous Delegation:** When legislative delegation is ambiguous, the legislature must approve the agency's rules before they go into effect, the legislature must approve any regulation where the agency cannot point to an explicit delegation of authority.

02

Balancing the budget every year can create policy instability and undermine state sovereignty. Budget stability through a “structural” or “cyclical” balance rule can smooth spending over the business cycle: saved surpluses in good years offset deficits in bad years. Enabling stable and predictable policy can help legislatures budget better, advance priorities more easily, and resist federal mandates.

An annual budget balance might seem straightforward, but it poses significant challenges in practice. Economic volatility often leads to policy instability. During booms, strong revenue can tempt policymakers to overspend, while in recessions, striving for balance adds uncertainty to an already challenging environment.

This approach often leads to short-term decisions, such as budget manipulation or reliance on federal bailouts, which can weaken state sovereignty and divert attention from long-term improvements in areas like education, health, and public safety.

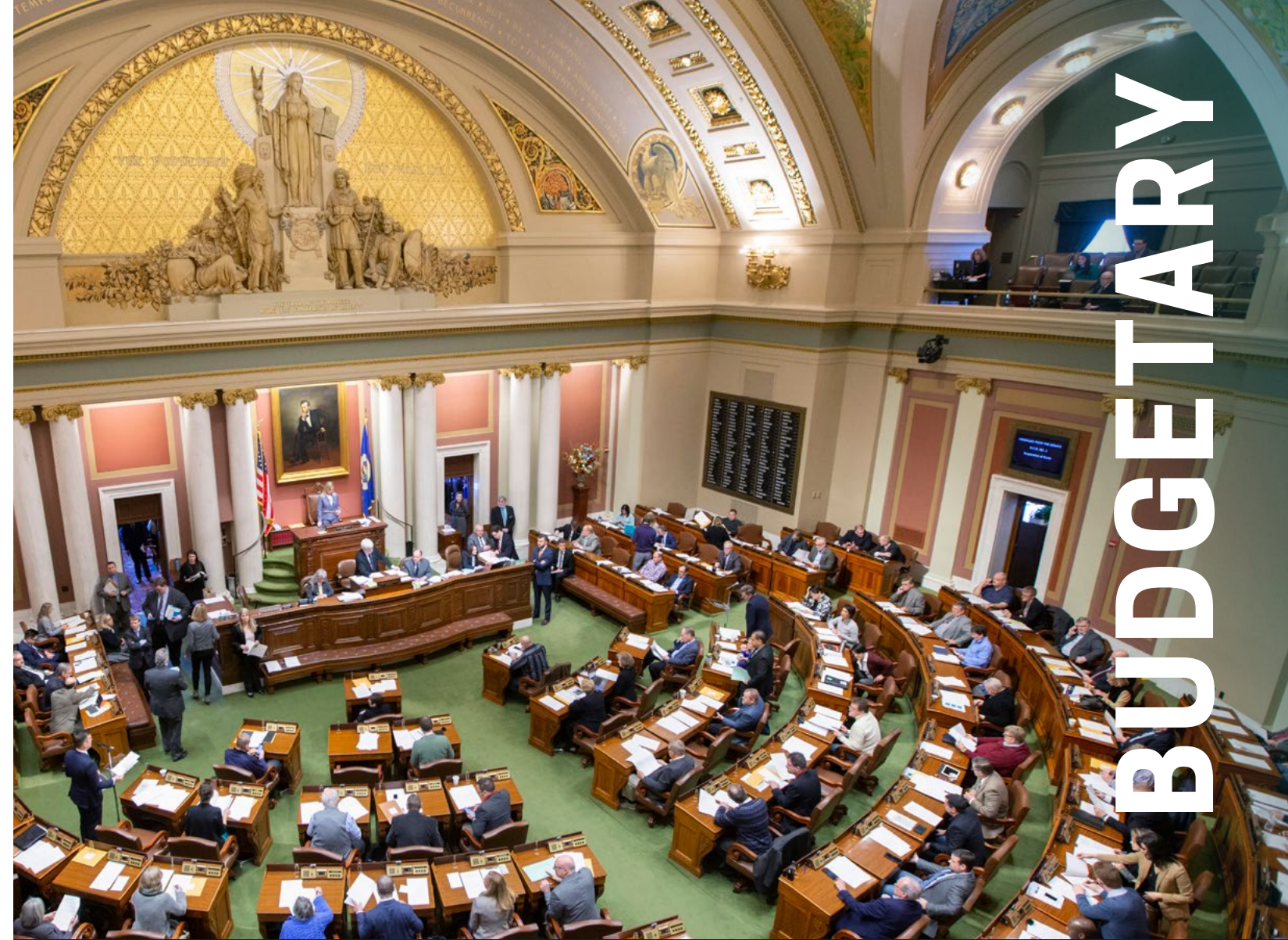
A spending cap that balances budgets over the medium term offers a more stable alternative. By limiting spending growth during good years, governments can build reserves for use during recessions or emergencies. This method allows for predictable revenue and spending policies, helping households and businesses navigate challenges without sudden policy shifts. Additionally, this approach reduces dependence on federal funds, protecting

states from federal dysfunction and ensuring better governance.

Colorado’s experience with the Taxpayer Bill of Rights (TABOR) highlights the challenges of inflation/population-based spending limits. TABOR restricts spending growth to inflation and population but has been inconsistently applied. Over time, its scope has narrowed to a fraction of the budget. Though TABOR regained some influence, conflicts between the rule and political interests have created fiscal uncertainty, demonstrating the limitations of rigid caps.

Structural balance provides a better alternative for Minnesota. This approach aligns spending growth with a consistent percentage of Gross State Product (GSP), offering stability while allowing for upgrades and efficiencies without forcing constant cuts. Structural balance has been successful in other countries and has even gained bipartisan support in federal proposals.

For Minnesota, adopting structural balance can ensure sustainable governance and economic growth while avoiding pitfalls.



BUDGETARY

**BUDGET
STABILITY
HELPS DRIVE**
Better Results

03

IN MINNESOTA, AVERAGE HOUSING PRICE INCREASES *outpaced wages* BY 82% OVER A DECADE

Housing costs are rising faster than income. Average home prices increased 84 percent from 2012-2022, while average wages increased just 46 percent. The following year, from 2021 to 2022, the trend continued: average house prices increased by 15 percent as average wage gains were 6 percent.



Rochester, MN

In 2021, 49 percent (20 million) of renter households spent at least 30 percent of their income on housing, and over 25 percent (10.4 million) of renter households spent at least half their income on housing costs.

In total, more than 20 million American households (both homeowners and renters) paid more than half their income on housing in 2021, which the U.S. Census Bureau considers to be “severely burdened”

by housing costs. Regulation at all levels of government accounts for more than 23 percent of total construction costs of single family homes, and 40 percent of costs for multifamily residences.

These regulations disproportionately impact low-income families. Some scholars estimate that land use regulation reduces U.S. gross domestic product (GDP) by 1.5 percent each year.

FINDING SOLUTIONS

The following addresses the significant burdens Minnesotans are facing:

- Eliminate single-family zoning and permit “missing-middle” housing by right (e.g., duplexes, triplexes, and fourplexes)
- Legalize multifamily and mixed-use buildings in commercial zones and allow commercial-to[1]residential conversions
- Legalize accessory dwelling units (ADUs)
- Eliminate or reduce indirect density restrictions
- Repeal restrictions on manufactured housing, tiny houses, and alternative, non-stick built construction methods
- Repeal or prohibit mandatory inclusionary zoning
- Repeal and preempt rent control laws
- Eliminate Urban Growth Boundaries
- Allow single-room occupancy (SRO) housing
- Create a housing taskforce

04



Our vision is a free market in education that enables every individual to discover, develop, and apply their unique interest and motivations to live a life of meaning and purpose. Most Americans share this vision. And for good reason. Today's standardized system, which puts all learners on the same path, leaves little room for creativity, critical thinking, and personal growth. Students are tuning out, with only 34% of students still engaged with their learning by senior year in high school. It's not just a problem for students: Educators are burning out at higher rates than employees in any other industry.

Minnesotans demand

NO MORE LINES. FULL TRANSPARENCY.

NO MORE LINES

Any child of school age should be able to attend public school for free. This right should not be limited based on a child's residence, but rather it should ensure that the child is able to enroll in any school that meets their needs when space is available so taxpayers get the best value for their dollars.

FULL TRANSPARENCY

Families deserve full transparency in public education. School districts should be able to easily and quickly implement open enrollment lotteries so that parents have information about where their kids can go to school as soon as possible. School districts

and the state should transparently report the usage of open enrollment policies so that families, policymakers, and other stakeholders can make informed decisions.

Amend Minnesota Statutes Section 124D.03 to:

- Remove the power of a school board to limit the enrollment of nonresident pupils.
- Ensure that open enrollment applications are approved so long as there is capacity in the non-resident district.
- Simplify and streamline the open enrollment lottery process.
- Require that school districts and the Minnesota Department of Education provide sufficient information about open enrollment programs.

05

Repealing the Right of First Refusal (ROFR) is about paving the way for a more competitive, efficient, and reliable energy future that puts Minnesotans – not corporate interests – first and break the monopoly keeping us hostage to uncompetitive rate hikes by the existing utilities.

ROFR laws effectively shut out competition and stifle innovation. The Inflation Reduction Act provided significant funding for new transmission projects, signaling a critical opportunity for advancement in our energy infrastructure. However, ROFR laws stand in the way of realizing the full potential of this investment by limiting competition and driving up costs for consumers, not to mention all the new infrastructure that is being built in our State to meet the mandates passed by this legislature.

NEIGHBORING EXAMPLES

Numerous studies have shed light on the negative impacts of Governor Pritzker in Illinois vetoed ROFR legislation stating that eliminating competition only puts profit over consumers with an energy monopoly. In Iowa, the Supreme Court stated ROFR is “quintessentially crony capitalism. This rent-seeking, protectionist legislation is anticompetitive. Common sense tells us that competitive bidding will lower the cost of upgrading Iowa’s electric grid and that eliminating competition will enable the incumbent to command higher prices for both construction and maintenance.”

PRIORITIZE MINNESOTANS

It’s time for policymakers to prioritize the interests of Minnesotans and repeal ROFR. Contrary to what utilities may claim, repealing ROFR will not result in chaos or unreliability in transmission line development. Quite the opposite. Instead, it will foster competition, spur innovation, and drive down energy costs for all Minnesotans. Notably, on Xcel’s own website, it is talked about how competitive bidding is needed to “help keep costs lower as well as receiving input from affected communities.”

A BIPARTISAN OPPORTUNITY

Bipartisan coalitions have united to push back against utility interests and advocate for the interests of consumers. This unified front demonstrates that repealing ROFR is a win for consumers across the board and should not be a partisan issue.

“We urge you to choose people over profits.”

- RaeAnna Lee
Legislative and Coalition Director, AFP-MN



INFRASTRUCTURE

Repeal
**THE RIGHT OF
FIRST REFUSAL**



Let's empower Minnesotans WITH A PERSONAL HEALTHCARE OPTION

To improve the healthcare system, we need to enact targeted legislation that solves specific problems with patient-centered solutions – from expediting the approval of medicines to allowing medical professionals to practice to the full extent of their training to encouraging competition and innovation and fostering greater implementation of current technology. These reforms will expand access to medical care, so more people have the options to be seen, and costs are lowered, as well as transition healthcare decisions back to patients and their doctors.

DIRECT PRIMARY CARE SAFE HARBOR

Empowering health care providers to deliver DPC is a crucial element of comprehensive health care reforms that will improve patient access to high-quality health care. Since DPC practices spend significantly less on overhead expenses, they can afford to work with smaller patient panels and spend more time with each patient. DPC physicians on average spend more than four times as much time with their patients as traditional fee-for-service physicians. This allows physicians to develop strong relationships with their patients.

Under DPC's enhanced doctor-patient relationship, physicians can more effectively evaluate patients on a long-term basis and improve health outcomes. A 2018 study of a Colorado-based pilot program found that patients who enter DPC arrangements visit emergency rooms 31 percent less often than individuals who rely on fee-for-service physicians.

Increasing access to DPC will also lower health care costs. A DPC program offered to public employees in North Carolina

reduced out-of-pocket costs by 46 percent and reduced prescription drug spending by 36 percent compared to workers with traditional physicians. Overall, this translated into a 23 percent reduction in overall health care spending, or an annual savings of \$3,120 for each patient.

As lawmakers consider their options to remove barriers on direct primary care, they should pursue the following reforms to make their efforts most impactful:

1. Insurance Regulations

States should define DPC as a non-insurance financial contract in order to exempt these doctor-patient agreements from insurance regulations.

2. Medication Dispensing

States should authorize DPC providers to dispense medications directly to patients.

3. Health Savings Accounts

Federal lawmakers should allow individuals with HSAs to enroll in DPC agreements and pay periodic DPC fees with HSA dollars.

4. Direct Health Care Agreements

States should allow medical practices to deliver any type of health care service through DPC's direct pay model.



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