

May 5, 2025

Dear Chair Pinto, Chair Baker, and members of the House Labor committee,

I am writing to provide the Department of Labor and Industry's comments on HF2441, the jobs and labor omnibus budget bill.

First, I want to thank Representative Pinto and Representative Baker for including several of the department's priorities in this bill, including:

- Funding misclassification enforcement, which will help protect workers' access to basic workplace protections such as overtime, minimum wage, workers' compensation, unemployment insurance, and more as well as level the playing field for law-abiding employers.
- Workers' Compensation operating adjustment, which will help combat inflationary costs and enable the department to maintain the services Minnesotans expect.
- Extension of funding for the single-egress stairway apartment building report, which will allow sufficient time to complete the report.
- Funding for teacher registered apprenticeship grants, which will create additional pathways into education and help address the teacher shortage. The department looks forward to continuing to work with the authors on the language of this proposal.

Before transitioning to elements that are not included, I want to note that the bill includes a worker misclassification report funded at \$163,000 per year. While the department is not opposed to analyzing the costs of misclassification and develop this report, sufficient funding is necessary, especially to cover the upfront costs of producing the first report. We request that this be funded at \$460,000 in the first year and \$160,000 ongoing.

I would also like to note that, while the department appreciates several priorities being included, we are concerned about the absence of several key priorities, including:

- General fund operating adjustment, which would help offset inflationary costs and enable the department to maintain the services Minnesotans expect.
- Funding for grants to certified worker organizations to help them carry out their duty to inform nursing home workers of their rights under the Nursing Home Workforce Standards Board law.
- Construction Codes and Licensing fee Alignment proposal which would enable the department to continue to provide timely and high-quality plan review and inspection services for electrical systems, elevators, plumbing, boilers, and manufactured structures.

The Construction Codes and Licensing Fee Alignment proposal is especially important. The Construction Codes and Licensing Division at DLI operates on a fee for service basis, and most units in the department's proposal have not seen fee increases since 2007. Leaving fees at current levels would result in significant staffing cuts and increased wait times for critical services like electrical inspections, plumbing inspections, plumbing plan review,

boiler inspections, elevator inspections, and inspections of new manufactured homes upon installation. Some of the worst impacts would include:

- Plumbing plan review wait times would increase to a minimum of 15 weeks resulting in significant construction project delays across the state.
- Electrical inspections are currently provided within two days of a request, but without these fee increases staffing cuts would result in delays of two weeks across much of the state and limited availability of virtual inspections.
- Boiler installation and annual safety inspections for in-service boilers, pressure vessels, and boats for hire would face extended delays.
- DLI's administration of HUD manufactured homes program would need to be turned back to the federal government.

In closing, the bill before the committee makes several critical investments, especially in teacher registered apprenticeship and misclassification enforcement. However, it also falls short by not including the reasonable and necessary construction codes and licensing fee adjustments, which have especially strong support among construction industry stakeholders.

Thank you for the opportunity to comment on HF2441.

Sincerely,

A handwritten signature in black ink, appearing to read "Nicole Blissenbach". The signature is fluid and cursive, with the first name "Nicole" written in a larger, more prominent script than the last name "Blissenbach".

Nicole Blissenbach
Commissioner