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March 6, 2025

Senate File 1832 (Pinto)

Chair Torkelson, Chair Stephenson, and House Ways & Means Committee Members -

The National Federation of Independent Business (NFIB) represents over 10,000 small and independently owned businesses across Minnesota. Our mission is to promote and protect the rights of our members to own, operate, and grow their businesses. Thank you for the opportunity to provide comments on the DE Amendment to Senate File 1832.

The House Workforce, Labor and Economic Development Committee has had extensive debate over proposed modifications to the recently enacted Earned Sick and Safe Time (ESST) and Minnesota Paid Family and Medical Leave (PFML) programs. It is no surprise that our members have grave concerns with both mandates, and we respectfully urge you to include reasonable limits on the scope of these requirements in the final omnibus bill.

We support the inclusion of provisions that are within HF 2962 (Rep. Baker) / SF 3141 (Sen. Frentz) and HF 2025 (Rep. Baker)/SF 2300 (Sen. Seeberger), including the small business exemptions, a reduction in the number of annual weeks of leave permitted under PFML, a reduced PFML payroll tax cap, and other reasonable adjustments to employer requirements and responsibilities.

Thank you for your consideration of our position on these issues.

Sincerely,

Jon Boesche
Minnesota State Director
National Federation of Independent Business
jonathan.boesche@nfib.org

MINNESOTA CHAMBER OF COMMERCE

GROWING MINNESOTA

May 6, 2025

Dear Members of the House Ways and Means Committee:

As the House considers the 2025 Jobs/Labor Omnibus bill (SF 1832/HF 2440), the Minnesota Chamber of Commerce, a statewide business organization representing over 6,300 business and over half a million employees throughout Minnesota, shares our disappointment that reasonable limits on the scope of and relief from the financial and operational impacts of the paid leave mandates enacted last biennium are not included in the bill. Our members are deeply concerned that without action this session, these programs will continue to create hardship for both employers and their employees.

Time is of the essence. With less than three weeks remaining, we respectfully ask that policymakers include as part of SF 1832 two bipartisan bills: HF 2025 (Rep. Baker) / SF 2300 (Sen. Seeberger), legislation modifying the sick and safe time mandate, and HF 2962 (Rep. Baker) / SF 3141 (Sen. Frentz), legislation modifying the PFML mandate.

While it is well established that our members are opposed to the idea of the state mandating an employer benefit, policies that help employees shouldn't have to create an undue or uneven financial burden on employers. The recent onset of dozens of unfunded and unbalanced mandates placed on the business community has burdened employers of all sizes with increased costs (such as payroll taxes), operational and staffing challenges (such as additional unaccounted for paid time off), and the cost of staff time, or hiring new staff entirely, to spend on compliance. Small-and medium-sized businesses are disproportionately impacted, as they have less financial flexibility, less HR capacity or expertise, and instead could be focused on growth and investing in their workforce.

Of the roughly 35 new workplace mandates placed on business in the past two years, the sick and safe time mandate has burdened our members the most. It is because of this experience our members are adamant that the legislature refines the Paid Family and Medical Leave (PFML) mandate before it takes effect.

In recent focus group meetings held around the state, employers shared that the sick and safe time mandate is being misused by employees, causing legitimate operational challenges and cost impacts across the board. This is largely due to the fact that the mandate is so broad and the rules for requesting notice and documentation are so limited. Interestingly, our members have also identified that these challenges negatively impact their employees. HF 2025/SF 2300 includes a number of provisions to address these issues.

Given this experience, employers understandably expressed serious concerns with the impending PFML mandate, which will raise payroll taxes on employees and employers by at least 0.88 percent – *a nearly $2B annual tax on Minnesota's workers and economy* – and will continue to increase administrative burdens, exacerbate staffing shortages, and constrain operations. Employees right now are not looking for their pay to be decreased. Employers are anxious about how their employees will be treated by the state as they deal with sensitive, personal leave needs. HF 2962/SF3141 includes a number of provisions to address these issues.

In the case of PFML, establishing a complex new state-run insurance program that every employer and employee in Minnesota must participate in and comply with is a massive undertaking. Comparisons to the Unemployment Insurance (UI) program are inaccurate considering the broad eligibility allowance, and the complexity of the different types and lengths of personal leave allowed. Currently, the Department of Employment and Economic Development (DEED) is hosting informational webinars that have hundreds of employers participating, still seeking yet-to-be-finalized information necessary for implementation.

As has been noted, Minnesota's track record with the successful rollout of customer-facing technology systems has been decidedly mixed – this concern isn't just MNsure and MNLARS from a decade ago. RentHelpMN in 2021; e-Bike Rebate Program in 2024; and now DNR licensing in March 2025 are all very recent examples of Minnesota not delivering new systems effectively and at great expense to taxpayers.

Changes are still necessary to address some of the issues with sick and safe time and prevent the unintended consequences we believe will happen under the new PFML law. HF 2025/SF 2300 and HF 2962 /SF 3141 represent sensible and responsible approaches to achieving the goal of increasing access to paid time off. We appreciate that many of the recommendations the business community has advocated for, both before and after enactment, are included in these bills and look forward to continuing our work to make sure that paid leave works for employers and employees. It is not too late to achieve this goal.

The Chamber and its partners look forward to working with members of the legislature to retain a strong quality of life by focusing on solutions to grow our economy such as lowering costs for families and businesses; enacting policies to encourage private sector investment and innovation in Minnesota; adjusting uncompetitive new laws; and reducing workforce barriers and other cost burdens undermining growth.

We look forward to working with you to enact the provisions contained in both HF 2025/SF 2300 and HF 2962/SF 3141 this session and reiterate our support for including these bills in SF 1832/HF 2440 the Jobs/Labor Omnibus bill.

Thank you for the opportunity to share this perspective with the Committee.

Sincerely,
Lauryn Schothorst
Director, Workplace Management and Workforce Development Policy

NAMI National Alliance on Mental Illness MINNESOTA
1919 University Ave. W, Ste. 400, St. Paul, MN 55104 | 651-645-2948 | namimn.org

May 6, 2025

Dear Chairs and Members of the Ways and Means Committee:

People with mental illnesses have the highest unemployment rate among all categories of disability. **Between 60 and 70% of people with a serious mental illness want to work, but only about 10% do.** Work is an evidence-based practice proven to support recovery.

Individual Placement and Support (IPS, called Employment Support for Persons with Mental Illness in the workforce omnibus bill) is more accessible for the most marginalized members of our community than other employment programs. IPS does not exclude participants based on symptoms, diagnoses, substance use history, history of hospitalizations, homelessness, or legal system involvement.

Perhaps most importantly, IPS is unique because it integrates employment services with mental health services. It is the only employment program specifically for people with serious mental illnesses in the state.

We are grateful that the Workforce Committee did not follow the Governor's recommendation to decimate IPS in Minnesota. However, the workforce omnibus bill only continues current base funding without continuing one-time funding. **This will result in a decrease in the IPS services currently being provided – at a time when expansion to the tens of thousands of Minnesotans who don't have access to this service is crucial.**

People with mental illnesses are experiencing drastic and life-threatening cuts to their services across the board. The Department of Human Services announced the sudden termination of grants and funding to many critical programs all around the state, and the human services committee's budget target was abysmally low.

Minnesotans with serious mental illnesses are incredibly resilient; but they should not have to be. We need legislators to ensure they have strong supports in some aspects of their lives. It is untenable to ask them to deal with virtually every service, program, or treatment they are part of being reduced or terminated entirely.

Our Mental Health Legislative Network partners at Rise sent the Workforce Committee recommendations for maintaining current funding levels, which we support. We understand that you are faced with very challenging budget decisions this year. We are asking you to ensure that Minnesotans with mental illnesses do not bear the brunt of them during an unprecedented mental health crisis.

Thank you for your consideration,

Sue Abderholden, MPH
Executive Director

Sarah Knispel, LGSW
Public Policy Coordinator

Representative Dave Baker
Representative Dave Pinto
Representative Paul Torkelson
Representative Zack Stephenson

May 2, 2025

Re: HF2441 (Workforce, Labor, and Economic Development Finance Omnibus bill)

Dear Chairs Baker and Pinto, Ways and Means Chairs Torkelson and Stephenson,

On behalf of the Economic Development Association of Minnesota (EDAM), Minnesota Brownfields, Commercial Real Estate Development Association (NAIOP), League of Minnesota Cities, and Metro Cities, we are reaching out with concerns about the proposed base budget cuts included in HF2441, the House Workforce, Labor, and Economic Development Finance omnibus bill.

We acknowledge the difficult budget situation your committee is dealing with, however, our members use the programs in DEED's Business and Community Development portfolio every day to support the attraction, retention and expansion of businesses that are key to the state's economic vitality. It is therefore concerning to our membership that HF2441 makes cuts to the base funding for two key programs across the next two biennium:

- Contaminated Site Cleanup & Investigation Grants - $1.5 million cut each biennium
- Redevelopment Grant Program - $2 million cut each biennium

With a cut of more than half of the base funding for the Contaminated Site Cleanup and Investigation Grant program, and a cut of about half of the Redevelopment grant program funds, Minnesota communities will have significantly less resources available to put contaminated and disinvested sites into productive use. More dilapidated and deteriorating structures will remain in communities and the state will lose out on the property tax increases, private investments and job creation and retention this program leverages.

The Redevelopment Grant Program:

The Redevelopment Grant Program is a critical economic development tool. It helps communities with the costs of redeveloping blighted industrial, residential, or commercial sites and putting land back into productive use. This program delivers a tremendous return on investment. Since the program's inception in 1993, it has leveraged almost $4 billion in non-state investments, created over 12,000 new jobs and retained almost 19,000 jobs, and increased property taxes by over $60 million. This program is in high demand throughout the state and is slated to run out of funding this year.

Contaminated Site Cleanup & Investigation Grants:

The Contamination Cleanup and Investigation Grant Program helps communities pay for assessing and cleaning up contaminated sites for private or public redevelopment. Grants pay up to 75% of the costs to investigate and clean up polluted sites. Both publicly and privately owned sites with known or suspected soil or groundwater contamination qualify and the program is critical to help communities put sites back into productive use. Since the program's inception in 1995, the program has awarded 149 investigation grants totaling over $4.67 million and 487 cleanup grants totaling over $202.36 million statewide.

A recent project completed with both Redevelopment and Clean up Funds: The Hotel Mankato site occupies a 2-acre parcel that was contaminated with petroleum and other contaminants. The site was historically occupied by a hotel and an auto dealership, and was redeveloped into one four-story, 126-room hotel, and one 10-story, 156-room hotel and restaurant, the AC Hotel by Marriot and Element by Westin. The project was awarded $1.1 million in Redevelopment grant funds and $330,000 in Clean Up grant funds. The project created 111 jobs, built 282 new hotel rooms, increased the property tax base by $640,800/yr and leveraged $81.6 million in private investment. Matching funds were provided by the developer and tax increment financing.

Recent Site Cleanup Funds Example: The city of Minneapolis was awarded $518,062 in cleanup funds for a 7.87-acre site that was contaminated with petroleum and other contaminants. Historically used for linseed oil processing, the site was redeveloped into a "high finish," 131,000 square-foot, industrial office warehouse building. Known as the Nordeast Business Center, the building is currently occupied by two tenants: CED Greentech Renewables and Kings Road Merchandising Inc. The project has created 50 jobs, retained 60 jobs, increased the property tax base by $401,875, and leveraged $18,800,000 in private investment. The required match was paid for by the developer and other grant sources. This project was the winner of the Minnesota Brownfields 2023 Rescape Award for economic impact.

Collectively, our members work every day to support community needs and to make public investments that support good jobs and economic vitality. Funding these programs at the levels needed to sustain this work is critical to the state's future economic success and we urge the Committee to reconsider the base funding cuts included in this bill. Thank you for your consideration of this letter.

Sincerely,

EDAM ECONOMIC DEVELOPMENT ASSOCIATION of MINNESOTA

MINNESOTA BROWNFIELDS
EDUCATION. RESEARCH. PARTNERSHIPS.

NAIOP
COMMERCIAL REAL ESTATE DEVELOPMENT ASSOCIATION
MINNESOTA CHAPTER

LMC LEAGUE of MINNESOTA CITIES

METRO CITIES
Association of Metropolitan Municipalities

Cc: Governor Tim Walz, Speaker of the House Lisa Demuth, Speaker Emerita, Melissa Hortman; GOP Floor Leader Harry Niska, DFL Floor Leader Jamie Long, Chris Schmitter, Patrick Tanis, Leah Montgomery, Nicauris Heredia-Rosario

DEPARTMENT OF LABOR AND INDUSTRY

May 2, 2025

Representative Zack Stephenson
5th floor Centennial Office Building
St. Paul, MN, 55155

Representative Paul Torkelson
5th floor Centennial Office Building
St. Paul, MN, 55155

Dear Chair Stephenson, Chair Torkelson, and members of the House Ways and Means committee,

I am writing to provide the Department of Labor and Industry's comments on SF1832, 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 SF1832.

Sincerely,

Nicole Blissenbach
Commissioner

cc:
Representative Dave Pinto
Representative Dave Baker

MINNESOTA PIPE TRADES | MMCA MINNESOTA MECHANICAL CONTRACTORS ASSOCIATION | NECA

May 2, 2025

Co-Chairs Torkelson and Stephenson,

On behalf of the Minnesota International Brotherhood of Electrical Workers (IBEW) State Council and the Minnesota Pipe Trades Association jointly representing over 24,000 union members in the construction trades industry, and Minnesota Mechanical (MMCA) and MN National Electrical Contractors Associations (NECA) representing over 250 construction contractors we are submitting this joint letter to reiterate our support of the Construction Code and Licensing Division (CCLD) fee alignments proposed by the Minnesota Department of Labor and Industry.

The HF2440 DE Amendment on the agenda of the May 2nd meeting of the House Ways and Means Committee does not include the CCLD fee alignments. We believe its omission in the final bill would have catastrophic consequences for the construction industry and Minnesota economy. DLI has informed us that plumbing plan review times would increase to a minimum of 15 weeks. This is a drastic increase from the current average of 7 weeks and crushes the construction industry's goals of bringing it back to the historical average of 3 weeks. They have also informed us that the electrical inspections unit, which is currently providing service within two days of request, will need to cut staff resulting in two-week delays across much of the state and limit the availability of virtual inspections.

These fees have not been adjusted in nearly 20 years, causing the CCLD inspections units to operate at a deficit. Leaving fees the same is unsustainable for DLI and the construction industry. If the fee alignments aren't enacted this session, ordinary folks throughout the state looking to build out a place of business, construct or fix up a home, or invest in other infrastructure that supports their community will pay far greater costs associated with project delays than what the CCLD fee alignments bring.

Thank you for your time and consideration in this matter. We hope we can get the fee alignments added to the final bill.

Joel Johnson
Legislative Director
IBEW State Council

Andrew Campeau
President of the Minnesota
Pipe Trades Association

Ryan SanCartier
Government Affairs Director
MN Contractors NECA/MMCA

May 05, 2025

Minnesota House of Representatives
House Speaker Lisa Demuth
Speaker Emeritus Melissa Hortman
Co-Chair Paul Torkelson
Co-Chair Zach Stephenson
Co-Chair Dave Baker
Co-Chair Dave Pinto

RE: DE amendment (A25-0077) / SF1832

Dear Legislative Leaders,

As a coalition of nonprofit organizations serving communities across Minnesota, we write to express our deep concern regarding proposals to eliminate or significantly reduce direct legislative appropriations to nonprofit entities. We appreciate the thoughtful dialogue initiated by the Reps. Stephenson and Torkelson, regarding the role of competitive grant programs, we believe it is essential to consider the broader implications of such a shift—particularly for historically underserved and rural communities.

Nonprofit organizations are essential partners in delivering critical services that enhance the health, safety, and well-being of Minnesotans. From housing support and food assistance to mental health services, youth programming, and economic opportunity initiatives, our work reaches communities that government programs alone often cannot effectively serve. We are deeply rooted in our neighborhoods and maintain trusted relationships with the populations most affected by disparities in access and outcomes.

While competitive grant processes can promote transparency and structure, they are not a substitute for the responsiveness, agility, and equity that direct appropriations make possible. Grant cycles are often time-consuming, administratively burdensome, and inflexible—creating delays in service delivery and gaps in support. Smaller, rural, and culturally specific organizations are significantly disadvantaged in these systems, as they may lack the capacity to compete with larger institutions despite having the most significant local impact.

Eliminating direct appropriations risks sidelining these vital organizations and undermining longstanding public-private partnerships that have proven effective in responding to community needs. Moreover, this shift would disproportionately affect organizations led by and serving communities of color—many of which have historically been excluded from traditional funding streams.

It is also essential to recognize that nonprofits are held to high accountability standards. We undergo annual audits, submit regular filings, and are governed by boards committed to ethical stewardship. We also conduct rigorous program evaluations to ensure measurable outcomes and continual improvement.

We strongly encourage you to continue with direct appropriations as they are a key component of our state's funding strategy. Equity cannot be an afterthought—it must be foundational, and in no way do competitive grant processes prioritize equitable access to funding. Maintaining and expanding direct legislative appropriations ensures that funding decisions can be intentional and equitable, based on the insights of legislators who know firsthand their constituencies and community needs and are aligned with the needs of our most vulnerable populations.

As you continue to shape Minnesota's finance bills, we urge a balanced approach: one that includes both competitive grant opportunities and sustained direct appropriations to nonprofit organizations. This dual strategy promotes both accountability and equity, ensuring that public resources are distributed in ways that genuinely serve all Minnesotans.

Thank you for your leadership and service. We welcome the opportunity to meet and share more about the people and programs directly affected by these decisions.

Sincerely,

The Undersigned Nonprofit Organizations

1. African Development Center
2. Fortis Capital
3. Black Women's Wealth Alliance
4. Partnership In Property Commercial Land Trust
5. Walker West Music Academy
6. Center for Broadcast Journalism
7. GW Carver Cultural center for innovation
8. V3 Sports
9. Generation Hope
10. African American Child Wellness Institute (AACWI)
11. YWCA St. Paul
12. CAIRO
13. The Sanneh Foundation
14. Al-Maa'uun
15. CAPI USA
16. The JK Movement
17. Recovery Cafe Frogtown
18. V3 Sports
19. YWCA Minneapolis
20. Phyllis Wheatley Community Center
21. Home and Community Options, Inc.
22. The Good Acre
23. 360 Communities
24. A Place For Hope: Recovery and Wellness Center & Food Shelf
25. African Career Education and Resource Inc
26. Hmong Cultural Center of Minnesota
27. THE REPORTERS INC.
28. Christ's Children Ministries
29. Roseau County Historical Society

30. Coalition of Asian American Leaders
31. Big Brothers Big Sisters of Central MN
32. Rondo Community Land Trust
33. Project for Pride in Living
34. Urban League Twin Cities
35. Emerge Community Development