

MINNESOTA'S



COVID-19 RECOVERY BUDGET

PROTECTING WORKERS TO BUILD OUR ECONOMY

Working families are facing ever-increasing pressures amid the COVID-19 pandemic. The Walz-Flanagan budget prioritizes recovery by supporting health care workers who have been working throughout the COVID-19 crisis to care for ill Minnesotans and businesses with continued fee reductions and workplace safety assistance. More Minnesotans will return to workplaces with the availability of the vaccine and workplace protections can be improved as Minnesota seeks to build a better economy post-COVID-19. The budget proposals for the Department of Labor and Industry (DLI) prioritize working Minnesotans and their families, including safe working and living environments.

SUPPORTING WORKING FAMILIES



Emergency paid sick leave

This proposal requires employers provide up to 80 hours of paid time off to health care providers for qualifying reasons related to COVID-19. It would support health care providers who may lack emergency paid sick time or have exhausted their accrued time off due to multiple quarantines. Access to emergency paid sick leave during the COVID-19 pandemic will improve economic security for these workers and positively impact public health by keeping ill or at-risk employees out of the workplace.



Improving rights to unpaid leave and pregnancy accommodation

This proposal extends access to unpaid leave and pregnancy accommodations to workers who don't qualify due to their employer's size or the length of their employment. It supports children and families by ensuring more new parents can take up to 12 weeks off from work to care for a new or adopted child without fear of losing their jobs. It also strengthens Minnesota law to ensure more workers have access to sick leave and can receive needed pregnancy accommodations in the workplace, such as more frequent restroom, food and water breaks. Additional funding would include \$84,000 in FY 2022 for outreach and education of employers and employees about the law changes and \$34,000 ongoing for enforcement and compliance activities.



Supporting nursing mothers and lactation

This proposal requires women to receive paid break time to pump breast milk at work. It supports children and families by ensuring employees who choose to breastfeed can continue to do so upon returning to work. Women should not have to make the difficult choice between getting paid or pumping. Breastfeeding

directly supports a healthy start in life for the next generation. Additional funding would include \$84,000 in FY 2022 for outreach and education of employers and employees about the law changes and \$34,000 ongoing for enforcement and compliance activities.



Paid family and medical leave

A comprehensive paid family and medical leave program will provide Minnesotans the economic stability and economy-boosting effects of keeping people employed while welcoming a new family member, caring for a sick loved one, or recovering from an illness or injury. Additional funding would include \$1.046 million in FY22-23 for DLI for oversight and compliance costs related to the program and information technology systems upgrades.



Operating increase to support current levels of service

Additional funding of \$152,000 in FY22-23 would address increasing cost pressures and allow DLI's Labor Standards to continue to provide employers support about labor law compliance and provide employees information about their rights in the workplace. Labor Standards will be able to continue education and outreach activities, plus respond to employee complaints and investigate allegations of violations at current service levels.

INVESTING IN WORKPLACE SAFETY AND HEALTH



Safety and health assistance for Minnesota's workplaces

The Governor recommends an operating increase for Minnesota OSHA (MNOSHA) to increase the number of safety and health investigators. This operating increase will help ensure MNOSHA can respond promptly to complaints, conduct inspections and address workplace safety and health concerns. The funding will enable MNOSHA to maintain its mission to protect workers at private and public worksites within Minnesota and prevent workplace injuries, illnesses and fatalities.



Keep penalties in line with federal OSHA

To be "at least as effective as" federal OSHA, MNOSHA needs to align the penalties it issues to employers that fail to provide safe and healthy workplaces for their workers with federal OSHA penalties. The Governor recommends conforming with federal maximum penalties and tying future penalties to inflation. Conformity will ensure continued federal funding and will encourage employers take workplace safety and health violations more seriously and do more to keep workers safe.

CONSUMER PROTECTIONS, ENERGY EFFICIENCY AND REDUCED FEES



Better consumer protection for homeowners

This proposal increases the frequency of payouts from the agency's Contractor Recovery Fund and the amount of funds available to homeowners who have suffered a financial loss due to a licensed contractor's fraudulent, deceptive or dishonest

practices. It provides for two yearly payouts instead of one and raises the maximum payout limit for each licensed residential building contractor (licensee) from \$300,000 to \$800,000. This will result in an estimated \$246,000 in additional payouts each year to impacted homeowners and more effectively mitigate their financial loss.



Improve energy efficiency in commercial and large multi-family buildings

Since 2005, greenhouse gas emissions in the commercial building sector have increased by 15%, partially driven by higher heating and cooling demands caused by a changing climate. The Governor recommends \$145,000 every three years to institute an adoption framework for the statewide commercial building energy code that ensures all new commercial and large multi-family construction is net-zero by 2036.



Maintain fee reductions for the construction trades

This proposal will save the construction industry \$4.5 million in FY22 and 23 by extending fee reductions for licenses, building permits and plan review services. The agency's Construction Codes and Licensing Division has been able to reduce the cost of these services due, in part, to increased online and electronic transactions. This proposal will keep fees in line with the cost of providing services.

ELIMINATE AGENCY FUND TRANSFER



Directly appropriate Dual-Training Pipeline funding to DLI

Appropriate \$200,000 annually for the Dual Training Competency Grant program directly to DLI instead of to the Office of Higher Education for interagency transfer. The grants fund the related instruction component of the Minnesota Dual-Training Pipeline program, which supports employers in creating competency based dual-training models where workers receive a combination of related instruction paired with on-the-job training. This proposal improves government operations by appropriating funds to the agency that uses them.

REALLOCATE INFORMATION TECHNOLOGY FUNDS



Reallocate IT modernization funds back to the General Fund for other priorities

DLI received \$2.8 million in modernization funds between FY2020 and FY2023 to update agency applications running on aged technology that will run out of vendor support beginning in January 2021. DLI and Minnesota IT Services (MNIT) have experienced delays in identifying new software solutions and will have difficulty expending the original \$2.8 million by the end of FY23. As such, the governor recommends reducing the IT Modernization appropriation by \$848,000 during the course of FY22 and 23. DLI will not be able to fully modernize all software applications with the remaining funds, but will be able to continue modernization of priority applications, increasing transparency and decreasing transaction time for stakeholders interacting with the agency.