

Subject Workforce, Labor, and Economic Development policy and finance

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Overview

This bill is the Workforce, Labor, and Economic Development policy and finance bill.

Article 1: Department of Employment and Economic Development

This article contains policy and appropriations for the Department of Employment and Economic Development.

Section Description – Article 1: Department of Employment and Economic Development

- 1 Development restrictions expiration.**
Modifies the innovative business development public infrastructure grant program so that if the eligible project the public infrastructure was intended to serve has not been developed within ten years of being awarded a grant, the public infrastructure can instead serve a different project.
- 2 Generally.**
Includes support services as an allowable cost in the Youthbuild program.
- 3 Program purpose.**
Includes support services as an allowable cost in the Youthbuild program.
- 4 Allowable cost categories.**
Includes support services as an allowable cost in the Minnesota youth program.
- 5 Establishment.**
Includes support services as an allowable cost in the youth-at-work program.
- 6 Report to legislature.**
Requires the governor’s Workforce Development Board to convene a subcommittee to review applications from nonprofit organizations and make recommendations to the legislature about which applicants should receive appropriations from the workforce development fund. Includes both existing board members and special

Section Description – Article 1: Department of Employment and Economic Development

- appointments from the governor on the subcommittee, which will identify workforce needs unlikely to be met by market forces. Stipulates that the subcommittee must conduct outreach and lists minimum criteria that must be considered in reviewing applicants. Limits the subcommittee to a maximum of \$10,000,000 of funding recommendations. Requires the subcommittee to submit its recommendations, approved by a vote of the full board, as a report to the legislative committees with jurisdiction by February 1 of every odd-numbered year, beginning in 2027.
- 7 **Grants to organizations.**
Includes support services as an allowable cost in the CanTrain program.
- 8 **[116L.92] Health care workforce grant program.**
Creates and codifies the health care workforce grant program, which would make competitive grants to address workforce shortages in the health care sector that are unlikely to be solved by market forces. Grants can be made to local governments, nonprofits, and educational institutions to pay for workforce development efforts to address these shortages. Outlines grant processes, award criteria, and performance metrics and requires an annual report on program outcomes.
- 9 **Uniform outcome report card; reporting by commissioner.**
Makes the report to the legislature on the uniform outcome report card due in even-numbered years, rather than every year.
- 10 **[116L.981] Pathways to prosperity program.**
Codifies the existing pathways to prosperity program, which has been funded since 2016 and assists adults facing barriers to employment with preparing for and finding employment. Defines eligible services and lays out award criteria, grant processes, and performance metrics.
- 11 **Use of funds.**
Includes support services as an allowable cost in the women and high-wage, high-demand, nontraditional jobs program.
- 12 **Iron ore mining additional unemployment benefits program.**
Extends unemployment benefits through March 20, 2027, for iron ore mining workers subject to mass layoffs on or after November 1, 2025, and before March 15, 2026. This bill would be effective retroactively from November 1, 2025.
- On top of the regular 26 weeks of unemployment benefits, an applicant is eligible for additional weeks of benefits if they earned at least 50 percent of their wage credits from an employer in the iron ore mining industry or related explosives manufacturing industry and were laid off by that employer. Eligible applicants would have to meet

Section Description – Article 1: Department of Employment and Economic Development

regular eligibility criteria. Applicants who have applied and been determined eligible for federal Trade Readjustment Allowance benefits would be ineligible for additional unemployment insurance benefits under this bill.

13 Extended employment.

Requires the commissioner of employment and economic development, from July 1, 2026, through June 30, 2028, to waive enforcement of rules forbidding individuals on a medical assistance waiver from receiving extended employment services as well, if the individual cannot be served another way. Stipulates that the program provider must submit a form to qualify for this waiver and that nonwaivered participants must be prioritized without being waitlisted.

Effective date: This section is effective the day following final enactment and expires July 1, 2028.

14 Rural Cancer Institute pilot program appropriation modification.

Modifies an appropriation to the Rural Cancer Institute pilot program in the 2025 Workforce, Labor, and Economic Development Committee major finance and policy bill to:

- require prioritization of Minnesota clinicians and students, while allowing work with clinicians and students from elsewhere in the United States on the recommendation of a practicing Minnesota oncologist if all care is provided in Minnesota; and
- keep available fiscal years 2026 and 2027 appropriations until the end of fiscal year 2028.

This change would be effective the day following final enactment.

15 Office of Community Investment; appropriation.

Appropriates money to establish and operate an Office of Community Investment within the Department of Employment and Economic Development, run by a director. Assigns that director extensive duties overseeing grant-making.

16 Appropriation.

Appropriates money for the subcommittee and report required under section 6 (above).

Article 2: Department of Labor and Industry

This article contains policy for the Department of Labor and Industry.

Section Description – Article 2: Department of Labor and Industry

- 1 Municipal agreement for all building projects.**
Makes minor technical changes to better match statutory language to existing State Building Code enforcement best practices.
- 2 Powers; duties; administrative support.**
Eliminates the Class A installer license from the electrical code. Class A installers were licensed only for electrical work on farmsteads and in towns with less than 1,500 inhabitants where there were no established master electricians. No new Class A installer licenses have been granted since 2007.
- 3 Class B installer.**
Stops issuing Class B installer licenses as of December 1, 2027, but allows existing license holders to continue having these licenses. Class B installer licenses allow an individual, primarily, to lay out and install electrical wiring, apparatus, and equipment on center pivot irrigation booms on the load side of the main service on farmsteads.
- 4 License, registration, and renewal fees; expiration.**
Conforms with eliminating the Class A installer license from the electrical code. (See section 2 above.)
- 5 Licenses.**
Removes the requirement that electrical inspectors provide a \$1,000 bond.
- 6 Inspection fee for dwelling.**
Decreases the number of feeders or circuits that can be installed or extended in connection with an addition, alteration, or repair to an existing dwelling without incurring an inspection fee from 15 to 14. This actually lowers the fee slightly.
- 7 Additions to fees of subdivisions 3 to 5.**
Increases the fee for a separate inspection of the bonding for a swimming pool, spa, fountain, or similar from \$35 to \$55.
- 8 Investigation fee: work without electrical inspection request.**
Makes conforming technical changes to clarify the applicable fee.
- 9 Repealer.**
Repeals several requirements for Class A and Class B installers, since those licenses are being phased out.

Article 3: Explore Minnesota

This article contains policy changes to the Explore Minnesota Councils.

Section	Description – Article 3: Explore Minnesota
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| 1 | <p>Explore Minnesota Councils.</p> <p>Removes requirement of cochairs for Explore Minnesota Councils, limits council members to a single four-year term, and reduces the number of annual meetings from four to two.</p> |
| 2 | <p>Explore Minnesota for Business Council.</p> <p>Removes the commissioner of employment and economic development from being a cochair of the council and allows the agency’s interest to be represented by either the commissioner or a deputy or assistant commissioner. Adds small business owners as an option for representing start-ups and entrepreneurs and deletes the requirement that this representative have at least 20 employees, among other changes to board membership.</p> |
| 3 | <p>Explore Minnesota Tourism Council.</p> <p>Reduces the council from 35 voting members to 25. Replaces the 14 representatives from a list of types of tourism businesses with four representatives of statewide tourism-related associations. Clarifies that there should be one representative from each of the five tourism marketing regions in the state and makes other changes to board membership. Removes language about board operation, which is covered under Minnesota Statutes, section 116U.24 already.</p> |

Article 4: Northern Technology Initiative, Inc.

This article contains policy changes to the Northern Technology Initiative, Inc.

Section	Description – Article 4: Northern Technology Initiative, Inc.
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| 1 | <p>Corporation; members; board of directors; powers.</p> <p>Makes changes to match statute to existing practices, such as allowing the use of a legally assumed name, adjusting the list of participating counties, and broadening the scope of the corporation’s purpose. Defers details of the board of directors to the corporation bylaws.</p> |
| 2 | <p>Generally.</p> <p>Modifies language about corporation staff to match actual practice.</p> |

Article 5: Repealing Obsolete Programs

This article repeals obsolete programs and makes conforming changes to related statutes.

Section Description – Article 5: Repealing Obsolete Programs

- 1 **Priorities.**
Makes conforming changes to the redevelopment grant program due to the repeal of the Minnesota green enterprise assistance program.
- 2 **Eligible projects.**
Makes conforming changes to the Minnesota investment fund due to the repeal of the Minnesota green enterprise assistance program.
- 3 **Use of workforce development funds.**
Makes conforming changes to the job skills partnership program due to the repeal of the special incumbent worker training grants.
- 4 **Disbursement of special assessment funds.**
Makes conforming changes to the workforce development fund due to the repeal of the special incumbent worker training grants.
- 5 **Other uses of revolving fund.**
Makes conforming changes to the clean water revolving fund due to the repeal of the tourism loan program.
- 6 **Payments.**
Makes conforming changes to the clean water revolving fund due to the repeal of the tourism loan program.
- 7 **Cancellation.**
Cancels remaining funds from the capital access account to the general fund due to the repeal of the capital access program.
- 8 **Repealer.**
Repeals the following obsolete and long unfunded programs:
 - the capital access program (last funded in 1993);
 - rural job creation grants (last funded in 2000);
 - the tourism loan program (last funded 2001);
 - Minnesota green enterprise assistance (last funded in 2009, became a different program);
 - special incumbent worker training grants (last funded in 2008);

Section Description – Article 5: Repealing Obsolete Programs

- the central Minnesota opportunity grant program (a single direct grant in 2018, unclear why ever codified);
- the economic response team (became a different program);
- microenterprise entrepreneurial assistance (last funded in 2001); and
- the Minnesota science and technology economic development project (essentially a task force that did a single report in 2010).



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