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Minnesota Department of Labor and Industry

Minnesota Department of Labor and Industry — Agency Profile

dli.mn.gov/

AT A GLANCE

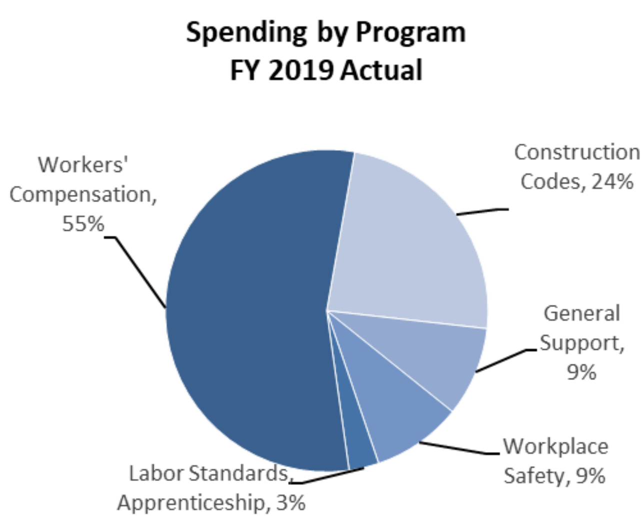
The Department of Labor and Industry (DLI):

- administers wage and safety laws affecting Minnesota's 2.9 million employees and 178,000 employers;
- oversees workers' compensation claims and benefit payments for approximately 94,000 injuries annually;
- conducts 190,000+ construction inspections each year;
- issues 80,000+ personal and business licenses annually; and
- monitors more than 12,000 registered apprenticeships.

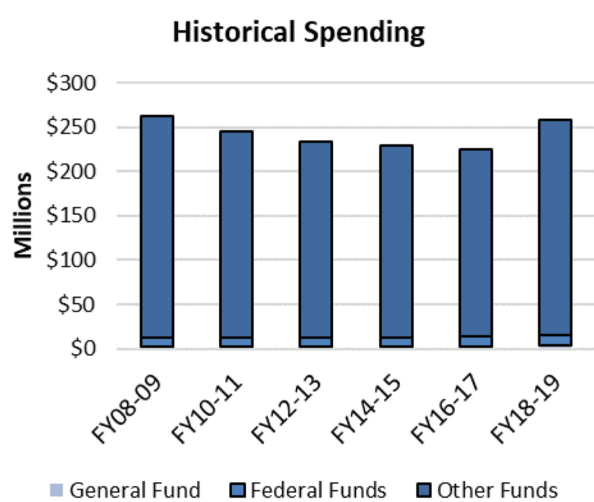
PURPOSE

The mission of the Department of Labor and Industry is to ensure Minnesota's work and living environments are healthy, safe and equitable. Our agency provides and enforces reasonable and uniform standards for Minnesota buildings and construction professionals. We also ensure workers' compensation benefits are provided to injured workers quickly and efficiently, and at a reasonable cost to employers. In addition, we ensure workers receive appropriate wages and work to promote work-based career development through registered apprenticeships. Our agency also monitors combative sporting events in Minnesota so they are operated safely and fairly.

BUDGET



Source: Budget Planning & Analysis System (BPAS)



Source: Consolidated Fund Statement

The Workers' Compensation Division is funded through an appropriation from the workers' compensation fund. The revenues are collected through an insurer premium surcharge and self-insured assessment. Workers' compensation benefits are paid on behalf of employees of uninsured and bankrupt self-insured employers. Reimbursements to insurers and self-insured employers under the supplemental benefits and second-injury programs make up the bulk of benefit payments.

The Workplace Safety Program is funded with federal grants and state matching funds. The Occupational Safety and Health Administration (OSHA) Compliance activity receives a 50 percent federal funding level. There is a 90 percent federal funding level for the OSHA Workplace Safety Consultation activity. Matching funds are provided through an appropriation from the workers' compensation fund.

The Construction Codes and Licensing Division is funded through a special revenue fund, the Construction Code Fund which is part of the State Government Special Revenue Fund, and operates on a fee-for-service basis. Fees are collected from industry stakeholders and deposited in the Construction Code Fund established in the state treasury.

The Labor Standards Unit is financed by an appropriation from the general fund. The unit also collects back-wages owed to employees by employers, which are given to the employees; DLI does not retain these funds.

The Apprenticeship Unit is funded by an appropriation from the workforce development fund.

The General Support Division is financed by an appropriation from the workers' compensation fund and by indirect cost revenue recovered from the agency's other programs.

STRATEGIES

DLI plays a significant role in ensuring that all Minnesotans share in the prosperity of the state's vibrant and diverse economy by making sure that economy is built on the **foundations of decent work** – work that pays a fair day's wage for a fair day's work, work that is safe and supports the health of all workers, and when work injuries and illnesses happen, work that provides needed medical treatment and benefits for injured workers and their families.

Minnesota's prosperity also depends on the development of a **skilled workforce**. Ensuring that all Minnesotans have the opportunity to obtain necessary education and training that prepares them for jobs that pay a family-sustaining income is key to not only meeting the current and future skilled workforce needs but also the prosperity of Minnesota's families and communities. The Department, working alongside its many partners, is educating and training the next generation of skilled workers through **registered apprenticeship, dual-training and youth skills training programs.**

Today and in the years to come, prosperity for all Minnesotans will depend on the **safety, security and sustainability of the state's commercial and residential buildings and homes.** DLI's development and implementation of progressive construction codes and licensure of skilled trades and residential contractors plays and will play a critical role in achieving that outcome.

Communities cannot thrive without decent work, a skilled workforce, and safe, secure structures. Systems are not equitable or inclusive unless employers pay a fair wage and ensure safe working environments. Minnesota's environment is at risk if buildings and structures are not constructed or maintained in a sustainable manner. Finally, children and families cannot possibly lead their fullest lives in the absence of DLI's contributions to creating a vibrant and diverse economy.

DLI is committed to engaging and collaborating with all Minnesotans – regardless of geography. As workplaces and buildings exist throughout the entire state, it is imperative that DLI can carry out its mission for all Minnesotans. The Agency plans to do this through more comprehensive use of data and technology, strategic selection for monitoring, and consistent mindfulness that all deserve safe, healthy places to live and work.

The Agency continues to build a culture dedicated to servant leadership. Staff throughout the agency has expressed that they are aware of DLI's mission and how their role fits in with that mission. Agency leaders have established an expectation that all provide input and think creatively about how staff carry out their roles.

The Department of Labor and Industry's legal authority comes from Minnesota Statutes, chapters 175-178, 181-182, 184, 184B, 326B, 327 and 327B.

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Expenditures by Fund								
1000 - General	1,519	2,454	2,581	5,453	4,444	4,444	4,767	4,189
2000 - Restrict Misc Special Revenue	6,798	7,785	7,457	8,054	9,725	8,638	9,971	8,884
2020 - Construction Code	31,304	34,220	32,484	32,490	33,948	33,503	33,948	33,648
2390 - Workforce Development	1,655	2,435	2,888	3,087	2,784	2,784	2,784	2,784
2830 - Workers Compensation	62,632	95,418	66,694	65,395	55,883	54,123	56,786	55,026
3000 - Federal	6,332	5,263	6,215	7,208	6,593	5,973	6,593	5,973
4925 - Paid Family Medical Leave								518
6000 - Miscellaneous Agency	4							
Total	**110,243**	**147,576**	**118,319**	**121,687**	**113,377**	**109,465**	**114,849**	**111,022**
Biennial Change				(17,813)		(17,164)		(14,135)
Biennial % Change				(7)		(7)		(6)
Governor's Change from Base								3,029
Governor's % Change from Base								1
Expenditures by Program								
Workers Compensation	49,393	81,109	52,917	50,164	41,577	39,798	41,577	39,798
Construction Codes and Licensing	32,869	36,188	34,796	34,880	36,358	35,917	36,604	36,308
General Support	11,329	11,884	11,444	12,855	14,419	13,327	13,995	12,903
Labor Standards and Apprenticeship	3,835	4,200	4,504	7,237	5,569	4,878	6,316	5,565
Combative Sports	89	71	53	56	62	63	62	63
Workplace Safety	12,326	12,825	13,044	14,857	13,792	13,882	14,695	14,785
Workforce Development Initiatives	401	1,299	1,562	1,638	1,600	1,600	1,600	1,600
Total	**110,243**	**147,576**	**118,319**	**121,687**	**113,377**	**109,465**	**114,849**	**111,022**
Expenditures by Category								
Compensation	41,978	43,251	44,720	46,792	48,141	47,962	49,400	49,452
Operating Expenses	26,279	33,383	35,798	37,450	30,256	29,076	30,223	28,897
Grants, Aids and Subsidies	41,420	69,368	37,713	37,330	34,959	32,400	35,205	32,646
Capital Outlay-Real Property			1					
Other Financial Transaction	566	1,575	87	115	21	27	21	27
Total	**110,243**	**147,576**	**118,319**	**121,687**	**113,377**	**109,465**	**114,849**	**111,022**

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Total Agency Expenditures	110,243	147,576	118,319	121,687	113,377	109,465	114,849	111,022
Internal Billing Expenditures	4,141	3,935	5,739	4,830	5,709	5,685	5,730	5,714
Expenditures Less Internal Billing	**106,102**	**143,641**	**112,580**	**116,857**	**107,668**	**103,780**	**109,119**	**105,308**
Full-Time Equivalents	**429.07**	**428.83**	**426.64**	**436.33**	**443.72**	**440.30**	**455.72**	**453.80**

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In		460		1,587				
Direct Appropriation	1,776	1,794	3,844	3,844	4,244	4,244	4,767	4,189
Transfers In	200	200	325	428	200	200	0	0
Transfers Out				203				
Cancellations				203				
Balance Forward Out	457		1,588					
Expenditures	**1,519**	**2,454**	**2,581**	**5,453**	**4,444**	**4,444**	**4,767**	**4,189**
Biennial Change in Expenditures				4,061		854		922
Biennial % Change in Expenditures				102		11		11
Governor's Change from Base								68
Governor's % Change from Base								1
Full-Time Equivalents	15.25	19.10	16.70	25.02	24.26	24.24	26.76	24.74
2000 - Restrict Misc Special Revenue								
Balance Forward In	12,161	12,498	11,069	11,819	10,691	9,786	10,691	9,540
Receipts	7,128	6,303	8,206	6,926	8,820	8,204	8,820	8,204
Internal Billing Receipts	4,141	3,935	5,739	4,662	5,709	5,685	5,709	5,685
Balance Forward Out	12,492	11,016	11,818	10,691	9,786	9,352	9,540	8,860
Expenditures	**6,798**	**7,785**	**7,457**	**8,054**	**9,725**	**8,638**	**9,971**	**8,884**
Biennial Change in Expenditures				928		2,852		3,344
Biennial % Change in Expenditures				6		18		22
Governor's Change from Base								492
Governor's % Change from Base								3
Full-Time Equivalents	35.72	15.90	6.24	8.64	11.17	10.47	11.17	10.47
2020 - Construction Code								
Balance Forward In	27,867	26,152	22,943	21,795	18,806	16,476	18,806	14,226
Receipts	29,384	30,844	31,336	29,501	31,618	31,618	29,368	29,368
Balance Forward Out	25,947	22,776	21,795	18,806	16,476	14,591	14,226	9,946
Expenditures	**31,304**	**34,220**	**32,484**	**32,490**	**33,948**	**33,503**	**33,948**	**33,648**
Biennial Change in Expenditures				(550)		2,477		2,622
Biennial % Change in Expenditures				(1)		4		4
Governor's Change from Base								145

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Governor's % Change from Base								0
Full-Time Equivalents	146.99	147.36	141.01	138.00	147.15	147.15	147.15	147.15

2390 - Workforce Development

	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Balance Forward In	10	431	7	103				
Direct Appropriation	2,069	2,381	2,984	2,984	2,784	2,784	2,784	2,784
Transfers Out		370						
Balance Forward Out	424	7	103					
Expenditures	**1,655**	**2,435**	**2,888**	**3,087**	**2,784**	**2,784**	**2,784**	**2,784**
Biennial Change in Expenditures				1,884		(407)		(407)
Biennial % Change in Expenditures				46		(7)		(7)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	11.46	11.74	11.67	11.28	12.50	12.52	12.50	12.52

2830 - Workers Compensation

	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Balance Forward In	17,240	21,739	20,778	14,914	6,986	6,307	6,986	6,307
Direct Appropriation	24,975	25,031	25,088	22,088	22,088	22,088	22,991	22,991
Open Appropriation	38,115	64,511	32,450	31,415	29,533	27,754	29,533	27,754
Receipts	3,622	4,426	3,357	4,043	3,662	3,632	3,662	3,632
Transfers Out	111	85	65	79	79	79	79	79
Balance Forward Out	21,210	20,204	14,914	6,986	6,307	5,579	6,307	5,579
Expenditures	**62,632**	**95,418**	**66,694**	**65,395**	**55,883**	**54,123**	**56,786**	**55,026**
Biennial Change in Expenditures				(25,961)		(22,083)		(20,277)
Biennial % Change in Expenditures				(16)		(17)		(15)
Governor's Change from Base								1,806
Governor's % Change from Base								2
Full-Time Equivalents	175.32	195.07	215.75	209.52	205.76	205.04	215.26	214.54

3000 - Federal

	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Balance Forward In	711	40	104	104	104	104	104	104
Receipts	5,659	5,325	6,215	7,208	6,593	5,973	6,593	5,973
Balance Forward Out	38	101	104	104	104	104	104	104

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures	**6,332**	**5,263**	**6,215**	**7,208**	**6,593**	**5,973**	**6,593**	**5,973**
Biennial Change in Expenditures				1,828		(857)		(857)
Biennial % Change in Expenditures				16		(6)		(6)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	44.33	39.66	35.27	43.87	42.88	40.88	42.88	40.88

4925 - Paid Family Medical Leave

	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Direct Appropriation								518
Expenditures								**518**
Biennial Change in Expenditures				0		0		518
Biennial % Change in Expenditures								
Governor's Change from Base								518
Governor's % Change from Base								
Full-Time Equivalents								3.50

6000 - Miscellaneous Agency

	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Balance Forward In	45	70	47	103	123	143	123	143
Receipts	28	(23)	55	20	20	20	20	20
Balance Forward Out	69	46	103	123	143	163	143	163
Expenditures	**4**							
Biennial Change in Expenditures				(4)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Direct				
Fund: 1000 - General				
FY2021 Appropriations	**3,844**	**3,844**	**3,844**	**7,688**
Base Adjustments				
Current Law Base Change		400	400	800
Forecast Base	**3,844**	**4,244**	**4,244**	**8,488**
Change Items				
Operating Adjustment		51	101	152
Improving Rights to Unpaid Leave and Pregnancy Accommodation		84	34	118
Supporting Nursing and Lactating Mothers		84	34	118
Dual Training Grant Transfer from OHE		200	200	400
IT Modernization Reduction		(424)	(424)	(848)
Paid Family and Medical Leave Insurance		528		528
Total Governor's Recommendations	**3,844**	**4,767**	**4,189**	**8,956**
Fund: 2390 - Workforce Development				
FY2021 Appropriations	**2,984**	**2,984**	**2,984**	**5,968**
Base Adjustments				
Current Law Base Change		(200)	(200)	(400)
Forecast Base	**2,984**	**2,784**	**2,784**	**5,568**
Total Governor's Recommendations	**2,984**	**2,784**	**2,784**	**5,568**
Fund: 2830 - Workers Compensation				
FY2021 Appropriations	**22,088**	**22,088**	**22,088**	**44,176**
Forecast Base	**22,088**	**22,088**	**22,088**	**44,176**
Change Items				
Minnesota OSHA Operating Adjustment		903	903	1,806
Total Governor's Recommendations	**22,088**	**22,991**	**22,991**	**45,982**
Fund: 4925 - Paid Family Medical Leave				
Change Items				
Paid Family and Medical Leave Insurance			518	518
Total Governor's Recommendations			**518**	**518**
Open				
Fund: 2830 - Workers Compensation				
FY2021 Appropriations	**45,200**	**45,200**	**45,200**	**90,400**
Base Adjustments				
Forecast Open Appropriation Adjustment	(13,785)	(15,667)	(17,446)	(33,113)
Forecast Base	**31,415**	**29,533**	**27,754**	**57,287**

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Total Governor's Recommendations	**31,415**	**29,533**	**27,754**	**57,287**
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	**8,054**	**9,725**	**8,638**	**18,363**
Forecast Base	**8,054**	**9,725**	**8,638**	**18,363**
Change Items				
Contractor Recovery Fund		246	246	492
Total Governor's Recommendations	**8,054**	**9,971**	**8,884**	**18,855**
Fund: 2020 - Construction Code				
Planned Spending	**32,490**	**33,948**	**33,503**	**67,451**
Forecast Base	**32,490**	**33,948**	**33,503**	**67,451**
Change Items				
Climate Subcabinet: Commercial Energy Code Improvements			145	145
Total Governor's Recommendations	**32,490**	**33,948**	**33,648**	**67,596**
Fund: 2830 - Workers Compensation				
Planned Spending	**4,774**	**4,341**	**4,360**	**8,701**
Forecast Base	**4,774**	**4,341**	**4,360**	**8,701**
Total Governor's Recommendations	**4,774**	**4,341**	**4,360**	**8,701**
Fund: 3000 - Federal				
Planned Spending	**7,208**	**6,593**	**5,973**	**12,566**
Forecast Base	**7,208**	**6,593**	**5,973**	**12,566**
Total Governor's Recommendations	**7,208**	**6,593**	**5,973**	**12,566**
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	**6,926**	**8,820**	**8,204**	**17,024**
Total Governor's Recommendations	**6,926**	**8,820**	**8,204**	**17,024**
Fund: 2020 - Construction Code				
Forecast Revenues	**29,501**	**31,618**	**31,618**	**63,236**
Change Items				
Extension of CCLD Fee Reductions		(2,250)	(2,250)	(4,500)
Total Governor's Recommendations	**29,501**	**29,368**	**29,368**	**58,736**

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Fund: 2830 - Workers Compensation				
Forecast Revenues	**4,043**	**3,662**	**3,632**	**7,294**
Total Governor's Recommendations	**4,043**	**3,662**	**3,632**	**7,294**
Fund: 3000 - Federal				
Forecast Revenues	**7,208**	**6,593**	**5,973**	**12,566**
Total Governor's Recommendations	**7,208**	**6,593**	**5,973**	**12,566**
Fund: 6000 - Miscellaneous Agency				
Forecast Revenues	**20**	**20**	**20**	**40**
Total Governor's Recommendations	**20**	**20**	**20**	**40**
Non-Dedicated				
Fund: 1000 - General				
Forecast Revenues	**71**	**71**	**71**	**142**
Total Governor's Recommendations	**71**	**71**	**71**	**142**
Fund: 2830 - Workers Compensation				
Forecast Revenues	**69,300**	**60,596**	**58,817**	**119,413**
Change Items				
Minnesota OSHA Federal Penalty Conformance		115	117	232
Total Governor's Recommendations	**69,300**	**60,711**	**58,934**	**119,645**

Department of Labor and Industry

FY 2022-23 Biennial Budget Change Item

Change Item Title: Minnesota OSHA Operating Adjustment

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Workers' Compensation				
Expenditures	903	903	903	903
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	903	903	903	903
FTEs	**9.5**	**9.5**	**9.5**	**9.5**

Recommendation:

The Governor recommends an operating increase for the Minnesota Occupational Safety and Health Program (MNOSHA) at the Department of Labor and Industry (DLI). The increase would fund an additional 9.5 full time equivalents (FTE's) to maintain a state program as effective as federal OSHA. This is a request to maintain current services and to add additional staff to handle the increase in stakeholder inquires, complaints and assistance. Increasing the number of safety and health investigators will enable MNOSHA to maintain its mission to protect workers at private and public worksites within Minnesota and prevent workplace injuries, illnesses, and fatalities. The ongoing $903K represents a 21.7% increase in the state appropriation funding.

Rationale/Background:

MNOSHA enforces regulations through worksite inspections, responds to employee complaints, conducts accident investigations (fatal and serious injuries), and conducts general inspections in all manufacturing, construction, agriculture, maritime and public sector industries throughout the state of Minnesota. In order to maintain MNOSHA's program designation as an approved state plan, the program must be at least as effective as Federal OSHA. Without this operating increase, MNOSHA will not be able to maintain an effective-as safety and health program as required by the annual federal grant agreement with Federal OSHA, nor, importantly, fulfill its mission to keep Minnesotans safe at work.

MNOSHA has seen a considerable decline in FTE from 75 positions in 2012 to 62 FTEs in 2020, putting the program at risk of losing its as-effective-as status and hindering MNOSHA's ability to effectively meet its statutory obligations. MNOSHA has been challenged to maintain its services due to the decline in staffing and the increased demand for services. In the last year, MNOSHA had a significant increase in stakeholder requests for information. MNOSHA's inquiries (phone calls and e-mails), primarily from employee(s) and employers, has increased by two and half times to over 15,000 inquires annually. Overall complaints increased by 500 or 37% from the previous year resulting in significantly more complaints requiring a response and/or inspection from MNOSHA. MNOSHA also has had an increase in stakeholders asking for assistance through presentations from MNOSHA. Our total outreach in the last year increased threefold from about 3,200 presentations to just over 9,900.

The COVID-19 pandemic has placed a unique and precedented strain on the state's occupational safety and health program. COVID 19 has transformed every workplace into a high hazard workplace. The strain this pandemic has placed on MNOSHA has highlighted the need to have the resources necessary to respond to the ever-changing workplace safety and health landscape. Adequate staffing will allow MNOSHA to prepare and respond to future challenges. If MNOSHA does not receive this increase, MNOSHA services will further decline and workers may be at increased risk of injury, illness, or even death while at work.

Stakeholders that will be impacted include employers, employees, business groups, organized labor, and labor advocacy groups.

Impact on Children and Families:

The mission of MNOSHA is to ensure that every employee has safe and healthful working conditions. When employees are exposed to hazards at work, they are at risk of experiencing a fatal accident or debilitating injury or illness. Employees exposed to hazardous substances, such as lead or asbestos, can carry these hazards home to spouses or children. If an employee is hurt and is unable to work, they would experience a loss of income. This could result in economic hardship for them and their family. When work-related fatalities occur, it significantly impacts the family. Minnesota's employers and employees, their children and families, benefit from a state OSHA program tailored to their needs.

By doing inspections, MNOSHA is protecting employees at work and making the future better for youth by ensuring that they have a long, safe, and healthful working life. Also, many MNOSHA standards require some type of training. That training is often taken home and shared with family members, making homes safer places as well. The benefits of a randomized safety inspection are substantial. The fact is MNOSHA inspections save lives and jobs at the same time. By saving lives and jobs MNOSHA is helping families to be successful and provide for their families.

Equity and Inclusion:

While the increase in funding does not directly impact racial and ethnic groups, lesbian, gay, bisexual and transgender groups, persons with disabilities or veterans, this proposal will increase workplace safety for all Minnesota employees. No negative impacts to these groups are expected.

IT Related Proposals:

NA

Results:

This proposal is intended to allow the Minnesota Occupational Safety and Health Program at the Department of Labor and Industry to continue to provide current levels of service and information to the public.

Department of Labor and Industry

FY 2022-23 Biennial Budget Change Item

Change Item Title: Minnesota OSHA Federal Penalty Conformance

Fiscal Impact ($000s)	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Workers' Compensation				
Expenditures	0	0	0	0
Revenues	115	117	119	121
Net Fiscal Impact = (Expenditures – Revenues)	(115)	(117)	(119)	(121)
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends legislation to raise maximum penalties for willful, repeat, serious, nonserious, failure to correct, and posting violations of workplace safety standards to conform to federal law. It also would tie future penalties to the Minneapolis-St. Paul-Bloomington, MN-WI, Consumer Price Index for All Urban Consumers (CPI-U). Penalties assessed by Minnesota Occupational Safety and Health Administration (MNOSHA) Compliance are deposited as nondedicated revenue in the Workers' Compensation Fund. The increase in total penalties will vary from year to year, but on average the change represents a 2% increase in OSHA Penalty revenue.

Rationale/Background:

MNOSHA is referred to as a "state plan," which means the federal Department of Labor delegates authority to Minnesota to enforce workplace safety and health laws. As a state plan, MNOSHA receives half of its funding in the form of matching grants from the federal Department of Labor. To meet the requirements of these grants, MNOSHA must be "at least as effective as" the federal OSHA laws. Congress passed legislation that increased the maximum penalties for federal OSHA in 2015. Since this time, MNOSHA has been below the acceptable rage in all penalty categories, https://www.osha.gov/sites/default/files/2019-06/minnesota_2018.pdf, page 7.

The most recent report of the AFL-CIO's "Death on the Job: The Toll of Neglect, 2019" documents that MNOSHA has the third lowest average penalty in the country. This proposal will make the state's penalty maximums comparable to federal and other state programs' penalty maximums. If Minnesota does not make the change it may lose federal OSHA funding. Losing federal funding would result in the state forfeiting OSHA administration to the federal Department of Labor. Then, the higher federal penalties would go into effect without the mitigating factors MNOSHA applies. This change would also result in 750,000 state and local government employees not having OSHA coverage.

Proposal:

MNOSHA penalties have not been adjusted in more than 20 years. Conforming the maximum penalties to federal law and tying future penalty changes to the CPI-U encourages employers to take workplace safety and health violations more seriously. Without federal conformity the state would forfeit OSHA administration to the federal Department of Labor. The new penalties would go into effect on July 1, 2021. Education and outreach to employer and safety organizations would start upon passage of the legislation.

The increase in maximum penalties will ensure federal conformity, continued federal funding, and would encourage employers to do more to keep workers safe.

Results:

Fatal occupational injuries per 100,000 full-time-equivalent workers, 2018

	Fatality rate				
State	***2014***	***2015***	***2016***	***2017***	***2018***
Minnesota	2.3	2.7	3.4	3.5	2.7
Wisconsin	3.5	3.6	3.6	3.5	3.8
Iowa	6.0	3.9	3.8	4.7	4.9
South Dakota	4.8	4.9	7.5	7.3	6.9
North Dakota	9.8	12.5	7.0	10.1	9.6

Impact on Children and Families:

The mission of MNOSHA is to ensure that every employee has safe and healthful working conditions. When employees are exposed to hazards at work, they are at risk of experiencing a fatal accident or debilitating injury or illness. When work-related fatalities occur, it significantly impacts the family. If an employee is hurt and unable to work, they would experience a loss of income. Employees exposed to hazardous substances, such as lead or asbestos, can carry these hazards home to spouses or children. Minnesota's employers and employees, their children and families, benefit from a state OSHA program tailored to their needs. Conforming to federal penalty maximums maintains MNOSHA's program in its present structure.

By protecting employees at work, we help make the future better for our youth by ensuring that they have a safe and healthful working life. Many MNOSHA standards require some type of training. That training is often taken home and shared with family members, making homes safer places as well.

Equity and Inclusion:

The proposed change impacts only those Minnesota employers with willful, repeat, serious, nonserious, failure to correct, and posting violations of workplace safety standards. The change does not directly impact racial and ethnic groups, lesbian, gay, bisexual and transgender groups, persons with disabilities or veterans. No negative impacts to the groups outlined above are expected. Increased penalties should increase workplace safety for all Minnesota employees.

IT Related Proposals:

NA

Department of Labor and Industry

FY 2022-23 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact ($000s)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
General Fund					
Expenditures	(203)	51	101	101	101
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(203)	51	101	101	101
FTEs	**0**	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends a reduction of $203,000 to the FY 2021 general fund operating appropriation and additional funding of $51,000 in FY 2022 and $101,000 in each subsequent year from the general fund to maintain the current level of service delivery at the Department of Labor and Industry (DLI).

This represents a 1.1% increase in FY 2022 and 2.2% increase in FY 2023 to DLI's general fund appropriations.

Rationale/Background:

The FY 2021 operating reduction amount reflects the savings generated due to the state hiring freeze and other operating efficiencies in the current year. DLI experienced significant travel savings in the general fund in FY 2021 and is working to implement a new case management system by FY 2022 that will create operating efficiencies, as well as improve division data collection, reporting, and analytics. The operating efficiencies will allow for more staff time assisting employers and employees with labor law compliance and less time on data entry and documentation.

The operating increases recommended in FY 2022 and FY 2023 fund a portion of the projected cost increases in the upcoming biennium. Each year, the cost of doing business rises—including growing costs for employer-paid health care contributions and other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year without enacted increases.

Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect. To manage costs, most agencies find ways to become more efficient with existing resources. For DLI efficiencies have already been implemented to produce savings in FY 2021 and these efficiencies will continue into FY 2022 and FY 2023 along with additional efficiencies including:

- Implementation of a new case management system which will enhance data collection efforts and increase transparency and reporting. Reporting enhancements will allow the division to be more strategic with resources to maximize the impact of education and outreach dollars and target industries that need the most support.
- The case management system will allow the agency to collect and store data in a centralized location which will reduce data entry and reconciliation errors. Communication with stakeholders can occur electronically out of the system and be saved for future reference, reducing the need to print and mail documents.

Efficiencies will continue in the next biennium; however, cost growth will continue to put pressure on budgets and without additional resources, service delivery erodes. If DLI does not receive general fund operating increases to assist with increasing cost pressures the Labor Standards division will have reduced capacity to support employers on labor law compliance and employees on worker rights. The division will not be able to respond to as many employee complaints and investigate as many allegations of violations. Education and outreach opportunities may decrease as well. Compensation costs are the largest expenditure in the division, as costs go up FTEs will decrease reducing the amount of outreach, education, phone support and investigations into employee complaints completed by the division. Labor Standards already prioritizes investigations and follow-up on cases based on severity of the alleged violations and impact.

Proposal:
The Governor recommends reducing the FY 2021 general fund operating appropriation by $203,000. In addition, the Governor recommends increasing agency operating budgets to support the delivery of current services. This increase is below the assumed level of inflation, acknowledging continued efficiencies achieved by Labor and Industry. For Labor and Industry, this funding will cover anticipated employee compensation growth.

Impact on Children and Families:
Labor Standards supports children and families by protecting workers and supporting compliance through education and enforcement of wage, hour and payment laws, including minimum wage, overtime, child labor, women's economic security and prevailing wage. Economic stability and workplace mobility increase economic growth as well as wages which helps children and families.

Equity and Inclusion:
Labor law violations often disproportionately impacts communities of color, low-wage earners, and female workers. If the division reduces services due to increasing cost pressures the agency will have to reduce outreach, education and worker support services.

Results:
This proposal is intended to allow the Department of Labor and Industry to continue to provide current levels of service and information to the public.

Department of Labor and Industry

FY 2022-23 Biennial Budget Change Item

Change Item Title: Extension of CCLD Fee Reductions

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Construction Code				
Expenditures	0	0	0	0
Revenues	(2,250)	(2,250)	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(2,250)	(2,250)	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends extending fee reductions that were enacted into law in 2015 and extended in 2017. This includes license fees for construction contractors, electricians, plumbers, high pressure pipefitters and boiler operators, as well as building permit and plan review fees. Extending the fee reductions will allow individual and business licensees to continue paying less while providing sufficient revenue to the department to cover program costs. The proposed extension is for two years to determine if the economic recession is impacting to the construction industry. Extending the fee reduction would result in a revenue decrease of approximately $2,250,000 in fiscal year 2022 and 2023.

Rationale/Background:

The Construction Codes and Licensing Division (CCLD) has sought to keep its fees in line with the cost of providing the services for which the fees are paid. In 2015, CCLD determined that due to increased process efficiencies, particularly an increased reliance on electronic and online transactions, the cost of providing licensing, permitting, and plan review services had decreased. As a result, the initial fee decrease was sought and obtained. Because CCLD operates on a special revenue fund, the initial fee decrease was enacted with a sunset provision that would enable the decreases to automatically expire if construction activity decreased to an extent that it negatively affected CCLD's revenues and ability to provide vital services. In 2017, CCLD sought and obtained a second fee reduction which is currently set by statute to sunset on September 30, 2021.

Proposal:

CCLD proposes an extension of the fee reductions that are currently set to expire on September 30, 2021. This proposal would not affect CCLD's current revenue levels but would result in a loss of potential revenue of approximately $2.25m in FY 2022 and FY 2023. CCLD has demonstrated to date that they can function effectively despite the loss of additional revenue with no impact on division staffing levels. Individual licensees and their employers would avoid an increase in the fees they are required to pay in order to obtain and maintain the professional licenses required for their occupation and business.

CCLD revenues is highly dependent on the health of the construction industry. If the construction industry slows considerably the revenue from the reduced fees is not sufficient to sustain the vital services provided. Therefore, the proposal is to extent the fee reductions for two years to reassess fees again in two years.

License Fees	Current Law	Recommendation
Continuing Education	$20	$5
Journey Level	$40	$30
Master Level	$80	$60
Business Level	$180	$120

	Building Permit Fees		Plan Review Fees	
	Current Law	Recommendation	Current Law	Recommendation
25,000 Valuation	$464	$350	$302	$228
50,000 Valuation	$764	$575	$497	$374
100,000 Valuation	$1,187	$887	$772	$577
1,000,000 Valuation	$6,637	$5,012	$4,314	$3,258
10,000,000 Valuation	$47,137	$29,762	$30,639	$19,345

The recommendation contains a provision that extends the current sunset date for the fee reversion to September 30, 2023. The effects of the fees remaining unchanged will be evaluated throughout the biennium to determine if the fund can sustain the current fees for future fiscal years.

Impact on Children and Families:

This proposal will have minimal impact of children and families. Individual and business licensees will avoid a fee increase, which will allow them to keep more of their money to benefit the individual and their family.

Equity and Inclusion:

This proposal impacts construction contractors, electricians, plumbers, high pressure pipefitters and boiler operators by reducing the fees required to remain licensed in their profession. To the extent racial and ethnic groups, lesbian, gay, bisexual and transgender groups, persons with disabilities and veterans are paying license fees, they will be impacted by this legislative change. No negative impacts to the groups outlined above are expected.

IT Related Proposals:

NA

Department of Labor and Industry

FY 2022-23 Biennial Budget Change Item

Change Item Title: Contractor Recovery Fund

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Misc. Special Revenue				
Expenditures	246	246	246	246
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	246	246	246	246
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends enhancing the effectiveness of the Contractor Recovery Fund Statute by eliminating obsolete language, adding clarifying language, and increasing the frequency of payouts 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. The Governor also recommends raising the maximum payout limit per licensed residential building contractor (licensee) from $300,000 to $800,000, thus minimizing the chance that a homeowner's claim would have to be prorated. The increased cap will result in an estimated $246,000 in additional payouts per year to impacted homeowners.

Rationale/Background:

The current language, which limits fund payouts to once each year, unnecessarily prolongs a homeowner's recovery. If an owner misses the June deadline and applies in July, they will not receive compensation from the Contractor Recovery Fund for almost 1-1/2 years. Changing the payout and application deadlines to occur within the same fiscal year will also result in a more straightforward way to manage the Fund.

There are times when claims by multiple owners and lessees against a single contractor exceed the cap. In these instances, the commissioner must prorate the claims resulting in them receiving far less than the amount of their out-of-pocket loss. Increasing the maximum payout per licensee will allow for more homeowners to more closely recover their out-of-pocket loss when a licensee fails to perform their contractual obligation.

Proposal:

The agency seeks to reduce the burden on homeowners who have suffered financial loss by shortening payment processing time, helping greater numbers of affected homeowners access the fund, and providing compensation amounts that more closely reflect their out-of-pocket loss.

This proposal will allow the department to make payouts twice a year, thus shortening the time affected homeowners must wait to receive their compensation. Current law only allows the department a single yearly payout which can extend the time homeowners must wait to receive compensation to up to 1-1/2 years. This proposal will resolve the unreasonable delay in payment of compensation to homeowners, reducing the delay to 6-12 months. These changes will also allow greater opportunity for disadvantaged homeowners to receive compensation from the Fund more quickly. Applicants having fewer economic resources often are unable to hire legal counsel to obtain their judgment expeditiously. Instead, they are forced to navigate the legal system on their own which takes additional time resulting in a delay of their compensation.

Another proposed change will provide additional consumer protection by raising the maximum payout limit per licensee from $300,000 to $800,000, thus minimizing the chance that a homeowner's claim would have to be prorated. For the Fund to maintain its effectiveness as a consumer protection program, it must keep up with the increases in the costs of construction.

Between 2013 and 2020, homeowners lost an aggregate of $2 million in compensation from the Contractor Recovery Fund due to proration.

Fiscal Year	Number of Licensees Prorated	Number of Applicants Prorated	Total Loss Due to Proration Per Year
2013	1	5	$225,000.00
2014	0	0	0
2015	4	24	$576,444.99
2016	3	55	$616,437.68
2017	1	4	$21,535.00
2018	1	15	$16,111.55
2019	2	40	$553,899.05
2020	0	0	0
Total	12	143	$2,009,428.27

Increasing the cap per licensee from $300,000 to $800,000 will result in an additional $246,000 in payouts per year, minimizing, though likely not eliminating, the need for proration.

Impact on Children and Families:

A greater number of Minnesota families who have new homes built or remodeled will be afforded greater consumer protection. In the event a homeowner suffers an out-of-pocket loss due to the activity of a licensee, this proposal would more effectively mitigate their financial loss.

Equity and Inclusion:

Although this policy is not intended to benefit any one particular people group, it will benefit all Minnesotans who could suffer financial loss by a licensee. Greater numbers of Minnesotans who suffer financial loss by a licensee will be better compensated for their loss.

IT Related Proposals:

NA

Department of Labor and Industry

FY 2022-23 Biennial Budget Change Item

Change Item Title: Improving Rights to Unpaid Leave and Pregnancy Accommodation

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	84	34	34	34
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	84	34	34	34
FTEs	**0.25**	**0.25**	**0.25**	**0.25**

Recommendation:

The Governor recommends expanding access to unpaid pregnancy and parenting leave, school conferences and activities leave, accrued sick leave benefits for the care of relatives and safety leave, and pregnancy accommodation laws. The changes strengthen Minnesota law to ensure more workers have access to this unpaid time off and pregnancy accommodations in the workplace. $84,000 in FY 2022 would be for outreach and education of employers and employees on the law changes and $34,000 on-going for enforcement and compliance activities. The $34,000 on-going increase represents a 1.0% increase to the Labor Standards division which enforces all labor laws.

Rationale/Background:

Minnesota children benefit when parents can take time off work to care for them during times of illness or after birth or adoption. While almost three-quarters of Minnesota workers receive at least some pay when they are out of work for family or medical reasons, some Minnesota workers lack the right to even take unpaid leave. This proposal would expand access to unpaid parental leave to an estimated 420,000 Minnesota workers.

The Family and Medical Leave Act (FMLA) applies to employees who work for an employer with 50 or more employees and Minnesota's leave and accommodation laws apply to employees who work for an employer with 21 or more employees. Approximately 20% of Minnesotans work for an employer with fewer than 21 employees (approximately 83% of employers in the state) and therefore aren't covered by either Minnesota's various leave laws or the FMLA due to their employer's size. Both the FMLA and Minnesota law require an employee to have worked for that employer for at least twelve months in order to be eligible for leave. These stringent requirements also apply to the right to take employer-provided sick leave for the care of relatives or safety leave. The Minnesota Supreme Court is currently considering whether the twelve-month employment requirement applies to pregnancy accommodation rights.

DLI is responsible for enforcing five provisions of the Women's Economic Security Act including wage disclosure protection, pregnancy accommodation, pregnancy and parenting leave, nursing mothers, and sick leave benefits. Between July 2014 through August 2020, the Department completed 87 investigations of alleged violations. Many of the employees who contacted the Department did not meet the strict definition of employee, working for the employer for at least 12 months preceding the request for leave. Because most workers who contacted the department were ineligible, it became clear that a law change was needed to ensure protections were inclusive to more workers, many of whom are pregnant workers or new parents.

Thirty states require some employers to provide reasonable accommodations to pregnant workers. The applicability to employers varies, with several applying to employers with one or more employees (Colorado, Hawaii, Illinois, Maine, New Jersey, North Dakota, Vermont), and others with three (Connecticut), four (Delaware, New Mexico, New York, Rhode Island), five (California, Virginia), six (Massachusetts, Oregon), twelve (West Virginia), or fifteen or more employees (Kentucky, Maryland, Nebraska, Nevada, South Carolina, Tennessee, Utah, Washington). Eight states require paid family and medical leave. Minnesota is lagging behind.

Proposal:

The proposal changes the Parenting Leave and Accommodation law to reduce the employer size from 21 to one or more employees. The attachment requirements for pregnancy and parenting leave as well as sick leave are reduced from 12 months to 90 days, and the attachment requirement for pregnancy accommodation is clarified at zero days.

This proposal strengthens Minnesota law to ensure more workers have access to unpaid time off to care for a new baby or adopted child, use personal sick leave benefits to care for an ill or injured loved one, and request and receive a pregnancy accommodation in the workplace, such as more frequent restroom, food, and water breaks, seating, and limits on lifting over 20 pounds. Improving access to bonding time and expanding the rights of pregnant women in the workplace will positively contribute to their health and the health of Minnesota children.

This proposal expands access to existing law that DLI enforces. $50,000 would be used in outreach efforts to ensure employers and employees understand the change in law and know their rights. Outreach costs include printing, translations of materials, and marketing efforts. It is anticipated that DLI will experience an increase in calls and additional investigations as a result of the law change. $34,000 would be additional operating funds for Labor Standards staff to add additional casework to the current level of service.

The work of this proposal complements the work already being done in the Labor Standards Unit, including our outreach efforts in the areas of wage and hour and child labor standards. This proposal will provide DLI with the funds necessary to do the additional outreach and investigation work required while maintaining the same level of service in the other areas of its outreach.

Secondary violations of record penalties or other repeat/willful wage and hour violations may increase, which could increase revenue for DLI. These are not included in the fiscal estimates above.

Impact on Children and Families:

This proposal supports children and families by ensuring more new parents can take up to 12 weeks off work to care for a new or adopted child without fear of losing their jobs. The changes also strengthen Minnesota Law to ensure more workers have access to the use of personal sick leave benefits to care for children and relatives, the use personal sick leave benefits for safety leave, and receive pregnancy accommodations in the workplace. This time off promotes parent/child bonding and wellness. Expanding access to pregnancy accommodation means more Minnesota pregnant women will be protected in the workplace.

Equity and Inclusion:

Low-wage workers are more likely to move between jobs and therefore are less likely to have the attachment to employment currently required for eligibility for parenting and sick leave. By reducing the employer size and attachment requirements, more workers, especially low-income workers, will qualify for unpaid leave. The proposal also improves equity by ensuring all pregnant workers have the right to request an accommodation at work, regardless of the size of their employer.

IT Related Proposals:

NA

Department of Labor and Industry

FY 2022-23 Biennial Budget Change Item

Change Item Title: Supporting Nursing and Lactating Mothers

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	84	34	34	34
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	84	34	34	34
FTEs	**0.25**	**0.25**	**0.25**	**0.25**

Recommendation:

The Governor recommends amending the Women's Economic Security Act (2014) statutes to better support lactation by ensuring employees can take the time needed to pump without losing pay. Changes include requiring break times be paid, eliminating the ability for employers to opt-out, and updating language to make the law more gender-neutral.

$84,000 in FY 2022 would be for outreach and education of employers and employees on the law changes and $34,000 on-going for enforcement and compliance activities. The on-going $34,000 is a 1.0% increase to the Labor Standards division which enforces all labor laws.

Rationale/Background:

Minnesota passed a Nursing Mothers law in 1998 to ensure women in Minnesota were provided the time and space to pump breast milk at work (MN Statutes 181.939). The law was improved upon as part of the Women's Economic Security Act in 2014, requiring employers to provide space to pump with access to an electrical outlet and prohibiting retaliation against employees for asserting their rights. One remaining barrier for women is that break time is currently unpaid, causing some women to choose whether to pump or get paid.

Supporting lactation at work supports healthy babies. The intended results of this proposal are more nursing mothers and lactating employees will be able to take time needed to pump at work without losing pay. Pumping at work promotes maintenance of an adequate milk supply and enables mothers to breastfeed longer, and surrogates, bereaved parents and other lactating individuals to provide milk to babies who need it.

Proposal:

Current law requires reasonable unpaid break time for women to pump, however the Department proposes this break time be paid so employees don't have to make the difficult choice between getting paid or pumping breast milk. DLI also proposes removing language from the law that provides an opt-out for employers if providing break time would unduly disrupt the operations of the employer.

The U.S. Department of Labor recently solicited ideas to support nursing mothers in the workplace in an online dialogue, and commenters suggested expanding the term "nursing mothers" to "lactating individuals" to ensure surrogates, lactating workers who do not identify as women or mothers, and bereaved mothers who lose a baby yet choose to pump and donate milk to help other fragile babies in need, are also in need of protection by Minnesota law. As suggested, included in this proposal is amending the title of the law to refer to both nursing mothers and lactating employees, removing references to “her”, and deleting language referring to employees pumping breast milk “for her infant child.”

This proposal is changing existing law that DLI enforces. $50,000 would be used in outreach efforts to ensure employers and employees understand the change in law and know their rights. Outreach costs include printing, translations of materials, and marketing efforts. It is anticipated that DLI will experience an increase in calls and additional investigations as a result of the law change. $34,000 would be additional operating funds for Labor Standards staff to add additional casework to the current level of service.

The work of this proposal complements the work already being done in the Labor Standards Unit, including our outreach efforts in the areas of wage and hour and child labor standards. This proposal will provide DLI with the funds necessary to do the additional outreach and investigation work required while maintaining the same level of service in the other areas of its outreach.

Secondary violations of records penalties or other repeat/willful wage and hour violations may increase, which could increase revenue for DLI. These are not included in the fiscal estimates above.

Impact on Children and Families:

This proposal supports children and families by ensuring employees that choose to breastfeed can continue to do so upon returning to work. Breastfeeding directly supports a healthy start in life for the next generation.

Equity and Inclusion:

Low-income employees are less likely to have paid leave and more likely to return to work soon after the birth of a child. Changing unpaid breaks to paid breaks and removing the ability for employers to opt-out of the law increases protections for workers and the ability for them to make decisions that are best for their families.

IT Related Proposals:

NA

Department of Labor and Industry

FY 2022-23 Biennial Budget Change Item

Change Item Title: Emergency Paid Sick Leave for Health Care Providers

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends requiring employers to provide up to 80 hours of paid sick leave for health care providers to use for qualified COVID-19 related reasons. These critical front-line workers were frequently excluded from the paid leave provisions of the federal Families First Coronavirus Response Act (FFCRA) which did not apply to employers with over 500 employees and allowed employers to exclude health care providers from eligibility for leave. All leave hours used by employees for qualified COVID-19 related reasons following enactment of this bill must be paid at the employees' regular rate of pay. The law would be in effect for the duration of the state peacetime emergency or June 30, 2021, whichever occurs first.

The Department would be responsible for outreach and education of employers and employees on the law changes and would have compliance and enforcement authority in addition to providing employees a private right of action. The Department does not seek additional funding for this short-term measure to complete outreach and compliance work anticipated by this proposal and has provided a rationale below.

Rationale/Background:

The need to isolate and quarantine after contracting or being exposed to COVID-19 requires Minnesotans to be absent from work. Many health care providers s may have exhausted their accrued paid time off due to multiple quarantines. Access to emergency paid sick leave during the pandemic will improve economic security for individuals and families and positively impact public health by keeping ill or at-risk employees out of the workplace.

Certain workers, including some health care providers, were excluded from the federal FFCRA and are at high risk for exposure to and contracting COVID-19. These front-line workers, by the very nature of their work, are subject to multiple quarantines and may lack the necessary paid time off to follow quarantine recommendations without risking financial hardship. In addition, the paid leave mandate in the FFCRA expired on Dec. 31, 2020. While this benefit has expired, the need for workers to be absent from work due to COVID-19 without risking their economic security continues. This proposal is needed to support health care providers who have put themselves at risk to ensure Minnesotans can recover from this virus.

Proposal:

This proposal requires employers to provide up to 80 hours of paid time off to employees at the employee's regular rate of pay if the employee is unable to work or telework for the following qualifying reasons:

Employee:

1. is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;
2. has been advised by a health care provider to self-quarantine related to COVID-19;
3. is experiencing COVID-19 symptoms and is seeking a medical diagnosis; or
4. is caring for an individual subject to an order described in (1) or self-quarantine as described in (2).

A full-time employee would be eligible for 80 hours of paid leave and a part-time employee would be eligible for the number of hours of leave that the employee works on average over a two-week period. All employers would be required to provide the leave, except each hour of paid sick leave already provided to an employee for COVID-19 related absences under the FFCRA or pursuant to an employer policy that did not deduct an employee's accrued or earned paid time off will count towards the 80 hours of paid sick leave required by this bill.

The proposal would be effective upon enactment and apply for the duration of the peacetime emergency or June 30, 2021, whichever occurs first.

As with all changes to labor laws, outreach and education of the new requirements is critical for implementation and compliance. The Department will communicate the new requirements through various social media and print efforts to inform employers of the new leave requirements and employees of their rights. DLI anticipates an increase in the number of inquiries it currently receives from employers, workers and the public related specifically to this new right to emergency paid sick leave, and it assumes that it will receive complaints from workers alleging that their employers did not provide the leave.

Under normal circumstances, increasing outreach and education efforts requires additional funding however, because this is a short-term measure, the Department will leverage existing funds available due to the hiring freeze and reduced travel caused by COVID-19 to fund outreach efforts and redirect existing FTE to respond to public inquiries and complaints related to this legislation. This will result in reduced staff time spent on other labor law outreach and compliance activities.

Impact on Children and Families:

Children and families would benefit from the proposal in multiple ways. Parents would be able to afford to take time off work to recover or care for their children if they are ill or are quarantining due to COVID-19 exposure. Public health would be improved by taking away a financial disincentive for infected or exposed employees to remain in the workplace. The family budget will be supported through access to emergency paid time off.

Equity and Inclusion:

Health care providers working on the front lines of the pandemic including in health care or long-term care settings are at high risk for exposure to COVID-19 yet many did not have access to paid leave under the FFCRA. These workers, subject to multiple quarantines, may have also exhausted their accrued paid time off. This proposal will improve equity by ensuring workers on the front lines of the pandemic have access to emergency paid leave for COVID-19 related reasons.

IT Related Proposals:

NA

Department of Labor and Industry

FY 2022-23 Biennial Budget Change Item

Change Item Title: Climate Subcabinet: Commercial Energy Code Improvements

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Construction Code				
Expenditures	0	145	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	145	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends instituting an adoption framework for the statewide commercial building energy code that ensures that all new commercial and large multifamily construction is net-zero by 2036. The estimated cost impact is $145,000 every three years beginning in fiscal year 2023 to fund rulemaking costs and market and cost analysis to determine necessary energy efficiency performance requirements.

Rationale/Background:

The Climate Subcabinet is considering various proposals to address climate change and put Minnesota back on track to meet statutory greenhouse gas reduction goals of 30% reduction from 2005 levels by 2025 and 80% reduction by 2050. Improved energy efficiency in the building sector is a key contributor to meeting these goals, as operating and maintaining buildings involves the consumption of large amounts of energy. In 2017, Minnesota’s building sector consumed 40.6% of the total energy consumed in the state, 19.5% of which was from within the commercial buildings sector, including large multifamily buildings.

The Departments of Labor and Industry and Commerce convened a workgroup in the fall of 2019 and spring of 2020 that included stakeholders from the construction industry, local governments, environmental advocates, housing, business, labor, and legislature to evaluate policy options that would improve energy efficiency in commercial and multifamily buildings. Through the workgroup process, the Departments concluded that greater building energy efficiency could be achieved through improvements to the state commercial energy code. The Departments recommended the current statewide commercial energy code be advanced and accelerated such that it achieves net zero by 2036. This proposal was brought before the Climate Subcabinet and reflects that recommendation.

Proposal:

This proposal aligns with the agency’s statutory responsibility to adopt model commercial energy codes and consider amendments to the code to improve the efficiency of a building (MN Statutes 326B.106). The proposal recommends adoption of a new model commercial energy code when it is issued every three years beginning with adoption of international ASHRAE standard 90.1 - 2019. Because the model code alone would likely be insufficient to achieve net zero by 2036, subsequent code adoptions would include an adjusted minimum percent efficiency or an equivalent set of enhancements to meet that goal.

The agency anticipates this change to cost $145,000 every three years beginning in fiscal year 2023: $45,000 to conduct rulemaking and $100,000 to conduct a market and cost analysis to determine necessary energy efficiency performance enhancements.

Specific needs include:

1. **Market capacity analysis**: Research on the market's ability to design, build and operate more efficient buildings.
2. **Cost analysis** of energy code levels across different buildings in climate zone 6 & 7: A cost analysis for different building types would be needed for the two climate zones of Minnesota.

The agency is undergoing rulemaking in the current fiscal year to adopt ASHRAE 90.1-2019.

The proposal will reduce energy use in commercial and large multifamily buildings, address climate change, and help Minnesota meet its greenhouse gas reduction goals.

Impact on Children and Families:

Addressing climate change will have a direct positive impact on future generations most likely to feel the negative effects of climate change. Creating more energy efficient multifamily buildings will result in lower energy costs and therefore lower energy bills, making housing more affordable. This will contribute to greater economic security for Minnesota children and families.

Equity and Inclusion:

The impacts of climate change are disproportionally borne by disadvantaged communities. More energy efficient buildings contribute to mitigating climate change and therefore addressing disparities. Increased energy efficiency in large multifamily buildings will reduce energy costs and cost of living for inhabitants, including lower-income Minnesotans and Minnesotans of color who are more likely to rent than own single-family homes.

Department of Labor and Industry

FY 2022-23 Biennial Budget Change Item

Change Item Title: Dual Training Competency Grants Transfer from OHE

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund - OHE				
Expenditures	(200)	(200)	(200)	(200)
Revenues	0	0	0	0
General Fund - DLI				
Expenditures	200	200	200	200
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends reducing the annual $200,000 appropriation for the Dual Training Competency Grants from the Office of Higher Education's base budget and adding it to the Minnesota Department of Labor and Industry (DLI)'s base budget beginning in FY 2022.

Rationale/Background:

The Dual Training Competency Grants (DTG), administered by the Minnesota Office of Higher Education (OHE), was established in 2015 to support of the implementation of the Minnesota Dual-Training Pipeline administered by the Minnesota Department of Labor and Industry (DLI). Pipeline exists to support employers in creating or enhancing a competency based dual-training approach where workers receive a combination of related instruction strategically paired with on-the-job training. DTG supplies the funding for the related instruction, and DLI provides added support to OHE in areas like outreach, grantee training, and monitoring. Additionally, DLI and OHE coordinate on maintaining a related instruction training provider inventory which must be posted on our websites. This inventory is maintained and hosted by DLI.

Proposal:

The Governor recommends moving the appropriation for the Dual Training Competency Grant program from OHE's budget to DLI's budget.

Department of Labor and Industry

FY 2022-23 Biennial Budget Change Item

Change Item Title: IT Modernization Reduction

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	(424)	(424)	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(424)	(424)	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends reducing the IT Modernization appropriation by $848,000 over the course of 2 fiscal years. 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.

Rationale/Background:

DLI received IT Modernization funds due to many of DLI's applications being reliant on old technology that will run out of vendor support beginning in January 2021. The code used within the applications is outdated and not used by the current IT workforce. The risk of doing nothing was operating DLI business processes on unsupported applications which could increase cyber-security vulnerabilities and over time will degrade service delivery.

The COVID-19 pandemic, along with vacant MNIT and business positions unfilled due to the hiring freeze, delayed DLI's progress on system modernization. DLI and MNIT are in the process of moving software off unsupported platforms, however progress on replacing the software systems themselves are behind schedule.

Proposal:

Since June 1, 2019, DLI and MNIT have worked to identify solutions to move software applications off outdated and unsupported platforms. This work will be completed shortly, ensuring that DLI business processes will continue to function and reducing risks of cyber-security vulnerabilities.

DLI and MNIT have experienced delays in identifying new software solutions and will have difficulty expending the original $2.8 million by 6/30/2023. DLI will use the remaining $1.952 to move all software applications off unsupported platforms and start replacement of priority systems such as Apprenticeship and CCLD licensing.

This proposal is to reduce the IT Modernization appropriation in FY22 and FY23:

- FY2020 - $500,000
- FY2021 - $500,000
- FY2022 - $900,000 – $424,000 = $476,000
- FY2023 - $900,000 - $424,000 = $476,000

The reduced IT Modernization funding would be $1,952,000. 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 through 6/30/2023. Impact on Children and Families:

Modernizing DLI's IT systems impacts DLI clients and stakeholders which includes workers and their families. Modernizing DLI's systems will increase transparency and decrease transaction time when stakeholders engage with the agency. The reduction in modernization funding may delay modernization efforts but will have no negative impacts to children and families.

Equity and Inclusion:

Modernizing DLI's IT systems impacts DLI clients and stakeholders. The reduction in modernization funding does not directly impact racial and ethnic groups, lesbian, gay, bisexual and transgender groups, persons with disabilities or veterans. No negative impacts to the groups outlined above are expected.

IT Related Proposals:

N/A for reductions

Department of Labor and Industry

FY 2022-23 Biennial Budget Change Item

Change Item Title: Paid Family and Medical Leave Insurance

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures				
DEED	10,828	0	0	0
MMB	28	0	0	0
MMB Non-Operating	0	1,930	3,727	3,727
DLI	528	0	0	0
Supreme Court	20	0	0	0
Legislature-LCC	11	0	0	0
Transfer In	0	11,416	0	0
Paid Family Medical Leave Fund				
Expenditures				
DEED	0	23,880	51,671	50,755
MMB	0	23	13	13
DLI	0	518	468	618
DHS	0	574	0	115
Court of Appeals	0	0	0	5,600
Benefits	0		780,569	780,569
Revenues	0	446,199	862,769	880,024
Transfer Out	0	11,416	0	0
Net Fiscal Impact = (Expenditures – Revenues)	11,416	(419,848)	(26,321)	(38,626)
FTEs	**14**	**75**	**301**	**326**

Recommendation:

The Governor recommends $11.416 million from the general fund in FY 2022 only and applying a 0.6% employer premium rate to employee wages beginning in calendar year 2023 to establish a Paid Family and Medical Leave Insurance program. The Governor recommends allowing employees to pay for one-half of the premium rate. In FY 2023 only, the Governor recommends a transfer of $11.416 million from the Paid Family and Medical Leave fund to the general fund to reimburse agencies' startup costs. State appropriations will support the development of an IT system for collecting premiums and paying benefits, as well as initial staffing and administrative resources required to implement and operate this program at the Department of Employment and Economic Development, Minnesota Management and Budget, Department of Labor and Industry, the Supreme Court, Court of Appeals and the Legislative Coordinating Commission.

Rationale/Background:

Paid Family and Medical Leave is a program that most employees will need at one point but approximately 26 percent of all family and medical leaves do not include any wage replacement. According to the "Paid Family & Medical Leave Insurance: Options for Designing and Implementing a Minnesota Program" released in February 2016, around 10% of Minnesota workers take a family or medical leave in any given year. Fifty-nine percent (59%) of current leaves in Minnesota are for own-health reasons (other than pregnancy), 17 percent are for bonding/parental leave (including pregnancy disability), and 24 percent of leaves are for caretaking a seriously ill family member.

Low-wage employees, certain minority groups, younger workers, and less educated populations are much more likely to manage leaves without any pay. Minnesota workers are less likely to receive compensation during leave for their own serious health condition or family care than for pregnancy or parental (bonding/maternity/paternity) leave. For many low-income Minnesotans, taking leave with little or no pay can create significant economic instability for their families, often during some of the most challenging times.

Without a comprehensive state paid family and medical leave program, Minnesotans are missing out on 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.

Proposal:

The Governor recommends creating a new Minnesota Family and Medical Leave Program administered by DEED. This program will provide wage replacement for family and medical leaves and will provide job protections for recipients, so they are assured of continued employment with their employer upon their return. Premiums collected will fund program benefits and ongoing administrative costs. Appropriations from the general fund and the new Paid Family and Medical Leave Fund will allocate:

- $34.708 million in FY 2022-23 and $102.426 million in FY 2024-25 for the Department of Employment and Economic Development will support the creation of a premium collection system, benefits payment system, user interface development, and program administration.
- $1.930 million in FY 2022-23 and $7.454 million in FY 2024-25 will be provided to Minnesota Management and Budget Non-Operating to offset employer-paid premium costs in the general fund for state executive and judicial branch agencies and offset the costs to agencies for obtaining notice acknowledgments from employees.
- $51 thousand in FY 2022-23 and $26 thousand in FY 2024-25 for Minnesota Management and Budget will fund state executive branch employee workplace notice costs as well as upgrades to the state's payroll system necessary for the collection of premiums.
- $1.046 million in FY 2022-23 and $1.086 million in FY 2023-25 for the Department of Labor and Industry will fund oversight and compliance costs related to the program as well as IT systems upgrades.
- $20 thousand in FY 2022-23 for the Supreme Court will fund a onetime update to the existing case management system that would calculate interest on judgments against employers.
- Starting in FY 2025, $5.6 million per year would fund costs related to appeals filed with the Court of Appeals for denied benefit claims.
- $11 thousand in FY 2022-23 for the Legislature-LCC will support onetime payroll system updates.
- $574 thousand in FY 2023 and $115 thousand ongoing starting in FY 2025 for the Department of Human Services to make systems modifications necessary for the implementation of the program. Income generated by individuals through participation in the family and medical leave program will be considered in eligibility determinations for MFIP, DWP, SNAP, Housing Support, MSA, GA, RCA, MA, MinnesotaCare, and CCAP.

Impact on Children and Families:

Similar programs in other states have shown improvements in economic stability for families and positive impacts for children. Societal benefits include retaining more women in the labor force, reductions in the need and associated costs for nursing home and other institutional care, reductions in the need for public assistance when a new baby arrives, and less infant care shortages.

Equity and Inclusion:
According to the 2016 report, while almost three-quarters of Minnesota workers received at least some pay when they were out of work for family or medical reasons, low-wage (46%); black (42%); or Hispanic (39%); younger (39%); part-time (38%) or less educated (38%) workers are much more likely to manage leaves without any pay. This proposal is intended to help address that inequality and the economic impacts that that inequality has on these workers.

IT Related Proposals:
This recommendation includes funding for IT costs to create a system for collecting premiums from employers and paying program benefits to recipients. The development of the Paid Family and Medical Leave system will be a multi-year project. The total cost to build the system between FY 2022-2026 is $67.841 million, including $5.973 million for staff costs.

Results:
Department of Employment and Economic Development will track the following:

- Amount of leave taken
- Amount of benefit payments made to recipients
- Employer opt-outs
- Employee opt-ins
- Program tax collections and balance
- Customer satisfaction

dli.mn.gov/business/workers-compensation-businesses

AT A GLANCE

In fiscal year 2020, the Workers' Compensation Division:

- resolved more than 949 disputes involving insurers, employers, employees, vocational rehabilitation providers and health care providers;
- conducted 298 mandatory coverage investigations;
- proactively contacted 6,557 new businesses to educate them about workers' compensation laws;
- completed 10,002 assistance contacts including calls, log letters and walk-ins;
- maintained more than two million workers' compensation files; and
- provided vocational rehabilitation and placement services to 159 injured workers each month, on average.

PURPOSE AND CONTEXT

Workers' compensation ensures proper benefits and services are delivered to injured workers quickly and efficiently, and at a reasonable cost to employers. The division educates employers and employees about Minnesota's workers' compensation laws and enforces those laws. It also administers the Special Compensation Fund, also known as the Workers' Compensation Fund, which provides benefits to injured workers whose employers failed to carry workers' compensation insurance. The division provides alternative dispute resolution to quickly and cost-effectively resolve workers' compensation disputes.

SERVICES PROVIDED

The Workers' Compensation Division provides services in four primary areas through its four work units:

1. Alternative Dispute Resolution;
2. Compliance, Records and Training;
3. Special Compensation Fund; and
4. Vocational Rehabilitation.

The division:

- educates employees and employers about their rights and responsibilities under workers' compensation laws;
- provides mediation, ombudsman assistance and other dispute-resolution services;
- provides workers' compensation benefits to injured workers whose employers did not carry workers' compensation insurance;
- collects and maintains records pertaining to all workers' compensation injuries in Minnesota with claimed wage-loss or permanency; and
- provides vocational rehabilitation services to injured workers.

The Workers' Compensation Division is funded through an appropriation from the Workers' Compensation Fund. The revenues are based on the forecasted funding liability and collected through both an insurer premium surcharge paid by insurers and a self-insured assessment paid by self-insured employers. Workers' compensation benefits are paid to employees on behalf of uninsured and bankrupt self-insured employers. Reimbursements to insurers and self-insured employers under the supplemental benefits and second-injury programs make up the bulk of benefit payments.

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Fiscal Year*
Quantity	Workers' compensation benefits paid*	$44.9M	$32.3M	2018, 2020
Quantity	Workers' compensation reimbursements collected	$755,726	$1,126,088	2015, 2020
Quantity	Hours of training provided to stakeholders**	141	60	2018, 2019
Quantity	Number of mediations conducted	971	1,076	2018, 2020
Result	Mediated sessions that resulted in dispute resolution	77%	88%	2016, 2020
Quality	Average number of days a Vocational Rehabilitation Services case is open	332	287	2012, 2019 (Calendar Year)
Result	Ratio of post- to pre-injury wages for Vocational Rehabilitation clients who returned to work	89%	97%	2012, 2019 (Calendar Year)

* Benefits are declining as work comp cases are settled and/or final payments are made.

** The decline in training hours is due to needing to reallocate staff time to intensive work on the new Work Comp Campus IT system.

Minnesota Statutes, chapter 176, provides the legal authority for this program's activities.

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Expenditures by Fund								
2000 - Restrict Misc Special Revenue	20	28	31	29	29	29	29	29
2830 - Workers Compensation	49,373	81,081	52,886	50,135	41,548	39,769	41,548	39,769
Total	**49,393**	**81,109**	**52,917**	**50,164**	**41,577**	**39,798**	**41,577**	**39,798**
Biennial Change				(27,421)		(21,706)		(21,706)
Biennial % Change				(21)		(21)		(21)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Activity								
Workers Compensation	49,393	81,109	52,917	50,164	41,577	39,798	41,577	39,798
Total	**49,393**	**81,109**	**52,917**	**50,164**	**41,577**	**39,798**	**41,577**	**39,798**
Expenditures by Category								
Compensation	10,041	10,202	10,687	10,684	10,388	10,376	10,388	10,376
Operating Expenses	1,552	6,465	9,907	8,363	1,954	1,966	1,954	1,966
Grants, Aids and Subsidies	37,799	64,393	32,321	31,116	29,234	27,455	29,234	27,455
Other Financial Transaction	1	49	2	1	1	1	1	1
Total	**49,393**	**81,109**	**52,917**	**50,164**	**41,577**	**39,798**	**41,577**	**39,798**
Total Agency Expenditures	49,393	81,109	52,917	50,164	41,577	39,798	41,577	39,798
Internal Billing Expenditures	38	35	41	31	46	46	46	46
Expenditures Less Internal Billing	**49,355**	**81,074**	**52,876**	**50,133**	**41,531**	**39,752**	**41,531**	**39,752**
Full-Time Equivalents	**112.65**	**110.53**	**112.96**	**110.82**	**104.64**	**104.22**	**104.64**	**104.22**

(Dollars in Thousands)

2000 - Restrict Misc Special Revenue

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Balance Forward In	12	20	31	2				
Receipts	27	39	2	27	29	29	29	29
Balance Forward Out	19	31	2					
Expenditures	**20**	**28**	**31**	**29**	**29**	**29**	**29**	**29**
Biennial Change in Expenditures				12		(2)		(2)
Biennial % Change in Expenditures				26		(4)		(4)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.19	0.10	0.26	0.09	0.09	0.09	0.09	0.09

2830 - Workers Compensation

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Balance Forward In	10,295	14,061	12,539	7,197	479	306	479	306
Direct Appropriation	14,782	14,832	14,882	11,882	11,882	11,882	11,882	11,882
Open Appropriation	37,982	64,397	32,336	31,215	29,333	27,554	29,333	27,554
Receipts	322	331	325	320	160	130	160	130
Balance Forward Out	14,008	12,539	7,197	479	306	103	306	103
Expenditures	**49,373**	**81,081**	**52,886**	**50,135**	**41,548**	**39,769**	**41,548**	**39,769**
Biennial Change in Expenditures				(27,434)		(21,704)		(21,704)
Biennial % Change in Expenditures				(21)		(21)		(21)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	112.46	110.43	112.70	110.73	104.55	104.13	104.55	104.13

Program: Construction Codes and Licensing

dli.mn.gov/business/codes-and-laws

AT A GLANCE

In fiscal year 2020, the unit:

- issued or renewed 80,000 personal and business licenses;
- administered 3,500 license exams;
- completed 3,100 plan reviews;
- issued 122,000 construction permits; and
- performed 190,000 inspections.

PURPOSE AND CONTEXT

The Construction Codes and Licensing Division (CCLD) works to protect the health, safety and welfare of the public by providing reasonable, uniform and balanced standards for Minnesota's buildings and construction professionals. This provides for the safety of the people of Minnesota and fosters a competitive construction economy that encourages business growth and employment opportunity.

SERVICES PROVIDED

CCLD performs the following services to protect the health, safety and welfare of the public:

- code adoption and administration: Assures building safety through a comprehensive and effective process of code adoption and uniform statewide code administration.
- licensing: Assesses the qualifications of construction professionals and protects consumers and workers through individual and business licensing.
- plan review: Reviews construction plans for state-owned and state-licensed facilities, plumbing installations and manufactured structures in a timely manner to ensure safe, code-compliant buildings that result in value for the owner.
- construction permitting: Expedites safe building construction through the efficient processing of permits.
- inspection services: Provides for the competent inspection of all building construction work under the authority of the state and regularly ensures the safe and operational integrity of elevators, boilers and high pressure piping.
- enforcement: Provides fair and balanced enforcement to achieve compliance with licensure and code requirements.
- outreach and education: Fosters and promotes safe, accessible and energy-efficient building design and construction through outreach and education to construction professionals and the public.
- contractor recovery fund: Compensates owners or lessees of residential property in Minnesota who have suffered an actual and direct out-of-pocket loss due to a licensed contractor's fraudulent, deceptive or dishonest practices, conversion of funds or failure of performance.

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Fiscal Year*
Quality	Number/Percent of plumbing plans reviewed within 21 days	1,938/87%	2,404/88%	2013, 2020
Quality	Number/Percent of building plans reviewed within 21 days	281/80%	701/85%	2013, 2020
Quantity	Number of licenses issued	74,455	81,061	2013, 2020
Quantity	Number of permits issued	111,356	122,017	2013, 2020
Quantity	Number of Boiler inspections	9,944	8,967	2013, 2020
Quantity	Number of Elevator inspections	5,601	8,502	2013, 2020
Quantity	Number of Plumbing inspections	2,766	5,280	2013, 2020
Quantity	Number of Building inspections	3,407	3,873	2013, 2020
Quantity	Number of Electrical inspections	139,871	162,942	2013, 2020
Quantity	Number of High-pressure piping inspections	1,058	1,008	2013, 2020

Minnesota Statutes, chapter 326B, provides the legal authority for all programs within the Construction Codes and Licensing Division.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
2000 - Restrict Misc Special Revenue	1,566	1,968	2,312	2,390	2,410	2,414	2,656	2,660
2020 - Construction Code	31,304	34,220	32,484	32,490	33,948	33,503	33,948	33,648
Total	**32,869**	**36,188**	**34,796**	**34,880**	**36,358**	**35,917**	**36,604**	**36,308**
Biennial Change				619		2,599		3,236
Biennial % Change				1		4		5
Governor's Change from Base								637
Governor's % Change from Base								1
Expenditures by Activity								
Construction Codes and Licensing	32,869	36,188	34,796	34,880	36,358	35,917	36,604	36,308
Total	**32,869**	**36,188**	**34,796**	**34,880**	**36,358**	**35,917**	**36,604**	**36,308**
Expenditures by Category								
Compensation	15,507	16,124	16,052	15,987	17,240	17,272	17,240	17,272
Operating Expenses	15,626	17,375	16,672	16,775	16,820	16,827	16,820	16,972
Grants, Aids and Subsidies	1,402	1,777	2,056	2,100	2,280	1,800	2,526	2,046
Other Financial Transaction	335	913	15	18	18	18	18	18
Total	**32,869**	**36,188**	**34,796**	**34,880**	**36,358**	**35,917**	**36,604**	**36,308**
Total Agency Expenditures	32,869	36,188	34,796	34,880	36,358	35,917	36,604	36,308
Internal Billing Expenditures	2,896	2,770	3,725	2,953	3,614	3,620	3,614	3,620
Expenditures Less Internal Billing	**29,974**	**33,418**	**31,071**	**31,927**	**32,744**	**32,297**	**32,990**	**32,688**
Full-Time Equivalents	**148.17**	**148.76**	**142.82**	**140.20**	**149.35**	**149.35**	**149.35**	**149.35**

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
2000 - Restrict Misc Special Revenue								
Balance Forward In	8,321	9,654	9,938	9,997	9,553	9,713	9,553	9,467
Receipts	2,899	2,252	2,370	1,946	2,570	1,980	2,570	1,980
Balance Forward Out	9,654	9,938	9,997	9,553	9,713	9,279	9,467	8,787
Expenditures	**1,566**	**1,968**	**2,312**	**2,390**	**2,410**	**2,414**	**2,656**	**2,660**
Biennial Change in Expenditures				1,168		122		614
Biennial % Change in Expenditures				33		3		13
Governor's Change from Base								492
Governor's % Change from Base								10
Full-Time Equivalents	1.18	1.40	1.81	2.20	2.20	2.20	2.20	2.20

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
2020 - Construction Code								
Balance Forward In	27,867	26,152	22,943	21,795	18,806	16,476	18,806	14,226
Receipts	29,384	30,844	31,336	29,501	31,618	31,618	29,368	29,368
Balance Forward Out	25,947	22,776	21,795	18,806	16,476	14,591	14,226	9,946
Expenditures	**31,304**	**34,220**	**32,484**	**32,490**	**33,948**	**33,503**	**33,948**	**33,648**
Biennial Change in Expenditures				(550)		2,477		2,622
Biennial % Change in Expenditures				(1)		4		4
Governor's Change from Base								145
Governor's % Change from Base								0
Full-Time Equivalents	146.99	147.36	141.01	138.00	147.15	147.15	147.15	147.15

Program: General Support

dli.mn.gov/about-department/about-dli

AT A GLANCE

In fiscal year 2020, the unit:

- supported approximately 428 agency employees located statewide;
- administered a $146 million annual budget;
- facilitated nearly 4.7 million web hits;
- represented Department of Labor and Industry (DLI) programs in more than 250 legal cases;
- had more than 168,000 subscribers to DLI electronic publications; and
- responded to 110 requests for statistical data.

PURPOSE AND CONTEXT

The General Support Division provides leadership and support to agency programs so they can be successful. Activities are customized to meet the unique needs of each activity while assuring adherence to statewide and agency standards for performance, management and documentation of decisions. Critical goals are to:

- develop and adhere to operating policies and services that meet or exceed statewide standards and policies;
- offer support services within the agency to meet program goals as efficiently as possible while adhering to accepted audit standards;
- manage agency resources in as transparent a manner as possible to assure stakeholders our stewardship of their investments is sound; and
- create opportunities for electronic government transactions to better meet the needs of Minnesota's citizens.

This division serves agency programs that focus on the needs of workers, builders, building owners and employers in Minnesota.

SERVICES PROVIDED

The General Support Division strives to provide effective and efficient services and offer solutions to support agency programs. This is accomplished by each unit as follows.

- Communications: provides stakeholder outreach through the website and publications; promotes the work and services of the department.
- Financial Services: protects and ensures accountability for the financial resources entrusted to the department.
- Human Resources: recruits, assesses employee development needs and assists in retaining needed skill sets. Also provides services that promote a healthy, productive and respectful work environment and promotes diversity goals in all U.S. Equal Employment Opportunity Commission (EEOC) Job Groups for people with a disability.
- Office of General Counsel: renders legal advice to the department, provides legislative and rulemaking support, and advocates for the agency in enforcement and other administrative proceedings.
- Research and Statistics: collects, analyzes and reports workplace safety, workers' compensation and workplace standards data to inform decisionmakers and the public.

- Projects and Planning: provides organization development and continuous improvement support services, maintains and communicates the business continuity and emergency response plans for the agency.
- DLI maintains its information technology services through a service-level agreement with MN.IT Services.

These infrastructure services provide agency support that enables programs to focus on their mission and achieve agency goals.

RESULTS

Type of Measure	***Name of Measure***	***Previous***	***Current***	***Fiscal Year***
Quality	Percentage of accounts payable paid promptly (30 day requirement)	99.04%	99.58%	2014, 2020
Quantity	Number of and dollars spent with targeted vendors	18/ $67,174	27/ $295,563	2015, 2020
Quantity	Percent of staff who self-identified as women, minorities, or disabled.	65.1%	68.17%	2014, 2020
Quality	Percentage of performance appraisals that were timely completed (annual requirement)	100%	100%	2017, 2020

Minnesota Statutes, chapters 176, 16A, 43A and 341, provide authority for this program’s activities.

Program Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Expenditures by Fund								
1000 - General			157	981	900	900	476	476
2000 - Restrict Misc Special Revenue	5,123	5,719	5,061	5,579	7,224	6,132	7,224	6,132
2830 - Workers Compensation	6,085	6,069	6,088	6,160	6,160	6,160	6,160	6,160
3000 - Federal	121	97	138	135	135	135	135	135
Total	**11,329**	**11,884**	**11,444**	**12,855**	**14,419**	**13,327**	**13,995**	**12,903**
Biennial Change				1,086		3,447		2,599
Biennial % Change				5		14		11
Governor's Change from Base								(848)
Governor's % Change from Base								(3)
Expenditures by Activity								
General Support Division	11,329	11,884	11,444	12,855	14,419	13,327	13,995	12,903
Total	**11,329**	**11,884**	**11,444**	**12,855**	**14,419**	**13,327**	**13,995**	**12,903**
Expenditures by Category								
Compensation	5,671	5,572	6,515	7,148	7,447	7,352	7,447	7,352
Operating Expenses	5,446	5,772	4,904	5,707	6,972	5,975	6,548	5,551
Grants, Aids and Subsidies	4							
Other Financial Transaction	207	541	25					
Total	**11,329**	**11,884**	**11,444**	**12,855**	**14,419**	**13,327**	**13,995**	**12,903**
Total Agency Expenditures	11,329	11,884	11,444	12,855	14,419	13,327	13,995	12,903
Internal Billing Expenditures	18	13	26	24	19	19	19	19
Expenditures Less Internal Billing	**11,311**	**11,872**	**11,418**	**12,831**	**14,400**	**13,308**	**13,976**	**12,884**
Full-Time Equivalents	**54.56**	**54.21**	**58.66**	**61.33**	**65.60**	**64.60**	**65.60**	**64.60**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In				467				
Direct Appropriation			500	500	900	900	476	476
Transfers In			125	228				
Transfers Out				11				
Cancellations				203				
Balance Forward Out			468					
Expenditures			**157**	**981**	**900**	**900**	**476**	**476**
Biennial Change in Expenditures				1,138		662		(186)
Biennial % Change in Expenditures						58		(16)
Governor's Change from Base								(848)
Governor's % Change from Base								(47)
Full-Time Equivalents			0.05	0.23				
2000 - Restrict Misc Special Revenue								
Balance Forward In	3,752	2,775	1,044	1,723	1,066		1,066	
Receipts	4,141	3,935	5,739	4,922	6,158	6,132	6,158	6,132
Internal Billing Receipts	4,141	3,935	5,739	4,662	5,709	5,685	5,709	5,685
Balance Forward Out	2,770	991	1,723	1,066				
Expenditures	**5,123**	**5,719**	**5,061**	**5,579**	**7,224**	**6,132**	**7,224**	**6,132**
Biennial Change in Expenditures				(201)		2,716		2,716
Biennial % Change in Expenditures				(2)		26		26
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	33.46	13.65	3.52	6.00	8.23	7.53	8.23	7.53
2830 - Workers Compensation								
Balance Forward In		1						
Direct Appropriation	6,039	6,039	6,039	6,039	6,039	6,039	6,039	6,039
Open Appropriation	133	114	114	200	200	200	200	200
Transfers Out	87	85	65	79	79	79	79	79
Expenditures	**6,085**	**6,069**	**6,088**	**6,160**	**6,160**	**6,160**	**6,160**	**6,160**
Biennial Change in Expenditures				94		72		72
Biennial % Change in Expenditures				1		1		1

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	19.68	39.39	53.60	53.60	56.20	55.90	56.20	55.90

3000 - Federal

	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Balance Forward In	6	6	6	6	6	6	6	6
Receipts	121	96	138	135	135	135	135	135
Balance Forward Out	6	5	6	6	6	6	6	6
Expenditures	**121**	**97**	**138**	**135**	**135**	**135**	**135**	**135**
Biennial Change in Expenditures				55		(3)		(3)
Biennial % Change in Expenditures				25		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.42	1.17	1.49	1.50	1.17	1.17	1.17	1.17

http://dli.mn.gov/business/employment-practices

AT A GLANCE

In CY 2019, Labor Standards:

- recovered $808,161 in final wages for 1,188 workers;
- completed 250 wage and hour investigations and collected $851,345 in back wages for 507 workers;
- completed 59 prevailing-wage investigations and collected $374,099 in back wages for 503 workers; and
- collected and distributed $565,273 in liquidated damages to 110 workers for lost pay.

In CY 2019, the Apprenticeship unit:

- registered 4,577 new apprentices, including 387 women, 1,080 people of color and 344 veterans;
- assisted 184 registered apprenticeship program sponsors; and
- conducted 162 program reviews and 163 technical assistance visits to sponsors.

PURPOSE AND CONTEXT

The Department of Labor and Industry's (DLI) Labor Standards unit protects Minnesota's economy by ensuring workers are paid correctly and workplace rights and responsibilities are enforced. It conducts outreach, worker and employer education, and investigations to ensure compliance with Minnesota's Fair Labor Standards laws, including minimum wage, prevailing wage, pregnancy and parental leave, and child labor.

DLI's Apprenticeship unit supports Minnesota's economy as it fosters and promotes work-based career development through registered apprenticeship programs that provide structured training to develop a skilled workforce.

SERVICES PROVIDED

The Labor Standards unit:

- protects workers and promotes compliance through education and enforcement of wage, hour and payment laws, including minimum wage, overtime, child labor, women's economic security and prevailing wage;
- investigates wage theft complaints and audits employers to ensure employees are paid for their work and employers are competing fairly in the marketplace;
- increases awareness of wage theft through outreach and education;
- provides outreach and engagement on the following:
    - wage and hour laws including minimum wage and overtime protections;
    - prevailing wage rates and requirements on publicly funded construction projects;
    - child labor protections;
    - employment leave and accommodation protections including pregnancy and parenting leave, pregnancy accommodation at work, as well as sick and safe leave;
    - wage disclosure protections; and
    - packinghouse workers bill of rights
- provides outreach and education to employers and workers about the annual adjustment to the state minimum wage-rate;
- conducts an annual prevailing-wage survey to identify and certify wage rates for workers on publicly funded construction projects.

The Apprenticeship unit:

- engages and assists employers and associations in developing registered apprenticeship programs to recruit, train and retain a highly skilled workforce;
- conducts ongoing technical assistance and compliance activities to ensure each program delivers the training, instruction and rigor outlined in its standards registered with the department;
- engages various community-based organizations, labor groups, employers and associations to foster and promote greater ethnic, racial, gender and veteran participation in registered apprenticeship programs;
- assists registered apprenticeship programs in developing personalized outreach and diversity recruiting plans;
- assists workers and apprentices in connecting with apprenticeship resources;
- facilitates introductions to construction careers programs for youth, including Construct Tomorrow; and
- fosters and promotes the expansion of registered apprenticeship programs in health care, manufacturing and other industries.

RESULTS

Labor Standards

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Number of outreach trainings and events/number of stakeholders reached	109 / 47,757	224 / 53,404	CY 2011, CY 2019
Quality	Median days from receipt to completion of wage claims	21.4 days	6.7 days	CY 2013, CY 2019
Quantity	Wage Claims Completed:	1,070	1,188	CY 2013, CY 2019
Quantity	Final Wages Collected for workers: (Wage claims only)	$436,025	$808,161	CY 2013, CY 2019

Apprenticeship

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Calendar years*
Quantity	Number of registered apprentices/new apprentices	8,004/3,358	12,616/4,577	2013 2019
Quantity	Number of active registered apprenticeship programs/new programs	120/2	184/16	2013 2019
Result	Percentage of active registered apprentices – female/minority/veteran	5.3%/17.3%/3.6%	7.0%/20.7%/7.4%	2013 2019

Minnesota Statutes, chapters 177, 178 and 181, provide authority for this program's activities. Minnesota Statutes §§ 177.21-.35 (Minnesota Fair Labor Standards Act), 177.41-.44 (Prevailing Wage Act), 178 (Apprenticeship Training Act, in accordance with 29 Code of Federal Regulations part 29 and part 30), 181.01-.171 (Payment of wages), 181.940-.944 (Parenting leave, Women's Economic Security Act) and 181A (Child Labor Standards Act).

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	1,319	2,254	2,224	4,272	3,344	3,344	4,091	3,513
2390 - Workforce Development	1,454	1,336	1,526	1,649	1,384	1,384	1,384	1,384
3000 - Federal	1,059	609	754	1,316	841	150	841	150
4925 - Paid Family Medical Leave								518
6000 - Miscellaneous Agency	4							
Total	**3,835**	**4,200**	**4,504**	**7,237**	**5,569**	**4,878**	**6,316**	**5,565**
Biennial Change				3,706		(1,294)		140
Biennial % Change				46		(11)		1
Governor's Change from Base								1,434
Governor's % Change from Base								14
Expenditures by Activity								
Labor Standards and Apprenticeship	3,835	4,200	4,504	7,237	5,569	4,878	6,316	5,565
Total	**3,835**	**4,200**	**4,504**	**7,237**	**5,569**	**4,878**	**6,316**	**5,565**
Expenditures by Category								
Compensation	2,304	2,606	2,733	3,570	3,572	3,386	3,985	4,030
Operating Expenses	994	930	1,350	2,739	1,595	1,384	1,929	1,427
Grants, Aids and Subsidies	536	635	381	919	400	100	400	100
Other Financial Transaction		30	39	9	2	8	2	8
Total	**3,835**	**4,200**	**4,504**	**7,237**	**5,569**	**4,878**	**6,316**	**5,565**
Total Agency Expenditures	3,835	4,200	4,504	7,237	5,569	4,878	6,316	5,565
Internal Billing Expenditures	208	165	634	660	754	714	775	743
Expenditures Less Internal Billing	**3,627**	**4,035**	**3,870**	**6,577**	**4,815**	**4,164**	**5,541**	**4,822**
Full-Time Equivalents	**25.61**	**27.33**	**26.73**	**34.56**	**34.29**	**32.29**	**36.79**	**36.29**

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In		460		1,120				
Direct Appropriation	1,776	1,794	3,344	3,344	3,344	3,344	4,091	3,513
Transfers Out				192				
Balance Forward Out	457		1,120					
Expenditures	**1,319**	**2,254**	**2,224**	**4,272**	**3,344**	**3,344**	**4,091**	**3,513**
Biennial Change in Expenditures				2,923		192		1,108
Biennial % Change in Expenditures				82		3		17
Governor's Change from Base								916
Governor's % Change from Base								14
Full-Time Equivalents	13.55	16.93	15.08	22.95	22.42	22.42	24.92	22.92

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
2390 - Workforce Development								
Balance Forward In	10	132	7	65				
Direct Appropriation	1,569	1,581	1,584	1,584	1,384	1,384	1,384	1,384
Transfers Out		370						
Balance Forward Out	125	7	65					
Expenditures	**1,454**	**1,336**	**1,526**	**1,649**	**1,384**	**1,384**	**1,384**	**1,384**
Biennial Change in Expenditures				385		(407)		(407)
Biennial % Change in Expenditures				14		(13)		(13)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	9.91	8.68	8.97	9.08	9.67	9.67	9.67	9.67

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
3000 - Federal								
Balance Forward In		0						
Receipts	1,059	609	754	1,316	841	150	841	150
Balance Forward Out	0							
Expenditures	**1,059**	**609**	**754**	**1,316**	**841**	**150**	**841**	**150**
Biennial Change in Expenditures				402		(1,079)		(1,079)
Biennial % Change in Expenditures				24		(52)		(52)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.15	1.72	2.68	2.53	2.20	0.20	2.20	0.20

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
4925 - Paid Family Medical Leave								
Direct Appropriation								518
Expenditures								**518**
Biennial Change in Expenditures				0		0		518
Biennial % Change in Expenditures								
Governor's Change from Base								518
Governor's % Change from Base								
Full-Time Equivalents								3.50
6000 - Miscellaneous Agency								
Balance Forward In	45	70	47	103	123	143	123	143
Receipts	28	(23)	55	20	20	20	20	20
Balance Forward Out	69	46	103	123	143	163	143	163
Expenditures	**4**							
Biennial Change in Expenditures				(4)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Combative Sports

dli.mn.gov/ocs

AT A GLANCE

In fiscal year 2020 the program:

- regulated multiple combat sports events broadcast on National and International television
- licensed individuals from at least 5 different countries
- had zero deaths or serious injuries

PURPOSE AND CONTEXT

The Office of Combative Sports (OCS) ensures Minnesota's combative sporting events are conducted in a manner that minimizes injuries, protects the short term and long-term health of fighters, and ensures fair competition. Combative sporting events include professional boxing and professional and amateur mixed martial arts.

SERVICES PROVIDED

OCS licenses combative sports promotions, combatants, officials, and coaches of events held within Minnesota. Licenses are required for referees, judges, timekeepers, ringside physicians, promoters, combatants, trainers and seconds.

OCS staff:

- review licensing data to ensure the health and fitness of combatants;
- review match-ups to ensure fair competition;
- ensure promoters meet financial obligations and have medical and life insurance on all fighters;
- train and assign fight inspectors and officials;
- collect licensing and event fees;
- attend combative sporting events to ensure event process and procedures are followed and compliance with all rules and regulations;
- ensure compliance of all Federal laws;
- process and hear grievances;
- work with other National and International regulatory bodies to ensure uniformity; and
- investigate any illegal activities.

The Office of Combative Sports is funded from license and event revenue deposited into the Special Revenue account.

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Fiscal Year*
Quality	The percentage of contests monitored for combatants' safety	100%	100%	2013, 2020
Quantity	Professional Combatant License Issued	168	119	2013, 2020
Quantity	Amateur Combatant Licenses Issued	252	75	2013, 2020
Quantity	Number of Combative Sports Events	16	7	2016, 2020
Quantity	Number of Officials Licenses *(may be more than one license per individual)*	34	53	2016, 2020

Minnesota Statutes, chapter 341

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
2000 - Restrict Misc Special Revenue	89	71	53	56	62	63	62	63
Total	**89**	**71**	**53**	**56**	**62**	**63**	**62**	**63**
Biennial Change				(52)		16		16
Biennial % Change				(32)		15		15
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Activity								
Combative Sports	89	71	53	56	62	63	62	63
Total	**89**	**71**	**53**	**56**	**62**	**63**	**62**	**63**
Expenditures by Category								
Compensation	66	52	32	27	33	34	33	34
Operating Expenses	24	18	21	29	29	29	29	29
Grants, Aids and Subsidies	0							
Total	**89**	**71**	**53**	**56**	**62**	**63**	**62**	**63**
Total Agency Expenditures	89	71	53	56	62	63	62	63
Internal Billing Expenditures	12	9	7	6	7	7	7	7
Expenditures Less Internal Billing	**77**	**62**	**45**	**50**	**55**	**56**	**55**	**56**
Full-Time Equivalents	**0.89**	**0.75**	**0.65**	**0.35**	**0.65**	**0.65**	**0.65**	**0.65**

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
2000 - Restrict Misc Special Revenue								
Balance Forward In	77	49	55	97	72	73	72	73
Receipts	62	77	94	31	63	63	63	63
Balance Forward Out	49	55	97	72	73	73	73	73
Expenditures	**89**	**71**	**53**	**56**	**62**	**63**	**62**	**63**
Biennial Change in Expenditures				(52)		16		16
Biennial % Change in Expenditures				(32)		15		15
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.89	0.75	0.65	0.35	0.65	0.65	0.65	0.65

Program: Program: Workplace Safety

http://dli.mn.gov/business/safety-and-health-work

AT A GLANCE

In fiscal year 2020, the unit:

- conducted almost 1,900 compliance inspections;
- assisted employers through 1,155 consultation visits;
- responded to 1,130 employee complaints;
- investigated 20 workplace fatalities;
- provided safety grants for 241 employer safety projects;
- presented safety and health outreach to approximately 18,000 participants;
- worked with 128 cooperative programs and alliances with employers; and
- affected the safety and health of 2.9 million workers at 178,000 Minnesota worksites.

PURPOSE AND CONTEXT

The goal of Minnesota Occupational Safety and Health Administration (MNOSHA) is that every employee returns home safe and healthy at the end of each working day. MNOSHA believes workplaces must share a commitment to workplace safety by employers, employees and their authorized representatives. MNOSHA focuses on regulation through its Compliance unit and on assistance through its Workplace Safety Consultation unit, helping industries with the highest injury and illness rates. MNOSHA is a state plan, one of 28 states and territories authorized by Congress to administer an occupational safety and health program "at least as effective as" the federal OSHA program.

SERVICES PROVIDED

MNOSHA keeps Minnesota employees and workplaces safe by:

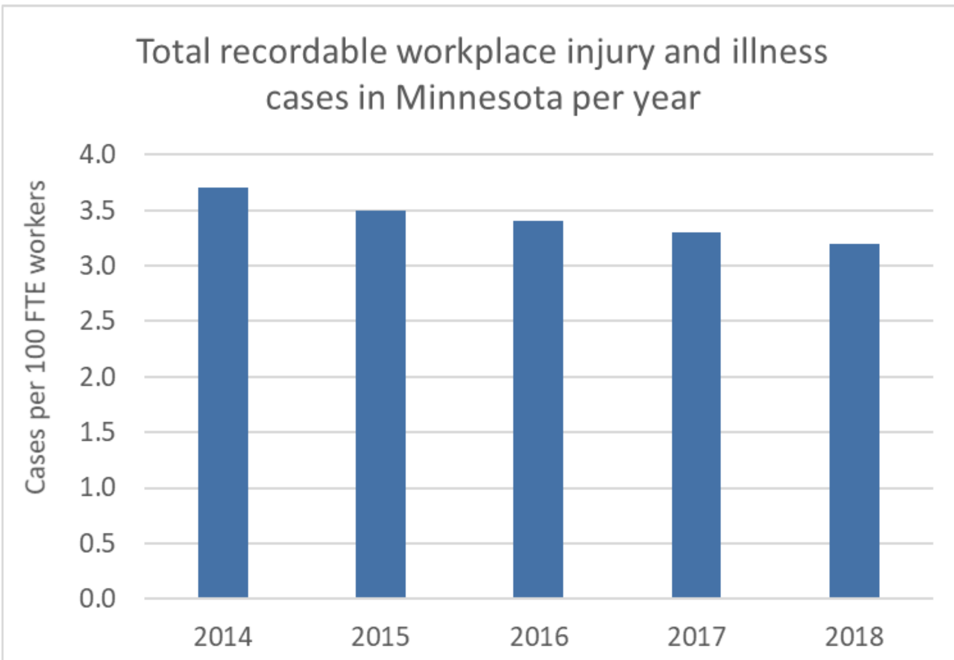
- conducting planned compliance inspections focused on high-hazard industries;
- investigating workplace fatalities, serious injuries and catastrophic events;
- responding to complaints by employees about unsafe conditions at their workplace;
- reviewing employee's protected rights after alleged improper termination or other adverse action;
- providing training and outreach to employee, employer and citizen groups about safety and health topics;
- making consultation visits to employers that request assistance about how to make their workplaces safer;
- working cooperatively with employers through voluntary prevention programs and partnerships; and
- issuing safety grants to help employers boost their safety and health programs.

RESULTS

Fatal occupational injuries per 100,000 full-time-equivalent workers, 2018

Fatality rate					
State	***2014***	***2015***	***2016***	***2017***	***2018***
Minnesota	2.3	2.7	3.4	3.5	2.7
Wisconsin	3.5	3.6	3.6	3.5	3.8
Iowa	6.0	3.9	3.8	4.7	4.9
South Dakota	4.8	4.9	7.5	7.3	6.9
North Dakota	9.8	12.5	7.0	10.1	9.6

Source: Census on Fatal Occupational Injuries (CFOI), Bureau of Labor Statistics. The CFOI accounts for all fatalities resulting from a work injury. Minnesota has a lower percentage of employees dying from work-related injuries than neighboring states, demonstrating success of the MNOSHA program.



Source: Survey on Occupational Injuries and Illnesses (SOII), Bureau of Labor and Statistics (BLS). The SOII surveys a sample of employers to gather OSHA log data and estimates the number of work-related injuries and illnesses and the rate at which they occur.

Minn. Statute 182, provides the legal authority for this program's activities. As a state plan, Minnesota OSHA enforces 29 CFR 1904, 1910, 1915, 1917, 1918, 1926, and 1928; and Minn. Rules 5205 through 5208, 5210 & 5215.

WSC: 29 CFR 1908; 29 CFR 1910.266; Minn. Stat. 79.253; Minn. Stat. 90.145; Minn. Stat. 176.130 and Minn. Rules 5203

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Expenditures by Fund								
2830 - Workers Compensation	7,173	8,268	7,720	9,100	8,175	8,194	9,078	9,097
3000 - Federal	5,153	4,557	5,324	5,757	5,617	5,688	5,617	5,688
Total	**12,326**	**12,825**	**13,044**	**14,857**	**13,792**	**13,882**	**14,695**	**14,785**
Biennial Change				2,750		(227)		1,579
Biennial % Change				11		(1)		6
Governor's Change from Base								1,806
Governor's % Change from Base								7
Expenditures by Activity								
Workplace Safety	12,326	12,825	13,044	14,857	13,792	13,882	14,695	14,785
Total	**12,326**	**12,825**	**13,044**	**14,857**	**13,792**	**13,882**	**14,695**	**14,785**
Expenditures by Category								
Compensation	8,050	8,098	8,287	8,993	8,995	9,074	9,841	9,920
Operating Expenses	2,574	2,597	2,795	3,582	2,752	2,763	2,809	2,820
Grants, Aids and Subsidies	1,679	2,088	1,955	2,195	2,045	2,045	2,045	2,045
Capital Outlay-Real Property			1					
Other Financial Transaction	23	43	7	87				
Total	**12,326**	**12,825**	**13,044**	**14,857**	**13,792**	**13,882**	**14,695**	**14,785**
Total Agency Expenditures	12,326	12,825	13,044	14,857	13,792	13,882	14,695	14,785
Internal Billing Expenditures	937	874	1,210	1,085	1,171	1,180	1,171	1,180
Expenditures Less Internal Billing	**11,389**	**11,951**	**11,834**	**13,772**	**12,621**	**12,702**	**13,524**	**13,605**
Full-Time Equivalents	**83.94**	**82.02**	**80.55**	**85.03**	**84.52**	**84.52**	**94.02**	**94.02**

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
2830 - Workers Compensation								
Balance Forward In	6,945	7,677	8,239	7,717	6,507	6,001	6,507	6,001
Direct Appropriation	4,154	4,160	4,167	4,167	4,167	4,167	5,070	5,070
Receipts	3,300	4,096	3,032	3,723	3,502	3,502	3,502	3,502
Transfers Out	24							
Balance Forward Out	7,202	7,664	7,717	6,507	6,001	5,476	6,001	5,476
Expenditures	**7,173**	**8,268**	**7,720**	**9,100**	**8,175**	**8,194**	**9,078**	**9,097**
Biennial Change in Expenditures				1,379		(451)		1,355
Biennial % Change in Expenditures				9		(3)		8
Governor's Change from Base								1,806
Governor's % Change from Base								11
Full-Time Equivalents	43.18	45.25	49.45	45.19	45.01	45.01	54.51	54.51
3000 - Federal								
Balance Forward In	705	33	97	98	98	98	98	98
Receipts	4,479	4,620	5,324	5,757	5,617	5,688	5,617	5,688
Balance Forward Out	31	97	97	98	98	98	98	98
Expenditures	**5,153**	**4,557**	**5,324**	**5,757**	**5,617**	**5,688**	**5,617**	**5,688**
Biennial Change in Expenditures				1,371		224		224
Biennial % Change in Expenditures				14		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	40.76	36.77	31.10	39.84	39.51	39.51	39.51	39.51

Program: Workforce Development Initiatives

dli.mn.gov/yst and dli.mn.gov/pipeline

AT A GLANCE

In fiscal year 2020, Minnesota Dual-Training Pipeline and Youth Skills Training successfully accomplished the following to further workforce development:
Dual-Training Pipeline

- awarded Dual Training Grants to 59 companies, totaling $2.7 million to train employees across Minnesota through successful partnership with the Office of Higher Education
- planned and hosted 21 strategic planning and professional development events
- planned and hosted Workforce Community Conversations in six communities statewide;

Youth Skills Training

- provided grant funding for 11 new Youth Skills Training partnerships throughout the state;
- 105 student learners completed paid work experiences in high growth, high demand industries;
- 197 student learners obtained industry-recognized credentials.

PURPOSE AND CONTEXT

DLI's workforce development programs Minnesota Dual-Training Pipeline and Youth Skills Training support employers striving for innovative ways to address current and future workforce needs. Labor and Industry works with employers in key industries including advanced manufacturing, agriculture, automotive, health care services and information technology to help meet their workforce needs through employment-based training. Department of Labor and Industry also works with educators, business and trade associations, nonprofits and community-based organizations to further efforts for workforce development and training. In addition, school districts, students and families with an interest in the industries identified work with Department of Labor and Industry to create youth skills development programs to help develop a workforce with the necessary skills for students and apprentices.

SERVICES PROVIDED

Workforce development programs at DLI are made up of two distinct initiatives:

Minnesota Dual-Training Pipeline (Private Investment, Public Education, Labor and Industry Experience) supports the growth and development of employment-based dual-training programs in advanced manufacturing, agriculture, health care services and information technology. Dual-training programs combine related instruction, resulting in the completion of a degree, certificate or industry recognized credential, with competency based on-the-job training to benefit Minnesota workers and their employers. Objectives of Minnesota Dual-Training Pipeline include:

- engaging employers, educators, nonprofits and community-based organizations to support employment-based dual-training;
- enhancing Minnesota's skilled workforce;
- helping employers meet their workforce needs; and
- expanding dual training and registered apprenticeship across Minnesota.

The *Youth Skills Training* (YST) Program encourages, promotes and supports the development of local partnerships between schools, employers and community organizations to benefit students and businesses statewide. These local partnerships provide students with:

- career exploration
- industry exposure opportunities
- related classroom instruction
- safety training
- industry-recognized credentials and
- paid work experience in high-growth and high-demand occupations

Training occurs in the industries of advanced manufacturing, agriculture, automotive, health care and information technology. Successful youth skills training programs demonstrate the ability to achieve the above objectives through various means including outreach, education, training and supportive services for students.

DLI's workforce development initiatives are funded through appropriations from the Minnesota Workforce Development Fund.

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Fiscal Year*
Quantity	Number of industry leaders engaged in Minnesota Dual-Training Pipeline	1,746	2,206	2019, 2020
Quantity	Number of occupations with competency-based models	48	56	2019, 2020
Quantity	Number of employers with dual-training programs	68	82	-*
Quantity	Number of dual trainees who received or are anticipated to receive training through grant awards	66	589	2019, 2020
Quantity	YST: Number of students who have participated in industry exposure experiences (tours, speakers, job shadow, career fair etc.)	2,218	8,685	2019, 2020
Result	YST: Number of students who have completed an industry-related class for high school credit	1,618	7,929	2019, 2020
Quantity	YST: Number of employers approved to provide YST paid work experience to student learners	24	52	2019, 2020
Quantity	YST: Number of YST programs throughout the state; Funded partnerships (Grants)	5/5	15/17	2019, 2020
Quantity	YST: Percent of students in a paid work experience that graduated when eligible	88%	94%	2019, 2020
Result	YST: Percent of students in a paid work experience that earned an industry recognized credential	80%	94%	2019, 2020

**Some companies offer dual-training programs for several years in succession; many of the 82 programs were offered by some of the same companies the preceding year.*

Minnesota Statutes, chapters 175.45 and 175.46, provide authority for this program's activities.

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Expenditures by Fund								
1000 - General	200	200	200	200	200	200	200	200
2390 - Workforce Development	201	1,099	1,362	1,438	1,400	1,400	1,400	1,400
Total	**401**	**1,299**	**1,562**	**1,638**	**1,600**	**1,600**	**1,600**	**1,600**
Biennial Change				1,500		0		0
Biennial % Change				88		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Activity								
Workforce Development	401	1,299	1,562	1,638	1,600	1,600	1,600	1,600
Total	**401**	**1,299**	**1,562**	**1,638**	**1,600**	**1,600**	**1,600**	**1,600**
Expenditures by Category								
Compensation	339	597	415	383	466	468	466	468
Operating Expenses	62	227	148	255	134	132	134	132
Grants, Aids and Subsidies		475	1,000	1,000	1,000	1,000	1,000	1,000
Other Financial Transaction	0							
Total	**401**	**1,299**	**1,562**	**1,638**	**1,600**	**1,600**	**1,600**	**1,600**
Total Agency Expenditures	401	1,299	1,562	1,638	1,600	1,600	1,600	1,600
Internal Billing Expenditures	31	69	96	71	98	99	98	99
Expenditures Less Internal Billing	**370**	**1,230**	**1,466**	**1,567**	**1,502**	**1,501**	**1,502**	**1,501**
Full-Time Equivalents	**3.25**	**5.23**	**4.27**	**4.04**	**4.67**	**4.67**	**4.67**	**4.67**

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
1000 - General								
Direct Appropriation							200	200
Transfers In	200	200	200	200	200	200	0	0
Expenditures	**200**	**200**	**200**	**200**	**200**	**200**	**200**	**200**
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.70	2.17	1.57	1.84	1.84	1.82	1.84	1.82
2390 - Workforce Development								
Balance Forward In		299		38				
Direct Appropriation	500	800	1,400	1,400	1,400	1,400	1,400	1,400
Balance Forward Out	299		38					
Expenditures	**201**	**1,099**	**1,362**	**1,438**	**1,400**	**1,400**	**1,400**	**1,400**
Biennial Change in Expenditures				1,500		0		0
Biennial % Change in Expenditures				115		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.55	3.06	2.70	2.20	2.83	2.85	2.83	2.85

Minnesota Department of Labor and Industry — Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
Department of Labor - 17.503	**Occupational Safety and Health Administration (OSHA) Compliance Grant:** Partially funds agency activities that improve workplace safety and health through outreach, consultation, and enforcement.	No	$ 4,269	$ 4,660	$ 4,543	$ 4,614	Match 100%	32.51
Department of Labor - 17.504	**Occupational Safety and Health Administration Consultation agreement grant:** Partially funds consultation services, on request, to help employers prevent accidents and diseases through several employer-assistance programs.	No	$ 1,054	$ 1,097	$ 1,074	$ 1,074	Match 10%	7.00
	Program Total: B4260 - Workplace Safety		**$ 5,324**	**$ 5,757**	**$ 5,617**	**$ 5,688**		**39.51**
Department of Labor - 17.005	**Bureau of Labor Standards, Occupational Safety and Health Statistics (BLS):** Partially funds agency activities that collect, compile, and analyze statistics for the census of fatal occupational injuries and the survey of occupational injuries and illnesses.	No	$ 138	$ 135	$ 135	$ 135	Match 100%	1.10
	Program Total: B4230 - General Support		**$ 138**	**$ 135**	**$ 135**	**$ 135**		**1.10**
Department of Labor - 17.285	**Employment and Training Apprenticeship USA Expansion Grant:** Expand strategies for apprenticeship programs to additional high-growth industries. Addresses racial and economic disparities in registered apprenticeship.	No	$ 690	$ 565			No	0.86
Department of Labor - 17.285	**Employment and Training MN Registered Apprenticeship Expansion:** Supports the development and recruitment of a diverse pipeline of apprentices and the development of new programs.	No	$ 64	$ 601	$ 691		No	2.00
Department of Labor - 17.285	**Employment and Training MN Capacity to Expand Registered Apprenticeship:** Address Minnesota workforce disparities in high-growth high-wage sectors like construction, manufacturing and healthcare.	Yes		$ 150	$ 150	$ 150	No	0.20
	Program Total: B4240 - Labor Standards and Apprenticeship		**$ 754**	**$ 1,316**	**$ 841**	**$ 150**		**3.06**
	Federal Fund – Agency Total		**$ 6,215**	**$ 7,208**	**$ 6,593**	**$ 5,973**		**43.67**

Narrative:

• US Dept. of Labor (USDOL) provides an annual grant for MN OSHA Compliance. The annual amount awarded from Federal Sources is not expected to change and is currently $4,337,400. MN Dept. of Labor & Industry (MN DLI) is required to match 100% of the grant amount provided. MN OSHA Compliance responsibilities include reducing workplace injuries, illnesses and fatalities, reducing workplace hazards and exposures through inspections and consultative assistance, Improving the effectiveness of investigations and consultation assessments by analyzing collected data and educating employers and employees about their rights and responsibilities and the resources available under OSHA laws.

• USDOL provides an annual grant for MN OSHA Consultation. The annual amount awarded from Federal Sources is not expected to change and is currently $1,073,500. Minnesota is required to match 10% of the grant amount provided. MN OSHA Consultation responsibilities include reducing occupational hazards through on-site consultations and technical assistance, promoting a safety and health culture through consultation assistance, outreach, cooperative programs and strong leadership and strengthen and improve MN OSHA's infrastructure.

• USDOL Employment and Training Administration Apprenticeship USA State Expansion Grant (APEX) is a one-time grant that was awarded to the State of Minnesota in the amount of $3,316,649 and expires 10/31/2021. Once the funds are expired, the FTE's related to this grant will move back to their respective classified positions at DLI. There is no state match required for this grant. The APEX grant focuses on the Minnesota construction industry and expanding strategies to additional high-growth industries and to meet the need for equitable, demand-driven career pathways throughout the state. The APEX initiative will: 1. Address Minnesota's racial and economic disparities by increasing female and minority participation in registered apprenticeship; 2. Engage construction employers, educators, labor, and workforce intermediaries in apprenticeship recruiting and retention initiatives; 3. Develop a strong statewide marketing campaign to brand and promote registered apprenticeship to employers, educators and youth; 4. Support construction career pathways including career readiness pre-apprenticeship for 162 woman and minorities, and replicate successful program models statewide; and 5. Improve Minnesota's technical capacity to measure and communicate apprenticeship outcomes. The project will not involve new rules or changes to existing rules.

• USDOL Employment and Training Administration - Minnesota Registered Apprenticeship Expansion Grant (MNRAE) is a one-time grant that was awarded to the State of Minnesota in the amount of $1,356,276 and expires 06/30/2022. Once the funds are expired, the FTE's related to this grant will move back to their respective classified positions at DLI. There is no state match required for this grant. MNRAE funds numerous initiatives including: 1) supporting the development and recruitment of a diverse pipeline of apprentices; 2) supporting the rapid development of new registered apprenticeship programs and the expansion of existing programs; 3) fully integrating apprenticeship into state workforce development education and economic development strategies and programs; and 4) building state capacity to make it easier for industries to start registered apprenticeship programs and for apprentices to access opportunities.

• USDOL Employment and Training Administration - Building State Capacity to Expand Apprenticeship through Innovation (MNCERA) is a one-time grant that was awarded to the State of Minnesota in the amount of $450,000 and expires 06/30/2023. Once the funds are expired, the FTE's related to this grant will move back to their respective classified positions at DLI. There is no state match required for this grant. MNCERA will: 1. Strengthen Minnesota's Registered Apprenticeship System; 2. Support apprentices and sponsors; and 3. Build demand for registered apprenticeship throughout the state. This initiative will achieve these goals through strategic grant projects that continue to address Minnesota workforce disparities and demographic changes, expand strategic investment in high-growth high-wage sectors like construction, manufacturing and healthcare.

• USDOL Bureau of Labor Statistics (BLS) provides an annual grant to MN DLI. The annual amount awarded from Federal Sources is not expected to change and is currently $135,000. Minnesota is required to match 100% of the grant amount provided. MN BLS is responsible for collecting summary information on occupational injuries and illnesses from private-sector establishments.