

April 28, 2021

Senator Eric Pratt
Chair, Jobs and Economic Growth
Finance and Policy Committee
3219 Minnesota Senate Building
St. Paul, MN 55155

Representative Mohamud Noor
Chair, Workforce and Business Development
Finance and Policy Committee
379 State Office Building
St. Paul, MN 55155

Re: Conference Committee on House and Senate Versions of S.F. 1098

Dear Conference Committee Members,

Thank you for the opportunity to comment on provisions of S.F. 1098, the Omnibus Workforce and Business Development Finance and Policy bill, that relate to the Department of Labor and Industry (DLI). The agency appreciates the following items are included in both the House and Senate versions:

- **Extension of Work Comp Campus funding.** Both bills extend remaining information technology funds for the Workers' Compensation Modernization Program, Work Comp Campus. This funding will enable continued improvements to the Campus information technology system, which will benefit the many workers' compensation stakeholders who interact with the system to provide accurate and timely pay and benefits to injured workers.
- **Pregnancy and nursing accommodations in the workplace.** These proposals aim to support expectant and new moms so they can safely work during their pregnancies and take break times needed to express breastmilk at work without losing pay. The agency is pleased both the House and Senate omnibus bills include these provisions but supports the stronger workplace protections in the House version of the legislation along with the funding the House includes for outreach and compliance activities.
- **Agency policy initiatives.** The House and Senate both include the agency's policy proposals to bring Minnesota's apprenticeship program into conformity with federal equal opportunity in employment provisions and support employers' efforts to build a more diverse and skilled workforce; protect minor's personal data in child labor matters; and add energy and accessibility technical experts to the Construction Codes Advisory Council to better advise the commissioner about proposed changes to construction codes. The agency's proposal to make OSHA citation data public, which would improve transparency and workplace safety, however, was included only in the House omnibus. The agency has worked with Senator Rarick and stakeholders to find compromise and this compromise should be included in the bill.

DLI also supports the House inclusion of the following Governor's proposals and asks the Conference Committee to adopt these provisions in the final bill:

- **Earned sick and safe time** will mean Minnesotans don't have to make the difficult choice between caring for themselves or a loved one or paying their bills;
- **A comprehensive paid family and medical leave program** will provide Minnesotans economic stability and needed time away from work to welcome a new family member, care for an aging loved one, or recover from an illness or injury and ease the financial burden on families during significant life events;
- **Emergency paid sick leave** supports health care providers and other essential workers and will improve economic security for these workers and positively impact public health;
- **The Labor Standards operating adjustment** will enable the division to maintain capacity to support and educate employers about labor law compliance and employees about worker rights;
- **The Apprenticeship operating adjustment** will mean additional support for employers seeking to develop a skilled and diverse workforce and increase participation in registered apprenticeship for youth, women, communities of color, and veterans;
- **The Minnesota OSHA (MNOSHA) operating adjustment** will help ensure MNOSHA can promptly address workplace safety and health concerns and prevent workplace injuries, illnesses and fatalities;
- **Keeping MNOSHA penalties in line with federal OSHA** for employers that fail to provide safe and healthy workplaces for their workers will ensure continued federal funding and will encourage employers to take workplace safety and health violations more seriously;
- **Establishing a net-zero goal for the commercial energy code** will improve energy efficiency in commercial and large multi-family buildings;
- **Maintaining construction fee reductions** for licenses, building permits, and plan review services will save the construction industry \$4.5 million in FY22 and 23;
- **Increasing the frequency of payouts from the Contractor Recovery Fund** and the amount of funds available will better protect homeowners who have suffered a financial loss due to a licensed contractor's fraudulent, deceptive or dishonest practices;
- **Directly appropriating Dual-Training Pipeline funds to DLI** instead of continuing a transfer from the Office of Higher Education will streamline government operations. 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.

The agency also appreciates House inclusion of the proposal to require oil refinery contractors to participate in registered apprenticeship for work in the construction and maintenance of oil refineries, as it will ensure workers have access to the skills and training needed to perform the job safely.

DLI objects to a proposal in the House omnibus that cuts funding for the agency's information technology modernization project by \$848,000. Without this funding, DLI will be unable to fully modernize software applications that began running out of vendor support in January 2021, which will decrease transparency and increase transaction time for stakeholders interacting with the agency. We encourage the conference committee to adopt the Senate position which maintains this critical information technology funding.

The agency has concerns with the following provisions that appear in the Senate version of the omnibus bill and requests they not be included in the final bill:

- **OSHA written warning for first nonserious violation.** The agency objects to the provision that requires the commissioner to issue a written warning to an employer upon the first finding of a workplace safety and health violation determined not to be of a serious nature. This provision would violate our federal grant agreement because MNOSHA would not be "as effective as" federal OSHA. Further, MNOSHA uses its penalty authority to support compliance and keep workers safe. Limiting MNOSHA authority would conflict with the grant agreement to be at least as effective as federal OSHA.
- **Exceptions to the State Building Code for frost footings.** The Senate bill includes a provision that allows certain border cities to adopt frost footing depths for one- and two-family dwellings that differ from the State Building Code. DLI is responsible to provide a building code that is uniform through the state of Minnesota to ensure consistent enforcement and a level playing field. Proposals to change the building code should be evaluated by the Construction Codes Advisory Council.

Finally, the agency has concerns with some of the proposed changes to the wage theft law in the Senate omnibus, including employee notification requirements and penalties for willful violations of the notice requirements and failure to pay employees. While some provisions are clarifications about how the agency has interpreted current law and are acceptable, others we object to, as they undermine the purpose of the law to better inform workers of the conditions of their employment, prevent wage theft and ensure workers are paid the wages they have earned.

I look forward to working with conference committee members on these important issues. Thank you.

Sincerely,



Roslyn C. Robertson
Commissioner

Senator Pratt and Representative Noor

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cc: Senator Jason Rarick
Senator Rich Draheim
Senator Karin Housley
Senator Kent Eken
Representative Rob Ecklund
Representative Liz Olson
Representative Kaela Berg
Representative Rod Hamilton