

2.1	<u>Workforce</u>		
2.2	<u>Development</u>	<u>10,735,000</u>	<u>10,735,000</u>
2.3	<u>Family and medical</u>		
2.4	<u>benefit insurance</u>		
2.5	<u>account</u>	<u>-0-</u>	<u>23,880,000</u>

2.6 The amounts that may be spent for each
 2.7 purpose are specified in the following
 2.8 subdivisions.

2.9 Subd. 2. **Business and Community Development** 57,671,000 45,670,000

2.10 Appropriations by Fund

2.11	<u>General</u>	<u>55,621,000</u>	<u>43,620,000</u>
2.12	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
2.13	<u>Workforce</u>		
2.14	<u>Development</u>	<u>1,350,000</u>	<u>1,350,000</u>

2.15 (a) \$1,787,000 each year is for the greater
 2.16 Minnesota business development public
 2.17 infrastructure grant program under Minnesota
 2.18 Statutes, section 116J.431. This appropriation
 2.19 is available until June 30, 2025.

2.20 (b) \$1,425,000 each year is for the business
 2.21 development competitive grant program. Of
 2.22 this amount, up to five percent is for
 2.23 administration and monitoring of the business
 2.24 development competitive grant program. All
 2.25 grant awards shall be for two consecutive
 2.26 years. Grants shall be awarded in the first year.

2.27 (c) \$1,772,000 each year is for contaminated
 2.28 site cleanup and development grants under
 2.29 Minnesota Statutes, sections 116J.551 to
 2.30 116J.558. This appropriation is available until
 2.31 June 30, 2025.

2.32 (d) \$700,000 each year is from the remediation
 2.33 fund for contaminated site cleanup and
 2.34 development grants under Minnesota Statutes,
 2.35 sections 116J.551 to 116J.558. This
 2.36 appropriation is available until June 30, 2025.

- 3.1 (e) \$139,000 each year is for the Center for
3.2 Rural Policy and Development.
- 3.3 (f) \$25,000 each year is for the administration
3.4 of state aid for the Destination Medical Center
3.5 under Minnesota Statutes, sections 469.40 to
3.6 469.47.
- 3.7 (g) \$875,000 each year is for the host
3.8 community economic development program
3.9 established in Minnesota Statutes, section
3.10 116J.548.
- 3.11 (h) \$500,000 each year is for the small
3.12 business development center program for
3.13 grants to the regional small business
3.14 development center offices and the lead center.
3.15 This is a onetime appropriation.
- 3.16 (i) \$3,000,000 each year is for technical
3.17 assistance to small businesses. Of this amount:
- 3.18 (1) \$1,500,000 is for grants to nonprofit
3.19 lenders to provide additional equity support
3.20 to leverage other capital sources;
- 3.21 (2) \$750,000 is for the business development
3.22 competitive grant program; and
- 3.23 (3) \$750,000 is for grants to small business
3.24 incubators that serve minority-, veteran-, and
3.25 women-owned businesses to provide
3.26 commercial space, technical assistance, and
3.27 education services.
- 3.28 This is a onetime appropriation.
- 3.29 (j)(1) \$10,000,000 in the first year is for grants
3.30 to local communities to increase the number
3.31 of quality child care providers to support
3.32 economic development. This is a onetime
3.33 appropriation and is available through June

4.1 30, 2023. Fifty percent of grant funds must go
4.2 to communities located outside the
4.3 seven-county metropolitan area as defined in
4.4 Minnesota Statutes, section 473.121,
4.5 subdivision 2.

4.6 (2) Grant recipients must obtain a 50 percent
4.7 nonstate match to grant funds in either cash
4.8 or in-kind contribution, unless the
4.9 commissioner waives the requirement. Grant
4.10 funds available under this subdivision must
4.11 be used to implement projects to reduce the
4.12 child care shortage in the state, including but
4.13 not limited to funding for child care business
4.14 start-ups or expansion, training, facility
4.15 modifications, direct subsidies or incentives
4.16 to retain employees, or improvements required
4.17 for licensing, and assistance with licensing
4.18 and other regulatory requirements. In awarding
4.19 grants, the commissioner must give priority
4.20 to communities that have demonstrated a
4.21 shortage of child care providers.

4.22 (3) Within one year of receiving grant funds,
4.23 grant recipients must report to the
4.24 commissioner on the outcomes of the grant
4.25 program, including but not limited to the
4.26 number of new providers, the number of
4.27 additional child care provider jobs created, the
4.28 number of additional child care slots, and the
4.29 amount of cash and in-kind local funds
4.30 invested. Within one month of all grant
4.31 recipients reporting on program outcomes, the
4.32 commissioner must report the grant recipients'
4.33 outcomes to the chairs and ranking members
4.34 of the legislative committees with jurisdiction

5.1 over early learning and child care and
5.2 economic development.

5.3 (k) \$2,000,000 in the first year is for a grant
5.4 to the Minnesota Initiative Foundations. This
5.5 is a onetime appropriation and is available
5.6 until June 30, 2025. The Minnesota Initiative
5.7 Foundations must use grant funds under this
5.8 section to:

5.9 (1) facilitate planning processes for rural
5.10 communities resulting in a community solution
5.11 action plan that guides decision making to
5.12 sustain and increase the supply of quality child
5.13 care in the region to support economic
5.14 development;

5.15 (2) engage the private sector to invest local
5.16 resources to support the community solution
5.17 action plan and ensure quality child care is a
5.18 vital component of additional regional
5.19 economic development planning processes;

5.20 (3) provide locally based training and technical
5.21 assistance to rural child care business owners
5.22 individually or through a learning cohort.
5.23 Access to financial and business development
5.24 assistance must prepare child care businesses
5.25 for quality engagement and improvement by
5.26 stabilizing operations, leveraging funding from
5.27 other sources, and fostering business acumen
5.28 that allows child care businesses to plan for
5.29 and afford the cost of providing quality child
5.30 care; and

5.31 (4) recruit child care programs to participate
5.32 in Parent Aware, Minnesota's quality and
5.33 improvement rating system, and other high
5.34 quality measurement programs. The Minnesota

6.1 Initiative Foundations must work with local
6.2 partners to provide low-cost training,
6.3 professional development opportunities, and
6.4 continuing education curricula. The Minnesota
6.5 Initiative Foundations must fund, through local
6.6 partners, an enhanced level of coaching to
6.7 rural child care providers to obtain a quality
6.8 rating through Parent Aware or other high
6.9 quality measurement programs.

6.10 (l) \$7,500,000 each year is for the Minnesota
6.11 job creation fund under Minnesota Statutes,
6.12 section 116J.8748. Of this amount, the
6.13 commissioner of employment and economic
6.14 development may use up to three percent for
6.15 administrative expenses. This appropriation
6.16 is available until expended. The base amount
6.17 for this purpose in fiscal year 2024 and beyond
6.18 is \$8,000,000.

6.19 (m) \$7,750,000 each year is for the Minnesota
6.20 investment fund under Minnesota Statutes,
6.21 section 116J.8731. Of this amount, the
6.22 commissioner of employment and economic
6.23 development may use up to three percent for
6.24 administration and monitoring of the program.
6.25 In fiscal year 2024 and beyond, the base
6.26 amount is \$12,370,000. This appropriation is
6.27 available until expended. Notwithstanding
6.28 Minnesota Statutes, section 116J.8731, money
6.29 appropriated to the commissioner for the
6.30 Minnesota investment fund may be used for
6.31 the redevelopment program under Minnesota
6.32 Statutes, sections 116J.575 and 116J.5761, at
6.33 the discretion of the commissioner. Grants
6.34 under this paragraph are not subject to the

- 7.1 grant amount limitation under Minnesota
7.2 Statutes, section 116J.8731.
- 7.3 (n) \$1,000,000 each year is for the Minnesota
7.4 emerging entrepreneur loan program under
7.5 Minnesota Statutes, section 116M.18. Funds
7.6 available under this paragraph are for transfer
7.7 into the emerging entrepreneur program
7.8 special revenue fund account created under
7.9 Minnesota Statutes, chapter 116M, and are
7.10 available until expended. Of this amount, up
7.11 to four percent is for administration and
7.12 monitoring of the program.
- 7.13 (o) \$325,000 each year is for the Minnesota
7.14 Film and TV Board. The appropriation in each
7.15 year is available only upon receipt by the
7.16 board of \$1 in matching contributions of
7.17 money or in-kind contributions from nonstate
7.18 sources for every \$3 provided by this
7.19 appropriation, except that each year up to
7.20 \$50,000 is available on July 1 even if the
7.21 required matching contribution has not been
7.22 received by that date.
- 7.23 (p) \$12,000 each year is for a grant to the
7.24 Upper Minnesota Film Office.
- 7.25 (q) \$500,000 each year is from the general
7.26 fund for a grant to the Minnesota Film and TV
7.27 Board for the film production jobs program
7.28 under Minnesota Statutes, section 116U.26.
7.29 This appropriation is available until June 30,
7.30 2025.
- 7.31 (r) \$4,195,000 each year is for the Minnesota
7.32 job skills partnership program under
7.33 Minnesota Statutes, sections 116L.01 to
7.34 116L.17. If the appropriation for either year

8.1 is insufficient, the appropriation for the other
8.2 year is available. This appropriation is
8.3 available until expended.

8.4 (s) \$1,350,000 each year from the workforce
8.5 development fund and \$250,000 each year
8.6 from the general fund are for jobs training
8.7 grants under Minnesota Statutes, section
8.8 116L.42.

8.9 (t) \$2,500,000 each year is for Launch
8.10 Minnesota. This is a onetime appropriation
8.11 and funds are available until June 30, 2025.

8.12 Of this amount:

8.13 (1) \$1,500,000 each year is for innovation
8.14 grants to eligible Minnesota entrepreneurs or
8.15 start-up businesses to assist with their
8.16 operating needs;

8.17 (2) \$500,000 each year is for administration
8.18 of Launch Minnesota; and

8.19 (3) \$500,000 each year is for grantee activities
8.20 at Launch Minnesota.

8.21 (u) \$1,050,000 each year is for the
8.22 microenterprise development program under
8.23 Minnesota Statutes, section 116J.8736. Of
8.24 these amounts, \$150,000 each year is for
8.25 providing technical assistance and outreach
8.26 to microenterprise development organizations.

8.27 (v) \$5,298,000 in the first year and \$5,297,000
8.28 in the second year are for grants to the
8.29 Neighborhood Development Center,
8.30 Metropolitan Economic Development
8.31 Association, Latino Economic Development
8.32 Center, Northside Economic Opportunity
8.33 Network, and African Economic Development
8.34 Solutions to provide business development

9.1 services and funding. Of these amounts, at
 9.2 least \$2,000,000 each year must be used for
 9.3 services and funding for entrepreneurs who
 9.4 are women of color. This is a onetime
 9.5 appropriation.

9.6 **Subd. 3. Employment and Training Programs** 9,921,000 9,921,000

9.7	<u>Appropriations by Fund</u>		
9.8	<u>General</u>	<u>8,421,000</u>	<u>8,421,000</u>
9.9	<u>Workforce</u>		
9.10	<u>Development</u>	<u>1,500,000</u>	<u>1,500,000</u>

9.11 (a) \$500,000 each year from the general fund
 9.12 and \$500,000 each year from the workforce
 9.13 development fund are for rural career
 9.14 counseling coordinators in the workforce
 9.15 service areas and for the purposes specified
 9.16 under Minnesota Statutes, section 116L.667.

9.17 (b) \$750,000 each year is for the women and
 9.18 high-wage, high-demand, nontraditional jobs
 9.19 grant program under Minnesota Statutes,
 9.20 section 116L.99. Of this amount, up to five
 9.21 percent is for administration and monitoring
 9.22 of the program.

9.23 (c) \$2,546,000 each year is for the pathways
 9.24 to prosperity competitive grant program. Of
 9.25 this amount, up to four percent is for
 9.26 administration and monitoring of the program.

9.27 (d) \$500,000 each year is from the workforce
 9.28 development fund for a grant to the American
 9.29 Indian Opportunities and Industrialization
 9.30 Center, in collaboration with the Northwest
 9.31 Indian Community Development Center, to
 9.32 reduce academic disparities for American
 9.33 Indian students and adults. This is a onetime
 9.34 appropriation. The grant funds may be used
 9.35 to provide:

- 10.1 (1) student tutoring and testing support
10.2 services;
- 10.3 (2) training and employment placement in
10.4 information technology;
- 10.5 (3) training and employment placement within
10.6 trades;
- 10.7 (4) assistance in obtaining a GED;
- 10.8 (5) remedial training leading to enrollment
10.9 and to sustain enrollment in a postsecondary
10.10 higher education institution;
- 10.11 (6) real-time work experience in information
10.12 technology fields and in the trades;
- 10.13 (7) contextualized adult basic education;
- 10.14 (8) career and educational counseling for
10.15 clients with significant and multiple barriers;
10.16 and;
- 10.17 (9) reentry services and counseling for adults
10.18 and youth.
- 10.19 After notification to the chairs and minority
10.20 leads of the legislative committees with
10.21 jurisdiction over jobs and economic
10.22 development, the commissioner may transfer
10.23 this appropriation to the commissioner of
10.24 education.
- 10.25 (e) \$500,000 each year is from the workforce
10.26 development fund for the Opportunities
10.27 Industrialization Center programs. This
10.28 appropriation shall be divided equally among
10.29 the eligible centers.
- 10.30 (f) \$1,000,000 each year is for competitive
10.31 grants to organizations providing services to
10.32 relieve economic disparities in the Southeast

- 11.1 Asian community through workforce
 11.2 recruitment, development, job creation,
 11.3 assistance of smaller organizations to increase
 11.4 capacity, and outreach. Of this amount, up to
 11.5 five percent is for administration and
 11.6 monitoring of the program.
- 11.7 (g) \$1,000,000 each year is for a competitive
 11.8 grant program to provide grants to
 11.9 organizations that provide support services for
 11.10 individuals, such as job training, employment
 11.11 preparation, internships, job assistance to
 11.12 parents, financial literacy, academic and
 11.13 behavioral interventions for low-performing
 11.14 students, and youth intervention. Grants made
 11.15 under this section must focus on low-income
 11.16 communities, young adults from families with
 11.17 a history of intergenerational poverty, and
 11.18 communities of color. Of this amount, up to
 11.19 four percent is for administration and
 11.20 monitoring of the program.
- 11.21 (h) \$1,000,000 each year is for a grant to
 11.22 Propel Nonprofits to provide capacity-building
 11.23 grants and related technical assistance to small,
 11.24 culturally specific organizations that primarily
 11.25 serve historically underserved cultural
 11.26 communities. Propel Nonprofits may only
 11.27 award grants to nonprofit organizations that
 11.28 have an annual organizational budget of less
 11.29 than \$500,000. These grants may be used for:
- 11.30 (1) organizational infrastructure
 11.31 improvements, including developing database
 11.32 management systems and financial systems,
 11.33 or other administrative needs that increase the
 11.34 organization's ability to access new funding
 11.35 sources;

- 12.1 (2) organizational workforce development,
12.2 including hiring culturally competent staff,
12.3 training and skills development, and other
12.4 methods of increasing staff capacity; or
- 12.5 (3) creating or expanding partnerships with
12.6 existing organizations that have specialized
12.7 expertise in order to increase capacity of the
12.8 grantee organization to improve services to
12.9 the community.
- 12.10 Of this amount, up to five percent may be used
12.11 by Propel Nonprofits for administrative costs.
12.12 This is a onetime appropriation.
- 12.13 (i) \$750,000 each year is for the youth-at-work
12.14 competitive grant program under Minnesota
12.15 Statutes, section 116L.562. Of this amount,
12.16 up to five percent is for administration and
12.17 monitoring of the youth workforce
12.18 development competitive grant program. All
12.19 grant awards shall be for two consecutive
12.20 years. Grants shall be awarded in the first year.
- 12.21 (j) \$875,000 each year is for a grant to the
12.22 Minnesota Technology Association to support
12.23 the SciTech Internship Program, a program
12.24 that supports science, technology, engineering,
12.25 and math (STEM) internship opportunities for
12.26 two- and four-year college students and
12.27 graduate students in their fields of study. The
12.28 internship opportunities must match students
12.29 with paid internships within STEM disciplines
12.30 at small, for-profit companies located in
12.31 Minnesota having fewer than 250 employees
12.32 worldwide. At least 200 students must be
12.33 matched in the first year and at least 200
12.34 students must be matched in the second year.
12.35 No more than 15 percent of the hires may be

13.1 graduate students. Selected hiring companies
 13.2 shall receive from the grant 50 percent of the
 13.3 wages paid to the intern, capped at \$2,500 per
 13.4 intern. The program must work toward
 13.5 increasing the participation among women or
 13.6 other underserved populations. This is a
 13.7 onetime appropriation.

13.8 **Subd. 4. General Support Services** 4,957,000 5,270,000

13.9	<u>Appropriations by Fund</u>		
13.10	<u>General Fund</u>	<u>4,902,000</u>	<u>5,215,000</u>
13.11	<u>Workforce</u>		
13.12	<u>Development</u>	<u>55,000</u>	<u>55,000</u>

13.13 (a) \$375,000 each year is for the publication,
 13.14 dissemination, and use of labor market
 13.15 information under Minnesota Statutes, section
 13.16 116J.401.

13.17 (b) \$1,269,000 each year is for transfer to the
 13.18 Minnesota Housing Finance Agency for
 13.19 operating the Olmstead Compliance Office.

13.20 **Subd. 5. Minnesota Trade Office** 2,142,000 2,142,000

13.21 (a) \$200,000 each year is for the STEP grants
 13.22 in Minnesota Statutes, section 116J.979. The
 13.23 base for this purpose in fiscal year 2024 and
 13.24 beyond is \$300,000.

13.25 (b) \$180,000 each year is for the Invest
 13.26 Minnesota marketing initiative in Minnesota
 13.27 Statutes, section 116J.9781.

13.28 (c) \$270,000 each year is for the Minnesota
 13.29 Trade Offices under Minnesota Statutes,
 13.30 section 116J.978.

13.31 **Subd. 6. Vocational Rehabilitation** 36,691,000 36,691,000

- 14.1 Appropriations by Fund
- | | | | |
|------|--------------------|-------------------|-------------------|
| 14.2 | <u>General</u> | <u>28,861,000</u> | <u>28,861,000</u> |
| 14.3 | <u>Workforce</u> | | |
| 14.4 | <u>Development</u> | <u>7,830,000</u> | <u>7,830,000</u> |
- 14.5 (a) \$14,300,000 each year is for the state's
14.6 vocational rehabilitation program under
14.7 Minnesota Statutes, chapter 268A.
- 14.8 (b) \$8,995,000 each year from the general fund
14.9 and \$6,830,000 each year from the workforce
14.10 development fund are for extended
14.11 employment services for persons with severe
14.12 disabilities under Minnesota Statutes, section
14.13 268A.15. Of the amounts appropriated from
14.14 the general fund, \$2,000,000 each year is for
14.15 rate increases to providers of extended
14.16 employment services for persons with severe
14.17 disabilities under Minnesota Statutes, section
14.18 268A.15.
- 14.19 (c) \$2,555,000 each year from the general fund
14.20 is for grants to programs that provide
14.21 employment support services to persons with
14.22 mental illness under Minnesota Statutes,
14.23 sections 268A.13 and 268A.14.
- 14.24 (d) \$3,011,000 each year is from the general
14.25 fund for grants to centers for independent
14.26 living under Minnesota Statutes, section
14.27 268A.11.
- 14.28 (e) \$1,000,000 each year is from the workforce
14.29 development fund for grants under Minnesota
14.30 Statutes, section 268A.16, for employment
14.31 services for persons, including transition-age
14.32 youth, who are deaf, deafblind, or
14.33 hard-of-hearing. If the amount in the first year
14.34 is insufficient, the amount in the second year
14.35 is available in the first year.

15.1	<u>Subd. 7. Services for the Blind</u>		<u>6,425,000</u>	<u>6,425,000</u>
15.2	<u>Of this amount, \$500,000 each year is for</u>			
15.3	<u>senior citizens who are becoming blind. At</u>			
15.4	<u>least one-half of the funds for this purpose</u>			
15.5	<u>must be used to provide training services for</u>			
15.6	<u>seniors who are becoming blind. Training</u>			
15.7	<u>services must provide independent living skills</u>			
15.8	<u>to seniors who are becoming blind to allow</u>			
15.9	<u>them to continue to live independently in their</u>			
15.10	<u>homes.</u>			
15.11	<u>Subd. 8. Paid Family and Medical Leave</u>		<u>10,828,000</u>	<u>23,880,000</u>
15.12	<u>Appropriations by Fund</u>			
15.13	<u>General</u>	<u>10,828,000</u>	<u>-0-</u>	
15.14	<u>Family and medical</u>			
15.15	<u>benefit insurance</u>			
15.16	<u>account</u>	<u>-0-</u>	<u>23,880,000</u>	
15.17	<u>(a) \$10,828,000 in the first year is for the</u>			
15.18	<u>purposes of Minnesota Statutes, chapter 268B.</u>			
15.19	<u>This is a onetime appropriation.</u>			
15.20	<u>(b) \$23,250,000 in the second year is from the</u>			
15.21	<u>family and medical benefit insurance account</u>			
15.22	<u>for the purposes of Minnesota Statutes, chapter</u>			
15.23	<u>268B. The base appropriation is \$51,041,000</u>			
15.24	<u>in fiscal year 2024 and \$50,125,000 in fiscal</u>			
15.25	<u>year 2025. Starting in fiscal year 2026, the</u>			
15.26	<u>base appropriation is \$46,465,000.</u>			
15.27	<u>(c) \$630,000 in the second year is from the</u>			
15.28	<u>family medical benefit insurance account for</u>			
15.29	<u>the purpose of outreach, education, and</u>			
15.30	<u>technical assistance for employees and</u>			
15.31	<u>employers regarding Minnesota Statutes,</u>			
15.32	<u>chapter 268B. Of this amount, at least half</u>			
15.33	<u>must be used for grants to community-based</u>			
15.34	<u>groups providing outreach, education, and</u>			
15.35	<u>technical assistance for employees, employers,</u>			

17.1	<u>Appropriations by Fund</u>		
17.2		<u>2022</u>	<u>2023</u>
17.3	<u>General</u>	<u>28,000</u>	<u>1,930,000</u>
17.4	<u>Family and medical</u>		
17.5	<u>benefit insurance</u>		
17.6	<u>account</u>	<u>-0-</u>	<u>23,000</u>
17.7	<u>(a) \$28,000 in the first year is for information</u>		
17.8	<u>technology systems upgrades necessary to</u>		
17.9	<u>comply with Minnesota Statutes, chapter</u>		
17.10	<u>268B. This is a onetime appropriation.</u>		
17.11	<u>(b) \$23,000 in the second year from the family</u>		
17.12	<u>and medical benefit insurance account is for</u>		
17.13	<u>ongoing maintenance of these information</u>		
17.14	<u>technology systems. For fiscal year 2024 and</u>		
17.15	<u>beyond, the base appropriation is \$13,000.</u>		
17.16	<u>(c) \$1,930,000 in the second year is for the</u>		
17.17	<u>premiums and notice acknowledgment</u>		
17.18	<u>required of employers under Minnesota</u>		
17.19	<u>Statutes, chapter 268B. For fiscal year 2024</u>		
17.20	<u>and beyond, the base appropriation is</u>		
17.21	<u>\$3,727,000.</u>		
17.22	<u>Sec. 6. LEGISLATIVE COORDINATING</u>		
17.23	<u>COMMISSION</u>	<u>\$</u>	<u>11,000 \$</u> <u>-0-</u>
17.24	<u>\$11,000 in the first year is for systems</u>		
17.25	<u>upgrades necessary to comply with Minnesota</u>		
17.26	<u>Statutes, chapter 268B. This is a onetime</u>		
17.27	<u>appropriation.</u>		
17.28	<u>Sec. 7. SUPREME COURT</u>	<u>\$</u>	<u>20,000 \$</u> <u>-0-</u>
17.29	<u>\$20,000 in the first year is for judicial</u>		
17.30	<u>responsibilities associated with Minnesota</u>		
17.31	<u>Statutes, chapter 268B. This is a onetime</u>		
17.32	<u>appropriation.</u>		
17.33	<u>Sec. 8. COURT OF APPEALS</u>	<u>\$</u>	<u>-0- \$</u> <u>-0-</u>

18.1 For fiscal year 2025, the base from the family
 18.2 and medical benefit insurance account for
 18.3 judicial responsibilities associated with
 18.4 Minnesota Statutes, chapter 268B, is
 18.5 \$5,600,000.

18.6 Sec. 9. **FAMILY AND MEDICAL BENEFITS; TRANSFER.**

18.7 In the second year only, \$11,416,000 shall be transferred from the family and medical
 18.8 benefit insurance account to the general fund.

18.9 **ARTICLE 2**
 18.10 **PRIOR YEAR APPROPRIATIONS**

18.11 Section 1. Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended by Laws
 18.12 2017, First Special Session chapter 7, section 2, is amended to read:

18.13 Subd. 2. **Business and Community Development** \$ 46,074,000 \$ 40,935,000

18.14	Appropriations by Fund		
18.15	General	\$43,363,000	\$38,424,000
18.16	Remediation	\$700,000	\$700,000
18.17	Workforce		
18.18	Development	\$1,861,000	\$1,811,000
18.19	Special Revenue	\$150,000	-0-

18.20 (a) \$4,195,000 each year is for the Minnesota
 18.21 job skills partnership program under
 18.22 Minnesota Statutes, sections 116L.01 to
 18.23 116L.17. If the appropriation for either year
 18.24 is insufficient, the appropriation for the other
 18.25 year is available. This appropriation is
 18.26 available until spent.

18.27 (b) \$750,000 each year is for grants to the
 18.28 Neighborhood Development Center for small
 18.29 business programs:

- 18.30 (1) training, lending, and business services;
- 18.31 (2) model outreach and training in greater
- 18.32 Minnesota; and

- 19.1 (3) development of new business incubators.
- 19.2 This is a onetime appropriation.
- 19.3 (c) \$1,175,000 each year is for a grant to the
- 19.4 Metropolitan Economic Development
- 19.5 Association (MEDA) for statewide business
- 19.6 development and assistance services, including
- 19.7 services to entrepreneurs with businesses that
- 19.8 have the potential to create job opportunities
- 19.9 for unemployed and underemployed people,
- 19.10 with an emphasis on minority-owned
- 19.11 businesses. This is a onetime appropriation.
- 19.12 (d) \$125,000 each year is for a grant to the
- 19.13 White Earth Nation for the White Earth Nation
- 19.14 Integrated Business Development System to
- 19.15 provide business assistance with workforce
- 19.16 development, outreach, technical assistance,
- 19.17 infrastructure and operational support,
- 19.18 financing, and other business development
- 19.19 activities. This is a onetime appropriation.
- 19.20 (e)(1) \$12,500,000 each year is for the
- 19.21 Minnesota investment fund under Minnesota
- 19.22 Statutes, section 116J.8731. Of this amount,
- 19.23 the commissioner of employment and
- 19.24 economic development may use up to three
- 19.25 percent for administration and monitoring of
- 19.26 the program. This appropriation is available
- 19.27 until spent.
- 19.28 (2) Of the amount appropriated in fiscal year
- 19.29 2018, \$4,000,000 is for a loan to construct and
- 19.30 equip a wholesale electronic component
- 19.31 distribution center investing a minimum of
- 19.32 \$200,000,000 and constructing a facility at
- 19.33 least 700,000 square feet in size. Loan funds
- 19.34 may be used for purchases of materials,

20.1 supplies, and equipment for the construction
20.2 of the facility and are available from July 1,
20.3 2017, to June 30, 2021. The commissioner of
20.4 employment and economic development shall
20.5 forgive the loan after verification that the
20.6 project has satisfied performance goals and
20.7 contractual obligations as required under
20.8 Minnesota Statutes, section 116J.8731.

20.9 (3) Of the amount appropriated in fiscal year
20.10 2018, \$700,000 is for a ~~loan to extend an~~
20.11 ~~effluent pipe that will deliver reclaimed water~~
20.12 ~~to an innovative waste-to-biofuel project~~
20.13 ~~investing a minimum of \$150,000,000 and~~
20.14 ~~constructing a facility that is designed to~~
20.15 ~~process approximately 400,000 tons of waste~~
20.16 ~~annually. Loan grant to the Metropolitan~~
20.17 Council under Minnesota Statutes, section
20.18 116.195, for wastewater infrastructure to
20.19 support industrial users in Rosemount that
20.20 require significant water use. Grant funds are
20.21 available until June 30, ~~2024~~ 2025.

20.22 (f) \$8,500,000 each year is for the Minnesota
20.23 job creation fund under Minnesota Statutes,
20.24 section 116J.8748. Of this amount, the
20.25 commissioner of employment and economic
20.26 development may use up to three percent for
20.27 administrative expenses. This appropriation
20.28 is available until expended. In fiscal year 2020
20.29 and beyond, the base amount is \$8,000,000.

20.30 (g) \$1,647,000 each year is for contaminated
20.31 site cleanup and development grants under
20.32 Minnesota Statutes, sections 116J.551 to
20.33 116J.558. This appropriation is available until
20.34 spent. In fiscal year 2020 and beyond, the base
20.35 amount is \$1,772,000.

- 21.1 (h) \$12,000 each year is for a grant to the
21.2 Upper Minnesota Film Office.
- 21.3 (i) \$163,000 each year is for the Minnesota
21.4 Film and TV Board. The appropriation in each
21.5 year is available only upon receipt by the
21.6 board of \$1 in matching contributions of
21.7 money or in-kind contributions from nonstate
21.8 sources for every \$3 provided by this
21.9 appropriation, except that each year up to
21.10 \$50,000 is available on July 1 even if the
21.11 required matching contribution has not been
21.12 received by that date.
- 21.13 (j) \$500,000 each year is from the general fund
21.14 for a grant to the Minnesota Film and TV
21.15 Board for the film production jobs program
21.16 under Minnesota Statutes, section 116U.26.
21.17 This appropriation is available until June 30,
21.18 2021.
- 21.19 (k) \$139,000 each year is for a grant to the
21.20 Rural Policy and Development Center under
21.21 Minnesota Statutes, section 116J.421.
- 21.22 (l)(1) \$1,300,000 each year is for the greater
21.23 Minnesota business development public
21.24 infrastructure grant program under Minnesota
21.25 Statutes, section 116J.431. This appropriation
21.26 is available until spent. If the appropriation
21.27 for either year is insufficient, the appropriation
21.28 for the other year is available. In fiscal year
21.29 2020 and beyond, the base amount is
21.30 \$1,787,000. Funds available under this
21.31 paragraph may be used for site preparation of
21.32 property owned and to be used by private
21.33 entities.

22.1 (2) Of the amounts appropriated, \$1,600,000
22.2 in fiscal year 2018 is for a grant to the city of
22.3 Thief River Falls to support utility extensions,
22.4 roads, and other public improvements related
22.5 to the construction of a wholesale electronic
22.6 component distribution center at least 700,000
22.7 square feet in size and investing a minimum
22.8 of \$200,000,000. Notwithstanding Minnesota
22.9 Statutes, section 116J.431, a local match is
22.10 not required. Grant funds are available from
22.11 July 1, 2017, to June 30, 2021.

22.12 (m) \$876,000 the first year and \$500,000 the
22.13 second year are for the Minnesota emerging
22.14 entrepreneur loan program under Minnesota
22.15 Statutes, section 116M.18. Funds available
22.16 under this paragraph are for transfer into the
22.17 emerging entrepreneur program special
22.18 revenue fund account created under Minnesota
22.19 Statutes, chapter 116M, and are available until
22.20 spent. Of this amount, up to four percent is for
22.21 administration and monitoring of the program.
22.22 In fiscal year 2020 and beyond, the base
22.23 amount is \$1,000,000.

22.24 (n) \$875,000 each year is for a grant to
22.25 Enterprise Minnesota, Inc. for the small
22.26 business growth acceleration program under
22.27 Minnesota Statutes, section 116O.115. This
22.28 is a onetime appropriation.

22.29 (o) \$250,000 in fiscal year 2018 is for a grant
22.30 to the Minnesota Design Center at the
22.31 University of Minnesota for the greater
22.32 Minnesota community design pilot project.

22.33 (p) \$275,000 in fiscal year 2018 is from the
22.34 general fund to the commissioner of
22.35 employment and economic development for

23.1 a grant to Community and Economic
23.2 Development Associates (CEDA) for an
23.3 economic development study and analysis of
23.4 the effects of current and projected economic
23.5 growth in southeast Minnesota. CEDA shall
23.6 report on the findings and recommendations
23.7 of the study to the committees of the house of
23.8 representatives and senate with jurisdiction
23.9 over economic development and workforce
23.10 issues by February 15, 2019. All results and
23.11 information gathered from the study shall be
23.12 made available for use by cities in southeast
23.13 Minnesota by March 15, 2019. This
23.14 appropriation is available until June 30, 2020.

23.15 (q) \$2,000,000 in fiscal year 2018 is for a
23.16 grant to Pillsbury United Communities for
23.17 construction and renovation of a building in
23.18 north Minneapolis for use as the "North
23.19 Market" grocery store and wellness center,
23.20 focused on offering healthy food, increasing
23.21 health care access, and providing job creation
23.22 and economic opportunities in one place for
23.23 children and families living in the area. To the
23.24 extent possible, Pillsbury United Communities
23.25 shall employ individuals who reside within a
23.26 five mile radius of the grocery store and
23.27 wellness center. This appropriation is not
23.28 available until at least an equal amount of
23.29 money is committed from nonstate sources.
23.30 This appropriation is available until the project
23.31 is completed or abandoned, subject to
23.32 Minnesota Statutes, section 16A.642.

23.33 (r) \$1,425,000 each year is for the business
23.34 development competitive grant program. Of
23.35 this amount, up to five percent is for

24.1 administration and monitoring of the business
24.2 development competitive grant program. All
24.3 grant awards shall be for two consecutive
24.4 years. Grants shall be awarded in the first year.

24.5 (s) \$875,000 each year is for the host
24.6 community economic development grant
24.7 program established in Minnesota Statutes,
24.8 section 116J.548.

24.9 (t) \$700,000 each year is from the remediation
24.10 fund for contaminated site cleanup and
24.11 development grants under Minnesota Statutes,
24.12 sections 116J.551 to 116J.558. This
24.13 appropriation is available until spent.

24.14 (u) \$161,000 each year is from the workforce
24.15 development fund for a grant to the Rural
24.16 Policy and Development Center. This is a
24.17 onetime appropriation.

24.18 (v) \$300,000 each year is from the workforce
24.19 development fund for a grant to Enterprise
24.20 Minnesota, Inc. This is a onetime
24.21 appropriation.

24.22 (w) \$50,000 in fiscal year 2018 is from the
24.23 workforce development fund for a grant to
24.24 Fighting Chance for behavioral intervention
24.25 programs for at-risk youth.

24.26 (x) \$1,350,000 each year is from the
24.27 workforce development fund for job training
24.28 grants under Minnesota Statutes, section
24.29 116L.42.

24.30 (y)(1) \$519,000 in fiscal year 2018 is for
24.31 grants to local communities to increase the
24.32 supply of quality child care providers in order
24.33 to support economic development. At least 60
24.34 percent of grant funds must go to communities

25.1 located outside of the seven-county
25.2 metropolitan area, as defined under Minnesota
25.3 Statutes, section 473.121, subdivision 2. Grant
25.4 recipients must obtain a 50 percent nonstate
25.5 match to grant funds in either cash or in-kind
25.6 contributions. Grant funds available under this
25.7 paragraph must be used to implement solutions
25.8 to reduce the child care shortage in the state
25.9 including but not limited to funding for child
25.10 care business start-ups or expansions, training,
25.11 facility modifications or improvements
25.12 required for licensing, and assistance with
25.13 licensing and other regulatory requirements.
25.14 In awarding grants, the commissioner must
25.15 give priority to communities that have
25.16 documented a shortage of child care providers
25.17 in the area.

25.18 (2) Within one year of receiving grant funds,
25.19 grant recipients must report to the
25.20 commissioner on the outcomes of the grant
25.21 program including but not limited to the
25.22 number of new providers, the number of
25.23 additional child care provider jobs created, the
25.24 number of additional child care slots, and the
25.25 amount of local funds invested.

25.26 (3) By January 1 of each year, starting in 2019,
25.27 the commissioner must report to the standing
25.28 committees of the legislature having
25.29 jurisdiction over child care and economic
25.30 development on the outcomes of the program
25.31 to date.

25.32 (z) \$319,000 in fiscal year 2018 is from the
25.33 general fund for a grant to the East Phillips
25.34 Improvement Coalition to create the East
25.35 Phillips Neighborhood Institute (EPNI) to

26.1 expand culturally tailored resources that
26.2 address small business growth and create
26.3 green jobs. The grant shall fund the
26.4 collaborative work of Tamales y Bicicletas,
26.5 Little Earth of the United Tribes, a nonprofit
26.6 serving East Africans, and other coalition
26.7 members towards developing EPNI as a
26.8 community space to host activities including,
26.9 but not limited to, creation and expansion of
26.10 small businesses, culturally specific
26.11 entrepreneurial activities, indoor urban
26.12 farming, job training, education, and skills
26.13 development for residents of this low-income,
26.14 environmental justice designated
26.15 neighborhood. Eligible uses for grant funds
26.16 include, but are not limited to, planning and
26.17 start-up costs, staff and consultant costs,
26.18 building improvements, rent, supplies, utilities,
26.19 vehicles, marketing, and program activities.
26.20 The commissioner shall submit a report on
26.21 grant activities and quantifiable outcomes to
26.22 the committees of the house of representatives
26.23 and the senate with jurisdiction over economic
26.24 development by December 15, 2020. This
26.25 appropriation is available until June 30, 2020.

26.26 (aa) \$150,000 the first year is from the
26.27 renewable development account in the special
26.28 revenue fund established in Minnesota
26.29 Statutes, section 116C.779, subdivision 1, to
26.30 conduct the biomass facility closure economic
26.31 impact study.

26.32 (bb)(1)\$300,000 in fiscal year 2018 is for a
26.33 grant to East Side Enterprise Center (ESEC)
26.34 to expand culturally tailored resources that
26.35 address small business growth and job

27.1 creation. This appropriation is available until
27.2 June 30, 2020. The appropriation shall fund
27.3 the work of African Economic Development
27.4 Solutions, the Asian Economic Development
27.5 Association, the Dayton's Bluff Community
27.6 Council, and the Latino Economic
27.7 Development Center in a collaborative
27.8 approach to economic development that is
27.9 effective with smaller, culturally diverse
27.10 communities that seek to increase the
27.11 productivity and success of new immigrant
27.12 and minority populations living and working
27.13 in the community. Programs shall provide
27.14 minority business growth and capacity
27.15 building that generate wealth and jobs creation
27.16 for local residents and business owners on the
27.17 East Side of St. Paul.

27.18 (2) In fiscal year 2019 ESEC shall use funds
27.19 to share its integrated service model and
27.20 evolving collaboration principles with civic
27.21 and economic development leaders in greater
27.22 Minnesota communities which have diverse
27.23 populations similar to the East Side of St. Paul.
27.24 ESEC shall submit a report of activities and
27.25 program outcomes, including quantifiable
27.26 measures of success annually to the house of
27.27 representatives and senate committees with
27.28 jurisdiction over economic development.

27.29 (cc) \$150,000 in fiscal year 2018 is for a grant
27.30 to Mille Lacs County for the purpose of
27.31 reimbursement grants to small resort
27.32 businesses located in the city of Isle with less
27.33 than \$350,000 in annual revenue, at least four
27.34 rental units, which are open during both
27.35 summer and winter months, and whose

28.1 business was adversely impacted by a decline
28.2 in walleye fishing on Lake Mille Lacs.

28.3 (dd)(1) \$250,000 in fiscal year 2018 is for a
28.4 grant to the Small Business Development
28.5 Center hosted at Minnesota State University,
28.6 Mankato, for a collaborative initiative with
28.7 the Regional Center for Entrepreneurial
28.8 Facilitation. Funds available under this section
28.9 must be used to provide entrepreneur and
28.10 small business development direct professional
28.11 business assistance services in the following
28.12 counties in Minnesota: Blue Earth, Brown,
28.13 Faribault, Le Sueur, Martin, Nicollet, Sibley,
28.14 Watonwan, and Waseca. For the purposes of
28.15 this section, "direct professional business
28.16 assistance services" must include, but is not
28.17 limited to, pre-venture assistance for
28.18 individuals considering starting a business.
28.19 This appropriation is not available until the
28.20 commissioner determines that an equal amount
28.21 is committed from nonstate sources. Any
28.22 balance in the first year does not cancel and
28.23 is available for expenditure in the second year.

28.24 (2) Grant recipients shall report to the
28.25 commissioner by February 1 of each year and
28.26 include information on the number of
28.27 customers served in each county; the number
28.28 of businesses started, stabilized, or expanded;
28.29 the number of jobs created and retained; and
28.30 business success rates in each county. By April
28.31 1 of each year, the commissioner shall report
28.32 the information submitted by grant recipients
28.33 to the chairs of the standing committees of the
28.34 house of representatives and the senate having

29.1 jurisdiction over economic development
 29.2 issues.
 29.3 (ee) \$500,000 in fiscal year 2018 is for the
 29.4 central Minnesota opportunity grant program
 29.5 established under Minnesota Statutes, section
 29.6 116J.9922. This appropriation is available until
 29.7 June 30, 2022.

29.8 (ff) \$25,000 each year is for the administration
 29.9 of state aid for the Destination Medical Center
 29.10 under Minnesota Statutes, sections 469.40 to
 29.11 469.47.

29.12 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2017.

29.13 Sec. 2. Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 2, as
 29.14 amended by Laws 2019, First Special Session chapter 12, section 4, and Laws 2020, chapter
 29.15 112, section 1, is amended to read:

29.16	Subd. 2. Business and Community Development	44,931,000	42,381,000
29.17	Appropriations by Fund		
29.18	General	40,756,000	38,206,000
29.19	Remediation	700,000	700,000
29.20	Workforce		
29.21	Development	3,475,000	3,475,000

29.22 (a) \$1,787,000 each year is for the greater
 29.23 Minnesota business development public
 29.24 infrastructure grant program under Minnesota
 29.25 Statutes, section 116J.431. This appropriation
 29.26 is available until June 30, 2023.

29.27 (b) \$1,425,000 each year is for the business
 29.28 development competitive grant program. Of
 29.29 this amount, up to five percent is for
 29.30 administration and monitoring of the business
 29.31 development competitive grant program. All
 29.32 grant awards shall be for two consecutive
 29.33 years. Grants shall be awarded in the first year.

30.1 (c) \$1,772,000 each year is for contaminated
30.2 site cleanup and development grants under
30.3 Minnesota Statutes, sections 116J.551 to
30.4 116J.558. This appropriation is available until
30.5 June 30, 2023.

30.6 (d) \$700,000 each year is from the remediation
30.7 fund for contaminated site cleanup and
30.8 development grants under Minnesota Statutes,
30.9 sections 116J.551 to 116J.558. This
30.10 appropriation is available until June 30, 2023.

30.11 (e) \$139,000 each year is for the Center for
30.12 Rural Policy and Development.

30.13 (f) \$25,000 each year is for the administration
30.14 of state aid for the Destination Medical Center
30.15 under Minnesota Statutes, sections 469.40 to
30.16 469.47.

30.17 (g) \$875,000 each year is for the host
30.18 community economic development program
30.19 established in Minnesota Statutes, section
30.20 116J.548.

30.21 (h) \$125,000 each year is from the workforce
30.22 development fund for a grant to the White
30.23 Earth Nation for the White Earth Nation
30.24 Integrated Business Development System to
30.25 provide business assistance with workforce
30.26 development, outreach, technical assistance,
30.27 infrastructure and operational support,
30.28 financing, and other business development
30.29 activities. This is a onetime appropriation.

30.30 (i) \$450,000 each year is from the workforce
30.31 development fund for a grant to Enterprise
30.32 Minnesota, Inc. for the small business growth
30.33 acceleration program under Minnesota

31.1 Statutes, section 116O.115. This is a onetime
31.2 appropriation.

31.3 (j) \$250,000 the first year is for a grant to the
31.4 Rondo Community Land Trust for
31.5 improvements to leased commercial space in
31.6 the Selby Milton Victoria Project that will
31.7 create long-term affordable space for small
31.8 businesses and for build-out and development
31.9 of new businesses.

31.10 (k) \$400,000 each year is from the workforce
31.11 development fund for a grant to the
31.12 Metropolitan Economic Development
31.13 Association (MEDA) for statewide business
31.14 development and assistance services, including
31.15 services to entrepreneurs with businesses that
31.16 have the potential to create job opportunities
31.17 for unemployed and underemployed people,
31.18 with an emphasis on minority-owned
31.19 businesses. This is a onetime appropriation.

31.20 (l) \$750,000 in fiscal year 2020 is for grants
31.21 to local communities to increase the supply of
31.22 quality child care providers to support
31.23 economic development. At least 60 percent of
31.24 grant funds must go to communities located
31.25 outside of the seven-county metropolitan area
31.26 as defined under Minnesota Statutes, section
31.27 473.121, subdivision 2. Grant recipients must
31.28 obtain a 50 percent nonstate match to grant
31.29 funds in either cash or in-kind contributions.
31.30 Grant funds available under this section must
31.31 be used to implement projects to reduce the
31.32 child care shortage in the state, including but
31.33 not limited to funding for child care business
31.34 start-ups or expansion, training, facility
31.35 modifications or improvements required for

32.1 licensing, and assistance with licensing and
32.2 other regulatory requirements. In awarding
32.3 grants, the commissioner must give priority
32.4 to communities that have demonstrated a
32.5 shortage of child care providers in the area.
32.6 This is a onetime appropriation. Within one
32.7 year of receiving grant funds, grant recipients
32.8 must report to the commissioner on the
32.9 outcomes of the grant program, including but
32.10 not limited to the number of new providers,
32.11 the number of additional child care provider
32.12 jobs created, the number of additional child
32.13 care slots, and the amount of cash and in-kind
32.14 local funds invested.

32.15 (m) \$750,000 in fiscal year 2020 is for a grant
32.16 to the Minnesota Initiative Foundations. This
32.17 is a onetime appropriation and is available
32.18 until June 30, 2023. The Minnesota Initiative
32.19 Foundations must use grant funds under this
32.20 section to:

32.21 (1) facilitate planning processes for rural
32.22 communities resulting in a community solution
32.23 action plan that guides decision making to
32.24 sustain and increase the supply of quality child
32.25 care in the region to support economic
32.26 development;

32.27 (2) engage the private sector to invest local
32.28 resources to support the community solution
32.29 action plan and ensure quality child care is a
32.30 vital component of additional regional
32.31 economic development planning processes;

32.32 (3) provide locally based training and technical
32.33 assistance to rural child care business owners
32.34 individually or through a learning cohort.
32.35 Access to financial and business development

33.1 assistance must prepare child care businesses
33.2 for quality engagement and improvement by
33.3 stabilizing operations, leveraging funding from
33.4 other sources, and fostering business acumen
33.5 that allows child care businesses to plan for
33.6 and afford the cost of providing quality child
33.7 care; or

33.8 (4) recruit child care programs to participate
33.9 in Parent Aware, Minnesota's quality and
33.10 improvement rating system, and other high
33.11 quality measurement programs. The Minnesota
33.12 Initiative Foundations must work with local
33.13 partners to provide low-cost training,
33.14 professional development opportunities, and
33.15 continuing education curricula. The Minnesota
33.16 Initiative Foundations must fund, through local
33.17 partners, an enhanced level of coaching to
33.18 rural child care providers to obtain a quality
33.19 rating through Parent Aware or other high
33.20 quality measurement programs.

33.21 (n)(1) \$650,000 each year from the workforce
33.22 development fund is for grants to the
33.23 Neighborhood Development Center for small
33.24 business programs. This is a onetime
33.25 appropriation.

33.26 (2) Of the amount appropriated in the first
33.27 year, \$150,000 is for outreach and training
33.28 activities outside the seven-county
33.29 metropolitan area, as defined in Minnesota
33.30 Statutes, section 473.121, subdivision 2.

33.31 (o) \$8,000,000 each year is for the Minnesota
33.32 job creation fund under Minnesota Statutes,
33.33 section 116J.8748. Of this amount, the
33.34 commissioner of employment and economic
33.35 development may use up to three percent for

34.1 administrative expenses. This appropriation
34.2 is available until expended.

34.3 (p)(1) \$11,970,000 each year is for the
34.4 Minnesota investment fund under Minnesota
34.5 Statutes, section 116J.8731. Of this amount,
34.6 the commissioner of employment and
34.7 economic development may use up to three
34.8 percent for administration and monitoring of
34.9 the program. In fiscal year 2022 and beyond,
34.10 the base amount is \$12,370,000. This
34.11 appropriation is available until expended.

34.12 Notwithstanding Minnesota Statutes, section
34.13 116J.8731, funds appropriated to the
34.14 commissioner for the Minnesota investment
34.15 fund may be used for the redevelopment
34.16 program under Minnesota Statutes, sections
34.17 116J.575 and 116J.5761, at the discretion of
34.18 the commissioner. Grants under this paragraph
34.19 are not subject to the grant amount limitation
34.20 under Minnesota Statutes, section 116J.8731.

34.21 (2) Of the amount appropriated in the first
34.22 year, ~~\$2,000,000~~ \$3,000,000 is for a loan to a
34.23 paper mill in Duluth for a retrofit project that
34.24 will support the ~~operation and manufacture of~~
34.25 packaging conversion of the existing Duluth
34.26 paper mill for the manufacture of new paper
34.27 grades. The company that owns the paper mill
34.28 must spend \$20,000,000 on invest
34.29 \$25,000,000 in project activities by December
34.30 31, 2020 May 1, 2023, in order to be eligible
34.31 to receive this loan. Loan funds may be used
34.32 for purchases of materials, supplies, and
34.33 equipment for the project and are available
34.34 from ~~July 1, 2019~~ April 1, 2021, to ~~July 30,~~
34.35 ~~2021~~ May 1, 2023. The commissioner of

35.1 employment and economic development shall
35.2 forgive 25 percent of the loan each year after
35.3 the second year during a five-year period if
35.4 the mill has retained at least ~~150~~ 80 full-time
35.5 equivalent employees and has satisfied other
35.6 performance goals and contractual obligations
35.7 as required under Minnesota Statutes, section
35.8 116J.8731.

35.9 (q) \$700,000 in fiscal year 2020 is for the
35.10 airport infrastructure renewal (AIR) grant
35.11 program under Minnesota Statutes, section
35.12 116J.439.

35.13 (r) \$100,000 in fiscal year 2020 is for a grant
35.14 to FIRST in Upper Midwest to support
35.15 competitive robotics teams. Funds must be
35.16 used to make up to five awards of no more
35.17 than \$20,000 each to Minnesota-based public
35.18 entities or private nonprofit organizations for
35.19 the creation of competitive robotics hubs.
35.20 Awards may be used for tools, equipment, and
35.21 physical space to be utilized by robotics teams.
35.22 At least 50 percent of grant funds must be used
35.23 outside of the seven-county metropolitan area,
35.24 as defined under Minnesota Statutes, section
35.25 473.121, subdivision 2. The grant recipient
35.26 shall report to the chairs and ranking minority
35.27 members of the legislative committees with
35.28 jurisdiction over jobs and economic growth
35.29 by February 1, 2021, on the status of awards
35.30 and include information on the number and
35.31 amount of awards made, the number of
35.32 customers served, and any outcomes resulting
35.33 from the grant. The grant requires a 50 percent
35.34 match from nonstate sources.

36.1 (s) \$1,000,000 each year is for the Minnesota
36.2 emerging entrepreneur loan program under
36.3 Minnesota Statutes, section 116M.18. Funds
36.4 available under this paragraph are for transfer
36.5 into the emerging entrepreneur program
36.6 special revenue fund account created under
36.7 Minnesota Statutes, chapter 116M, and are
36.8 available until expended. Of this amount, up
36.9 to four percent is for administration and
36.10 monitoring of the program.

36.11 (t) \$163,000 each year is for the Minnesota
36.12 Film and TV Board. The appropriation in each
36.13 year is available only upon receipt by the
36.14 board of \$1 in matching contributions of
36.15 money or in-kind contributions from nonstate
36.16 sources for every \$3 provided by this
36.17 appropriation, except that each year up to
36.18 \$50,000 is available on July 1 even if the
36.19 required matching contribution has not been
36.20 received by that date.

36.21 (u) \$12,000 each year is for a grant to the
36.22 Upper Minnesota Film Office.

36.23 (v) \$500,000 each year is from the general
36.24 fund for a grant to the Minnesota Film and TV
36.25 Board for the film production jobs program
36.26 under Minnesota Statutes, section 116U.26.
36.27 This appropriation is available until June 30,
36.28 2023.

36.29 (w) \$4,195,000 each year is for the Minnesota
36.30 job skills partnership program under
36.31 Minnesota Statutes, sections 116L.01 to
36.32 116L.17. If the appropriation for either year
36.33 is insufficient, the appropriation for the other
36.34 year is available. This appropriation is
36.35 available until expended.

37.1 (x) \$1,350,000 each year is from the
37.2 workforce development fund for jobs training
37.3 grants under Minnesota Statutes, section
37.4 116L.42.

37.5 (y) \$2,500,000 each year is for Launch
37.6 Minnesota. This is a onetime appropriation
37.7 and funds are available until June 30, 2023.
37.8 Of this amount:

37.9 (1) \$1,600,000 each year is for innovation
37.10 grants to eligible Minnesota entrepreneurs or
37.11 start-up businesses to assist with their
37.12 operating needs;

37.13 (2) \$450,000 each year is for administration
37.14 of Launch Minnesota; and

37.15 (3) \$450,000 each year is for grantee activities
37.16 at Launch Minnesota.

37.17 (z) \$500,000 each year is from the workforce
37.18 development fund for a grant to Youthprise
37.19 to give grants through a competitive process
37.20 to community organizations to provide
37.21 economic development services designed to
37.22 enhance long-term economic self-sufficiency
37.23 in communities with concentrated East African
37.24 populations. Such communities include but
37.25 are not limited to Faribault, Rochester, St.
37.26 Cloud, Moorhead, and Willmar. To the extent
37.27 possible, Youthprise must make at least 50
37.28 percent of these grants to organizations serving
37.29 communities located outside the seven-county
37.30 metropolitan area, as defined in Minnesota
37.31 Statutes, section 473.121, subdivision 2. This
37.32 is a onetime appropriation and is available
37.33 until June 30, 2022.

38.1 (aa) \$125,000 each year is for a grant to the
 38.2 Hmong Chamber of Commerce to train
 38.3 ethnically Southeast Asian business owners
 38.4 and operators in better business practices. This
 38.5 is a onetime appropriation and is available
 38.6 until June 30, 2023.

38.7 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2019.

38.8 Sec. 3. **GRANT TO THE NORTHEAST ENTREPRENEUR FUND;**
 38.9 **APPROPRIATION.**

38.10 \$1,148,000 in fiscal year 2021 is appropriated from the general fund to the commissioner
 38.11 of employment and economic development for a grant to the Northeast Entrepreneur Fund,
 38.12 a small business administration microlender and community development financial institution
 38.13 operating in northern Minnesota, to be made only upon the Northeast Entrepreneur Fund's
 38.14 repayment of its current \$1,148,000 loan issued by the commissioner. Grant funds must be
 38.15 used as capital for accessing additional federal lending for small businesses impacted by
 38.16 COVID-19 and must be returned to the commissioner for deposit in the general fund if the
 38.17 Northeast Entrepreneur Fund fails to secure such federal funds before January 1, 2022. This
 38.18 is a onetime appropriation.

38.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

38.20 Sec. 4. **APPROPRIATION; SMALL BUSINESS COVID-19 GRANT PROGRAM.**

38.21 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
 38.22 the meanings given.

38.23 (b) "Commissioner" means the commissioner of employment and economic development.

38.24 (c) "Department" means the Department of Employment and Economic Development.

38.25 (d) "Eligible organization" means the Minnesota Initiative Foundations, community
 38.26 development financial institutions, and other nonprofits the commissioner determines to be
 38.27 similarly qualified.

38.28 (e) "Program" means the small business COVID-19 grant program under this section.

38.29 Subd. 2. **Appropriation.** \$50,000,000 in fiscal year 2021 is appropriated from the general
 38.30 fund to the commissioner for the small business COVID-19 grant program under this section.
 38.31 Of this amount:

39.1 (1) \$24,900,000 is for grants to the Minnesota Initiative Foundations to provide grants
 39.2 to businesses in greater Minnesota. Up to ten percent of this amount may be used for the
 39.3 administrative costs of the Minnesota Initiative Foundations;

39.4 (2) \$24,900,000 is for grants to eligible organizations to provide grants to businesses in
 39.5 the seven-county metropolitan area defined in section 473.121, subdivision 2. Up to ten
 39.6 percent of this amount may be used for the administrative costs of the eligible organizations;
 39.7 and

39.8 (3) \$200,000 is for the administrative costs of the department.

39.9 Any funds not spent by eligible organizations by December 31, 2021, must be returned
 39.10 to the commissioner and canceled back to the general fund.

39.11 Subd. 3. **Distribution of grants.** (a) Of grants given under this section, a minimum of:

39.12 (1) \$10,000,000 must be awarded to businesses that employ the equivalent of six full-time
 39.13 workers or less;

39.14 (2) \$10,000,000 must be awarded to minority business enterprises, as defined in
 39.15 Minnesota Statutes, section 116M.14, subdivision 5; and

39.16 (3) \$3,000,000 must be awarded under subdivision 5.

39.17 (b) No business may receive more than one grant under this section.

39.18 Subd. 4. **Grants to businesses.** (a) To be eligible for a grant under this subdivision, a
 39.19 business must:

39.20 (1) have primary business operations located in the state of Minnesota;

39.21 (2) be owned by a resident of the state of Minnesota;

39.22 (3) employ the equivalent of 100 full-time workers or less; and

39.23 (4) be able to demonstrate financial hardship as a result of the COVID-19 outbreak.

39.24 (b) Grants under this subdivision shall be for no less than \$5,000 and no more than
 39.25 \$100,000.

39.26 (c) Grant funds must be used for working capital to support payroll expenses, rent or
 39.27 mortgage payments, utility bills, and other similar expenses that occur or have occurred
 39.28 since November 1, 2020, in the regular course of business, but not to refinance debt that
 39.29 existed at the time of the governor's COVID-19 peacetime emergency declaration.

39.30 Subd. 5. **Grants to businesses renting space to other businesses.** (a) To be eligible
 39.31 for a grant under this subdivision, a business must:

40.1 (1) be an operator of privately owned permanent indoor retail space that has an ethnic
40.2 cultural emphasis and at least 12 tenants that are primarily businesses with fewer than 20
40.3 employees;

40.4 (2) have primary business operations located in the state of Minnesota;

40.5 (3) be owned by a resident of the state of Minnesota;

40.6 (4) employ the equivalent of 100 full-time workers or less; and

40.7 (5) be able to demonstrate financial hardship as a result of the COVID-19 outbreak.

40.8 (b) Grants under this subdivision shall be for no more than \$250,000.

40.9 (c) Up to \$20,000 of grant funds a business receives may be used for working capital to
40.10 support payroll expenses, rent or mortgage payments, utility bills, and other similar expenses
40.11 that occur or have occurred since November 1, 2020, in the regular course of business, but
40.12 not to refinance debt that existed at the time of the governor's COVID-19 peacetime
40.13 emergency declaration.

40.14 (d) The remainder of grant funds must be used to maintain existing tenants of the operator
40.15 through the issuing of credits or forgiveness of rent. Any tenant receiving such a benefit
40.16 from the grant must meet the requirements under subdivision 4, paragraph (a).

40.17 Subd. 6. **Applications.** (a) The commissioner may develop criteria, forms, applications,
40.18 and reporting requirements for use by eligible organizations providing grants to businesses.

40.19 (b) All businesses applying for a grant must include as part of their application a business
40.20 plan for continued operation.

40.21 Subd. 7. **Exemptions.** All grants and grant making processes under this section are
40.22 exempt from Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98,
40.23 subdivisions 5, 7, and 8. The commissioner must audit the use of grant funds under this
40.24 section in accordance with standard accounting practices. The exemptions under this
40.25 paragraph expire on December 30, 2021.

40.26 Subd. 8. **Reports.** (a) By January 31, 2022, eligible organizations participating in the
40.27 program must provide a report to the commissioner that include descriptions of the businesses
40.28 supported by the program, the amounts granted, and an explanation of administrative
40.29 expenses.

40.30 (b) By February 15, 2022, the commissioner must report to the legislative committees
40.31 in the house of representatives and senate with jurisdiction over economic development

41.1 about grants made under this program based on the information received under paragraph
 41.2 (a).

41.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

41.4 **Sec. 5. CANCELLATIONS; FISCAL YEAR 2021.**

41.5 (a) \$1,022,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First
 41.6 Special Session chapter 7, article 1, section 2, subdivision 4, is canceled.

41.7 (b) \$25,000,000 of the fiscal year 2021 general fund appropriation under Laws 2020,
 41.8 Seventh Special Session chapter 2, article 3, section 2, is canceled.

41.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

41.10 **ARTICLE 3**

41.11 **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

41.12 Section 1. Minnesota Statutes 2020, section 116J.035, subdivision 6, is amended to read:

41.13 **Subd. 6. Receipt of gifts, money; appropriation.** (a) The commissioner may:

41.14 (1) apply for, accept, and disburse gifts, bequests, grants, payments for services, loans,
 41.15 or other property from the United States, the state, private foundations, or any other source;

41.16 (2) enter into an agreement required for the gifts, grants, or loans; and

41.17 (3) hold, use, and dispose of its assets according to the terms of the gift, grant, loan, or
 41.18 agreement.

41.19 (b) Money received by the commissioner under this subdivision must be deposited in a
 41.20 separate account in the state treasury and invested by the State Board of Investment. The
 41.21 amount deposited, including investment earnings, is appropriated to the commissioner to
 41.22 carry out duties under this section.

41.23 (c) Money received by the commissioner under this subdivision for State Services for
 41.24 the Blind is exempt from depositing gifts, bequests, charitable contributions, and similar
 41.25 contributions made solely into the state treasury.

41.26 **Sec. 2. [116J.8736] MICROENTERPRISE DEVELOPMENT PROGRAM.**

41.27 Subdivision 1. **Establishment.** The commissioner of employment and economic
 41.28 development shall establish the microenterprise development program to award grants to
 41.29 microenterprise development organizations to encourage microenterprise development.

42.1 Subd. 2. Definitions. (a) For the purposes of this section, the following terms have the
42.2 meanings given.

42.3 (b) "Commissioner" means the commissioner of employment and economic development.

42.4 (c) "Disadvantaged entrepreneur" means an owner of a microenterprise who is a
42.5 low-income person or otherwise lacks adequate access to capital or other resources essential
42.6 for business success.

42.7 (d) "Low-income person" means a person with an income adjusted for family size that
42.8 does not exceed:

42.9 (1) for metropolitan areas, 80 percent of median income; or

42.10 (2) for nonmetropolitan areas, the greater of 80 percent of the area median income or
42.11 80 percent of the statewide nonmetropolitan area median income.

42.12 (e) "Microenterprise" means a business, including a start-up, home-based, or
42.13 self-employed business, with no more than five employees.

42.14 (f) "Microenterprise development organization" means a nonprofit entity that provides
42.15 one or more of the services under subdivision 4 to disadvantaged entrepreneurs.

42.16 (g) "Program" means the microenterprise development program established under this
42.17 section.

42.18 Subd. 3. Grants to microenterprise development organizations. The commissioner
42.19 shall make grants to microenterprise development organizations through a competitive grant
42.20 process based on criteria developed by the commissioner and shall consider each applicant's:

42.21 (1) plan for providing business development services and loans to microenterprises;

42.22 (2) scope of services to be provided;

42.23 (3) plan for coordinating services and loans with financial institutions;

42.24 (4) ability to provide business training and technical assistance to disadvantaged
42.25 entrepreneurs;

42.26 (5) ability to monitor and provide financial oversight of recipients of loans and services;
42.27 and

42.28 (6) sources and sufficiency of operating funds.

42.29 In selecting grant recipients, the commissioner shall ensure that services are provided to all
42.30 regions of the state, including both metropolitan areas and communities in greater Minnesota.

43.1 Subd. 4. Eligible uses of grant funds. Microenterprise development organizations may
 43.2 use grant funds for any of the following purposes:

43.3 (1) satisfying matching fund requirements for federal or private grants or loans that will
 43.4 allow the microenterprise development organization to provide another service under this
 43.5 subdivision to disadvantaged entrepreneurs;

43.6 (2) establishing a revolving loan fund for loans to disadvantaged entrepreneurs. The
 43.7 loans may be zero interest and must be for no more than \$25,000 per microenterprise;

43.8 (3) guaranteeing loans from private financial institutions to disadvantaged entrepreneurs;

43.9 (4) providing technical assistance, mentoring, training, or physical space to disadvantaged
 43.10 entrepreneurs; and

43.11 (5) up to ten percent of grant funds may be used for the operating costs of the
 43.12 microenterprise development organization and its administrative costs for the program.

43.13 Subd. 5. Reports to the legislature. (a) By December 1, 2023, and every December 1
 43.14 thereafter until given permission by the commissioner to cease reporting, grant recipients
 43.15 must submit a report to the commissioner on the use of grant funds in the form that the
 43.16 commissioner prescribes and include any documentation of and supporting information
 43.17 regarding the grant that the commissioner requires, including:

43.18 (1) the demand for services under the program;

43.19 (2) information on the types of applicants seeking program services; and

43.20 (3) a list of all loans or loan guarantees made, including the name of the recipient, the
 43.21 amount, and its intended purpose.

43.22 (b) By December 31, 2023, and every December 31 thereafter until all grant recipients
 43.23 have ceased reporting, the commissioner must submit a report as required under Minnesota
 43.24 Statutes, section 3.195, that details the use of funds under this section, including the
 43.25 information provided by grant recipients, as well as an analysis of the impact of the program.
 43.26 A copy of this report must also be sent to the chairs and ranking minority members of the
 43.27 committees of the house of representatives and the senate having jurisdiction over economic
 43.28 development.

43.29 Sec. 3. Minnesota Statutes 2020, section 116J.8748, subdivision 3, is amended to read:

43.30 **Subd. 3. Minnesota job creation fund business designation; requirements.** (a) To
 43.31 receive designation as a Minnesota job creation fund business, a business must satisfy all
 43.32 of the following conditions:

44.1 (1) the business is or will be engaged in, within Minnesota, one of the following as its
44.2 primary business activity:

44.3 (i) manufacturing;

44.4 (ii) warehousing;

44.5 (iii) distribution;

44.6 (iv) information technology;

44.7 (v) finance;

44.8 (vi) insurance; or

44.9 (vii) professional or technical services;

44.10 (2) the business must not be primarily engaged in lobbying; gambling; entertainment;
44.11 professional sports; political consulting; leisure; hospitality; or professional services provided
44.12 by attorneys, accountants, business consultants, physicians, or health care consultants, or
44.13 primarily engaged in making retail sales to purchasers who are physically present at the
44.14 business's location;

44.15 (3) the business must enter into a binding construction and job creation business subsidy
44.16 agreement with the commissioner to expend directly, or ensure expenditure by or in
44.17 partnership with a third party constructing or managing the project, at least \$500,000 in
44.18 capital investment in a capital investment project that includes a new, expanded, or remodeled
44.19 facility within one year following designation as a Minnesota job creation fund business or
44.20 \$250,000 if the project is located outside the metropolitan area as defined in section 200.02,
44.21 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
44.22 women, or persons with a disability; and:

44.23 (i) create at least ten new full-time employee positions within two years of the benefit
44.24 date following the designation as a Minnesota job creation fund business or five new full-time
44.25 employee positions within two years of the benefit date if the project is located outside the
44.26 metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business
44.27 is cumulatively owned by minorities, veterans, women, or persons with a disability; or

44.28 (ii) expend at least \$25,000,000, which may include the installation and purchase of
44.29 machinery and equipment, in capital investment and retain at least 200 employees for projects
44.30 located in the metropolitan area as defined in section 200.02, subdivision 24, and 75
44.31 employees for projects located outside the metropolitan area;

45.1 (4) positions or employees moved or relocated from another Minnesota location of the
45.2 Minnesota job creation fund business must not be included in any calculation or determination
45.3 of job creation or new positions under this paragraph; and

45.4 (5) a Minnesota job creation fund business must not terminate, lay off, or reduce the
45.5 working hours of an employee for the purpose of hiring an individual to satisfy job creation
45.6 goals under this subdivision.

45.7 With the commissioner's authorization, the one-year period requirement to meet minimum
45.8 capital investment requirements under clause (3) and the minimum job creation requirements
45.9 under clause (3), item (i), may be extended for up to 12 months for projects that must meet
45.10 these requirements within 12 months of the governor's declaration of a peacetime emergency.

45.11 (b) Prior to approving the proposed designation of a business under this subdivision, the
45.12 commissioner shall consider the following:

45.13 (1) the economic outlook of the industry in which the business engages;

45.14 (2) the projected sales of the business that will be generated from outside the state of
45.15 Minnesota;

45.16 (3) how the business will build on existing regional, national, and international strengths
45.17 to diversify the state's economy;

45.18 (4) whether the business activity would occur without financial assistance;

45.19 (5) whether the business is unable to expand at an existing Minnesota operation due to
45.20 facility or land limitations;

45.21 (6) whether the business has viable location options outside Minnesota;

45.22 (7) the effect of financial assistance on industry competitors in Minnesota;

45.23 (8) financial contributions to the project made by local governments; and

45.24 (9) any other criteria the commissioner deems necessary.

45.25 (c) Upon receiving notification of local approval under subdivision 2, the commissioner
45.26 shall review the determination by the local government and consider the conditions listed
45.27 in paragraphs (a) and (b) to determine whether it is in the best interests of the state and local
45.28 area to designate a business as a Minnesota job creation fund business.

45.29 (d) If the commissioner designates a business as a Minnesota job creation fund business,
45.30 the business subsidy agreement shall include the performance outcome commitments and
45.31 the expected financial value of any Minnesota job creation fund benefits.

46.1 (e) The commissioner may amend an agreement once, upon request of a local government
 46.2 on behalf of a business, only if the performance is expected to exceed thresholds stated in
 46.3 the original agreement.

46.4 (f) A business may apply to be designated as a Minnesota job creation fund business at
 46.5 the same location more than once only if all goals under a previous Minnesota job creation
 46.6 fund agreement have been met and the agreement is completed.

46.7 Sec. 4. Minnesota Statutes 2020, section 116J.994, subdivision 6, is amended to read:

46.8 Subd. 6. **Failure to meet goals.** (a) The subsidy agreement must specify the recipient's
 46.9 obligation if the recipient does not fulfill the agreement. At a minimum, the agreement must
 46.10 require a recipient failing to meet subsidy agreement goals to pay back the assistance plus
 46.11 interest to the grantor or, at the grantor's option, to the account created under section 116J.551
 46.12 provided that repayment may be prorated to reflect partial fulfillment of goals. The interest
 46.13 rate must be set at no less than the implicit price deflator for government consumption
 46.14 expenditures and gross investment for state and local governments prepared by the Bureau
 46.15 of Economic Analysis of the United States Department of Commerce for the 12-month
 46.16 period ending March 31 of the previous year. The grantor, after a public hearing, may extend
 46.17 for up to one year the period for meeting the wage and job goals under subdivision 4 provided
 46.18 in a subsidy agreement or up to two years if the governor has declared a peacetime emergency
 46.19 under section 12.31, subdivision 2, during the initial two-year compliance period. A grantor
 46.20 may extend the period for meeting other goals under subdivision 3, paragraph (a), clause
 46.21 (3), by documenting in writing the reason for the extension and attaching a copy of the
 46.22 document to its next annual report to the department.

46.23 (b) A recipient that fails to meet the terms of a subsidy agreement may not receive a
 46.24 business subsidy from any grantor for a period of five years from the date of failure or until
 46.25 a recipient satisfies its repayment obligation under this subdivision, whichever occurs first.

46.26 (c) Before a grantor signs a business subsidy agreement, the grantor must check with
 46.27 the compilation and summary report required by this section to determine if the recipient
 46.28 is eligible to receive a business subsidy.

46.29 Sec. 5. Minnesota Statutes 2020, section 116L.02, is amended to read:

46.30 **116L.02 JOB SKILLS PARTNERSHIP PROGRAM.**

46.31 ~~(a)~~ The Minnesota Job Skills Partnership program is created to act as a catalyst to bring
 46.32 together employers with specific training needs with educational or other nonprofit

47.1 institutions which can design programs to fill those needs. The partnership shall work closely
 47.2 with employers to prepare, train and place prospective or incumbent workers in identifiable
 47.3 positions as well as assisting educational or other nonprofit institutions in developing training
 47.4 programs that coincide with current and future employer requirements. The partnership
 47.5 shall provide grants to educational or other nonprofit institutions for the purpose of training
 47.6 workers. A participating business must match the grant-in-aid made by the Minnesota Job
 47.7 Skills Partnership. The match may be in the form of funding, equipment, or faculty.

47.8 ~~(b) The partnership program is authorized to use funds to pay for training for individuals~~
 47.9 ~~who have incomes at or below 200 percent of the federal poverty line. The board may grant~~
 47.10 ~~funds to eligible recipients to pay for board-certified training. Eligible recipients of grants~~
 47.11 ~~may include public, private, or nonprofit entities that provide employment services to~~
 47.12 ~~low-income individuals.~~

47.13 Sec. 6. Minnesota Statutes 2020, section 116L.03, subdivision 1, is amended to read:

47.14 Subdivision 1. **Members.** The partnership shall be governed by a board of ~~12~~ 13 directors.

47.15 Sec. 7. Minnesota Statutes 2020, section 116L.03, subdivision 2, is amended to read:

47.16 Subd. 2. **Appointment.** The Minnesota Job Skills Partnership Board consists of: ~~seven~~
 47.17 eight members appointed by the governor, the commissioner of employment and economic
 47.18 development, the chancellor, or the chancellor's designee, of the Minnesota State Colleges
 47.19 and Universities, the president, or the president's designee, of the University of Minnesota,
 47.20 and two nonlegislator members, one appointed by the Subcommittee on Committees of the
 47.21 senate Committee on Rules and Administration and one appointed by the speaker of the
 47.22 house. If the chancellor or the president of the university makes a designation under this
 47.23 subdivision, the designee must have experience in technical education. Four of the appointed
 47.24 members must be members of the governor's Workforce Development Board, of whom two
 47.25 must represent organized labor and two must represent business and industry. ~~One of the~~
 47.26 ~~appointed members must be a representative of a nonprofit organization that provides~~
 47.27 ~~workforce development or job training services.~~ Two of the members must be from
 47.28 community-based organizations that have demonstrated experience and expertise in
 47.29 addressing the employment, training, or education needs of individuals or communities
 47.30 facing barriers to employment.

48.1 Sec. 8. Minnesota Statutes 2020, section 116L.03, subdivision 3, is amended to read:

48.2 Subd. 3. **Qualifications.** Members must have expertise in, and be representative of one
48.3 of the following fields of: education, job skills training, labor, business, ~~and~~ or government.

48.4 Sec. 9. Minnesota Statutes 2020, section 116L.05, subdivision 5, is amended to read:

48.5 Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year, the
48.6 board may use ~~workforce development~~ funds appropriated under section 116L.20, subdivision
48.7 2, paragraph (b), clause (1), for the purposes outlined in sections ~~116L.02 and 116L.04, or~~
48.8 ~~to provide incumbent worker training services under section 116L.18~~ 116L.21 and 116L.22
48.9 if the following conditions have been met:

48.10 (1) the board examines relevant economic indicators, including the projected number
48.11 of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of declining
48.12 and expanding industries, the number of initial applications for and the number of exhaustions
48.13 of unemployment benefits disaggregated by race and ethnicity, job vacancy data, and any
48.14 additional relevant information brought to the board's attention;

48.15 (2) the board accounts for all allocations made in section 116L.17, subdivision 2;

48.16 (3) based on the past expenditures and projected revenue, the board estimates future
48.17 funding needs for services under section 116L.17 for the remainder of the current fiscal
48.18 year and the next fiscal year;

48.19 (4) the board determines there will be unspent funds after meeting the needs of dislocated
48.20 workers in the current fiscal year and there will be sufficient revenue to meet the needs of
48.21 dislocated workers in the next fiscal year; and

48.22 (5) the board reports its findings in clauses (1) to (4) to the chairs of legislative
48.23 committees with jurisdiction over the workforce development fund, to the commissioners
48.24 of revenue and management and budget, and to the public.

48.25 Sec. 10. Minnesota Statutes 2020, section 116L.17, subdivision 1, is amended to read:

48.26 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
48.27 the meanings given them in this subdivision.

48.28 (b) "Commissioner" means the commissioner of employment and economic development.

48.29 (c) "Dislocated worker" means an individual who is a resident of Minnesota at the time
48.30 employment ceased or was working in the state at the time employment ceased and:

49.1 (1) has been temporarily or permanently separated or has received a notice of temporary
 49.2 or permanent separation from public or private sector employment and is eligible for or has
 49.3 exhausted entitlement to unemployment benefits, ~~and is unlikely to return to the previous~~
 49.4 ~~industry or occupation;~~

49.5 ~~(2) has been long-term unemployed and has limited opportunities for employment or~~
 49.6 ~~reemployment in the same or a similar occupation in the area in which the individual resides,~~
 49.7 ~~including older individuals who may have substantial barriers to employment by reason of~~
 49.8 ~~age;~~

49.9 ~~(3)~~ (2) has been terminated or has received a notice of termination of employment as a
 49.10 result of a plant closing or a substantial layoff at a plant, facility, or enterprise;

49.11 ~~(4)~~ (3) has been self-employed, including farmers and ranchers, and is unemployed as
 49.12 a result of general economic conditions in the community in which the individual resides
 49.13 or because of natural disasters;

49.14 ~~(5)~~ (4) is a veteran as defined by section 197.447, has been discharged or released from
 49.15 active duty under honorable conditions within the last 36 months, and (i) is unemployed or
 49.16 (ii) is employed in a job verified to be below the skill level and earning capacity of the
 49.17 veteran;

49.18 ~~(6)~~ (5) is an individual determined by the United States Department of Labor to be
 49.19 covered by trade adjustment assistance under United States Code, title 19, sections 2271 to
 49.20 2331, as amended; or

49.21 ~~(7)~~ (6) is a displaced homemaker. A "displaced homemaker" is an individual who has
 49.22 spent a substantial number of years in the home providing homemaking service and (i) has
 49.23 been dependent upon the financial support of another; and now due to divorce, separation,
 49.24 death, or disability of that person, must find employment to self support; or (ii) derived the
 49.25 substantial share of support from public assistance on account of dependents in the home
 49.26 and no longer receives such support. To be eligible under this clause, the support must have
 49.27 ceased while the worker resided in Minnesota.

49.28 For the purposes of this section, "dislocated worker" does not include an individual who
 49.29 was an employee, at the time employment ceased, of a political committee, political fund,
 49.30 principal campaign committee, or party unit, as those terms are used in chapter 10A, or an
 49.31 organization required to file with the federal elections commission.

49.32 (d) "Eligible organization" means a state or local government unit, nonprofit organization,
 49.33 community action agency, business organization or association, or labor organization.

50.1 (e) "Plant closing" means the announced or actual permanent shutdown of a single site
50.2 of employment, or one or more facilities or operating units within a single site of
50.3 employment.

50.4 (f) "Substantial layoff" means a permanent reduction in the workforce, which is not a
50.5 result of a plant closing, and which results in an employment loss at a single site of
50.6 employment during any 30-day period for at least 50 employees excluding those employees
50.7 that work less than 20 hours per week.

50.8 Sec. 11. Minnesota Statutes 2020, section 116L.17, subdivision 4, is amended to read:

50.9 Subd. 4. **Use of funds.** Funds granted by the board under this section may be used for
50.10 any combination of the following, except as otherwise provided in this section:

50.11 (1) employment transition services such as developing readjustment plans for individuals;
50.12 outreach and intake; early readjustment; job or career counseling; testing; orientation;
50.13 assessment of skills and aptitudes; provision of occupational and labor market information;
50.14 job placement assistance; job search; job development; prelayoff assistance; relocation
50.15 assistance; programs provided in cooperation with employers or labor organizations to
50.16 provide early intervention in the event of plant closings or substantial layoffs; and
50.17 entrepreneurial training and business consulting;

50.18 (2) support services, including assistance to help the participant relocate to employ
50.19 existing skills; out-of-area job search assistance; family care assistance, including child
50.20 care; ~~commuting~~ transportation assistance; emergency housing and rental assistance;
50.21 counseling assistance, including personal and financial; health care; emergency health
50.22 assistance; emergency financial assistance; work-related tools and clothing; and other
50.23 appropriate support services that enable a person to participate in an employment and training
50.24 program with the goal of reemployment;

50.25 (3) specific, short-term training to help the participant enhance current skills in a similar
50.26 occupation or industry; entrepreneurial training, customized training, or on-the-job training;
50.27 basic and remedial education to enhance current skills; and literacy and work-related English
50.28 training for non-English speakers;

50.29 (4) long-term training in a new occupation or industry, including occupational skills
50.30 training or customized training in an accredited program recognized by one or more relevant
50.31 industries. Long-term training shall only be provided to dislocated workers whose skills are
50.32 obsolete and who have no other transferable skills likely to result in employment at a
50.33 comparable wage rate. Training shall only be provided for occupations or industries with

51.1 reasonable expectations of job availability based on the service provider's thorough
 51.2 assessment of local labor market information where the individual currently resides or is
 51.3 willing to relocate. This clause shall not restrict training in personal services or other such
 51.4 industries; and

51.5 (5) direct training services to provide a measurable increase in the job-related skills of
 51.6 participating incumbent workers, including basic assessment, counseling, and preemployment
 51.7 training services requested by the qualifying employer.

51.8 Sec. 12. Minnesota Statutes 2020, section 116L.20, subdivision 2, is amended to read:

51.9 Subd. 2. **Disbursement of special assessment funds.** (a) The money collected under
 51.10 this section shall be deposited in the state treasury and credited to the workforce development
 51.11 fund to provide for employment and training programs. The workforce development fund
 51.12 is created as a special account in the state treasury.

51.13 (b) ~~All money in the fund not otherwise appropriated or transferred is appropriated to~~
 51.14 ~~the Job Skills Partnership Board for the purposes of section 116L.17 and as provided for in~~
 51.15 ~~paragraph (d).~~ Of the money in the fund not otherwise appropriated or transferred by July
 51.16 1 of each year:

51.17 (1) 30 percent is appropriated to the Job Skills Partnership Board for the purposes of
 51.18 section 116L.17. If the conditions under section 116L.05, subdivision 5, are met as of March
 51.19 1 of each year, a minimum of 50 percent and up to a maximum of 70 percent of the unspent
 51.20 money must be transferred for the programs under sections 116L.21 and 116L.22;

51.21 (2) five percent is appropriated to the Job Skills Partnership Board for the purposes of
 51.22 sections 116L.02 and 116L.04; and

51.23 (3) 65 percent is appropriated to the commissioner for workforce development grants
 51.24 under subdivision 3.

51.25 (c) The board must act as the fiscal agent for the money and must disburse that money
 51.26 for the purposes of section 116L.17, not allowing the money to be used for any other
 51.27 obligation of the state. All money in the workforce development fund shall be deposited,
 51.28 administered, and disbursed in the same manner and under the same conditions and
 51.29 requirements as are provided by law for the other special accounts in the state treasury,
 51.30 except that all interest or net income resulting from the investment or deposit of money in
 51.31 the fund shall accrue to the fund for the purposes of the fund.

52.1 ~~(e)~~ (d) Reimbursement for costs related to collection of the special assessment shall be
 52.2 in an amount negotiated between the commissioner and the United States Department of
 52.3 Labor.

52.4 ~~(d) If the board determines that the conditions of section 116L.05, subdivision 5, have~~
 52.5 ~~been met, the board may use funds for the purposes outlined in section 116L.04, or to provide~~
 52.6 ~~incumbent worker training services under section 116L.18.~~

52.7 Sec. 13. Minnesota Statutes 2020, section 116L.20, is amended by adding a subdivision
 52.8 to read:

52.9 Subd. 3. **Workforce development grants.** (a) Grants awarded using money appropriated
 52.10 under subdivision 2, paragraph (b), clause (3), must be allocated to maximize delivery to
 52.11 organizations with strong relationships with individuals who are Black, Indigenous, or
 52.12 People of Color. Grant awards must be consistent with the overall geographic population
 52.13 distribution of the state. Preference or priority for grant awards must be given to organizations
 52.14 with experience serving communities with the greatest needs that are Black, Indigenous,
 52.15 and People of Color.

52.16 (b) Of the amount appropriated under subdivision 2, paragraph (b), clause (3):

52.17 (1) up to six percent is for administration and monitoring of the workforce development
 52.18 programs; and

52.19 (2) grants must be made for programs under sections 116L.362, 116L.561, 116L.562,
 52.20 116L.96, 116L.981, and 116L.99.

52.21 (c) Of the amount appropriated under subdivision 2, paragraph (b), clause (3), remaining
 52.22 after the appropriations under paragraph (b):

52.23 (1) 50 percent is for removing barriers to employment grants under section 116L.21;

52.24 and

52.25 (2) 50 percent is for innovative employment solutions grants under section 116L.22.

52.26 (d) When making competitive grants for adult grantees, the commissioner shall benchmark
 52.27 outcomes against similar populations with similar barriers to employment. The commissioner
 52.28 must consider the following outcomes for competitive grant awards focused on adults: job
 52.29 placement and retention, wage levels, and credentials attainment. The commissioner must
 52.30 consider the following outcomes for competitive grant awards focused on youth: work
 52.31 readiness, credentials, and placement.

53.1 Sec. 14. [116L.21] REMOVING BARRIERS TO EMPLOYMENT GRANT
53.2 PROGRAM.

53.3 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
53.4 the meanings given.

53.5 (b) "Commissioner" means the commissioner of employment and economic development.

53.6 (c) "Minority" means a person who identifies as a member of one or more of the following
53.7 groups:

53.8 (1) Black, including persons having origins of any of the Black African racial groups
53.9 not of Hispanic origin;

53.10 (2) Hispanic, including persons of Mexican, Puerto Rican, Cuban, Central American,
53.11 South American, or other Spanish culture or origin, regardless of race;

53.12 (3) Asian and Pacific Islander, including persons having origins in any of the original
53.13 peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands; and

53.14 (4) American Indian or Alaskan Native, including persons having origins in any of the
53.15 original people of North America and maintaining identifiable Tribal affiliations through
53.16 membership and participation or community identification.

53.17 (d) "Program" means the removing barriers to employment grant program under this
53.18 section.

53.19 (e) "Targeted population" means socially and economically disadvantaged minority
53.20 populations who experience complex needs and barriers to employment.

53.21 Subd. 2. Establishment. The commissioner shall establish a competitive grant program
53.22 for organizations to provide individuals with barriers to employment the services, including
53.23 supportive services, needed to enter, participate in, and complete workforce preparation,
53.24 training, and education programs.

53.25 Subd. 3. Grants. (a) Grants under this section shall be awarded on a competitive basis
53.26 after consultation with the Grant Review Advisory Council under section 116L.23.

53.27 (b) The commissioner must provide outreach and technical assistance to prospective
53.28 applicants.

53.29 (c) Grant applicants may be required to participate in technical assistance activities,
53.30 including but not limited to convening communities of practice to identify and help replicate
53.31 evidence-based practices and to help facilitate an assessment and evaluation of grant
53.32 performance and initiative success.

54.1 Subd. 4. **Award criteria.** (a) The commissioner shall develop criteria for the selection
 54.2 of grant recipients that focus on but are not limited to the applicant's demonstrated capacity
 54.3 to provide services to targeted populations.

54.4 (b) Priority must be given to applications that integrate individuals from targeted
 54.5 populations into career pathway programs aligned with regional labor market needs.

54.6 (c) Grant awards must cumulatively ensure the provision of services statewide and to a
 54.7 range of targeted populations.

54.8 Subd. 5. **Capacity building grants.** (a) A portion of the money available for this program
 54.9 must be allocated for capacity building competitive grants to small, culturally specific
 54.10 nonprofit organizations that serve historically underserved cultural communities and have
 54.11 an annual organizational budget of less than \$500,000.

54.12 (b) Capacity building grants may be used for the following purposes: organizational
 54.13 infrastructure improvement, organizational workforce development, and the creation or
 54.14 expansion of partnerships.

54.15 Subd. 6. **Performance outcome measures.** Reporting and performance outcomes for
 54.16 this program must comply with the requirements under section 116L.98.

54.17 Subd. 7. **Report to the legislature.** (a) Within one year of receiving grant funds under
 54.18 this section, organizations must each submit a written report to the commissioner on the
 54.19 use of grant funds.

54.20 (b) Beginning in January 2023, the commissioner must submit a biennial report on the
 54.21 information reported under paragraph (a), as required under section 3.195. A copy of this
 54.22 report must also be sent to the chairs and ranking minority members of the committees of
 54.23 the house of representatives and the senate having jurisdiction over workforce development.

54.24 Sec. 15. **[116L.22] INNOVATIVE EMPLOYMENT SOLUTIONS GRANT**
 54.25 **PROGRAM.**

54.26 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
 54.27 the meanings given.

54.28 (b) "Commissioner" means the commissioner of employment and economic development.

54.29 (c) "Department" means the Department of Employment and Economic Development.

54.30 (d) "Minority" means a person who identifies as a member of one or more of the following
 54.31 groups:

55.1 (1) Black, including persons having origins of any of the Black African racial groups
55.2 not of Hispanic origin;

55.3 (2) Hispanic, including persons of Mexican, Puerto Rican, Cuban, Central American,
55.4 South American, or other Spanish culture or origin, regardless of race;

55.5 (3) Asian and Pacific Islander, including persons having origins in any of the original
55.6 peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands; and

55.7 (4) American Indian or Alaskan Native, including persons having origins in any of the
55.8 original people of North America and maintaining identifiable Tribal affiliations through
55.9 membership and participation or community identification.

55.10 (e) "Performance measures" means specific, measurable, time-based goals, the completion
55.11 of which predicates payment under a pay for performance agreement.

55.12 (f) "Program" means the innovative employment solutions grant program under this
55.13 section.

55.14 (g) "Targeted population" means socially and economically disadvantaged minority
55.15 populations who experience complex needs and barriers to employment.

55.16 Subd. 2. **Establishment.** The commissioner shall establish a competitive grant program
55.17 for organizations to provide individuals with barriers to employment the services, including
55.18 supportive services needed to enter, participate in, and complete workforce preparation,
55.19 training, and education programs aligned with regional labor market needs in innovative
55.20 ways. This program shall fund new ideas and approaches and work with organizations with
55.21 no previous record of accomplishments with the department. Priority must be given to
55.22 applications that integrate individuals from targeted populations into career pathway programs
55.23 aligned with regional labor market needs.

55.24 Subd. 3. **Grants.** (a) Grants under this section shall be awarded on a competitive basis
55.25 after consultation with the Grant Review Advisory Council under section 116L.23.

55.26 (b) The commissioner must provide outreach and technical assistance to prospective
55.27 applicants.

55.28 (c) Grant applicants may be required to participate in technical assistance activities,
55.29 including but not limited to convening communities of practice to identify and help replicate
55.30 evidence-based practices and to help facilitate an assessment and evaluation of grant
55.31 performance and initiative success.

56.1 Subd. 4. **Pay for performance.** (a) All grants under the program must be pay for
 56.2 performance under a written agreement with the commissioner that stipulates the specific
 56.3 project, services, time period, number of participants, population targeted, and quantifiable
 56.4 performance measures the applicant organization will achieve, along with an amount of
 56.5 money that will be paid to the organization if those performance measures are achieved
 56.6 within the stated time period.

56.7 (b) Achievement of the specified performance measures shall be determined by an
 56.8 independent evaluator procured by the organization.

56.9 (c) To enter into a written agreement under this subdivision, the applicant organization
 56.10 must first provide evidence that it has secured all necessary financing before service delivery
 56.11 begins and must provide information on these sources of funding, including any matching
 56.12 funds that will be used.

56.13 Subd. 5. **Performance outcome measures.** Reporting and performance outcomes for
 56.14 this program must comply with the requirements under section 116L.98.

56.15 Subd. 6. **Report to legislature.** (a) Within one year of receiving grant funds under this
 56.16 section, organizations must each submit a written report to the commissioner on the use of
 56.17 grant funds.

56.18 (b) Beginning in January 2023, the commissioner must submit a biennial report on the
 56.19 information reported under paragraph (a), as required under section 3.195. A copy of this
 56.20 report must also be sent to the chairs and ranking minority members of the committees of
 56.21 the house of representatives and the senate having jurisdiction over workforce development.

56.22 **Sec. 16. [116L.23] GRANT REVIEW ADVISORY COUNCIL.**

56.23 Subdivision 1. **Establishment.** The commissioner of employment and economic
 56.24 development shall establish a Grant Review Advisory Council to review grant applications
 56.25 and make recommendations to the commissioner.

56.26 Subd. 2. **Appointment of members.** (a) By July 15, 2021, the commissioner shall
 56.27 appoint 15 members to the advisory council. These members must have demonstrated
 56.28 experience and expertise in workforce development and must represent a diverse range of
 56.29 communities and perspectives.

56.30 (b) After the initial appointments, members of the advisory council shall be appointed
 56.31 no later than January 15 of every odd-numbered year and shall serve until January 15 of
 56.32 the next odd-numbered year. Members may be removed and vacancies filled as provided

57.1 in section 15.059, subdivision 4. Appointed members are eligible for reappointment and
57.2 shall serve until their successors have been appointed.

57.3 Subd. 3. **Operations.** (a) The commissioner shall convene the first meeting of the
57.4 advisory council no later than August 1, 2021. The advisory council shall elect a chair and
57.5 other officers at its first meeting and biannually thereafter. The duties of these officers shall
57.6 be established by the advisory council.

57.7 (b) Members of the advisory council serve without compensation or payment of expenses.

57.8 (c) The commissioner shall provide meeting space and administrative services for the
57.9 advisory council. All costs necessary to support the advisory council's operations must be
57.10 absorbed using existing appropriations available to the commissioner.

57.11 (d) The advisory council is subject to chapter 13D, but may close a meeting to discuss
57.12 sensitive private business information included in grant applications. Data related to an
57.13 application for a grant submitted to the advisory council is governed by section 13.599.

57.14 Subd. 4. **Review of grants.** The advisory council shall establish criteria for ranking
57.15 applicants for awards under each grant program in which the council provides
57.16 recommendations to the commissioner. This criteria must consider which applicants are
57.17 currently able or have the best potential to:

57.18 (1) reach a broad diverse audience, including any populations targeted by the program,
57.19 through their recruitment and outreach efforts;

57.20 (2) significantly increase enrollment in and completion of the training program the
57.21 applicant plans to promote; and

57.22 (3) fill existing market needs for skilled workers.

57.23 The advisory council must also consider the documented employment outcomes each
57.24 applicant achieved when operating similar programs in the past.

57.25 Subd. 5. **Conflicts of interest.** A member of the advisory council must not participate
57.26 in the consideration of an application submitted by anyone with whom the member has a
57.27 financial or personal relationship and must complete a conflict of interest form indicating
57.28 the nature of such a relationship before participating in the consideration of any applicants
57.29 in the same round of applications to that grant program.

58.1 Sec. 17. Minnesota Statutes 2020, section 116L.40, is amended by adding a subdivision
58.2 to read:

58.3 Subd. 2a. **Automation technology.** "Automation technology" means a process or
58.4 procedure performed with minimal human assistance. Automation or automatic control is
58.5 the use of various control systems for operating equipment such as machinery, processes
58.6 in factories, or other applications with minimal or reduced human intervention. Adoption,
58.7 implementation, and utilization of any one of three types of automation in production are
58.8 acceptable for consideration of this program, including fixed automation, programmable
58.9 automation, and flexible automation.

58.10 Sec. 18. Minnesota Statutes 2020, section 116L.40, subdivision 5, is amended to read:

58.11 Subd. 5. **Employee.** "Employee" means the individual employed in a new or existing
58.12 job.

58.13 Sec. 19. Minnesota Statutes 2020, section 116L.40, subdivision 6, is amended to read:

58.14 Subd. 6. **Employer.** "Employer" means the individual, corporation, partnership, limited
58.15 liability company, or association providing new jobs or investing in new automation
58.16 technology and entering into an agreement.

58.17 Sec. 20. Minnesota Statutes 2020, section 116L.40, subdivision 9, is amended to read:

58.18 Subd. 9. **Program costs.** "Program costs" means all necessary and incidental costs of
58.19 providing program services, ~~except that program costs are increased by \$1,000 per employee~~
58.20 ~~for an individual with a disability.~~ The term does not include the cost of purchasing equipment
58.21 to be owned or used by the training or educational institution or service.

58.22 Sec. 21. Minnesota Statutes 2020, section 116L.40, subdivision 10, is amended to read:

58.23 Subd. 10. **Program services.** "Program services" means training and education
58.24 specifically directed to new or existing jobs that are determined to be appropriate by the
58.25 commissioner, including in-house training; services provided by institutions of higher
58.26 education and federal, state, or local agencies; or private training or educational services.
58.27 Administrative services and assessment and testing costs are included.

58.28 Sec. 22. Minnesota Statutes 2020, section 116L.41, subdivision 1, is amended to read:

58.29 Subdivision 1. **Service provision.** Upon request, the commissioner shall provide or
58.30 coordinate the provision of program services under sections 116L.40 to 116L.42 to a business

59.1 eligible for grants under this section ~~116L.42~~. The commissioner shall specify the form of
59.2 and required information to be provided with applications for projects to be funded with
59.3 grants under this section ~~116L.42~~.

59.4 Sec. 23. Minnesota Statutes 2020, section 116L.41, is amended by adding a subdivision
59.5 to read:

59.6 Subd. 1a. **Job training incentive program.** (a) The commissioner may provide grants
59.7 in aid of up to \$200,000 to new or expanding employers at a location in Minnesota and
59.8 outside of the metropolitan area, as defined in section 473.121, subdivision 2, for the
59.9 provision of program services using the guidelines in this subdivision.

59.10 (b) The program must involve training and education specifically directed to new jobs
59.11 that are determined to be appropriate by the commissioner.

59.12 (c) The program must give preference to projects that provide training for economically
59.13 disadvantaged people, people of color, or people with disabilities and to employers located
59.14 in economically distressed areas.

59.15 (d) Employers are eligible for reimbursement of program costs of up to \$10,000 per new
59.16 job for which training is provided, with an additional \$1,000 available per new job for an
59.17 individual with a disability.

59.18 Sec. 24. Minnesota Statutes 2020, section 116L.41, is amended by adding a subdivision
59.19 to read:

59.20 Subd. 1b. **Automation incentive program.** (a) The commissioner may provide grants
59.21 in aid of up to \$35,000 to employers at a location in Minnesota outside of the metropolitan
59.22 area, as defined in section 473.121, subdivision 2, for the provision of program services
59.23 using the guidelines in this subdivision.

59.24 (b) The employer must be an existing business located in Minnesota that is in the
59.25 manufacturing or skilled assembly production industry and has 150 or fewer full-time
59.26 employees companywide.

59.27 (c) The employer must be invested in new automation technology within the past year
59.28 or plan to invest in new automation technology within the project time frame specified in
59.29 the agreement under subdivision 3.

59.30 (d) The program must involve training and education for full-time, permanent employees
59.31 that is directly related to the new automation technology.

60.1 (e) The program must give preference to projects that provide training for economically
 60.2 disadvantaged people, people of color, or people with disabilities and to employers located
 60.3 in economically distressed areas.

60.4 (f) Employers are eligible for program cost reimbursement of up to \$5,000 per employee
 60.5 trained on new automation technology and retained.

60.6 Sec. 25. Minnesota Statutes 2020, section 116L.41, subdivision 2, is amended to read:

60.7 Subd. 2. **Agreements; required terms.** (a) The commissioner may enter into an
 60.8 agreement to establish a project with an employer that:

60.9 (1) identifies program costs to be paid from sources under the program;

60.10 (2) identifies program costs to be paid by the employer;

60.11 (3) provides that on-the-job training costs for employees may not exceed 50 percent of
 60.12 the annual gross wages and salaries of the new jobs in the first full year after execution of
 60.13 the agreement up to a maximum of \$10,000 per eligible employee;

60.14 (4) provides that each employee ~~must be paid wages at least equal to the median hourly~~
 60.15 ~~wage for the county in which the job is located, as reported in the most recently available~~
 60.16 ~~data from the United States Bureau of the Census, plus benefits, by the earlier of the end~~
 60.17 ~~of the training period or 18 months of employment under the project~~ receiving training
 60.18 through the project must be paid wages of at least 120 percent of the federal poverty
 60.19 guidelines for a family of four, plus benefits; and

60.20 (5) provides that job training will be provided and the length of time of training.

60.21 (b) Before entering into a final agreement, the commissioner shall:

60.22 (1) determine that sufficient funds for the project are available ~~under section 116L.42;~~

60.23 and

60.24 (2) investigate the applicability of other training programs and determine whether the
 60.25 job skills partnership grant program is a more suitable source of funding for the training
 60.26 and whether the training can be completed in a timely manner that meets the needs of the
 60.27 business.

60.28 The investigation under clause (2) must be completed within 15 days or as soon as
 60.29 reasonably possible after the employer has provided the commissioner with all the requested
 60.30 information.

61.1 Sec. 26. Minnesota Statutes 2020, section 116L.42, subdivision 1, is amended to read:

61.2 Subdivision 1. **Recovery of program costs.** Amounts paid by employers for program
61.3 costs are repaid by a job training grant equal to the lesser of the following:

61.4 (1) the amount of program costs specified in the agreement for the project; or

61.5 (2) the amount of program costs paid by the employer for ~~new~~ training employees under
61.6 a project.

61.7 Sec. 27. Minnesota Statutes 2020, section 116L.42, subdivision 2, is amended to read:

61.8 Subd. 2. **Reports.** (a) By February 1, ~~2018~~ 2024, the commissioner shall report to the
61.9 governor and the legislature on the program. The report must include at least:

61.10 (1) the amount of grants issued under the program;

61.11 (2) the number of individuals receiving training under the program, including the number
61.12 of new hires who are individuals with disabilities;

61.13 (3) the number of new hires attributable to the program, including the number of new
61.14 hires who are individuals with disabilities;

61.15 (4) an analysis of the effectiveness of the grant in encouraging employment or investments
61.16 in automation technology; and

61.17 (5) any other information the commissioner determines appropriate.

61.18 (b) The report to the legislature must be distributed as provided in section 3.195.

61.19 Sec. 28. Minnesota Statutes 2020, section 116L.98, subdivision 1, is amended to read:

61.20 Subdivision 1. **Requirements.** The commissioner shall develop and implement a uniform
61.21 outcome measurement and reporting system for adult workforce-related programs funded
61.22 in whole or in part by state funds as well as for youth workforce-related programs funded
61.23 in whole or in part by state funds. For the purpose of this section, "workforce-related
61.24 programs" means all education and training programs administered by the commissioner
61.25 and includes programs and services administered by the commissioner and provided to
61.26 individuals enrolled in adult basic education under section 124D.52 and the Minnesota
61.27 family investment program under chapter 256J.

61.28 Sec. 29. Minnesota Statutes 2020, section 116L.98, subdivision 2, is amended to read:

61.29 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this
61.30 subdivision have the meanings given.

62.1 (b) "Credential" means postsecondary degrees, diplomas, licenses, and certificates
 62.2 awarded in recognition of an individual's attainment of measurable technical or occupational
 62.3 skills necessary to obtain employment or advance with an occupation. ~~This definition does~~
 62.4 ~~not include certificates awarded by workforce investment boards or work-readiness~~
 62.5 ~~certificates.~~

62.6 (c) "Exit" means to have not received service under a workforce program for 90
 62.7 consecutive calendar days. The exit date is the last date of service.

62.8 (d) "Net impact" means the use of matched control groups and regression analysis to
 62.9 estimate the impacts attributable to program participation net of other factors, including
 62.10 observable personal characteristics and economic conditions.

62.11 (e) "Placement" means when a participant exits into unsubsidized employment,
 62.12 postsecondary education, vocational or occupational skills training, a registered
 62.13 apprenticeship, or the military.

62.14 ~~(e)~~ (f) "Pre-enrollment" means the period of time before an individual was enrolled in
 62.15 a workforce program.

62.16 Sec. 30. Minnesota Statutes 2020, section 116L.98, subdivision 3, is amended to read:

62.17 Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December
 62.18 31 of each even-numbered year, the commissioner must report to the chairs and ranking
 62.19 minority members of the committees of the house of representatives and the senate having
 62.20 jurisdiction over economic development and workforce policy and finance the following
 62.21 information separately for each of the previous two fiscal or calendar years, for each program
 62.22 subject to the requirements of subdivision 1:

62.23 (1) the total number of participants enrolled;

62.24 (2) the median pre-enrollment wages based on participant wages for the second through
 62.25 the fifth calendar quarters immediately preceding the quarter of enrollment excluding those
 62.26 with zero income;

62.27 (3) the total number of participants with zero income in the second through fifth calendar
 62.28 quarters immediately preceding the quarter of enrollment;

62.29 (4) the total number of participants enrolled in training;

62.30 (5) the total number of participants enrolled in training by occupational group;

62.31 (6) the total number of participants that exited the program and the average enrollment
 62.32 duration of participants that have exited the program during the year;

- 63.1 (7) the total number of exited participants who completed training;
- 63.2 (8) the total number of exited participants who attained a credential;
- 63.3 (9) the total number of participants employed during three consecutive quarters
- 63.4 immediately following the quarter of exit, by industry;
- 63.5 (10) the median wages of participants employed during three consecutive quarters
- 63.6 immediately following the quarter of exit;
- 63.7 (11) the total number of participants employed during eight consecutive quarters
- 63.8 immediately following the quarter of exit, by industry; and
- 63.9 (12) the median wages of participants employed during eight consecutive quarters
- 63.10 immediately following the quarter of exit;
- 63.11 ~~(13) the total cost of the program;~~
- 63.12 ~~(14) the total cost of the program per participant;~~
- 63.13 ~~(15) the cost per credential received by a participant; and~~
- 63.14 ~~(16) the administrative cost of the program.~~
- 63.15 ~~(b)~~ The report to the legislature must contain participant information by education level,
- 63.16 race and ethnicity, gender, and geography, and a comparison of exited participants who
- 63.17 completed training and those who did not. The report to the legislature shall include a
- 63.18 summary of current program trends in the state that are relevant to workforce development
- 63.19 and employment outcomes.
- 63.20 ~~(e)~~ The requirements of this section apply to programs administered directly by the
- 63.21 commissioner or administered by other organizations under a grant made by the department.
- 63.22 (b) For youth workforce-related programs funded in whole or in part by state funds the
- 63.23 following shall be reported:
- 63.24 (1) the total number of participants enrolled in training;
- 63.25 (2) the total number of participants who completed training;
- 63.26 (3) the total number of exited participants who have a placement in employment;
- 63.27 (4) the total number of exited participants who have a placement in post-secondary
- 63.28 education;
- 63.29 (5) the total number of exited participants with a placement in occupational or vocational
- 63.30 skills training, apprenticeship training, or military training;

- 64.1 (6) the total number of exited participants who have returned to school;
- 64.2 (7) the total number of exited participants who earned academic credit or service learning
 64.3 credit for work-based learning or participation in work experience;
- 64.4 (8) the total number of exited participants who have earned their high school diploma
 64.5 or GED;
- 64.6 (9) the total number of exited participants who have earned a certificate or
 64.7 industry-recognized credential; and
- 64.8 (10) the total number of exited participants who have completed and attained a work
 64.9 readiness skills training. "Work readiness" means a participant has the knowledge the
 64.10 participant needs in order to seek out employment. Activities, programs, or services must
 64.11 be designed to help an individual acquire a combination of basic academic skills, critical
 64.12 thinking skills, digital literacy skills, and self-management skills, including competencies
 64.13 in: (i) utilizing resources; (ii) using information; (iii) working with others; (iv) understanding
 64.14 systems; (v) skills necessary for successful transition into and completion of postsecondary
 64.15 education or training, or employment; and (vi) other employability skills. Competencies
 64.16 are measured through a pre- and post-training checklist completed and evaluated by
 64.17 employers.

64.18 **Sec. 31. [116L.981] PATHWAYS TO PROSPERITY PROGRAM.**

64.19 Subdivision 1. **Pathways to prosperity.** (a) The commissioner shall establish a pathways
 64.20 to prosperity grant program to award grants to organizations to train low-skill, low-income
 64.21 adults, and adults facing the greatest employment disparities, and to assist them in finding
 64.22 employment in high-demand industries with long-term employment opportunities.

64.23 (b) "Pathways to prosperity" means a combination of rigorous and high-quality education,
 64.24 training, and other services that:

64.25 (1) aligns with the skill needs of high-growth industries in the state, regional, or local
 64.26 economy;

64.27 (2) prepares individuals to enter in demand careers;

64.28 (3) includes counseling and to support an individual in achieving the individual's
 64.29 education and career goals;

64.30 (4) includes, as appropriate, education offered concurrently with and in the same context
 64.31 as workforce preparation activities and training for a specific occupation or occupational
 64.32 cluster;

65.1 (5) organizes education, training, and other services to meet the particular needs of an
65.2 individual in a manner that accelerates the educational and career advancement of the
65.3 individual to the extent practicable;

65.4 (6) enables an individual to attain a secondary school diploma or its recognized equivalent
65.5 and at least one industry-recognized credential; and

65.6 (7) helps an individual enter or advance within a specific occupation or occupational
65.7 cluster.

65.8 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the
65.9 meanings given.

65.10 (b) "Career pathway" means a career-readiness program that combines vocational skills
65.11 training, education, and support services and results in either industry-specific training or
65.12 an industry-recognized credential. Career pathway includes sector specific vocational skills
65.13 training that leads to employment in high-demand occupations.

65.14 (c) "Pathways to prosperity grant program" or "grant program" means the competitive
65.15 grant program created in this section.

65.16 Subd. 3. **Competitive grant process.** (a) The commissioner shall award grants to
65.17 applicants through a competitive grant process. This process shall include an expedited
65.18 application process for previous grant recipients that operate career pathway programs that
65.19 are aligned with current labor market needs and that are meeting or exceeding their
65.20 performance goals related to training and placement for individuals facing multiple barriers
65.21 to employment.

65.22 (b) The commissioner shall develop criteria for making grants in consultation with
65.23 workforce development service providers. These criteria shall include guidelines for multiple
65.24 types of career pathways. These criteria shall also consider a program's alignment with the
65.25 labor market in the community where the program operates and, where applicable, a
65.26 program's previous grant performance.

65.27 (c) All reporting requirements for grant recipients shall be outlined in plain language in
65.28 both the request for proposal and the grant contract.

65.29 (d) The commissioner shall provide applicants with technical assistance with
65.30 understanding application procedures and program guidelines.

65.31 (e) All grants shall be two years in length.

66.1 Subd. 4. **Performance metrics.** Reporting and performance outcomes for the grant
 66.2 program under this section shall comply with the requirements under section 116L.98.

66.3 Sec. 32. Laws 2019, First Special Session chapter 7, article 2, section 8, is amended to
 66.4 read:

66.5 Sec. 8. **LAUNCH MINNESOTA.**

66.6 Subdivision 1. **Establishment.** Launch Minnesota is established within the Business
 66.7 and Community Development Division of the Department of Employment and Economic
 66.8 Development to encourage and support the development of new private sector technologies
 66.9 and support the science and technology policies under Minnesota Statutes, section 3.222.
 66.10 Launch Minnesota must provide entrepreneurs and emerging technology-based companies
 66.11 business development assistance and financial assistance to spur growth.

66.12 Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision
 66.13 have the meanings given.

66.14 (b) "Advisory board" means the board established under subdivision 9.

66.15 (c) "Commissioner" means the commissioner of employment and economic development.

66.16 (d) "Department" means the Department of Employment and Economic Development.

66.17 (e) "Entrepreneur" means a Minnesota resident who is involved in establishing a business
 66.18 entity and secures resources directed to its growth while bearing the risk of loss.

66.19 (f) "Greater Minnesota" means the area of Minnesota located outside of the metropolitan
 66.20 area as defined in Minnesota Statutes, section 473.121, subdivision 2.

66.21 (g) ~~"High technology" includes aerospace, agricultural processing, renewable energy,~~
 66.22 ~~energy efficiency and conservation, environmental engineering, food technology, cellulosic~~
 66.23 ~~ethanol, information technology, materials science technology, nanotechnology,~~
 66.24 ~~telecommunications, biotechnology, medical device products, pharmaceuticals, diagnostics,~~
 66.25 ~~biologicals, chemistry, veterinary science, and similar fields.~~ "Innovative technology and
 66.26 business" means a new novel business model or product; a derivative product incorporating
 66.27 new elements into an existing product; a new use for a product; or a new process or method
 66.28 for the manufacture, use, or assessment of any product or activity, patentability, or scalability.
 66.29 Innovative technology or business model does not include locally based retail, lifestyle, or
 66.30 business services. The business must not be engaged in real estate development, insurance,
 66.31 banking, lending, lobbying, political consulting, information technology consulting, wholesale
 66.32 or retail trade, leisure, hospitality, transportation, construction, ethanol production from

67.1 corn, or professional services provided by attorneys, accountants, business consultants,
 67.2 physicians, or health care consultants.

67.3 (h) "Institution of higher education" has the meaning given in Minnesota Statutes, section
 67.4 136A.28, subdivision 6.

67.5 (i) "Minority group member" means a United States citizen or lawful permanent resident
 67.6 who is Asian, Pacific Islander, Black, Hispanic, or Native American.

67.7 ~~(j) "Minority-owned business" means a business for which one or more minority group~~
 67.8 ~~members:~~

67.9 ~~(1) own at least 50 percent of the business or, in the case of a publicly owned business,~~
 67.10 ~~own at least 51 percent of the stock; and~~

67.11 ~~(2) manage the business and control the daily business operations.~~

67.12 ~~(k)~~ (j) "Research and development" means any activity that is:

67.13 (1) a systematic, intensive study directed toward greater knowledge or understanding
 67.14 of the subject studies;

67.15 (2) a systematic study directed specifically toward applying new knowledge to meet a
 67.16 recognized need; or

67.17 (3) a systematic application of knowledge toward the production of useful materials,
 67.18 devices, systems and methods, including design, development and improvement of prototypes
 67.19 and new processes to meet specific requirements.

67.20 ~~(l)~~ (k) "Start-up" means a business entity that has been in operation for less than ten
 67.21 years, has operations in Minnesota, and is in the development stage defined as devoting
 67.22 substantially all of its efforts to establishing a new business and either of the following
 67.23 conditions exists:

67.24 (1) planned principal operations have not commenced; or

67.25 (2) planned principal operations have commenced, but have generated less than
 67.26 \$1,000,000 in revenue.

67.27 ~~(m)~~ (l) "Technology-related assistance" means the application and utilization of
 67.28 technological-information and technologies to assist in the development and production of
 67.29 new technology-related products or services or to increase the productivity or otherwise
 67.30 enhance the production or delivery of existing products or services.

68.1 ~~(n)~~ (m) "Trade association" means a nonprofit membership organization organized to
 68.2 promote businesses and business conditions and having an election under Internal Revenue
 68.3 Code section 501(c)(3) or 501(c)(6).

68.4 ~~(o)~~ (n) "Veteran" has the meaning given in Minnesota Statutes, section 197.447.

68.5 ~~(p)~~ "Women" means persons of the female gender.

68.6 ~~(q)~~ "Women-owned business" means a business for which one or more women:

68.7 ~~(1) own at least 50 percent of the business or, in the case of a publicly owned business,~~
 68.8 ~~own at least 51 percent of the stock; and~~

68.9 ~~(2) manage the business and control the daily business operations.~~

68.10 Subd. 3. **Duties.** The commissioner, by and through Launch Minnesota, shall:

68.11 (1) support innovation and initiatives designed to accelerate the growth of ~~high technology~~
 68.12 innovative technology and business start-ups in Minnesota;

68.13 (2) in partnership with other organizations, offer classes and instructional sessions on
 68.14 how to start a ~~high-tech and innovative~~ an innovative technology and business start-up;

68.15 (3) promote activities for entrepreneurs and investors regarding the state's growing
 68.16 innovation economy;

68.17 (4) hold events and meetings that gather key stakeholders in the state's innovation sector;

68.18 (5) conduct outreach and education on innovation activities and related financial programs
 68.19 available from the department and other organizations, particularly for underserved
 68.20 communities;

68.21 (6) interact and collaborate with statewide partners including but not limited to businesses,
 68.22 nonprofits, trade associations, and higher education institutions;

68.23 (7) administer an advisory board to assist with direction, grant application review,
 68.24 program evaluation, report development, and partnerships;

68.25 (8) accept grant applications under subdivisions 5, 6, and 7 and work with the advisory
 68.26 board to review and prioritize the applications and provide recommendations to the
 68.27 commissioner; and

68.28 (9) perform other duties at the commissioner's discretion.

68.29 Subd. 4. **Administration.** (a) The ~~department~~ commissioner shall employ an executive
 68.30 director in the unclassified service, one staff member to support Launch Minnesota, and

- 69.1 one staff member in the business and community development division to manage grants.
- 69.2 The executive director shall:
- 69.3 (1) assist the commissioner and the advisory board in performing the duties of Launch
- 69.4 Minnesota; and
- 69.5 (2) comply with all state and federal program requirements, and all state and federal
- 69.6 securities and tax laws and regulations.
- 69.7 (b) ~~To the extent possible, the space that~~ Launch Minnesota ~~shall~~ may occupy and lease
- 69.8 ~~must be~~ physical space in a private coworking facility that includes office space for staff
- 69.9 and space for community engagement for training entrepreneurs. The physical space leased
- 69.10 under this paragraph is exempt from the requirements in Minnesota Statutes, section 16B.24,
- 69.11 subdivision 6.
- 69.12 (c) At least three times per month, Launch Minnesota staff shall ~~visit~~ communicate with
- 69.13 organizations in greater Minnesota that have received a grant under subdivision 7. To the
- 69.14 extent possible, Launch Minnesota shall form partnerships with organizations located
- 69.15 throughout the state.
- 69.16 (d) Launch Minnesota must accept grant applications under this section and provide
- 69.17 funding recommendations to the commissioner, ~~who~~ and the commissioner shall distribute
- 69.18 grants based in part on the recommendations.
- 69.19 Subd. 5. **Application process.** (a) The commissioner shall establish the application form
- 69.20 and procedures for grants.
- 69.21 (b) Upon receiving recommendations from Launch Minnesota, the ~~department~~
- 69.22 commissioner is responsible for evaluating all applications using evaluation criteria which
- 69.23 shall be developed by Launch Minnesota in consultation with the advisory board ~~and the~~
- 69.24 ~~commissioner~~.
- 69.25 (c) For grants under subdivision 6, priority shall be given if the applicant is a business
- 69.26 owner or entrepreneur who is a minority group member and a lesser priority shall be given
- 69.27 if the applicant is:
- 69.28 (1) a business or entrepreneur located in greater Minnesota; or
- 69.29 (2) a business owner or entrepreneur who is a woman, or veteran, ~~or minority group~~
- 69.30 ~~member~~.

70.1 (d) For grants under subdivision 7, priority shall be given if the applicant is planning to
 70.2 serve business owners or entrepreneurs who are minority group members and a lesser priority
 70.3 shall be given if the applicant is planning to serve:

70.4 (1) businesses or entrepreneurs located in greater Minnesota; or

70.5 (2) business owners or entrepreneurs who are women, or veterans, ~~or minority group~~
 70.6 ~~members.~~

70.7 (e) The department staff, and not Launch Minnesota staff, is ~~are~~ responsible for awarding
 70.8 funding, disbursing funds, and monitoring grantee performance for all grants awarded under
 70.9 this section.

70.10 (f) Grantees must provide 50 percent in matching funds by equal expenditures and grant
 70.11 payments must be provided on a reimbursement basis after review of submitted receipts by
 70.12 the department.

70.13 (g) Grant applications must be accepted on a regular periodic basis by Launch Minnesota
 70.14 and must be reviewed by Launch Minnesota and the advisory board before being submitted
 70.15 to the commissioner with their recommendations.

70.16 Subd. 6. **Innovation grants.** (a) The commissioner shall distribute innovation grants
 70.17 under this subdivision.

70.18 (b) The commissioner shall provide a grant of up to \$35,000 to an eligible business or
 70.19 entrepreneur for research and development expenses, direct business expenses, and the
 70.20 purchase of technical assistance or services from public higher education institutions and
 70.21 nonprofit entities. Research and development expenditures may include but are not limited
 70.22 to proof of concept activities, intellectual property protection, prototype designs and
 70.23 production, and commercial feasibility. Expenditures funded under this subdivision are not
 70.24 eligible for the research and development tax credit under Minnesota Statutes, section
 70.25 290.068. Direct business expenses may include rent, equipment purchases, and supplier
 70.26 invoices. Taxes imposed by federal, state, or local government entities may not be reimbursed
 70.27 under this paragraph. Technical assistance or services must be purchased to assist in the
 70.28 development or commercialization of a product or service to be eligible. Each business or
 70.29 entrepreneur may receive only one grant per biennium under this paragraph.

70.30 ~~(e) The commissioner shall provide a grant of up to \$7,500 to reimburse an entrepreneur~~
 70.31 ~~for housing or child care expenses for the entrepreneur or their spouse or children. Each~~
 70.32 ~~entrepreneur may receive only one grant per biennium under this paragraph.~~

71.1 ~~(d)~~ (c) The commissioner shall provide a grant of up to \$35,000 in Phase 1 or \$50,000
 71.2 in Phase 2 to an eligible business or entrepreneur that, as a registered client of the Small
 71.3 Business Innovation Research (SBIR) program, has been awarded a first time Phase 1 or
 71.4 Phase 2 award pursuant to the SBIR or Small Business Technology Transfer (STTR)
 71.5 programs after July 1, 2019. Each business or entrepreneur may receive only one grant per
 71.6 biennium under this paragraph. Grants under this paragraph are not subject to the
 71.7 requirements of subdivision 2, paragraph ~~(h)~~ (k), but do require a recommendation from the
 71.8 Launch Minnesota advisory board.

71.9 Subd. 7. **Entrepreneur education grants.** (a) The commissioner shall make entrepreneur
 71.10 education grants to institutions of higher education and other organizations to provide
 71.11 educational programming to entrepreneurs and provide outreach to and collaboration with
 71.12 businesses, federal and state agencies, institutions of higher education, trade associations,
 71.13 and other organizations working to advance innovative, ~~high~~ technology businesses
 71.14 throughout Minnesota.

71.15 (b) Applications for entrepreneur education grants under this subdivision must be
 71.16 submitted to the commissioner and evaluated by department staff other than Launch
 71.17 Minnesota. The evaluation criteria must be developed by Launch Minnesota, in consultation
 71.18 with the advisory board, and the commissioner, and priority must be given to an applicant
 71.19 who demonstrates activity assisting ~~businesses~~ business owners or entrepreneurs residing
 71.20 in greater Minnesota or who are women, veterans, or minority group members.

71.21 (c) Department staff other than Launch Minnesota staff ~~is~~ are responsible for awarding
 71.22 funding, disbursing funds, and monitoring grantee performance under this subdivision.

71.23 (d) Grantees may use the grant funds to deliver the following services:

71.24 (1) development and delivery to ~~high~~ innovative technology businesses of industry
 71.25 specific or innovative product or process specific counseling on issues of business formation,
 71.26 market structure, market research and strategies, securing first mover advantage or
 71.27 overcoming barriers to entry, protecting intellectual property, and securing debt or equity
 71.28 capital. This counseling is to be delivered in a classroom setting or using distance media
 71.29 presentations;

71.30 (2) outreach and education to businesses and organizations on the small business
 71.31 investment tax credit program under Minnesota Statutes, section 116J.8737, the MNvest
 71.32 crowd-funding program under Minnesota Statutes, section 80A.461, and other state programs
 71.33 that support ~~high~~ innovative technology business creation especially in underserved
 71.34 communities;

72.1 (3) collaboration with institutions of higher education, local organizations, federal and
 72.2 state agencies, the Small Business Development Center, and the Small Business Assistance
 72.3 Office to create and offer educational programming and ongoing counseling in greater
 72.4 Minnesota that is consistent with those services offered in the metropolitan area; and

72.5 (4) events and meetings with other innovation-related organizations to inform
 72.6 entrepreneurs and potential investors about Minnesota's growing information economy.

72.7 Subd. 8. **Report.** Launch Minnesota shall report by December 31, 2022, and again by
 72.8 December 31, 2023, to the chairs and ranking minority members of the committees of the
 72.9 house of representatives and senate having jurisdiction over economic development policy
 72.10 and finance. Each report shall include information on the work completed, including awards
 72.11 made by the department under this section and progress toward transferring some activities
 72.12 of Launch Minnesota to an entity outside of state government.

72.13 Subd. 9. **Advisory board.** (a) The commissioner shall establish an advisory board to
 72.14 advise the executive director regarding the activities of Launch Minnesota, make the
 72.15 recommendations described in this section, and develop and initiate a strategic plan for
 72.16 transferring some activities of Launch Minnesota to a new or existing public-private
 72.17 partnership or nonprofit organization outside of state government.

72.18 (b) The advisory board shall consist of ~~ten~~ 12 members and is governed by Minnesota
 72.19 Statutes, section 15.059. A minimum of seven members must be from the private sector
 72.20 representing business and at least two members but no more than three members must be
 72.21 from government and higher education. At least three of the members of the advisory board
 72.22 shall be from greater Minnesota and at least three members shall be minority group members.
 72.23 Appointees shall represent a range of interests, including entrepreneurs, large businesses,
 72.24 industry organizations, investors, and both public and private small business service
 72.25 providers.

72.26 (c) The advisory board shall select a chair from its ~~private sector~~ members. The executive
 72.27 director shall provide administrative support to the committee.

72.28 (d) The commissioner, or a designee, shall serve as an ex-officio, nonvoting member of
 72.29 the advisory board.

72.30 Subd. 10. **Expiration.** This section expires January 1, 2024.

72.31 Sec. 33. **GRANT EXCEPTIONS.**

72.32 Notwithstanding Minnesota Statutes, sections 116J.8731, subdivision 5, and 116J.8748,
 72.33 subdivision 4, the commissioner may approve a Minnesota investment fund grant or job

73.1 creation fund grant of up to \$2,000,000 for qualified applicants. This section expires July
 73.2 1, 2022.

73.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

73.4 Sec. 34. **ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA**
 73.5 **INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

73.6 (a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or
 73.7 statutory city, county, or town that has uncommitted money received from repayment of
 73.8 funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20
 73.9 percent of the balance of that money to the state general fund before June 30, 2022. Any
 73.10 local entity that does so may then use the remaining 80 percent of the uncommitted money
 73.11 as a general purpose aid for any lawful expenditure.

73.12 (b) By February 15, 2023, a home rule charter or statutory city, county, or town that
 73.13 exercises the option under paragraph (a) shall submit to the chairs of the legislative
 73.14 committees with jurisdiction over economic development policy and finance an accounting
 73.15 and explanation of the use and distribution of the funds.

73.16 Sec. 35. **REPEALER.**

73.17 Minnesota Statutes 2020, section 116L.18, is repealed.

73.18 **ARTICLE 4**
 73.19 **FAMILY AND MEDICAL BENEFITS**

73.20 Section 1. Minnesota Statutes 2020, section 13.719, is amended by adding a subdivision
 73.21 to read:

73.22 Subd. 7. **Family and medical insurance data.** (a) For the purposes of this subdivision,
 73.23 the terms used have the meanings given them in section 268B.01.

73.24 (b) Data on applicants, family members, or employers under chapter 268B are private
 73.25 or nonpublic data, provided that the department may share data collected from applicants
 73.26 with employers or health care providers to the extent necessary to meet the requirements
 73.27 of chapter 268B or other applicable law.

73.28 (c) The department and the Department of Labor and Industry may share data classified
 73.29 under paragraph (b) to the extent necessary to meet the requirements of chapter 268B or
 73.30 the Department of Labor and Industry's enforcement authority over chapter 268B, as provided
 73.31 in section 177.27.

74.1 Sec. 2. Minnesota Statutes 2020, section 177.27, subdivision 4, is amended to read:

74.2 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
74.3 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,
74.4 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,
74.5 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, 268B.09, subdivisions 1 to 6, and
74.6 268B.14, subdivision 3, or with any rule promulgated under section 177.28. The
74.7 commissioner shall issue an order requiring an employer to comply with sections 177.41
74.8 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is
74.9 repeated if at any time during the two years that preceded the date of violation, the
74.10 commissioner issued an order to the employer for violation of sections 177.41 to 177.435
74.11 and the order is final or the commissioner and the employer have entered into a settlement
74.12 agreement that required the employer to pay back wages that were required by sections
74.13 177.41 to 177.435. The department shall serve the order upon the employer or the employer's
74.14 authorized representative in person or by certified mail at the employer's place of business.
74.15 An employer who wishes to contest the order must file written notice of objection to the
74.16 order with the commissioner within 15 calendar days after being served with the order. A
74.17 contested case proceeding must then be held in accordance with sections 14.57 to 14.69.
74.18 If, within 15 calendar days after being served with the order, the employer fails to file a
74.19 written notice of objection with the commissioner, the order becomes a final order of the
74.20 commissioner.

74.21 Sec. 3. Minnesota Statutes 2020, section 181.032, is amended to read:

74.22 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE**
74.23 **TO EMPLOYEE.**

74.24 (a) At the end of each pay period, the employer shall provide each employee an earnings
74.25 statement, either in writing or by electronic means, covering that pay period. An employer
74.26 who chooses to provide an earnings statement by electronic means must provide employee
74.27 access to an employer-owned computer during an employee's regular working hours to
74.28 review and print earnings statements, and must make statements available for review or
74.29 printing for a period of three years.

74.30 (b) The earnings statement may be in any form determined by the employer but must
74.31 include:

74.32 (1) the name of the employee;

- 75.1 (2) the rate or rates of pay and basis thereof, including whether the employee is paid by
 75.2 hour, shift, day, week, salary, piece, commission, or other method;
- 75.3 (3) allowances, if any, claimed pursuant to permitted meals and lodging;
- 75.4 (4) the total number of hours worked by the employee unless exempt from chapter 177;
- 75.5 (5) the total amount of gross pay earned by the employee during that period;
- 75.6 (6) a list of deductions made from the employee's pay;
- 75.7 (7) any amount deducted by the employer under section 268B.14, subdivision 3, and
 75.8 the amount paid by the employer based on the employee's wages under section 268B.14,
 75.9 subdivision 1;
- 75.10 ~~(7)~~ (8) the net amount of pay after all deductions are made;
- 75.11 ~~(8)~~ (9) the date on which the pay period ends;
- 75.12 ~~(9)~~ (10) the legal name of the employer and the operating name of the employer if
 75.13 different from the legal name;
- 75.14 ~~(10)~~ (11) the physical address of the employer's main office or principal place of business,
 75.15 and a mailing address if different; and
- 75.16 ~~(11)~~ (12) the telephone number of the employer.
- 75.17 (c) An employer must provide earnings statements to an employee in writing, rather
 75.18 than by electronic means, if the employer has received at least 24 hours notice from an
 75.19 employee that the employee would like to receive earnings statements in written form. Once
 75.20 an employer has received notice from an employee that the employee would like to receive
 75.21 earnings statements in written form, the employer must comply with that request on an
 75.22 ongoing basis.
- 75.23 (d) At the start of employment, an employer shall provide each employee a written notice
 75.24 containing the following information:
- 75.25 (1) the rate or rates of pay and basis thereof, including whether the employee is paid by
 75.26 the hour, shift, day, week, salary, piece, commission, or other method, and the specific
 75.27 application of any additional rates;
- 75.28 (2) allowances, if any, claimed pursuant to permitted meals and lodging;
- 75.29 (3) paid vacation, sick time, or other paid time-off accruals and terms of use;
- 75.30 (4) the employee's employment status and whether the employee is exempt from minimum
 75.31 wage, overtime, and other provisions of chapter 177, and on what basis;

76.1 (5) a list of deductions that may be made from the employee's pay;

76.2 (6) the number of days in the pay period, the regularly scheduled pay day, and the pay
76.3 day on which the employee will receive the first payment of wages earned;

76.4 (7) the legal name of the employer and the operating name of the employer if different
76.5 from the legal name;

76.6 (8) the physical address of the employer's main office or principal place of business, and
76.7 a mailing address if different; and

76.8 (9) the telephone number of the employer.

76.9 (e) The employer must keep a copy of the notice under paragraph (d) signed by each
76.10 employee acknowledging receipt of the notice. The notice must be provided to each employee
76.11 in English. The English version of the notice must include text provided by the commissioner
76.12 that informs employees that they may request, by indicating on the form, the notice be
76.13 provided in a particular language. If requested, the employer shall provide the notice in the
76.14 language requested by the employee. The commissioner shall make available to employers
76.15 the text to be included in the English version of the notice required by this section and assist
76.16 employers with translation of the notice in the languages requested by their employees.

76.17 (f) An employer must provide the employee any written changes to the information
76.18 contained in the notice under paragraph (d) prior to the date the changes take effect.

76.19 Sec. 4. Minnesota Statutes 2020, section 268.19, subdivision 1, is amended to read:

76.20 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from
76.21 any person under the administration of the Minnesota Unemployment Insurance Law are
76.22 private data on individuals or nonpublic data not on individuals as defined in section 13.02,
76.23 subdivisions 9 and 12, and may not be disclosed except according to a district court order
76.24 or section 13.05. A subpoena is not considered a district court order. These data may be
76.25 disseminated to and used by the following agencies without the consent of the subject of
76.26 the data:

76.27 (1) state and federal agencies specifically authorized access to the data by state or federal
76.28 law;

76.29 (2) any agency of any other state or any federal agency charged with the administration
76.30 of an unemployment insurance program;

76.31 (3) any agency responsible for the maintenance of a system of public employment offices
76.32 for the purpose of assisting individuals in obtaining employment;

77.1 (4) the public authority responsible for child support in Minnesota or any other state in
77.2 accordance with section 256.978;

77.3 (5) human rights agencies within Minnesota that have enforcement powers;

77.4 (6) the Department of Revenue to the extent necessary for its duties under Minnesota
77.5 laws;

77.6 (7) public and private agencies responsible for administering publicly financed assistance
77.7 programs for the purpose of monitoring the eligibility of the program's recipients;

77.8 (8) the Department of Labor and Industry and the Commerce Fraud Bureau in the
77.9 Department of Commerce for uses consistent with the administration of their duties under
77.10 Minnesota law;

77.11 (9) the Department of Human Services and the Office of Inspector General and its agents
77.12 within the Department of Human Services, including county fraud investigators, for
77.13 investigations related to recipient or provider fraud and employees of providers when the
77.14 provider is suspected of committing public assistance fraud;

77.15 (10) local and state welfare agencies for monitoring the eligibility of the data subject
77.16 for assistance programs, or for any employment or training program administered by those
77.17 agencies, whether alone, in combination with another welfare agency, or in conjunction
77.18 with the department or to monitor and evaluate the statewide Minnesota family investment
77.19 program by providing data on recipients and former recipients of Supplemental Nutrition
77.20 Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or
77.21 256K, child care assistance under chapter 119B, or medical programs under chapter 256B
77.22 or 256L or formerly codified under chapter 256D;

77.23 (11) local and state welfare agencies for the purpose of identifying employment, wages,
77.24 and other information to assist in the collection of an overpayment debt in an assistance
77.25 program;

77.26 (12) local, state, and federal law enforcement agencies for the purpose of ascertaining
77.27 the last known address and employment location of an individual who is the subject of a
77.28 criminal investigation;

77.29 (13) the United States Immigration and Customs Enforcement has access to data on
77.30 specific individuals and specific employers provided the specific individual or specific
77.31 employer is the subject of an investigation by that agency;

77.32 (14) the Department of Health for the purposes of epidemiologic investigations;

78.1 (15) the Department of Corrections for the purposes of case planning and internal research
 78.2 for preprobation, probation, and postprobation employment tracking of offenders sentenced
 78.3 to probation and preconfinement and postconfinement employment tracking of committed
 78.4 offenders;

78.5 (16) the state auditor to the extent necessary to conduct audits of job opportunity building
 78.6 zones as required under section 469.3201; ~~and~~

78.7 (17) the Office of Higher Education for purposes of supporting program improvement,
 78.8 system evaluation, and research initiatives including the Statewide Longitudinal Education
 78.9 Data System; and

78.10 (18) the Family and Medical Benefits Division of the Department of Employment and
 78.11 Economic Development to be used as necessary to administer chapter 268B.

78.12 (b) Data on individuals and employers that are collected, maintained, or used by the
 78.13 department in an investigation under section 268.182 are confidential as to data on individuals
 78.14 and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3
 78.15 and 13, and must not be disclosed except under statute or district court order or to a party
 78.16 named in a criminal proceeding, administrative or judicial, for preparation of a defense.

78.17 (c) Data gathered by the department in the administration of the Minnesota unemployment
 78.18 insurance program must not be made the subject or the basis for any suit in any civil
 78.19 proceedings, administrative or judicial, unless the action is initiated by the department.

78.20 Sec. 5. **[268B.01] DEFINITIONS.**

78.21 Subdivision 1. **Scope.** For the purposes of this chapter, the terms defined in this section
 78.22 have the meanings given.

78.23 Subd. 2. **Applicant.** "Applicant" means an individual applying for leave with benefits
 78.24 under this chapter.

78.25 Subd. 3. **Applicant's average weekly wage.** "Applicant's average weekly wage" means
 78.26 an amount equal to the applicant's high quarter wage credits divided by 13.

78.27 Subd. 4. **Base period.** (a) "Base period," unless otherwise provided in this subdivision,
 78.28 means the most recent four completed calendar quarters before the effective date of an
 78.29 applicant's application for family or medical leave benefits if the application has an effective
 78.30 date occurring after the month following the most recent completed calendar quarter. The
 78.31 base period under this paragraph is as follows:

79.1	<u>If the application for family or medical leave</u>	
79.2	<u>benefits is effective on or between these</u>	
79.3	<u>dates:</u>	<u>The base period is the prior:</u>
79.4	<u>February 1 to March 31</u>	<u>January 1 to December 31</u>
79.5	<u>May 1 to June 30</u>	<u>April 1 to March 31</u>
79.6	<u>August 1 to September 30</u>	<u>July 1 to June 30</u>
79.7	<u>November 1 to December 31</u>	<u>October 1 to September 30</u>

79.8 (b) If an application for family or medical leave benefits has an effective date that is
 79.9 during the month following the most recent completed calendar quarter, then the base period
 79.10 is the first four of the most recent five completed calendar quarters before the effective date
 79.11 of an applicant's application for family or medical leave benefits. The base period under
 79.12 this paragraph is as follows:

79.13	<u>If the application for family or medical leave</u>	
79.14	<u>benefits is effective on or between these</u>	
79.15	<u>dates:</u>	<u>The base period is the prior:</u>
79.16	<u>January 1 to January 31</u>	<u>October 1 to September 30</u>
79.17	<u>April 1 to April 30</u>	<u>January 1 to December 31</u>
79.18	<u>July 1 to July 31</u>	<u>April 1 to March 31</u>
79.19	<u>October 1 to October 31</u>	<u>July 1 to June 30</u>

79.20 (c) Regardless of paragraph (a), a base period of the first four of the most recent five
 79.21 completed calendar quarters must be used if the applicant would have more wage credits
 79.22 under that base period than under a base period of the four most recent completed calendar
 79.23 quarters.

79.24 (d) If the applicant has insufficient wage credits to establish a benefit account under a
 79.25 base period of the four most recent completed calendar quarters, or a base period of the first
 79.26 four of the most recent five completed calendar quarters, but during either base period the
 79.27 applicant received workers' compensation for temporary disability under chapter 176 or a
 79.28 similar federal law or similar law of another state, or if the applicant whose own serious
 79.29 illness caused a loss of work for which the applicant received compensation for loss of
 79.30 wages from some other source, the applicant may request a base period as follows:

79.31 (1) if an applicant was compensated for a loss of work of seven to 13 weeks during a
 79.32 base period referred to in paragraph (a) or (b), then the base period is the first four of the
 79.33 most recent six completed calendar quarters before the effective date of the application for
 79.34 family or medical leave benefits;

79.35 (2) if an applicant was compensated for a loss of work of 14 to 26 weeks during a base
 79.36 period referred to in paragraph (a) or (b), then the base period is the first four of the most

80.1 recent seven completed calendar quarters before the effective date of the application for
80.2 family or medical leave benefits;

80.3 (3) if an applicant was compensated for a loss of work of 27 to 39 weeks during a base
80.4 period referred to in paragraph (a) or (b), then the base period is the first four of the most
80.5 recent eight completed calendar quarters before the effective date of the application for
80.6 family or medical leave benefits; and

80.7 (4) if an applicant was compensated for a loss of work of 40 to 52 weeks during a base
80.8 period referred to in paragraph (a) or (b), then the base period is the first four of the most
80.9 recent nine completed calendar quarters before the effective date of the application for
80.10 family or medical leave benefits.

80.11 Subd. 5. **Benefit.** "Benefit" or "benefits" means monetary payments under this chapter
80.12 associated with qualifying bonding, family care, pregnancy, serious health condition,
80.13 qualifying exigency, or safety leave events, unless otherwise indicated by context.

80.14 Subd. 6. **Benefit account.** "Benefit account" means a benefit account established under
80.15 section 268B.04.

80.16 Subd. 7. **Benefit year.** "Benefit year" means the period of 52 calendar weeks beginning
80.17 the date a benefit account under section 268B.04 is effective. For a benefit account established
80.18 effective any January 1, April 1, July 1, or October 1, the benefit year will be a period of
80.19 53 calendar weeks.

80.20 Subd. 8. **Bonding.** "Bonding" means time spent by an applicant who is a biological,
80.21 adoptive, or foster parent with a biological, adopted, or foster child in conjunction with the
80.22 child's birth, adoption, or placement.

80.23 Subd. 9. **Calendar day.** "Calendar day" or "day" means a fixed 24-hour period
80.24 corresponding to a single calendar date.

80.25 Subd. 10. **Calendar quarter.** "Calendar quarter" means the period of three consecutive
80.26 calendar months ending on March 31, June 30, September 30, or December 31.

80.27 Subd. 11. **Calendar week.** "Calendar week" has the same meaning as "week" under
80.28 subdivision 46.

80.29 Subd. 12. **Commissioner.** "Commissioner" means the commissioner of employment
80.30 and economic development, unless otherwise indicated by context.

80.31 Subd. 13. **Covered employment.** (a) "Covered employment" means performing services
80.32 of whatever nature, unlimited by the relationship of master and servant as known to the

81.1 common law, or any other legal relationship performed for wages or under any contract
 81.2 calling for the performance of services, written or oral, express or implied.

81.3 (b) "Employment" includes an individual's entire service performed within or without
 81.4 or both within and without this state, if:

81.5 (1) the service is localized in this state; or

81.6 (2) the service is not localized in any state, but some of the service is performed in this
 81.7 state and:

81.8 (i) the base of operations of the employee is in the state, or if there is no base of
 81.9 operations, then the place from which such service is directed or controlled is in this state;
 81.10 or

81.11 (ii) the base of operations or place from which such service is directed or controlled is
 81.12 not in any state in which some part of the service is performed, but the individual's residence
 81.13 is in this state.

81.14 (c) "Covered employment" does not include:

81.15 (1) a self-employed individual; or

81.16 (2) an independent contractor.

81.17 Subd. 14. **Department.** "Department" means the Department of Employment and
 81.18 Economic Development, unless otherwise indicated by context.

81.19 Subd. 15. **Employee.** (a) "Employee" means an individual who is in the employment of
 81.20 an employer.

81.21 (b) Employee does not include employees of the United States of America.

81.22 Subd. 16. **Employer.** (a) "Employer" means:

81.23 (1) any person, type of organization, or entity, including any partnership, association,
 81.24 trust, estate, joint stock company, insurance company, limited liability company, or
 81.25 corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee, or
 81.26 the legal representative of a deceased person, having any individual in covered employment;

81.27 (2) the state, statewide system, and state agencies; and

81.28 (3) any local government entity, including but not limited to a county, city, town, school
 81.29 district, municipal corporation, quasimunicipal corporation, or other political subdivision.

81.30 An employer also includes charter schools.

81.31 (b) Employer does not include:

82.1 (1) the United States of America; or

82.2 (2) a self-employed individual who has elected and been approved for coverage under
82.3 section 268B.11 with regard to the self-employed individual's own coverage and benefits.

82.4 Subd. 17. **Estimated self-employment income.** "Estimated self-employment income"
82.5 means a self-employed individual's average net earnings from self-employment in the two
82.6 most recent taxable years. For a self-employed individual who had net earnings from
82.7 self-employment in only one of the years, the individual's estimated self-employment income
82.8 equals the individual's net earnings from self-employment in the year in which the individual
82.9 had net earnings from self-employment.

82.10 Subd. 18. **Family and medical benefit insurance account.** "Family and medical benefit
82.11 insurance account" means the family and medical benefit insurance account in the special
82.12 revenue fund in the state treasury under section 268B.02.

82.13 Subd. 19. **Family and medical benefit insurance enforcement account.** "Family and
82.14 medical benefit insurance enforcement account" means the family and medical benefit
82.15 insurance enforcement account in the state treasury under section 268B.185.

82.16 Subd. 20. **Family benefit program.** "Family benefit program" means the program
82.17 administered under this chapter for the collection of premiums and payment of benefits
82.18 related to family care, bonding, safety leave, and leave related to a qualifying exigency.

82.19 Subd. 21. **Family care.** "Family care" means an applicant caring for a family member
82.20 with a serious health condition or caring for a family member who is a covered service
82.21 member.

82.22 Subd. 22. **Family member.** (a) "Family member" means an employee's child, adult
82.23 child, spouse, sibling, parent, parent-in-law, grandchild, grandparent, stepparent, member
82.24 of the employee's household, or domestic partner.

82.25 (b) For the purposes of this chapter, a child includes a stepchild, biological, adopted, or
82.26 foster child of the employee, or a child for whom the employee is standing in loco parentis.

82.27 (c) For the purposes of this chapter, a grandchild includes a step-grandchild, biological,
82.28 adopted, or foster grandchild of the employee.

82.29 (d) For the purposes of this chapter, an individual is a member of the employee's
82.30 household if the individual has resided at the same address as the employee for at least one
82.31 year as of the first day of leave under this chapter.

82.32 Subd. 23. **Health care provider.** "Health care provider" means:

83.1 (1) an individual who is licensed, certified, or otherwise authorized under law to practice
83.2 in the individual's scope of practice as a physician, osteopath, surgeon, or advanced practice
83.3 registered nurse; or

83.4 (2) any other individual determined by the commissioner by rule, in accordance with
83.5 the rulemaking procedures in the Administrative Procedure Act, to be capable of providing
83.6 health care services.

83.7 Subd. 24. **High quarter.** "High quarter" means the calendar quarter in an applicant's
83.8 base period with the highest amount of wage credits.

83.9 Subd. 25. **Incapacity.** "Incapacity" means inability to perform regular work, attend
83.10 school, or perform other regular daily activities due to a serious health condition, treatment
83.11 therefore, or recovery therefrom.

83.12 Subd. 26. **Independent contractor.** (a) If there is an existing specific test or definition
83.13 for independent contractor in Minnesota statute or rule applicable to an occupation or sector
83.14 as of the date of enactment of this chapter, that test or definition shall apply to that occupation
83.15 or sector for purposes of this chapter. If there is not an existing test or definition as described,
83.16 the definition for independent contractor shall be as provided in this subdivision.

83.17 (b) An individual is an independent contractor and not an employee of the person for
83.18 whom the individual is performing services in the course of the person's trade, business,
83.19 profession, or occupation only if:

83.20 (1) the individual maintains a separate business with the individual's own office,
83.21 equipment, materials, and other facilities;

83.22 (2) the individual:

83.23 (i) holds or has applied for a federal employer identification number; or

83.24 (ii) has filed business or self-employment income tax returns with the federal Internal
83.25 Revenue Service if the individual has performed services in the previous year;

83.26 (3) the individual is operating under contract to perform the specific services for the
83.27 person for specific amounts of money and under which the individual controls the means
83.28 of performing the services;

83.29 (4) the individual is incurring the main expenses related to the services that the individual
83.30 is performing for the person under the contract;

84.1 (5) the individual is responsible for the satisfactory completion of the services that the
 84.2 individual has contracted to perform for the person and is liable for a failure to complete
 84.3 the services;

84.4 (6) the individual receives compensation from the person for the services performed
 84.5 under the contract on a commission or per-job or competitive bid basis and not on any other
 84.6 basis;

84.7 (7) the individual may realize a profit or suffer a loss under the contract to perform
 84.8 services for the person;

84.9 (8) the individual has continuing or recurring business liabilities or obligations; and

84.10 (9) the success or failure of the individual's business depends on the relationship of
 84.11 business receipts to expenditures.

84.12 (c) For the purposes of this chapter, an insurance producer, as defined in section 60K.31,
 84.13 subdivision 6, is an independent contractor of an insurance company, as defined in section
 84.14 60A.02, subdivision 4, unless the insurance producer and insurance company agree otherwise.

84.15 Subd. 27. **Inpatient care.** "Inpatient care" means an overnight stay in a hospital, hospice,
 84.16 or residential medical care facility, including any period of incapacity, or any subsequent
 84.17 treatment in connection with such inpatient care.

84.18 Subd. 28. **Maximum weekly benefit amount.** "Maximum weekly benefit amount"
 84.19 means the state's average weekly wage as calculated under section 268.035, subdivision 23.

84.20 Subd. 29. **Medical benefit program.** "Medical benefit program" means the program
 84.21 administered under this chapter for the collection of premiums and payment of benefits
 84.22 related to an applicant's serious health condition or pregnancy.

84.23 Subd. 30. **Net earnings from self-employment.** "Net earnings from self-employment"
 84.24 has the meaning given in section 1402 of the Internal Revenue Code, as defined in section
 84.25 290.01, subdivision 31.

84.26 Subd. 31. **Pregnancy.** "Pregnancy" means prenatal care or incapacity due to pregnancy
 84.27 or recovery from childbirth, still birth, miscarriage, or related health conditions.

84.28 Subd. 32. **Qualifying exigency.** (a) "Qualifying exigency" means a need arising out of
 84.29 a military member's active duty service or notice of an impending call or order to active
 84.30 duty in the United States armed forces, including providing for the care or other needs of
 84.31 the family member's child or other dependent, making financial or legal arrangements for
 84.32 the family member, attending counseling, attending military events or ceremonies, spending

85.1 time with the family member during a rest and recuperation leave or following return from
 85.2 deployment, or making arrangements following the death of the military member.

85.3 (b) For the purposes of this chapter, a "military member" means a current or former
 85.4 member of the United States armed forces, including a member of the National Guard or
 85.5 reserves, who, except for a deceased military member, is a resident of the state and is a
 85.6 family member of the employee taking leave related to the qualifying exigency.

85.7 Subd. 33. **Safety leave.** "Safety leave" means leave from work because of domestic
 85.8 abuse, sexual assault, or stalking of the employee or employee's family member, provided
 85.9 the leave is to:

85.10 (1) seek medical attention related to the physical or psychological injury or disability
 85.11 caused by domestic abuse, sexual assault, or stalking;

85.12 (2) obtain services from a victim services organization;

85.13 (3) obtain psychological or other counseling;

85.14 (4) seek relocation due to the domestic abuse, sexual assault, or stalking; or

85.15 (5) seek legal advice or take legal action, including preparing for or participating in any
 85.16 civil or criminal legal proceeding related to, or resulting from, the domestic abuse, sexual
 85.17 assault, or stalking.

85.18 Subd. 34. **Self-employed individual.** "Self-employed individual" means a resident of
 85.19 the state who, in one of the two taxable years preceding the current calendar year, derived
 85.20 at least \$10,000 in net earnings from self-employment from an entity other than an S
 85.21 corporation for the performance of services in this state.

85.22 Subd. 35. **Self-employment premium base.** "Self-employment premium base" means
 85.23 the lesser of:

85.24 (1) a self-employed individual's estimated self-employment income for the calendar year
 85.25 plus the individual's self-employment wages in the calendar year; or

85.26 (2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability
 85.27 Insurance tax in the taxable year.

85.28 Subd. 36. **Self-employment wages.** "Self-employment wages" means the amount of
 85.29 wages that a self-employed individual earned in the calendar year from an entity from which
 85.30 the individual also received net earnings from self-employment.

85.31 Subd. 37. **Serious health condition.** (a) "Serious health condition" means a physical or
 85.32 mental illness, injury, impairment, condition, or substance use disorder that involves:

86.1 (1) at-home care or inpatient care in a hospital, hospice, or residential medical care
86.2 facility, including any period of incapacity; or

86.3 (2) continuing treatment or supervision by a health care provider which includes any
86.4 one or more of the following:

86.5 (i) a period of incapacity of more than three consecutive, full calendar days, and any
86.6 subsequent treatment or period of incapacity relating to the same condition, that also involves:

86.7 (A) treatment two or more times by a health care provider or by a provider of health
86.8 care services under orders of, or on referral by, a health care provider; or

86.9 (B) treatment by a health care provider on at least one occasion that results in a regimen
86.10 of continuing treatment under the supervision of the health care provider;

86.11 (ii) a period of incapacity due to pregnancy, or for prenatal care;

86.12 (iii) a period of incapacity or treatment for a chronic health condition that:

86.13 (A) requires periodic visits, defined as at least twice a year, for treatment by a health
86.14 care provider or under orders of, or on referral by, a health care provider;

86.15 (B) continues over an extended period of time, including recurring episodes of a single
86.16 underlying condition; and

86.17 (C) may cause episodic rather than continuing periods of incapacity;

86.18 (iv) a period of incapacity which is permanent or long term due to a condition for which
86.19 treatment may not be effective. The employee or family member must be under the continuing
86.20 supervision of, but need not be receiving active treatment by, a health care provider; or

86.21 (v) a period of absence to receive multiple treatments, including any period of recovery
86.22 from the treatments, by a health care provider or by a provider of health care services under
86.23 orders of, or on referral by, a health care provider, for:

86.24 (A) restorative surgery after an accident or other injury; or

86.25 (B) a condition that would likely result in a period of incapacity of more than three
86.26 consecutive, full calendar days in the absence of medical intervention or treatment.

86.27 (b) For the purposes of paragraph (a), clauses (1) and (2), treatment by a health care
86.28 provider means an in-person visit or telemedicine visit with a health care provider, or by a
86.29 provider of health care services under orders of, or on referral by, a health care provider.

86.30 (c) For the purposes of paragraph (a), treatment includes but is not limited to examinations
86.31 to determine if a serious health condition exists and evaluations of the condition.

87.1 (d) Absences attributable to incapacity under paragraph (a), clause (2), item (ii) or (iii),
87.2 qualify for leave under this chapter even if the employee or the family member does not
87.3 receive treatment from a health care provider during the absence, and even if the absence
87.4 does not last more than three consecutive, full calendar days.

87.5 Subd. 38. **State's average weekly wage.** "State's average weekly wage" means the
87.6 weekly wage calculated under section 268.035, subdivision 23.

87.7 Subd. 39. **Supplemental benefit payment.** (a) "Supplemental benefit payment" means:

87.8 (1) a payment made by an employer to an employee as salary continuation or as paid
87.9 time off. Such a payment must be in addition to any family or medical leave benefits the
87.10 employee is receiving under this chapter; and

87.11 (2) a payment offered by an employer to an employee who is taking leave under this
87.12 chapter to supplement the family or medical leave benefits the employee is receiving.

87.13 (b) Employers may, but are not required to, designate certain benefits including but not
87.14 limited to salary continuation, vacation leave, sick leave, or other paid time off as a
87.15 supplemental benefit payment.

87.16 (c) Nothing in this chapter requires an employee to receive supplemental benefit
87.17 payments.

87.18 Subd. 40. **Taxable year.** "Taxable year" has the meaning given in section 290.01,
87.19 subdivision 9.

87.20 Subd. 41. **Taxable wages.** "Taxable wages" means those wages paid to an employee in
87.21 covered employment each calendar year up to an amount equal to the maximum wages
87.22 subject to premium in a calendar year, which is equal to the maximum earnings in that year
87.23 subject to the FICA Old-Age, Survivors, and Disability Insurance tax rounded to the nearest
87.24 \$1,000.

87.25 Subd. 42. **Typical workweek hours.** "Typical workweek hours" means:

87.26 (1) for an hourly employee, the average number of hours worked per week by an
87.27 employee within the high quarter during the base year; or

87.28 (2) 40 hours for a salaried employee, regardless of the number of hours the salaried
87.29 employee typically works.

87.30 Subd. 43. **Wage credits.** "Wage credits" means the amount of wages paid within an
87.31 applicant's base period for covered employment, as defined in subdivision 13.

88.1 Subd. 44. **Wage detail report.** "Wage detail report" means the report on each employee
88.2 in covered employment required from an employer on a calendar quarter basis under section
88.3 268B.12.

88.4 Subd. 45. **Wages.** (a) "Wages" means all compensation for employment, including
88.5 commissions; bonuses, awards, and prizes; severance payments; standby pay; vacation and
88.6 holiday pay; back pay as of the date of payment; tips and gratuities paid to an employee by
88.7 a customer of an employer and accounted for by the employee to the employer; sickness
88.8 and accident disability payments, except as otherwise provided in this subdivision; and the
88.9 cash value of housing, utilities, meals, exchanges of services, and any other goods and
88.10 services provided to compensate an employee, except:

88.11 (1) the amount of any payment made to, or on behalf of, an employee under a plan
88.12 established by an employer that makes provision for employees generally or for a class or
88.13 classes of employees, including any amount paid by an employer for insurance or annuities,
88.14 or into a plan, to provide for a payment, on account of (i) retirement, (ii) medical and
88.15 hospitalization expenses in connection with sickness or accident disability, or (iii) death;

88.16 (2) the payment by an employer of the tax imposed upon an employee under United
88.17 States Code, title 26, section 3101 of the Federal Insurance Contribution Act, with respect
88.18 to compensation paid to an employee for domestic employment in a private household of
88.19 the employer or for agricultural employment;

88.20 (3) any payment made to, or on behalf of, an employee or beneficiary (i) from or to a
88.21 trust described in United States Code, title 26, section 401(a) of the federal Internal Revenue
88.22 Code, that is exempt from tax under section 501(a) at the time of the payment unless the
88.23 payment is made to an employee of the trust as compensation for services as an employee
88.24 and not as a beneficiary of the trust, or (ii) under or to an annuity plan that, at the time of
88.25 the payment, is a plan described in section 403(a);

88.26 (4) the value of any special discount or markdown allowed to an employee on goods
88.27 purchased from or services supplied by the employer where the purchases are optional and
88.28 do not constitute regular or systematic payment for services;

88.29 (5) customary and reasonable directors' fees paid to individuals who are not otherwise
88.30 employed by the corporation of which they are directors;

88.31 (6) the payment to employees for reimbursement of meal expenses when employees are
88.32 required to perform work after their regular hours;

89.1 (7) the payment into a trust or plan for purposes of providing legal or dental services if
89.2 provided for all employees generally or for a class or classes of employees;

89.3 (8) the value of parking facilities provided or paid for by an employer, in whole or in
89.4 part, if provided for all employees generally or for a class or classes of employees;

89.5 (9) royalties to an owner of a franchise, license, copyright, patent, oil, mineral, or other
89.6 right;

89.7 (10) advances or reimbursements for traveling or other ordinary and necessary expenses
89.8 incurred or reasonably expected to be incurred in the business of the employer. Traveling
89.9 and other reimbursed expenses must be identified either by making separate payments or
89.10 by specifically indicating the separate amounts where both wages and expense allowances
89.11 are combined in a single payment;

89.12 (11) residual payments to radio, television, and similar artists that accrue after the
89.13 production of television commercials, musical jingles, spot announcements, radio
89.14 transcriptions, film soundtracks, and similar activities;

89.15 (12) the income to a former employee resulting from the exercise of a nonqualified stock
89.16 option;

89.17 (13) supplemental unemployment benefit payments under a plan established by an
89.18 employer, if the payment is not wages under the Federal Unemployment Tax Act. The
89.19 payments are wages unless made solely for the supplementing of weekly state or federal
89.20 unemployment benefits. Supplemental unemployment benefit payments may not be assigned,
89.21 nor may any consideration be required from the applicant, other than a release of claims in
89.22 order to be excluded from wages;

89.23 (14) sickness or accident disability payments made by the employer after the expiration
89.24 of six calendar months following the last calendar month that the individual worked for the
89.25 employer;

89.26 (15) disability payments made under the provisions of any workers' compensation law;

89.27 (16) sickness or accident disability payments made by a third-party payer such as an
89.28 insurance company; or

89.29 (17) payments made into a trust fund, or for the purchase of insurance or an annuity, to
89.30 provide for sickness or accident disability payments to employees under a plan or system
89.31 established by the employer that provides for the employer's employees generally or for a
89.32 class or classes of employees.

90.1 (b) Nothing in this subdivision excludes from the term "wages" any payment made under
90.2 any type of salary reduction agreement, including payments made under a cash or deferred
90.3 arrangement and cafeteria plan, as defined in United States Code, title 26, sections 401(k)
90.4 and 125 of the federal Internal Revenue Code, to the extent that the employee has the option
90.5 to receive the payment in cash.

90.6 (c) Wages includes the total payment to the operator and supplier of a vehicle or other
90.7 equipment where the payment combines compensation for personal services as well as
90.8 compensation for the cost of operating and hiring the equipment in a single payment. This
90.9 paragraph does not apply if:

90.10 (1) there is a preexisting written agreement providing for allocation of specific amounts;

90.11 or

90.12 (2) at the time of each payment there is a written acknowledgment indicating the separate
90.13 allocated amounts.

90.14 (d) Wages includes payments made for services as a caretaker. Unless there is a contract
90.15 or other proof to the contrary, compensation is considered as being equally received by a
90.16 married couple where the employer makes payment to only one spouse, or by all tenants of
90.17 a household who perform services where two or more individuals share the same dwelling
90.18 and the employer makes payment to only one individual.

90.19 (e) Wages includes payments made for services by a migrant family. Where services
90.20 are performed by a married couple or a family and an employer makes payment to only one
90.21 individual, each worker is considered as having received an equal share of the compensation
90.22 unless there is a contract or other proof to the contrary.

90.23 (f) Wages includes advances or draws against future earnings, when paid, unless the
90.24 payments are designated as a loan or return of capital on the books and records of the
90.25 employer at the time of payment.

90.26 (g) Wages includes payments made by a subchapter "S" corporation, as organized under
90.27 the Internal Revenue Code, to or on behalf of officers and shareholders that are reasonable
90.28 compensation for services performed for the corporation.

90.29 For a subchapter "S" corporation, wages does not include:

90.30 (1) a loan for business purposes to an officer or shareholder evidenced by a promissory
90.31 note signed by an officer before the payment of the loan proceeds and recorded on the books
90.32 and records of the corporation as a loan to an officer or shareholder;

91.1 (2) a repayment of a loan or payment of interest on a loan made by an officer to the
 91.2 corporation and recorded on the books and records of the corporation as a liability;

91.3 (3) a reimbursement of reasonable corporation expenses incurred by an officer and
 91.4 documented by a written expense voucher and recorded on the books and records of the
 91.5 corporation as corporate expenses; and

91.6 (4) a reasonable lease or rental payment to an officer who owns property that is leased
 91.7 or rented to the corporation.

91.8 Subd. 46. **Wages paid.** (a) "Wages paid" means the amount of wages:

91.9 (1) that have been actually paid; or

91.10 (2) that have been credited to or set apart so that payment and disposition is under the
 91.11 control of the employee.

91.12 (b) Wage payments delayed beyond the regularly scheduled pay date are wages paid on
 91.13 the missed pay date. Back pay is wages paid on the date of actual payment. Any wages
 91.14 earned but not paid with no scheduled date of payment are wages paid on the last day of
 91.15 employment.

91.16 (c) Wages paid does not include wages earned but not paid except as provided for in
 91.17 this subdivision.

91.18 Subd. 47. **Week.** "Week" means calendar week ending at midnight Saturday.

91.19 Subd. 48. **Weekly benefit amount.** "Weekly benefit amount" means the amount of
 91.20 family and medical leave benefits computed under section 268B.04.

91.21 Sec. 6. **[268B.02] FAMILY AND MEDICAL BENEFIT INSURANCE PROGRAM**
 91.22 **CREATION.**

91.23 Subdivision 1. **Creation.** A family and medical benefit insurance program is created to
 91.24 be administered by the commissioner according to the terms of this chapter.

91.25 Subd. 2. **Creation of division.** A Family and Medical Benefit Insurance Division is
 91.26 created within the department under the authority of the commissioner. The commissioner
 91.27 shall appoint a director of the division. The division shall administer and operate the benefit
 91.28 program under this chapter.

91.29 Subd. 3. **Rulemaking.** The commissioner may adopt rules to implement the provisions
 91.30 of this chapter.

92.1 Subd. 4. **Account creation; appropriation.** The family and medical benefit insurance
 92.2 account is created in the special revenue fund in the state treasury. Money in this account
 92.3 is appropriated to the commissioner to pay benefits under and to administer this chapter,
 92.4 including outreach required under section 268B.18.

92.5 Subd. 5. **Information technology services and equipment.** The department is exempt
 92.6 from the provisions of section 16E.016 for the purposes of this chapter.

92.7 **Sec. 7. [268B.03] PAYMENT OF BENEFITS.**

92.8 Subdivision 1. **Requirements.** The commissioner must pay benefits from the family
 92.9 and medical benefit insurance account as provided under this chapter to an applicant who
 92.10 has met each of the following requirements:

92.11 (1) the applicant has filed an application for benefits and established a benefit account
 92.12 in accordance with section 268B.04;

92.13 (2) the applicant has met all of the ongoing eligibility requirements under section
 92.14 268B.06;

92.15 (3) the applicant does not have an outstanding overpayment of family or medical leave
 92.16 benefits, including any penalties or interest;

92.17 (4) the applicant has not been held ineligible for benefits under section 268.07, subdivision
 92.18 2; and

92.19 (5) the applicant is not employed exclusively by a private plan employer and has wage
 92.20 credits during the base year attributable to employers covered under the state family and
 92.21 medical leave program.

92.22 Subd. 2. **Benefits paid from state funds.** Benefits are paid from state funds and are not
 92.23 considered paid from any special insurance plan, nor as paid by an employer. An application
 92.24 for family or medical leave benefits is not considered a claim against an employer but is
 92.25 considered a request for benefits from the family and medical benefit insurance account.
 92.26 The commissioner has the responsibility for the proper payment of benefits regardless of
 92.27 the level of interest or participation by an applicant or an employer in any determination or
 92.28 appeal. An applicant's entitlement to benefits must be determined based upon that information
 92.29 available without regard to a burden of proof. Any agreement between an applicant and an
 92.30 employer is not binding on the commissioner in determining an applicant's entitlement.
 92.31 There is no presumption of entitlement or nonentitlement to benefits.

93.1 Sec. 8. [268B.04] BENEFIT ACCOUNT; BENEFITS.

93.2 Subdivision 1. Application for benefits; determination of benefit account. (a) An
93.3 application for benefits may be filed in person, by mail, or by electronic transmission as the
93.4 commissioner may require. The applicant must include certification supporting a request
93.5 for leave under this chapter. The applicant must meet eligibility requirements at the time
93.6 the application is filed and must provide all requested information in the manner required.
93.7 If the applicant does not meet eligibility at the time of the application or fails to provide all
93.8 requested information, the communication is not an application for family and medical leave
93.9 benefits.

93.10 (b) The commissioner must examine each application for benefits to determine the base
93.11 period and the benefit year, and based upon all the covered employment in the base period
93.12 the commissioner must determine the weekly benefit amount available, if any, and the
93.13 maximum amount of benefits available, if any. The determination, which is a document
93.14 separate and distinct from a document titled a determination of eligibility or determination
93.15 of ineligibility, must be titled determination of benefit account. A determination of benefit
93.16 account must be sent to the applicant and all base period employers, by mail or electronic
93.17 transmission.

93.18 (c) If a base period employer did not provide wage detail information for the applicant
93.19 as required under section 268B.12, the commissioner may accept an applicant certification
93.20 of wage credits, based upon the applicant's records, and issue a determination of benefit
93.21 account.

93.22 (d) The commissioner may, at any time within 24 months from the establishment of a
93.23 benefit account, reconsider any determination of benefit account and make an amended
93.24 determination if the commissioner finds that the wage credits listed in the determination
93.25 were incorrect for any reason. An amended determination of benefit account must be
93.26 promptly sent to the applicant and all base period employers, by mail or electronic
93.27 transmission. This paragraph does not apply to documents titled determinations of eligibility
93.28 or determinations of ineligibility issued.

93.29 (e) If an amended determination of benefit account reduces the weekly benefit amount
93.30 or maximum amount of benefits available, any benefits that have been paid greater than the
93.31 applicant was entitled is an overpayment of benefits. A determination or amended
93.32 determination issued under this section that results in an overpayment of benefits must set
93.33 out the amount of the overpayment and the requirement that the overpaid benefits must be
93.34 repaid according to section 268B.185.

94.1 Subd. 2. **Benefit account requirements.** (a) Unless paragraph (b) applies, to establish
94.2 a benefit account, an applicant must have wage credits of at least 5.3 percent of the state's
94.3 average annual wage rounded down to the next lower \$100.

94.4 (b) To establish a new benefit account following the expiration of the benefit year on a
94.5 prior benefit account, an applicant must have performed actual work in subsequent covered
94.6 employment and have been paid wages in one or more completed calendar quarters that
94.7 started after the effective date of the prior benefit account. The wages paid for that
94.8 employment must be at least enough to meet the requirements of paragraph (a). A benefit
94.9 account under this paragraph must not be established effective earlier than the Sunday
94.10 following the end of the most recent completed calendar quarter in which the requirements
94.11 of paragraph (a) were met. An applicant must not establish a second benefit account as a
94.12 result of one loss of employment.

94.13 Subd. 3. **Weekly benefit amount; maximum amount of benefits available; prorated**
94.14 **amount.** (a) Subject to the maximum weekly benefit amount, an applicant's weekly benefit
94.15 is calculated by adding the amounts obtained by applying the following percentage to an
94.16 applicant's average typical workweek and weekly wage during the high quarter of the base
94.17 period:

94.18 (1) 90 percent of wages that do not exceed 50 percent of the state's average weekly wage;
94.19 plus

94.20 (2) 66 percent of wages that exceed 50 percent of the state's average weekly wage but
94.21 not 100 percent; plus

94.22 (3) 55 percent of wages that exceed 100 percent of the state's average weekly wage.

94.23 (b) The state's average weekly wage is the average wage as calculated under section
94.24 268.035, subdivision 23, at the time a benefit amount is first determined.

94.25 (c) The maximum weekly benefit amount is the state's average weekly wage as calculated
94.26 under section 268.035, subdivision 23.

94.27 (d) The state's maximum weekly benefit amount, computed in accordance with section
94.28 268.035, subdivision 23, applies to a benefit account established effective on or after the
94.29 last Sunday in October. Once established, an applicant's weekly benefit amount is not
94.30 affected by the last Sunday in October change in the state's maximum weekly benefit amount.

94.31 (e) For an employee receiving family or medical leave, a weekly benefit amount is
94.32 prorated when:

94.33 (1) the employee works hours for wages; or

95.1 (2) the employee uses paid sick leave, paid vacation leave, or other paid time off that is
95.2 not considered a supplemental benefit payment as defined in section 268B.01, subdivision
95.3 37.

95.4 Subd. 4. **Timing of payment.** Except as otherwise provided for in this chapter, benefits
95.5 must be paid weekly.

95.6 Subd. 5. **Maximum length of benefits.** (a) Except as provided in paragraph (b), in a
95.7 single benefit year, an applicant may receive up to 12 weeks of benefits under this chapter
95.8 related to the applicant's serious health condition or pregnancy and up to 12 weeks of benefits
95.9 under this chapter for bonding, safety leave, or family care.

95.10 (b) An applicant may receive up to 12 weeks of benefits in a single benefit year for leave
95.11 related to one or more qualifying exigencies.

95.12 Subd. 6. **Minimum period for which benefits payable.** Except for a claim for benefits
95.13 for bonding leave, any claim for benefits must be based on a single qualifying event of at
95.14 least seven calendar days. Benefits may be paid for a minimum duration of eight consecutive
95.15 hours in a week. If an employee on leave claims eight hours at any point during a week, the
95.16 minimum duration is satisfied.

95.17 Subd. 7. **Right of appeal.** (a) A determination or amended determination of benefit
95.18 account is final unless an applicant files an appeal within 20 calendar days after the sending
95.19 of the determination or amended determination. Every determination or amended
95.20 determination of benefit account must contain a prominent statement indicating in clear
95.21 language the consequences of not appealing. Proceedings on the appeal are conducted in
95.22 accordance with section 268B.08.

95.23 (b) Any applicant may appeal from a determination or amended determination of benefit
95.24 account on the issue of whether services performed constitute employment, whether the
95.25 employment is covered employment, and whether money paid constitutes wages.

95.26 Subd. 8. **Limitations on applications and benefit accounts.** (a) An application for
95.27 family or medical leave benefits is effective the Sunday of the calendar week that the
95.28 application was filed. An application for benefits may be backdated one calendar week
95.29 before the Sunday of the week the application was actually filed if the applicant requests
95.30 the backdating within seven calendar days of the date the application is filed. An application
95.31 may be backdated only if the applicant was eligible for the benefit during the period of the
95.32 backdating. If an individual attempted to file an application for benefits, but was prevented
95.33 from filing an application by the department, the application is effective the Sunday of the
95.34 calendar week the individual first attempted to file an application.

96.1 (b) A benefit account established under subdivision 2 is effective the date the application
 96.2 for benefits was effective.

96.3 (c) A benefit account, once established, may later be withdrawn if:

96.4 (1) the applicant has not been paid any benefits on that benefit account; and

96.5 (2) a new application for benefits is filed and a new benefit account is established at the
 96.6 time of the withdrawal.

96.7 A benefit account may be withdrawn after the expiration of the benefit year, and the
 96.8 new work requirements of subdivision 2, paragraph (b), do not apply if the applicant was
 96.9 not paid any benefits on the benefit account that is being withdrawn.

96.10 A determination or amended determination of eligibility or ineligibility issued under
 96.11 section 268B.07 that was sent before the withdrawal of the benefit account, remains in effect
 96.12 and is not voided by the withdrawal of the benefit account.

96.13 **Sec. 9. [268B.05] CONTINUED REQUEST FOR BENEFITS.**

96.14 A continued request for family or medical leave benefits is a certification by an applicant,
 96.15 done on a weekly basis, that the applicant is unable to perform usual work due to a qualifying
 96.16 event and meets the ongoing eligibility requirements for benefits under section 268B.06. A
 96.17 continued request must include information on possible issues of ineligibility.

96.18 **Sec. 10. [268B.06] ELIGIBILITY REQUIREMENTS; PAYMENTS THAT AFFECT**
 96.19 **BENEFITS.**

96.20 Subdivision 1. **Eligibility conditions.** (a) An applicant may be eligible to receive family
 96.21 or medical leave benefits for any week if:

96.22 (1) the applicant has filed a continued request for benefits for that week under section
 96.23 268B.05;

96.24 (2) the week for which benefits are requested is in the applicant's benefit year;

96.25 (3) the applicant was unable to perform regular work due to a serious health condition,
 96.26 a qualifying exigency, safety leave, family care, bonding, pregnancy, or recovery from
 96.27 pregnancy for the period required under subdivision 2;

96.28 (4) the applicant has sufficient wage credits from an employer or employers as defined
 96.29 in section 268B.01, subdivision 41, to establish a benefit account under section 268B.04;
 96.30 and

97.1 (5) an applicant requesting benefits under this chapter must fulfill certification
97.2 requirements under subdivision 3.

97.3 (b) A self-employed individual or independent contractor who has elected and been
97.4 approved for coverage under section 268B.11 need not fulfill the requirement of paragraph
97.5 (a), clause (4).

97.6 Subd. 2. **Seven-day qualifying event.** (a) The period for which an applicant is seeking
97.7 benefits must be or have been based on a single event of at least seven calendar days' duration
97.8 related to pregnancy, recovery from pregnancy, family care, a qualifying exigency, safety
97.9 leave, or the applicant's serious health condition. The days need not be consecutive.

97.10 (b) Benefits related to bonding need not meet the seven-day qualifying event requirement.

97.11 (c) The commissioner must use the rulemaking authority under section 268B.02,
97.12 subdivision 3, to adopt rules regarding what serious health conditions and other events are
97.13 prospectively presumed to constitute seven-day qualifying events under this chapter.

97.14 Subd. 3. **Certification.** (a) Certification for an applicant taking leave related to the
97.15 applicant's serious health condition shall be sufficient if the certification states the date on
97.16 which the serious health condition began, the probable duration of the condition, and the
97.17 appropriate medical facts within the knowledge of the health care provider as required by
97.18 the commissioner.

97.19 (b) Certification for an applicant taking leave to care for a family member with a serious
97.20 health condition shall be sufficient if the certification states the date on which the serious
97.21 health condition commenced, the probable duration of the condition, the appropriate medical
97.22 facts within the knowledge of the health care provider as required by the commissioner, a
97.23 statement that the family member requires care, and an estimate of the amount of time that
97.24 the family member will require care.

97.25 (c) Certification for an applicant taking leave related to pregnancy shall be sufficient if
97.26 the certification states the expected due date and recovery period based on appropriate
97.27 medical facts within the knowledge of the health care provider.

97.28 (d) Certification for an applicant taking bonding leave because of the birth of the
97.29 applicant's child shall be sufficient if the certification includes either the child's birth
97.30 certificate or a document issued by the health care provider of the child or the health care
97.31 provider of the person who gave birth, stating the child's birth date.

97.32 (e) Certification for an applicant taking bonding leave because of the placement of a
97.33 child with the applicant for adoption or foster care shall be sufficient if the applicant provides

98.1 a document issued by the health care provider of the child, an adoption or foster care agency
98.2 involved in the placement, or by other individuals as determined by the commissioner that
98.3 confirms the placement and the date of placement. To the extent that the status of an applicant
98.4 as an adoptive or foster parent changes while an application for benefits is pending, or while
98.5 the covered individual is receiving benefits, the applicant must notify the department of
98.6 such change in status in writing.

98.7 (f) Certification for an applicant taking leave because of a qualifying exigency shall be
98.8 sufficient if the certification includes:

98.9 (1) a copy of the family member's active-duty orders;

98.10 (2) other documentation issued by the United States armed forces; or

98.11 (3) other documentation permitted by the commissioner.

98.12 (g) Certification for an applicant taking safety leave is sufficient if the certification
98.13 includes a court record or documentation signed by a volunteer or employee of a victim's
98.14 services organization, an attorney, a police officer, or an antiviolence counselor. The
98.15 commissioner must not require disclosure of details relating to an applicant's or applicant's
98.16 family member's domestic abuse, sexual assault, or stalking.

98.17 (h) Certifications under paragraphs (a) to (e) must be reviewed and signed by a health
98.18 care provider with knowledge of the qualifying event associated with the leave.

98.19 (i) For a leave taken on an intermittent or reduced-schedule basis, based on a serious
98.20 health condition of an applicant or applicant's family member, the certification under this
98.21 subdivision must include an explanation of how such leave would be medically beneficial
98.22 to the individual with the serious health condition.

98.23 Subd. 4. **Not eligible.** An applicant is ineligible for family or medical leave benefits for
98.24 any portion of a typical workweek:

98.25 (1) that occurs before the effective date of a benefit account;

98.26 (2) that the applicant has an outstanding misrepresentation overpayment balance under
98.27 section 268B.185, subdivision 5, including any penalties and interest;

98.28 (3) that the applicant fails or refuses to provide information on an issue of ineligibility
98.29 required under section 268B.07, subdivision 2; or

98.30 (4) for which the applicant worked for pay.

98.31 Subd. 5. **Vacation, sick leave, and supplemental benefit payments.** (a) An applicant
98.32 is not eligible to receive benefits for any portion of a typical workweek the applicant is

99.1 receiving, has received, or will receive vacation pay, sick pay, or personal time off pay, also
99.2 known as "PTO."

99.3 (b) Paragraph (a) does not apply:

99.4 (1) upon a permanent separation from employment;

99.5 (2) to payments from a vacation fund administered by a union or a third party not under
99.6 the control of the employer; or

99.7 (3) to supplemental benefit payments, as defined in section 268B.01, subdivision 37.

99.8 (c) Payments under this subdivision are applied to the period immediately following the
99.9 later of the date of separation from employment or the date the applicant first becomes
99.10 aware that the employer will be making a payment. The date the payment is actually made
99.11 or received, or that an applicant must agree to a release of claims, does not affect the
99.12 application of this subdivision.

99.13 Subd. 6. **Workers' compensation and disability insurance offset.** (a) An applicant is
99.14 not eligible to receive benefits for any portion of a week in which the applicant is receiving
99.15 or has received compensation for loss of wages equal to or in excess of the applicant's
99.16 weekly family or medical leave benefit amount under:

99.17 (1) the workers' compensation law of this state;

99.18 (2) the workers' compensation law of any other state or similar federal law; or

99.19 (3) any insurance or trust fund paid in whole or in part by an employer.

99.20 (b) This subdivision does not apply to an applicant who has a claim pending for loss of
99.21 wages under paragraph (a). If the applicant later receives compensation as a result of the
99.22 pending claim, the applicant is subject to paragraph (a) and the family or medical leave
99.23 benefits paid are overpaid benefits under section 268B.185.

99.24 (c) If the amount of compensation described under paragraph (a) for any week is less
99.25 than the applicant's weekly family or medical leave benefit amount, benefits requested for
99.26 that week are reduced by the amount of that compensation payment.

99.27 Subd. 7. **Separation, severance, or bonus payments.** (a) An applicant is not eligible
99.28 to receive benefits for any week the applicant is receiving, has received, or will receive
99.29 separation pay, severance pay, bonus pay, or any other payments paid by an employer
99.30 because of, upon, or after separation from employment. This subdivision applies if the
99.31 payment is:

99.32 (1) considered wages under section 268B.01, subdivision 43; or

100.1 (2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social
100.2 Security and Medicare.

100.3 (b) Payments under this subdivision are applied to the period immediately following the
100.4 later of the date of separation from employment or the date the applicant first becomes
100.5 aware that the employer will be making a payment. The date the payment is actually made
100.6 or received, or that an applicant must agree to a release of claims, does not affect the
100.7 application of this paragraph.

100.8 (c) This subdivision does not apply to vacation pay, sick pay, personal time off pay, or
100.9 supplemental benefit payment under subdivision 4.

100.10 (d) This subdivision applies to all the weeks of payment.

100.11 (e) Under this subdivision, if the payment with respect to a week is equal to or more
100.12 than the applicant's weekly benefit amount, the applicant is ineligible for benefits for that
100.13 week. If the payment with respect to a week is less than the applicant's weekly benefit
100.14 amount, benefits are reduced by the amount of the payment.

100.15 Subd. 8. **Social Security disability benefits.** (a) An applicant who is receiving, has
100.16 received, or has filed for primary Social Security disability benefits for any week is ineligible
100.17 for benefits for that week, unless:

100.18 (1) the Social Security Administration approved the collecting of primary Social Security
100.19 disability benefits each month the applicant was employed during the base period; or

100.20 (2) the applicant provides a statement from an appropriate health care professional who
100.21 is aware of the applicant's Social Security disability claim and the basis for that claim,
100.22 certifying that the applicant is available for suitable employment.

100.23 (b) If an applicant meets the requirements of paragraph (a), clause (1), there is no
100.24 deduction from the applicant's weekly benefit amount for any Social Security disability
100.25 benefits.

100.26 (c) If an applicant meets the requirements of paragraph (a), clause (2), there must be
100.27 deducted from the applicant's weekly benefit amount 50 percent of the weekly equivalent
100.28 of the primary Social Security disability benefits the applicant is receiving, has received,
100.29 or has filed for, with respect to that week.

100.30 If the Social Security Administration determines that the applicant is not entitled to receive
100.31 primary Social Security disability benefits for any week the applicant has applied for those
100.32 benefits, this paragraph does not apply to that week.

101.1 (d) Information from the Social Security Administration is conclusive, absent specific
101.2 evidence showing that the information was erroneous.

101.3 Sec. 11. **[268B.07] DETERMINATION ON ISSUES OF ELIGIBILITY.**

101.4 Subdivision 1. **Employer notification.** (a) Upon a determination that an applicant is
101.5 entitled to benefits, the commissioner must promptly send a notification to each current
101.6 employer of the applicant, if any, in accordance with paragraph (b).

101.7 (b) The notification under paragraph (a) must include, at a minimum:

101.8 (1) the name of the applicant;

101.9 (2) that the applicant has applied for and received benefits;

101.10 (3) the week the benefits commence;

101.11 (4) the weekly benefit amount payable; and

101.12 (5) the maximum duration of benefits.

101.13 Subd. 2. **Determination.** (a) The commissioner must determine any issue of ineligibility
101.14 raised by information required from an applicant and send to the applicant and any current
101.15 base period employer, by mail or electronic transmission, a document titled a determination
101.16 of eligibility or a determination of ineligibility, as is appropriate, within two weeks.

101.17 (b) If an applicant obtained benefits through misrepresentation, the department is
101.18 authorized to issue a determination of ineligibility within 48 months of the establishment
101.19 of the benefit account.

101.20 (c) If the department has filed an intervention in a worker's compensation matter under
101.21 section 176.361, the department is authorized to issue a determination of ineligibility within
101.22 48 months of the establishment of the benefit account.

101.23 (d) A determination of eligibility or determination of ineligibility is final unless an appeal
101.24 is filed by the applicant within 20 calendar days after sending. The determination must
101.25 contain a prominent statement indicating the consequences of not appealing. Proceedings
101.26 on the appeal are conducted in accordance with section 268B.08.

101.27 (e) An issue of ineligibility required to be determined under this section includes any
101.28 question regarding the denial or allowing of benefits under this chapter.

101.29 Subd. 3. **Amended determination.** Unless an appeal has been filed, the commissioner,
101.30 on the commissioner's own motion, may reconsider a determination of eligibility or
101.31 determination of ineligibility that has not become final and issue an amended determination.

102.1 Any amended determination must be sent to the applicant and any employer in the current
102.2 base period by mail or electronic transmission. Any amended determination is final unless
102.3 an appeal is filed by the applicant within 20 calendar days after sending. Proceedings on
102.4 the appeal are conducted in accordance with section 268B.08.

102.5 Subd. 4. **Benefit payment.** If a determination or amended determination allows benefits
102.6 to an applicant, the family or medical leave benefits must be paid regardless of any appeal
102.7 period or any appeal having been filed.

102.8 Subd. 5. **Overpayment.** A determination or amended determination that holds an
102.9 applicant ineligible for benefits for periods an applicant has been paid benefits is an
102.10 overpayment of those family or medical leave benefits. A determination or amended
102.11 determination issued under this section that results in an overpayment of benefits must set
102.12 out the amount of the overpayment and the requirement that the overpaid benefits must be
102.13 repaid according to section 268B.185.

102.14 Sec. 12. **[268B.08] APPEAL PROCESS.**

102.15 Subdivision 1. **Hearing.** (a) The commissioner shall designate a chief benefit judge.

102.16 (b) Upon a timely appeal to a determination having been filed or upon a referral for
102.17 direct hearing, the chief benefit judge must set a time and date for a de novo due-process
102.18 hearing and send notice to an applicant and an employer, by mail or electronic transmission,
102.19 not less than ten calendar days before the date of the hearing.

102.20 (c) The commissioner may adopt rules on procedures for hearings. The rules need not
102.21 conform to common law or statutory rules of evidence and other technical rules of procedure.

102.22 (d) The chief benefit judge has discretion regarding the method by which the hearing is
102.23 conducted.

102.24 Subd. 2. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained,
102.25 the benefit judge must serve by mail or electronic transmission to all parties the decision,
102.26 reasons for the decision, and written findings of fact.

102.27 (b) Decisions of a benefit judge are not precedential.

102.28 Subd. 3. **Request for reconsideration.** Any party, or the commissioner, may, within
102.29 30 calendar days after service of the benefit judge's decision, file a request for reconsideration
102.30 asking the judge to reconsider that decision.

102.31 Subd. 4. **Appeal to court of appeals.** Any final determination on a request for
102.32 reconsideration may be appealed by any party directly to the Minnesota Court of Appeals.

103.1 Subd. 5. **Benefit judges.** (a) Only employees of the department who are attorneys licensed
103.2 to practice law in Minnesota may serve as a chief benefit judge, senior benefit judges who
103.3 are supervisors, or benefit judges.

103.4 (b) The chief benefit judge must assign a benefit judge to conduct a hearing and may
103.5 transfer to another benefit judge any proceedings pending before another benefit judge.

103.6 Sec. 13. **[268B.085] LEAVE.**

103.7 Subdivision 1. **Right to leave.** Ninety calendar days from the date of hire, an employee
103.8 has a right to leave from employment for any day, or portion of a day, for which the employee
103.9 would be eligible for benefits under this chapter, regardless of whether the employee actually
103.10 applied for benefits and regardless of whether the employee is covered under a private plan
103.11 or the public program under this chapter.

103.12 Subd. 2. **Notice to employer.** (a) If the need for leave is foreseeable, an employee must
103.13 provide the employer at least 30 days' advance notice before leave under this chapter is to
103.14 begin. If 30 days' notice is not practicable because of a lack of knowledge of approximately
103.15 when leave will be required to begin, a change in circumstances, or a medical emergency,
103.16 notice must be given as soon as practicable. Whether leave is to be continuous or is to be
103.17 taken intermittently or on a reduced-schedule basis, notice need only be given one time, but
103.18 the employee must advise the employer as soon as practicable if dates of scheduled leave
103.19 change or are extended, or were initially unknown. In those cases where the employee is
103.20 required to provide at least 30 days' notice of foreseeable leave and does not do so, the
103.21 employee must explain the reasons why notice was not practicable upon request from the
103.22 employer.

103.23 (b) "As soon as practicable" means as soon as both possible and practical, taking into
103.24 account all of the facts and circumstances in the individual case. When an employee becomes
103.25 aware of a need for leave under this chapter less than 30 days in advance, it should be
103.26 practicable for the employee to provide notice of the need for leave either the same day or
103.27 the next day, unless the need for leave is based on a medical emergency. In all cases,
103.28 however, the determination of when an employee could practicably provide notice must
103.29 take into account the individual facts and circumstances.

103.30 (c) An employee shall provide at least verbal notice sufficient to make the employer
103.31 aware that the employee needs leave allowed under this chapter and the anticipated timing
103.32 and duration of the leave. An employer may require an employee giving notice of leave to
103.33 include a certification for the leave as described in section 268B.06, subdivision 3. Such
103.34 certification, if required by an employer, is timely when the employee delivers it as soon

104.1 as practicable given the circumstances requiring the need for leave, and the required contents
104.2 of the certification.

104.3 (d) An employer may require an employee to comply with the employer's usual and
104.4 customary notice and procedural requirements for requesting leave, absent unusual
104.5 circumstances or other circumstances caused by the reason for the employee's need for
104.6 leave. Leave under this chapter must not be delayed or denied where an employer's usual
104.7 and customary notice or procedural requirements require notice to be given sooner than set
104.8 forth in this subdivision.

104.9 (e) If an employer has failed to provide notice to the employee as required under section
104.10 268B.26, paragraph (a), (b), or (c), the employee is not required to comply with the notice
104.11 requirements of this subdivision.

104.12 Subd. 3. **Bonding leave.** Bonding leave taken under this chapter begins at a time requested
104.13 by the employee. Bonding leave must begin within 12 months of the birth, adoption, or
104.14 placement of a foster child, except that, in the case where the child must remain in the
104.15 hospital longer than the mother, the leave must begin within 12 months after the child leaves
104.16 the hospital.

104.17 Subd. 4. **Intermittent or reduced-leave schedule.** (a) Leave under this chapter, based
104.18 on a serious health condition, may be taken intermittently or on a reduced-leave schedule
104.19 if such leave would be medically beneficial to the individual with the serious health condition.
104.20 For all other leaves under this chapter, leave may be taken intermittently or on a
104.21 reduced-leave schedule. Intermittent leave is leave taken in separate blocks of time due to
104.22 a single, seven-day qualifying event. A reduced-leave schedule is a leave schedule that
104.23 reduces an employee's usual number of working hours per workweek or hours per workday.

104.24 (b) Leave taken intermittently or on a reduced-schedule basis counts toward the
104.25 maximums described in section 268B.04, subdivision 5.

104.26 Sec. 14. **[268B.09] EMPLOYMENT PROTECTIONS.**

104.27 Subdivision 1. **Retaliation prohibited.** An employer must not retaliate against an
104.28 employee for requesting or obtaining benefits, or for exercising any other right under this
104.29 chapter.

104.30 Subd. 2. **Interference prohibited.** An employer must not obstruct or impede an
104.31 application for leave or benefits or the exercise of any other right under this chapter.

104.32 Subd. 3. **Waiver of rights void.** Any agreement to waive, release, or commute rights
104.33 to benefits or any other right under this chapter is void.

105.1 Subd. 4. **No assignment of benefits.** Any assignment, pledge, or encumbrance of benefits
105.2 is void. Benefits are exempt from levy, execution, attachment, or any other remedy provided
105.3 for the collection of debt. Any waiver of this subdivision is void.

105.4 Subd. 5. **Continued insurance.** During any leave for which an employee is entitled to
105.5 benefits under this chapter, the employer must maintain coverage under any group insurance
105.6 policy, group subscriber contract, or health care plan for the employee and any dependents
105.7 as if the employee was not on leave, provided, however, that the employee must continue
105.8 to pay any employee share of the cost of such benefits.

105.9 Subd. 6. **Employee right to reinstatement.** (a) On return from leave under this chapter,
105.10 an employee is entitled to be returned to the same position the employee held when leave
105.11 commenced or to an equivalent position with equivalent benefits, pay, and other terms and
105.12 conditions of employment. An employee is entitled to reinstatement even if the employee
105.13 has been replaced or the employee's position has been restructured to accommodate the
105.14 employee's absence.

105.15 (b)(1) An equivalent position is one that is virtually identical to the employee's former
105.16 position in terms of pay, benefits, and working conditions, including privileges, prerequisites,
105.17 and status. It must involve the same or substantially similar duties and responsibilities,
105.18 which must entail substantially equivalent skill, effort, responsibility, and authority.

105.19 (2) If an employee is no longer qualified for the position because of the employee's
105.20 inability to attend a necessary course, renew a license, fly a minimum number of hours, or
105.21 similar condition, as a result of the leave, the employee must be given a reasonable
105.22 opportunity to fulfill those conditions upon return from leave.

105.23 (c)(1) An employee is entitled to any unconditional pay increases which may have
105.24 occurred during the leave period, such as cost of living increases. Pay increases conditioned
105.25 upon seniority, length of service, or work performed must be granted in accordance with
105.26 the employer's policy or practice with respect to other employees on an equivalent leave
105.27 status for a reason that does not qualify for leave under this chapter. An employee is entitled
105.28 to be restored to a position with the same or equivalent pay premiums, such as a shift
105.29 differential. If an employee departed from a position averaging ten hours of overtime, and
105.30 corresponding overtime pay, each week an employee is ordinarily entitled to such a position
105.31 on return from leave under this chapter.

105.32 (2) Equivalent pay includes any bonus or payment, whether it is discretionary or
105.33 nondiscretionary, made to employees consistent with clause (1). If a bonus or other payment
105.34 is based on the achievement of a specified goal such as hours worked, products sold, or

106.1 perfect attendance, and the employee has not met the goal due to leave under this chapter,
106.2 the payment may be denied, unless otherwise paid to employees on an equivalent leave
106.3 status for a reason that does not qualify for leave under this chapter.

106.4 (d) Benefits under this section include all benefits provided or made available to
106.5 employees by an employer, including group life insurance, health insurance, disability
106.6 insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether
106.7 benefits are provided by a practice or written policy of an employer through an employee
106.8 benefit plan as defined in section 3(3) of United States Code, title 29, section 1002(3).

106.9 (1) At the end of an employee's leave under this chapter, benefits must be resumed in
106.10 the same manner and at the same levels as provided when the leave began, and subject to
106.11 any changes in benefit levels that may have taken place during the period of leave affecting
106.12 the entire workforce, unless otherwise elected by the employee. Upon return from a leave
106.13 under this chapter, an employee must not be required to requalify for any benefits the
106.14 employee enjoyed before leave began, including family or dependent coverages.

106.15 (2) An employee may, but is not entitled to, accrue any additional benefits or seniority
106.16 during a leave under this chapter. Benefits accrued at the time leave began must be available
106.17 to an employee upon return from leave.

106.18 (3) With respect to pension and other retirement plans, leave under this chapter must
106.19 not be treated as or counted toward a break in service for purposes of vesting and eligibility
106.20 to participate. If the plan requires an employee to be employed on a specific date in order
106.21 to be credited with a year of service for vesting, contributions, or participation purposes,
106.22 an employee on leave under this chapter must be treated as employed on that date. Periods
106.23 of leave under this chapter need not be treated as credited service for purposes of benefit
106.24 accrual, vesting, and eligibility to participate.

106.25 (4) Employees on leave under this chapter must be treated as if they continued to work
106.26 for purposes of changes to benefit plans. Employees on leave under this chapter are entitled
106.27 to changes in benefit plans, except those which may be dependent upon seniority or accrual
106.28 during the leave period, immediately upon return from leave or to the same extent they
106.29 would have qualified if no leave had been taken.

106.30 (e) An equivalent position must have substantially similar duties, conditions,
106.31 responsibilities, privileges, and status as the employee's original position.

106.32 (1) The employee must be reinstated to the same or a geographically proximate worksite
106.33 from where the employee had previously been employed. If the employee's original worksite

107.1 has been closed, the employee is entitled to the same rights as if the employee had not been
107.2 on leave when the worksite closed.

107.3 (2) The employee is ordinarily entitled to return to the same shift or the same or an
107.4 equivalent work schedule.

107.5 (3) The employee must have the same or an equivalent opportunity for bonuses,
107.6 profit-sharing, and other similar discretionary and nondiscretionary payments.

107.7 (4) This chapter does not prohibit an employer from accommodating an employee's
107.8 request to be restored to a different shift, schedule, or position which better suits the
107.9 employee's personal needs on return from leave, or to offer a promotion to a better position.
107.10 However, an employee must not be induced by the employer to accept a different position
107.11 against the employee's wishes.

107.12 (f) The requirement that an employee be restored to the same or equivalent job with the
107.13 same or equivalent pay, benefits, and terms and conditions of employment does not extend
107.14 to de minimis, intangible, or unmeasurable aspects of the job.

107.15 Subd. 7. **Limitations on an employee's right to reinstatement.** An employee has no
107.16 greater right to reinstatement or to other benefits and conditions of employment than if the
107.17 employee had been continuously employed during the period of leave under this chapter.
107.18 An employer must be able to show that an employee would not otherwise have been
107.19 employed at the time reinstatement is requested in order to deny restoration to employment.

107.20 (1) If an employee is laid off during the course of taking a leave under this chapter and
107.21 employment is terminated, the employer's responsibility to continue the leave, maintain
107.22 group health plan benefits, and restore the employee cease at the time the employee is laid
107.23 off, provided the employer has no continuing obligations under a collective bargaining
107.24 agreement or otherwise. An employer would have the burden of proving that an employee
107.25 would have been laid off during the period of leave under this chapter and, therefore, would
107.26 not be entitled to restoration. Restoration to a job slated for layoff when the employee's
107.27 original position would not meet the requirements of an equivalent position.

107.28 (2) If a shift has been eliminated or overtime has been decreased, an employee would
107.29 not be entitled to return to work that shift or the original overtime hours upon restoration.
107.30 However, if a position on, for example, a night shift has been filled by another employee,
107.31 the employee is entitled to return to the same shift on which employed before taking leave
107.32 under this chapter.

108.1 (3) If an employee was hired for a specific term or only to perform work on a discrete
108.2 project, the employer has no obligation to restore the employee if the employment term or
108.3 project is over and the employer would not otherwise have continued to employ the employee.

108.4 Subd. 8. Remedies. (a) In addition to any other remedies available to an employee in
108.5 law or equity, an employer who violates the provisions of this section is liable to any
108.6 employee affected for:

108.7 (1) damages equal to the amount of:

108.8 (i) any wages, salary, employment benefits, or other compensation denied or lost to such
108.9 employee by reason of the violation, or, in cases in which wages, salary, employment
108.10 benefits, or other compensation have not been denied or lost to the employee, any actual
108.11 monetary losses sustained by the employee as a direct result of the violation; and

108.12 (ii) reasonable interest on the amount described in item (i); and

108.13 (2) such equitable relief as may be appropriate, including employment, reinstatement,
108.14 and promotion.

108.15 (b) An action to recover damages or equitable relief prescribed in paragraph (a) may be
108.16 maintained against any employer in any federal or state court of competent jurisdiction by
108.17 any one or more employees for and on behalf of:

108.18 (1) the employees; or

108.19 (2) the employees and other employees similarly situated.

108.20 (c) The court in an action under this section must, in addition to any judgment awarded
108.21 to the plaintiff or plaintiffs, allow reasonable attorney fees, reasonable expert witness fees,
108.22 and other costs of the action to be paid by the defendant.

108.23 (d) Nothing in this section shall be construed to allow an employee to recover damages
108.24 from an employer for the denial of benefits under this chapter by the department, unless the
108.25 employer unlawfully interfered with the application for benefits under subdivision 2.

108.26 **Sec. 15. [268B.10] SUBSTITUTION OF A PRIVATE PLAN.**

108.27 Subdivision 1. Application for substitution. Employers may apply to the commissioner
108.28 for approval to meet their obligations under this chapter through the substitution of a private
108.29 plan that provides paid family, paid medical, or paid family and medical benefits. In order
108.30 to be approved as meeting an employer's obligations under this chapter, a private plan must
108.31 confer all of the same rights, protections, and benefits provided to employees under this
108.32 chapter, including but not limited to benefits under section 268B.04 and employment

109.1 protections under section 268B.09. An employee covered by a private plan under this section
109.2 retains all applicable rights and remedies under section 268B.09.

109.3 Subd. 2. Private plan requirements; medical benefit program. (a) The commissioner
109.4 must approve an application for private provision of the medical benefit program if the
109.5 commissioner determines:

109.6 (1) all of the employees of the employer are to be covered under the provisions of the
109.7 employer plan;

109.8 (2) eligibility requirements for benefits and leave are no more restrictive than as provided
109.9 under this chapter;

109.10 (3) the weekly benefits payable under the private plan for any week are at least equal to
109.11 the weekly benefit amount payable under this chapter, taking into consideration any coverage
109.12 with respect to concurrent employment by another employer;

109.13 (4) the total number of weeks for which benefits are payable under the private plan is
109.14 at least equal to the total number of weeks for which benefits would have been payable
109.15 under this chapter;

109.16 (5) no greater amount is required to be paid by employees toward the cost of benefits
109.17 under the employer plan than by this chapter;

109.18 (6) wage replacement benefits are stated in the plan separately and distinctly from other
109.19 benefits;

109.20 (7) the private plan will provide benefits and leave for any serious health condition or
109.21 pregnancy for which benefits are payable, and leave provided, under this chapter;

109.22 (8) the private plan will impose no additional condition or restriction on the use of
109.23 medical benefits beyond those explicitly authorized by this chapter or regulations
109.24 promulgated pursuant to this chapter;

109.25 (9) the private plan will allow any employee covered under the private plan who is
109.26 eligible to receive medical benefits under this chapter to receive medical benefits under the
109.27 employer plan; and

109.28 (10) coverage will continue under the private plan while an employee remains employed
109.29 by the employer.

109.30 (b) Notwithstanding paragraph (a), a private plan may provide shorter durations of leave
109.31 and benefit eligibility if the total dollar value of wage replacement benefits under the private

110.1 plan for an employee for any particular qualifying event meets or exceeds what the total
110.2 dollar value would be under the public family and medical benefit program.

110.3 Subd. 3. **Private plan requirements; family benefit program.** (a) The commissioner
110.4 must approve an application for private provision of the family benefit program if the
110.5 commissioner determines:

110.6 (1) all of the employees of the employer are to be covered under the provisions of the
110.7 employer plan;

110.8 (2) eligibility requirements for benefits and leave are no more restrictive than as provided
110.9 under this chapter;

110.10 (3) the weekly benefits payable under the private plan for any week are at least equal to
110.11 the weekly benefit amount payable under this chapter, taking into consideration any coverage
110.12 with respect to concurrent employment by another employer;

110.13 (4) the total number of weeks for which benefits are payable under the private plan is
110.14 at least equal to the total number of weeks for which benefits would have been payable
110.15 under this chapter;

110.16 (5) no greater amount is required to be paid by employees toward the cost of benefits
110.17 under the employer plan than by this chapter;

110.18 (6) wage replacement benefits are stated in the plan separately and distinctly from other
110.19 benefits;

110.20 (7) the private plan will provide benefits and leave for any care for a family member
110.21 with a serious health condition, bonding with a child, qualifying exigency, or safety leave
110.22 event for which benefits are payable, and leave provided, under this chapter;

110.23 (8) the private plan will impose no additional condition or restriction on the use of family
110.24 benefits beyond those explicitly authorized by this chapter or regulations promulgated
110.25 pursuant to this chapter;

110.26 (9) the private plan will allow any employee covered under the private plan who is
110.27 eligible to receive medical benefits under this chapter to receive medical benefits under the
110.28 employer plan; and

110.29 (10) coverage will continue under the private plan while an employee remains employed
110.30 by the employer.

110.31 (b) Notwithstanding paragraph (a), a private plan may provide shorter durations of leave
110.32 and benefit eligibility if the total dollar value of wage replacement benefits under the private

111.1 plan for an employee for any particular qualifying event meets or exceeds what the total
111.2 dollar value would be under the public family and medical benefit program.

111.3 Subd. 4. **Use of private insurance products.** Nothing in this section prohibits an
111.4 employer from meeting the requirements of a private plan through a private insurance
111.5 product. If the employer plan involves a private insurance product, that insurance product
111.6 must conform to any applicable law or rule.

111.7 Subd. 5. **Private plan approval and oversight fee.** An employer with an approved
111.8 private plan is not required to pay premiums established under section 268B.14. An employer
111.9 with an approved private plan is responsible for a private plan approval and oversight fee
111.10 equal to \$250 for employers with fewer than 50 employees, \$500 for employers with 50 to
111.11 499 employees, and \$1,000 for employers with 500 or more employees. The employer must
111.12 pay this fee (1) upon initial application for private plan approval, and (2) any time the
111.13 employer applies to amend the private plan. The commissioner must review and report on
111.14 the adequacy of this fee to cover private plan administrative costs annually beginning October
111.15 1, 2022, as part of the annual report established in section 268B.21.

111.16 Subd. 6. **Plan duration.** A private plan under this section must be in effect for a period
111.17 of at least one year and, thereafter, continuously unless the commissioner finds that the
111.18 employer has given notice of withdrawal from the plan in a manner specified by the
111.19 commissioner in this section or rule. The plan may be withdrawn by the employer within
111.20 30 days of the effective date of any law increasing the benefit amounts or within 30 days
111.21 of the date of any change in the rate of premiums. If the plan is not withdrawn, it must be
111.22 amended to conform to provide the increased benefit amount or change in the rate of the
111.23 employee's premium on the date of the increase or change.

111.24 Subd. 7. **Appeals.** An employer may appeal any adverse action regarding that employer's
111.25 private plan to the commissioner, in a manner specified by the commissioner.

111.26 Subd. 8. **Employees no longer covered.** (a) An employee is no longer covered by an
111.27 approved private plan if a leave under this chapter occurs after the employment relationship
111.28 with the private plan employer ends, or if the commissioner revokes the approval of the
111.29 private plan.

111.30 (b) An employee no longer covered by an approved private plan is, if otherwise eligible,
111.31 immediately entitled to benefits under this chapter to the same extent as though there had
111.32 been no approval of the private plan.

112.1 Subd. 9. Posting of notice regarding private plan. An employer with a private plan
112.2 must provide a notice prepared by or approved by the commissioner regarding the private
112.3 plan consistent with section 268B.26.

112.4 Subd. 10. Amendment. (a) The commissioner must approve any amendment to a private
112.5 plan adjusting the provisions thereof, if the commissioner determines:

112.6 (1) that the plan, as amended, will conform to the standards set forth in this chapter; and

112.7 (2) that notice of the amendment has been delivered to all affected employees at least
112.8 ten days before the submission of the amendment.

112.9 (b) Any amendments approved under this subdivision are effective on the date of the
112.10 commissioner's approval, unless the commissioner and the employer agree on a later date.

112.11 Subd. 11. Successor employer. A private plan in effect at the time a successor acquires
112.12 the employer organization, trade, or business, or substantially all the assets thereof, or a
112.13 distinct and severable portion of the organization, trade, or business, and continues its
112.14 operation without substantial reduction of personnel resulting from the acquisition, must
112.15 continue the approved private plan and must not withdraw the plan without a specific request
112.16 for withdrawal in a manner and at a time specified by the commissioner. A successor may
112.17 terminate a private plan with notice to the commissioner and within 90 days from the date
112.18 of the acquisition.

112.19 Subd. 12. Revocation of approval by commissioner. (a) The commissioner may
112.20 terminate any private plan if the commissioner determines the employer:

112.21 (1) failed to pay benefits;

112.22 (2) failed to pay benefits in a timely manner, consistent with the requirements of this
112.23 chapter;

112.24 (3) failed to submit reports as required by this chapter or rule adopted under this chapter;
112.25 or

112.26 (4) otherwise failed to comply with this chapter or rule adopted under this chapter.

112.27 (b) The commissioner must give notice of the intention to terminate a plan to the employer
112.28 at least ten days before taking any final action. The notice must state the effective date and
112.29 the reason for the termination.

112.30 (c) The employer may, within ten days from mailing or personal service of the notice,
112.31 file an appeal to the commissioner in the time, manner, method, and procedure provided by
112.32 the commissioner under subdivision 7.

113.1 (d) The payment of benefits must not be delayed during an employer's appeal of the
113.2 revocation of approval of a private plan.

113.3 (e) If the commissioner revokes approval of an employer's private plan, that employer
113.4 is ineligible to apply for approval of another private plan for a period of three years, beginning
113.5 on the date of revocation.

113.6 Subd. 13. **Employer penalties.** (a) The commissioner may assess the following monetary
113.7 penalties against an employer with an approved private plan found to have violated this
113.8 chapter:

113.9 (1) \$1,000 for the first violation; and

113.10 (2) \$2,000 for the second, and each successive violation.

113.11 (b) The commissioner must waive collection of any penalty if the employer corrects the
113.12 violation within 30 days of receiving a notice of the violation and the notice is for a first
113.13 violation.

113.14 (c) The commissioner may waive collection of any penalty if the commissioner determines
113.15 the violation to be an inadvertent error by the employer.

113.16 (d) Monetary penalties collected under this section shall be deposited in the family and
113.17 medical benefit insurance account.

113.18 (e) Assessment of penalties under this subdivision may be appealed as provided by the
113.19 commissioner under subdivision 7.

113.20 Subd. 14. **Reports, information, and records.** Employers with an approved private
113.21 plan must maintain all reports, information, and records as relating to the private plan and
113.22 claims for a period of six years from creation and provide to the commissioner upon request.

113.23 Subd. 15. **Audit and investigation.** The commissioner may investigate and audit plans
113.24 approved under this section both before and after the plans are approved.

113.25 Sec. 16. **[268B.11] SELF-EMPLOYED AND INDEPENDENT CONTRACTOR**
113.26 **ELECTION OF COVERAGE.**

113.27 Subdivision 1. **Election of coverage.** (a) A self-employed individual or independent
113.28 contractor may file with the commissioner by electronic transmission in a format prescribed
113.29 by the commissioner an application to be entitled to benefits under this chapter for a period
113.30 not less than 104 consecutive calendar weeks. Upon the approval of the commissioner, sent
113.31 by United States mail or electronic transmission, the individual is entitled to benefits under
113.32 this chapter beginning the calendar quarter after the date of approval or beginning in a later

114.1 calendar quarter if requested by the self-employed individual or independent contractor.
114.2 The individual ceases to be entitled to benefits as of the first day of January of any calendar
114.3 year only if, at least 30 calendar days before the first day of January, the individual has filed
114.4 with the commissioner by electronic transmission in a format prescribed by the commissioner
114.5 a notice to that effect.

114.6 (b) The commissioner may terminate any application approved under this section with
114.7 30 calendar days' notice sent by United States mail or electronic transmission if the
114.8 self-employed individual is delinquent on any premiums due under this chapter. If an
114.9 approved application is terminated in this manner during the first 104 consecutive calendar
114.10 weeks of election, the self-employed individual remains obligated to pay the premium under
114.11 subdivision 3 for the remainder of that 104-week period.

114.12 Subd. 2. **Application.** A self-employed individual who applies for coverage under this
114.13 section must provide the commissioner with (1) the amount of the individual's net earnings
114.14 from self-employment, if any, from the two most recent taxable years and all tax documents
114.15 necessary to prove the accuracy of the amounts reported, and (2) any other documentation
114.16 the commissioner requires. A self-employed individual who is covered under this chapter
114.17 must annually provide the commissioner with the amount of the individual's net earnings
114.18 from self-employment within 30 days of filing a federal income tax return.

114.19 Subd. 3. **Premium.** A self-employed individual who elects to receive coverage under
114.20 this chapter must annually pay a premium equal to one-half the percentage in section
114.21 268B.14, subdivision 5, clause (1), times the lesser of:

114.22 (1) the individual's self-employment premium base; or

114.23 (2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability
114.24 Insurance tax.

114.25 Subd. 4. **Benefits.** Notwithstanding anything to the contrary, a self-employed individual
114.26 who has applied to and been approved for coverage by the commissioner under this section
114.27 is entitled to benefits on the same basis as an employee under this chapter, except that a
114.28 self-employed individual's weekly benefit amount under section 268B.04, subdivision 1,
114.29 must be calculated as a percentage of the self-employed individual's self-employment
114.30 premium base, rather than wages.

114.31 Sec. 17. **[268B.12] WAGE REPORTING.**

114.32 Subdivision 1. **Wage detail report.** (a) Each employer must submit, under the employer
114.33 premium account described in section 268B.13, a quarterly wage detail report by electronic

115.1 transmission, in a format prescribed by the commissioner. The report must include for each
115.2 employee in covered employment during the calendar quarter, the employee's name, Social
115.3 Security number, the total wages paid to the employee, and total number of paid hours
115.4 worked. For employees exempt from the definition of employee in section 177.23,
115.5 subdivision 7, clause (6), the employer must report 40 hours worked for each week any
115.6 duties were performed by a full-time employee and must report a reasonable estimate of
115.7 the hours worked for each week duties were performed by a part-time employee. In addition,
115.8 the wage detail report must include the number of employees employed during the payroll
115.9 period that includes the 12th day of each calendar month and, if required by the
115.10 commissioner, the report must be broken down by business location and separate business
115.11 unit. The report is due and must be received by the commissioner on or before the last day
115.12 of the month following the end of the calendar quarter. The commissioner may delay the
115.13 due date on a specific calendar quarter in the event the department is unable to accept wage
115.14 detail reports electronically.

115.15 (b) The employer may report the wages paid to the next lower whole dollar amount.

115.16 (c) An employer need not include the name of the employee or other required information
115.17 on the wage detail report if disclosure is specifically exempted from being reported by
115.18 federal law.

115.19 (d) A wage detail report must be submitted for each calendar quarter even though no
115.20 wages were paid, unless the business has been terminated.

115.21 Subd. 2. **Electronic transmission of report required.** Each employer must submit the
115.22 quarterly wage detail report by electronic transmission in a format prescribed by the
115.23 commissioner. The commissioner has the discretion to accept wage detail reports that are
115.24 submitted by any other means or the commissioner may return the report submitted by other
115.25 than electronic transmission to the employer, and reports returned are considered as not
115.26 submitted and the late fees under subdivision 3 may be imposed.

115.27 Subd. 3. **Failure to timely file report; late fees.** (a) Any employer that fails to submit
115.28 the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed
115.29 based upon the highest of:

115.30 (1) the number of employees reported on the last wage detail report submitted;

115.31 (2) the number of employees reported in the corresponding quarter of the prior calendar
115.32 year; or

116.1 (3) if no wage detail report has ever been submitted, the number of employees listed at
116.2 the time of employer registration.

116.3 The late fee is canceled if the wage detail report is received within 30 calendar days after
116.4 a demand for the report is sent to the employer by mail or electronic transmission. A late
116.5 fee assessed an employer may not be canceled more than twice each 12 months. The amount
116.6 of the late fee assessed may not be less than \$250.

116.7 (b) If the wage detail report is not received in a manner and format prescribed by the
116.8 commissioner within 30 calendar days after demand is sent under paragraph (a), the late
116.9 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the
116.10 increased late fee will be sent to the employer by mail or electronic transmission.

116.11 (c) Late fees due under this subdivision may be canceled, in whole or in part, under
116.12 section 268B.16.

116.13 Subd. 4. **Missing or erroneous information.** (a) Any employer that submits the wage
116.14 detail report, but fails to include all required employee information or enters erroneous
116.15 information, is subject to an administrative service fee of \$25 for each employee for whom
116.16 the information is partially missing or erroneous.

116.17 (b) Any employer that submits the wage detail report, but fails to include an employee,
116.18 is subject to an administrative service fee equal to two percent of the total wages for each
116.19 employee for whom the information is completely missing.

116.20 Subd. 5. **Fees.** The fees provided for in subdivisions 3 and 4 are in addition to interest
116.21 and other penalties imposed by this chapter and are collected in the same manner as
116.22 delinquent taxes and credited to the family and medical benefit insurance account.

116.23 Sec. 18. **[268B.13] EMPLOYER PREMIUM ACCOUNTS.**

116.24 The commissioner must maintain a premium account for each employer. The
116.25 commissioner must assess the premium account for all the premiums due under section
116.26 268B.14, and credit the family and medical benefit insurance account with all premiums
116.27 paid.

116.28 Sec. 19. **[268B.14] PREMIUMS.**

116.29 Subdivision 1. **Payments.** (a) Family and medical leave premiums accrue and become
116.30 payable by each employer for each calendar year on the taxable wages that the employer
116.31 paid to employees in covered employment.

117.1 Each employer must pay premiums quarterly, at the premium rate defined under this
117.2 section, on the taxable wages paid to each employee. The commissioner must compute the
117.3 premium due from the wage detail report required under section 268B.12 and notify the
117.4 employer of the premium due. The premiums must be paid to the family and medical benefit
117.5 insurance account and must be received by the department on or before the last day of the
117.6 month following the end of the calendar quarter.

117.7 (b) If for any reason the wages on the wage detail report under section 268B.12 are
117.8 adjusted for any quarter, the commissioner must recompute the premiums due for that quarter
117.9 and assess the employer for any amount due or credit the employer as appropriate.

117.10 Subd. 2. **Payments by electronic payment required.** (a) Every employer must make
117.11 any payments due under this chapter by electronic payment.

117.12 (b) All third-party processors, paying on behalf of a client company, must make any
117.13 payments due under this chapter by electronic payment.

117.14 (c) Regardless of paragraph (a) or (b), the commissioner has the discretion to accept
117.15 payment by other means.

117.16 Subd. 3. **Employee charge back.** Notwithstanding section 177.24, subdivision 4, or
117.17 181.06, subdivision 1, employers and covered business entities may deduct up to 50 percent
117.18 of annual premiums paid under this section from employee wages. Such deductions for any
117.19 given employee must be in equal proportion to the premiums paid based on the wages of
117.20 that employee, and all employees of an employer must be subject to the same percentage
117.21 deduction. Deductions under this section must not cause an employee's wage, after the
117.22 deduction, to fall below the rate required to be paid to the worker by law, including any
117.23 applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or
117.24 other legal authority, whichever rate of pay is greater.

117.25 Subd. 4. **Wages and payments subject to premium.** The maximum wages subject to
117.26 premium in a calendar year is equal to the maximum earnings in that year subject to the
117.27 FICA Old-Age, Survivors, and Disability Insurance tax.

117.28 Subd. 5. **Annual premium rates.** The employer premium rates for the calendar year
117.29 beginning January 1, 2023, shall be as follows:

117.30 (1) for employers participating in both family and medical benefit programs, 0.6 percent;

117.31 (2) for an employer participating in only the medical benefit program and with an
117.32 approved private plan for the family benefit program, 0.486 percent; and

118.1 (3) for an employer participating in only the family benefit program and with an approved
118.2 private plan for the medical benefit program, 0.114 percent.

118.3 Subd. 6. **Premium rate adjustments.** (a) Beginning January 1, 2026, and each calendar
118.4 year thereafter, the commissioner must adjust the annual premium rates using the formula
118.5 in paragraph (b).

118.6 (b) To calculate the employer rates for a calendar year, the commissioner must:

118.7 (1) multiply 1.45 times the amount disbursed from the family and medical benefit
118.8 insurance account for the 52-week period ending September 30 of the prior year;

118.9 (2) subtract the amount in the family and medical benefit insurance account on that
118.10 September 30 from the resulting figure;

118.11 (3) divide the resulting figure by twice the total wages in covered employment of
118.12 employees of employers without approved private plans under section 268B.10 for either
118.13 the family or medical benefit program. For employers with an approved private plan for
118.14 either the medical benefit program or the family benefit program, but not both, count only
118.15 the proportion of wages in covered employment associated with the program for which the
118.16 employer does not have an approved private plan; and

118.17 (4) round the resulting figure down to the nearest one-hundredth of one percent.

118.18 (c) The commissioner must apportion the premium rate between the family and medical
118.19 benefit programs based on the relative proportion of expenditures for each program during
118.20 the preceding year.

118.21 Subd. 7. **Deposit of premiums.** All premiums collected under this section must be
118.22 deposited into the family and medical benefit insurance account.

118.23 Subd. 8. **Nonpayment of premiums by employer.** The failure of an employer to pay
118.24 premiums does not impact the right of an employee to benefits, or any other right, under
118.25 this chapter.

118.26 Sec. 20. **[268B.145] INCOME TAX WITHHOLDING.**

118.27 If the Internal Revenue Service determines that benefits are subject to federal income
118.28 tax, and an applicant elects to have federal income tax deducted and withheld from the
118.29 applicant's benefits, the commissioner must deduct and withhold the amount specified in
118.30 the Internal Revenue Code in a manner consistent with state law.

119.1 Sec. 21. [268B.15] COLLECTION OF PREMIUMS.

119.2 Subdivision 1. Amount computed presumed correct. Any amount due from an
119.3 employer, as computed by the commissioner, is presumed to be correctly determined and
119.4 assessed, and the burden is upon the employer to show its incorrectness. A statement by the
119.5 commissioner of the amount due is admissible in evidence in any court or administrative
119.6 proceeding and is prima facie evidence of the facts in the statement.

119.7 Subd. 2. Priority of payments. (a) Any payment received from an employer must be
119.8 applied in the following order:

119.9 (1) family and medical leave premiums under this chapter; then

119.10 (2) interest on past due premiums; then

119.11 (3) penalties, late fees, administrative service fees, and costs.

119.12 (b) Paragraph (a) is the priority used for all payments received from an employer,
119.13 regardless of how the employer may designate the payment to be applied, except when:

119.14 (1) there is an outstanding lien and the employer designates that the payment made
119.15 should be applied to satisfy the lien;

119.16 (2) the payment is specifically designated by the employer to be applied to an outstanding
119.17 overpayment of benefits of an applicant;

119.18 (3) a court or administrative order directs that the payment be applied to a specific
119.19 obligation;

119.20 (4) a preexisting payment plan provides for the application of payment; or

119.21 (5) the commissioner, under the compromise authority of section 268B.16, agrees to
119.22 apply the payment to a different priority.

119.23 Subd. 3. Estimating the premium due. Only if an employer fails to make all necessary
119.24 records available for an audit under section 268B.21 and the commissioner has reason to
119.25 believe the employer has not reported all the required wages on the quarterly wage detail
119.26 reports, may the commissioner then estimate the amount of premium due and assess the
119.27 employer the estimated amount due.

119.28 Subd. 4. Costs. (a) Any employer and any applicant subject to section 268B.185,
119.29 subdivision 2, that fails to pay any amount when due under this chapter is liable for any
119.30 filing fees, recording fees, sheriff fees, costs incurred by referral to any public or private
119.31 collection agency, or litigation costs, including attorney fees, incurred in the collection of
119.32 the amounts due.

120.1 (b) If any tendered payment of any amount due is not honored when presented to a
120.2 financial institution for payment, any costs assessed the department by the financial institution
120.3 and a fee of \$25 must be assessed to the person.

120.4 (c) Costs and fees collected under this subdivision are credited to the enforcement account
120.5 under section 268B.185, subdivision 3.

120.6 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under
120.7 this chapter are not received on the date due, the commissioner must assess interest on any
120.8 amount that remains unpaid. Interest is assessed at the rate of one percent per month or any
120.9 part of a month. Interest is not assessed on unpaid interest. Interest collected under this
120.10 subdivision is credited to the enforcement account under section 268B.185, subdivision 3.

120.11 Subd. 6. **Interest on judgments.** Regardless of section 549.09, if a judgment is entered
120.12 upon any past due amounts from an employer under this chapter, the unpaid judgment bears
120.13 interest at the rate specified in subdivision 5 until the date of payment.

120.14 Subd. 7. **Credit adjustments; refunds.** (a) If an employer makes an application for a
120.15 credit adjustment of any amount paid under this chapter within four years of the date that
120.16 the payment was due, in a manner and format prescribed by the commissioner, and the
120.17 commissioner determines that the payment or any portion thereof was erroneous, the
120.18 commissioner must make an adjustment and issue a credit without interest. If a credit cannot
120.19 be used, the commissioner must refund, without interest, the amount erroneously paid. The
120.20 commissioner, on the commissioner's own motion, may make a credit adjustment or refund
120.21 under this subdivision.

120.22 (b) Any refund returned to the commissioner is considered unclaimed property under
120.23 chapter 345.

120.24 (c) If a credit adjustment or refund is denied in whole or in part, a determination of denial
120.25 must be sent to the employer by mail or electronic transmission. The determination of denial
120.26 is final unless an employer files an appeal within 20 calendar days after sending. Proceedings
120.27 on the appeal are conducted in accordance with section 268B.08.

120.28 (d) If an employer receives a credit adjustment or refund under this section, the employer
120.29 must determine the amount of any overpayment attributable to a deduction from employee
120.30 wages under section 268B.14, subdivision 3, and return any amount erroneously deducted
120.31 to each affected employee.

120.32 Subd. 8. **Priorities under legal dissolutions or distributions.** In the event of any
120.33 distribution of an employer's assets according to an order of any court, including any

121.1 receivership, assignment for benefit of creditors, adjudicated insolvency, or similar
121.2 proceeding, premiums then or thereafter due must be paid in full before all other claims
121.3 except claims for wages of not more than \$1,000 per former employee, earned within six
121.4 months of the commencement of the proceedings. In the event of an employer's adjudication
121.5 in bankruptcy under federal law, premiums then or thereafter due are entitled to the priority
121.6 provided in that law for taxes due in any state.

121.7 **Sec. 22. [268B.155] CHILD SUPPORT DEDUCTION FROM BENEFITS.**

121.8 **Subdivision 1. Definitions.** As used in this section:

121.9 (1) "child support agency" means the public agency responsible for child support
121.10 enforcement, including federally approved comprehensive Tribal IV-D programs; and

121.11 (2) "child support obligations" means obligations that are being enforced by a child
121.12 support agency in accordance with a plan described in United States Code, title 42, sections
121.13 454 and 455 of the Social Security Act that has been approved by the secretary of health
121.14 and human services under part D of title IV of the Social Security Act. This does not include
121.15 any type of spousal maintenance or foster care payments.

121.16 **Subd. 2. Notice upon application.** In an application for family or medical leave benefits,
121.17 the applicant must disclose if child support obligations are owed and, if so, in what state
121.18 and county. If child support obligations are owed, the commissioner must, if the applicant
121.19 establishes a benefit account, notify the child support agency.

121.20 **Subd. 3. Withholding of benefit.** The commissioner must deduct and withhold from
121.21 any family or medical leave benefits payable to an applicant who owes child support
121.22 obligations:

121.23 (1) the amount required under a proper order of a court or administrative agency; or

121.24 (2) if clause (1) is not applicable, the amount determined under an agreement under
121.25 United States Code, title 42, section 454 (20)(B)(i), of the Social Security Act; or

121.26 (3) if clause (1) or (2) is not applicable, the amount specified by the applicant.

121.27 **Subd. 4. Payment.** Any amount deducted and withheld must be paid to the child support
121.28 agency, must for all purposes be treated as if it were paid to the applicant as family or
121.29 medical leave benefits and paid by the applicant to the child support agency in satisfaction
121.30 of the applicant's child support obligations.

122.1 Subd. 5. **Payment of costs.** The child support agency must pay the costs incurred by
122.2 the commissioner in the implementation and administration of this section and sections
122.3 518A.50 and 518A.53.

122.4 Sec. 23. **[268B.16] COMPROMISE.**

122.5 (a) The commissioner may compromise in whole or in part any action, determination,
122.6 or decision that affects only an employer and not an applicant. This paragraph applies if it
122.7 is determined by a court of law, or a confession of judgment, that an applicant, while
122.8 employed, wrongfully took from the employer \$500 or more in money or property.

122.9 (b) The commissioner may at any time compromise any premium or reimbursement due
122.10 from an employer under this chapter.

122.11 (c) Any compromise involving an amount over \$10,000 must be authorized by an attorney
122.12 licensed to practice law in Minnesota who is an employee of the department designated by
122.13 the commissioner for that purpose.

122.14 (d) Any compromise must be in the best interest of the state of Minnesota.

122.15 Sec. 24. **[268B.17] ADMINISTRATIVE COSTS.**

122.16 From July 1, 2023, through December 31, 2023, the commissioner may spend up to
122.17 seven percent of premiums collected under section 268B.15 for administration of this chapter.
122.18 Beginning January 1, 2024, and each calendar year thereafter, the commissioner may spend
122.19 up to seven percent of projected benefit payments for that calendar year for the administration
122.20 of this chapter. The department may enter into interagency agreements with the Department
122.21 of Labor and Industry, including agreements to transfer funds, subject to the limit in this
122.22 section, for the Department of Labor and Industry to fulfill its enforcement authority of this
122.23 chapter.

122.24 Sec. 25. **[268B.18] PUBLIC OUTREACH.**

122.25 Beginning in fiscal year 2023, the commissioner must use at least 0.5 percent of revenue
122.26 collected under this chapter for the purpose of outreach, education, and technical assistance
122.27 for employees, employers, and self-employed individuals eligible to elect coverage under
122.28 section 268B.11. The department may enter into interagency agreements with the Department
122.29 of Labor and Industry, including agreements to transfer funds, subject to the limit in section
122.30 268B.17, to accomplish the requirements of this section. At least one-half of the amount
122.31 spent under this section must be used for grants to community-based groups.

123.1 Sec. 26. **[268B.185] BENEFIT OVERPAYMENTS.**

123.2 **Subdivision 1. Repaying an overpayment.** (a) Any applicant who (1) because of a
123.3 determination or amended determination issued under this chapter, or (2) because of a
123.4 benefit law judge's decision under section 268B.08, has received any family or medical
123.5 leave benefits that the applicant was held not entitled to, is overpaid the benefits and must
123.6 promptly repay the benefits to the family and medical benefit insurance account.

123.7 (b) If the applicant fails to repay the benefits overpaid, including any penalty and interest
123.8 assessed under subdivisions 2 and 4, the total due may be collected by the methods allowed
123.9 under state and federal law.

123.10 **Subd. 2. Overpayment because of misrepresentation.** (a) An applicant has committed
123.11 misrepresentation if the applicant is overpaid benefits by making a false statement or
123.12 representation without a good faith belief as to the correctness of the statement or
123.13 representation.

123.14 (b) After the discovery of facts indicating misrepresentation, the commissioner must
123.15 issue a determination of overpayment penalty assessing a penalty equal to 20 percent of the
123.16 amount overpaid. This penalty is in addition to penalties under section 268B.19.

123.17 (c) Unless the applicant files an appeal within 20 calendar days after the sending of a
123.18 determination of overpayment penalty to the applicant by mail or electronic transmission,
123.19 the determination is final. Proceedings on the appeal are conducted in accordance with
123.20 section 268B.08.

123.21 (d) A determination of overpayment penalty must state the methods of collection the
123.22 commissioner may use to recover the overpayment, penalty, and interest assessed. Money
123.23 received in repayment of overpaid benefits, penalties, and interest is first applied to the
123.24 benefits overpaid, second to the penalty amount due, and third to any interest due.

123.25 (e) The department is authorized to issue a determination of overpayment penalty under
123.26 this subdivision within 48 months of the establishment of the benefit account upon which
123.27 the benefits were obtained through misrepresentation.

123.28 **Subd. 3. Family and medical benefit insurance enforcement account created.** The
123.29 family and medical benefit insurance enforcement account is created in the state treasury.
123.30 Any penalties and interest collected under this section shall be deposited into the account
123.31 under this subdivision and shall be used only for the purposes of administering and enforcing
123.32 this chapter. Only the commissioner may authorize expenditures from the account under
123.33 this subdivision.

124.1 Subd. 4. **Interest.** For any family and medical leave benefits obtained by
124.2 misrepresentation, and any penalty amounts assessed under subdivision 2, the commissioner
124.3 must assess interest on any amount that remains unpaid beginning 30 calendar days after
124.4 the date of a determination of overpayment penalty. Interest is assessed at the rate of one
124.5 percent per month or any part of a month. A determination of overpayment penalty must
124.6 state that interest will be assessed. Interest is not assessed on unpaid interest. Interest collected
124.7 under this subdivision is credited to the family and medical benefit insurance enforcement
124.8 account.

124.9 Subd. 5. **Offset of benefits.** The commissioner may offset from any future family and
124.10 medical leave benefits otherwise payable the amount of a nonmisrepresentation overpayment.
124.11 Except when the nonmisrepresentation overpayment resulted because the applicant failed
124.12 to report deductible earnings or deductible or benefit delaying payments, no single offset
124.13 may exceed 50 percent of the amount of the payment from which the offset is made.

124.14 Subd. 6. **Cancellation of overpayments.** (a) If family and medical leave benefits overpaid
124.15 for reasons other than misrepresentation are not repaid or offset from subsequent benefits
124.16 within six years after the date of the determination or decision holding the applicant overpaid,
124.17 the commissioner must cancel the overpayment balance, and no administrative or legal
124.18 proceedings may be used to enforce collection of those amounts.

124.19 (b) If family and medical leave benefits overpaid because of misrepresentation including
124.20 penalties and interest are not repaid within ten years after the date of the determination of
124.21 overpayment penalty, the commissioner must cancel the overpayment balance and any
124.22 penalties and interest due, and no administrative or legal proceeding may be used to enforce
124.23 collection of those amounts.

124.24 (c) The commissioner may cancel at any time any overpayment, including penalties and
124.25 interest that the commissioner determines is uncollectible because of death or bankruptcy.

124.26 Subd. 7. **Court fees; collection fees.** (a) If the department is required to pay any court
124.27 fees in an attempt to enforce collection of overpaid family and medical leave benefits,
124.28 penalties, or interest, the amount of the court fees may be added to the total amount due.

124.29 (b) If an applicant who has been overpaid family and medical leave benefits because of
124.30 misrepresentation seeks to have any portion of the debt discharged under the federal
124.31 bankruptcy code, and the department files an objection in bankruptcy court to the discharge,
124.32 the cost of any court fees may be added to the debt if the bankruptcy court does not discharge
124.33 the debt.

125.1 (c) If the Internal Revenue Service assesses the department a fee for offsetting from a
 125.2 federal tax refund the amount of any overpayment, including penalties and interest, the
 125.3 amount of the fee may be added to the total amount due. The offset amount must be put in
 125.4 the family and medical benefit insurance enforcement account and that amount credited to
 125.5 the total amount due from the applicant.

125.6 Subd. 8. **Collection of overpayments.** (a) The commissioner has discretion regarding
 125.7 the recovery of any overpayment for reasons other than misrepresentation. Regardless of
 125.8 any law to the contrary, the commissioner is not required to refer any overpayment for
 125.9 reasons other than misrepresentation to a public or private collection agency, including
 125.10 agencies of this state.

125.11 (b) Amounts overpaid for reasons other than misrepresentation are not considered a
 125.12 "debt" to the state of Minnesota for purposes of any reporting requirements to the
 125.13 commissioner of management and budget.

125.14 (c) A pending appeal under section 268B.08 does not suspend the assessment of interest,
 125.15 penalties, or collection of an overpayment.

125.16 (d) Section 16A.626 applies to the repayment by an applicant of any overpayment,
 125.17 penalty, or interest.

125.18 **Sec. 27. [268B.19] APPLICANT ADMINISTRATIVE PENALTIES.**

125.19 (a) Any applicant who makes a false statement or representation without a good faith
 125.20 belief as to the correctness of the statement or representation in order to obtain or in an
 125.21 attempt to obtain benefits may be assessed, in addition to any other penalties, an
 125.22 administrative penalty of being ineligible for benefits for 13 to 104 weeks.

125.23 (b) A determination of ineligibility setting out the weeks the applicant is ineligible must
 125.24 be sent to the applicant by mail or electronic transmission. The department is authorized to
 125.25 issue a determination of ineligibility under this subdivision within 48 months of the
 125.26 establishment of the benefit account upon which the benefits were obtained, or attempted
 125.27 to be obtained. Unless an appeal is filed within 20 calendar days of sending, the determination
 125.28 is final. Proceedings on the appeal are conducted in accordance with section 268B.08.

125.29 **Sec. 28. [268B.20] EMPLOYER MISCONDUCT; PENALTY.**

125.30 (a) The commissioner must penalize an employer if that employer or any employee,
 125.31 officer, or agent of that employer is in collusion with any applicant for the purpose of

126.1 assisting the applicant in receiving benefits fraudulently. The penalty is \$500 or the amount
 126.2 of benefits determined to be overpaid, whichever is greater.

126.3 (b) The commissioner must penalize an employer if that employer or any employee,
 126.4 officer, or agent of that employer:

126.5 (1) made a false statement or representation knowing it to be false;

126.6 (2) made a false statement or representation without a good-faith belief as to the
 126.7 correctness of the statement or representation; or

126.8 (3) knowingly failed to disclose a material fact.

126.9 (c) The penalty is the greater of \$500 or 50 percent of the following resulting from the
 126.10 employer's action:

126.11 (1) the amount of any overpaid benefits to an applicant;

126.12 (2) the amount of benefits not paid to an applicant that would otherwise have been paid;

126.13 or

126.14 (3) the amount of any payment required from the employer under this chapter that was
 126.15 not paid.

126.16 (d) Penalties must be paid within 30 calendar days of issuance of the determination of
 126.17 penalty and credited to the family and medical benefit insurance account.

126.18 (e) The determination of penalty is final unless the employer files an appeal within 30
 126.19 calendar days after the sending of the determination of penalty to the employer by United
 126.20 States mail or electronic transmission.

126.21 **Sec. 29. [268B.21] RECORDS; AUDITS.**

126.22 **Subdivision 1. Employer records; audits.** (a) Each employer must keep true and accurate
 126.23 records on individuals performing services for the employer, containing the information
 126.24 the commissioner may require under this chapter. The records must be kept for a period of
 126.25 not less than four years in addition to the current calendar year.

126.26 (b) For the purpose of administering this chapter, the commissioner has the power to
 126.27 audit, examine, or cause to be supplied or copied, any books, correspondence, papers,
 126.28 records, or memoranda that are the property of, or in the possession of, an employer or any
 126.29 other person at any reasonable time and as often as may be necessary. Subpoenas may be
 126.30 issued under section 268B.22 as necessary, for an audit.

127.1 (c) An employer or other person that refuses to allow an audit of its records by the
127.2 department or that fails to make all necessary records available for audit in the state upon
127.3 request of the commissioner may be assessed an administrative penalty of \$500. The penalty
127.4 collected is credited to the family and medical benefit insurance account.

127.5 (d) An employer, or other person, that fails to provide a weekly breakdown of money
127.6 earned by an applicant upon request of the commissioner, information necessary for the
127.7 detection of applicant misrepresentation under section 268B.185, subdivision 2, may be
127.8 assessed an administrative penalty of \$100. Any notice requesting a weekly breakdown
127.9 must clearly state that a \$100 penalty may be assessed for failure to provide the information.
127.10 The penalty collected is credited to the family and medical benefit insurance account.

127.11 Subd. 2. **Department records; destruction.** (a) The commissioner may make summaries,
127.12 compilations, duplications, or reproductions of any records pertaining to this chapter that
127.13 the commissioner considers advisable for the preservation of the information.

127.14 (b) Regardless of any law to the contrary, the commissioner may destroy any records
127.15 that are no longer necessary for the administration of this chapter. In addition, the
127.16 commissioner may destroy any record from which the information has been electronically
127.17 captured and stored.

127.18 Sec. 30. **[268B.22] SUBPOENAS; OATHS.**

127.19 (a) The commissioner or benefit judge has authority to administer oaths and affirmations,
127.20 take depositions, certify to official acts, and issue subpoenas to compel the attendance of
127.21 individuals and the production of documents and other personal property necessary in
127.22 connection with the administration of this chapter.

127.23 (b) Individuals subpoenaed, other than applicants or officers and employees of an
127.24 employer that is the subject of the inquiry, are paid witness fees the same as witness fees
127.25 in civil actions in district court. The fees need not be paid in advance.

127.26 (c) The subpoena is enforceable through the district court in Ramsey County.

127.27 Sec. 31. **[268B.23] LIEN; LEVY; SETOFF; AND CIVIL ACTION.**

127.28 Subdivision 1. **Lien.** (a) Any amount due under this chapter, from an applicant or an
127.29 employer, becomes a lien upon all the property, within this state, both real and personal, of
127.30 the person liable, from the date of assessment. For the purposes of this section, "date of
127.31 assessment" means the date the obligation was due.

128.1 (b) The lien is not enforceable against any purchaser, mortgagee, pledgee, holder of a
128.2 Uniform Commercial Code security interest, mechanic's lien, or judgment lien creditor,
128.3 until a notice of lien has been filed with the county recorder of the county where the property
128.4 is situated, or in the case of personal property belonging to a nonresident person in the Office
128.5 of the Secretary of State. When the notice of lien is filed with the county recorder, the fee
128.6 for filing and indexing is as provided in sections 272.483 and 272.484.

128.7 (c) Notices of liens, lien renewals, and lien releases, in a form prescribed by the
128.8 commissioner, may be filed with the county recorder or the secretary of state by mail,
128.9 personal delivery, or electronic transmission into the computerized filing system of the
128.10 secretary of state. The secretary of state must, on any notice filed with that office, transmit
128.11 the notice electronically to the appropriate county recorder. The filing officer, whether the
128.12 county recorder or the secretary of state, must endorse and index a printout of the notice as
128.13 if the notice had been mailed or delivered.

128.14 (d) County recorders and the secretary of state must enter information on lien notices,
128.15 renewals, and releases into the central database of the secretary of state. For notices filed
128.16 electronically with the county recorders, the date and time of receipt of the notice and county
128.17 recorder's file number, and for notices filed electronically with the secretary of state, the
128.18 secretary of state's recording information, must be entered into the central database before
128.19 the close of the working day following the day of the original data entry by the commissioner.

128.20 (e) The lien imposed on personal property, even though properly filed, is not enforceable
128.21 against a purchaser of tangible personal property purchased at retail or personal property
128.22 listed as exempt in sections 550.37, 550.38, and 550.39.

128.23 (f) A notice of lien filed has priority over any security interest arising under chapter 336,
128.24 article 9, that is perfected prior in time to the lien imposed by this subdivision, but only if:

128.25 (1) the perfected security interest secures property not in existence at the time the notice
128.26 of lien is filed; and

128.27 (2) the property comes into existence after the 45th calendar day following the day the
128.28 notice of lien is filed, or after the secured party has actual notice or knowledge of the lien
128.29 filing, whichever is earlier.

128.30 (g) The lien is enforceable from the time the lien arises and for ten years from the date
128.31 of filing the notice of lien. A notice of lien may be renewed before expiration for an additional
128.32 ten years.

129.1 (h) The lien is enforceable by levy under subdivision 2 or by judgment lien foreclosure
129.2 under chapter 550.

129.3 (i) The lien may be imposed upon property defined as homestead property in chapter
129.4 510 but may be enforced only upon the sale, transfer, or conveyance of the homestead
129.5 property.

129.6 (j) The commissioner may sell and assign to a third party the commissioner's right of
129.7 redemption in specific real property for liens filed under this subdivision. The assignee is
129.8 limited to the same rights of redemption as the commissioner, except that in a bankruptcy
129.9 proceeding, the assignee does not obtain the commissioner's priority. Any proceeds from
129.10 the sale of the right of redemption are credited to the family and medical benefit insurance
129.11 account.

129.12 Subd. 2. Levy. (a) If any amount due under this chapter, from an applicant or an employer,
129.13 is not paid when due, the amount may be collected by the commissioner by direct levy upon
129.14 all property and rights of property of the person liable for the amount due except property
129.15 exempt from execution under section 550.37. For the purposes of this section, "levy" includes
129.16 the power of distraint and seizure by any means.

129.17 (b) In addition to a direct levy, the commissioner may issue a warrant to the sheriff of
129.18 any county who must proceed within 60 calendar days to levy upon the property or rights
129.19 to property of the delinquent person within the county, except property exempt under section
129.20 550.37. The sheriff must sell that property necessary to satisfy the total amount due, together
129.21 with the commissioner's and sheriff's costs. The sales are governed by the law applicable
129.22 to sales of like property on execution of a judgment.

129.23 (c) Notice and demand for payment of the total amount due must be mailed to the
129.24 delinquent person at least ten calendar days before action being taken under paragraphs (a)
129.25 and (b).

129.26 (d) If the commissioner has reason to believe that collection of the amount due is in
129.27 jeopardy, notice and demand for immediate payment may be made. If the total amount due
129.28 is not paid, the commissioner may proceed to collect by direct levy or issue a warrant without
129.29 regard to the ten calendar day period.

129.30 (e) In executing the levy, the commissioner must have all of the powers provided in
129.31 chapter 550 or any other law that provides for execution against property in this state. The
129.32 sale of property levied upon and the time and manner of redemption is as provided in chapter
129.33 550. The seal of the court is not required. The levy may be made whether or not the
129.34 commissioner has commenced a legal action for collection.

130.1 (f) Where any assessment has been made by the commissioner, the property seized for
130.2 collection of the total amount due must not be sold until any determination of liability has
130.3 become final. No sale may be made unless a portion of the amount due remains unpaid for
130.4 a period of more than 30 calendar days after the determination of liability becomes final.

130.5 Seized property may be sold at any time if:

130.6 (1) the delinquent person consents in writing to the sale; or

130.7 (2) the commissioner determines that the property is perishable or may become greatly
130.8 reduced in price or value by keeping, or that the property cannot be kept without great
130.9 expense.

130.10 (g) Where a levy has been made to collect the amount due and the property seized is
130.11 properly included in a formal proceeding commenced under sections 524.3-401 to 524.3-505
130.12 and maintained under full supervision of the court, the property may not be sold until the
130.13 probate proceedings are completed or until the court orders.

130.14 (h) The property seized must be returned if the owner:

130.15 (1) gives a surety bond equal to the appraised value of the owner's interest in the property,
130.16 as determined by the commissioner; or

130.17 (2) deposits with the commissioner security in a form and amount the commissioner
130.18 considers necessary to insure payment of the liability.

130.19 (i) If a levy or sale would irreparably injure rights in property that the court determines
130.20 superior to rights of the state, the court may grant an injunction to prohibit the enforcement
130.21 of the levy or to prohibit the sale.

130.22 (j) Any person who fails or refuses to surrender without reasonable cause any property
130.23 or rights to property subject to levy is personally liable in an amount equal to the value of
130.24 the property or rights not so surrendered, but not exceeding the amount due.

130.25 (k) If the commissioner has seized the property of any individual, that individual may,
130.26 upon giving 48 hours notice to the commissioner and to the court, bring a claim for equitable
130.27 relief before the district court for the release of the property upon terms and conditions the
130.28 court considers equitable.

130.29 (l) Any person in control or possession of property or rights to property upon which a
130.30 levy has been made who surrenders the property or rights to property, or who pays the
130.31 amount due is discharged from any obligation or liability to the person liable for the amount
130.32 due with respect to the property or rights to property.

131.1 (m) The notice of any levy may be served personally or by mail.

131.2 (n) The commissioner may release the levy upon all or part of the property or rights to
 131.3 property levied upon if the commissioner determines that the release will facilitate the
 131.4 collection of the liability, but the release does not prevent any subsequent levy. If the
 131.5 commissioner determines that property has been wrongfully levied upon, the commissioner
 131.6 must return:

131.7 (1) the specific property levied upon, at any time; or

131.8 (2) an amount of money equal to the amount of money levied upon, at any time before
 131.9 the expiration of nine months from the date of levy.

131.10 (o) Regardless of section 52.12, a levy upon a person's funds on deposit in a financial
 131.11 institution located in this state, has priority over any unexercised right of setoff of the
 131.12 financial institution to apply the levied funds toward the balance of an outstanding loan or
 131.13 loans owed by the person to the financial institution. A claim by the financial institution
 131.14 that it exercised its right to setoff before the levy must be substantiated by evidence of the
 131.15 date of the setoff, and verified by an affidavit from a corporate officer of the financial
 131.16 institution. For purposes of determining the priority of any levy under this subdivision, the
 131.17 levy is treated as if it were an execution under chapter 550.

131.18 Subd. 3. **Right of setoff.** (a) Upon certification by the commissioner to the commissioner
 131.19 of management and budget, or to any state agency that disburses its own funds, that a person,
 131.20 applicant, or employer has a liability under this chapter, and that the state has purchased
 131.21 personal services, supplies, contract services, or property from that person, the commissioner
 131.22 of management and budget or the state agency must set off and pay to the commissioner an
 131.23 amount sufficient to satisfy the unpaid liability from funds appropriated for payment of the
 131.24 obligation of the state otherwise due the person. No amount may be set off from any funds
 131.25 exempt under section 550.37 or funds due an individual who receives assistance under
 131.26 chapter 256.

131.27 (b) All funds, whether general or dedicated, are subject to setoff.

131.28 (c) Regardless of any law to the contrary, the commissioner has first priority to setoff
 131.29 from any funds otherwise due from the department to a delinquent person.

131.30 Subd. 4. **Collection by civil action.** (a) Any amount due under this chapter, from an
 131.31 applicant or employer, may be collected by civil action in the name of the state of Minnesota.
 131.32 Civil actions brought under this subdivision must be heard as provided under section 16D.14.
 131.33 In any action, judgment must be entered in default for the relief demanded in the complaint

132.1 without proof, together with costs and disbursements, upon the filing of an affidavit of
132.2 default.

132.3 (b) Any person that is not a resident of this state and any resident person removed from
132.4 this state, is considered to appoint the secretary of state as its agent for the acceptance of
132.5 process in any civil action. The commissioner must file process with the secretary of state,
132.6 together with a payment of a fee of \$15 and that service is considered sufficient service and
132.7 has the same force and validity as if served personally within this state. Notice of the service
132.8 of process, together with a copy of the process, must be sent by certified mail to the person's
132.9 last known address. An affidavit of compliance with this subdivision, and a copy of the
132.10 notice of service must be appended to the original of the process and filed in the court.

132.11 (c) No court filing fees, docketing fees, or release of judgment fees may be assessed
132.12 against the state for actions under this subdivision.

132.13 Subd. 5. **Injunction forbidden.** No injunction or other legal action to prevent the
132.14 determination, assessment, or collection of any amounts due under this chapter, from an
132.15 applicant or employer, are allowed.

132.16 Sec. 32. **[268B.24] CONCILIATION SERVICES.**

132.17 The Department of Labor and Industry may offer conciliation services to employers and
132.18 employees to resolve disputes concerning alleged violations of employment protections
132.19 identified in section 268B.09.

132.20 Sec. 33. **[268B.25] ANNUAL REPORTS.**

132.21 (a) Beginning on or before December 1, 2023, the commissioner must annually report
132.22 to the Department of Management and Budget and the house of representatives and senate
132.23 committee chairs with jurisdiction over this chapter on program administrative expenditures
132.24 and revenue collection for the prior fiscal year, including but not limited to:

132.25 (1) total revenue raised through premium collection;

132.26 (2) the number of self-employed individuals or independent contractors electing coverage
132.27 under section 268B.11 and amount of associated revenue;

132.28 (3) the number of covered business entities paying premiums under this chapter and
132.29 associated revenue;

132.30 (4) administrative expenditures including transfers to other state agencies expended in
132.31 the administration of the chapter;

- 133.1 (5) summary of contracted services expended in the administration of this chapter;
- 133.2 (6) grant amounts and recipients under sections 268B.29 and 268B.18;
- 133.3 (7) an accounting of required outreach expenditures;
- 133.4 (8) summary of private plan approvals including the number of employers and employees
- 133.5 covered under private plans; and
- 133.6 (9) adequacy and use of the private plan approval and oversight fee.
- 133.7 (b) Beginning on or before December 1, 2023, the commissioner must annually publish
- 133.8 a publicly available report providing the following information for the previous fiscal year:
- 133.9 (1) total eligible claims;
- 133.10 (2) the number and percentage of claims attributable to each category of benefit;
- 133.11 (3) claimant demographics by age, gender, average weekly wage, occupation, and the
- 133.12 type of leave taken;
- 133.13 (4) the percentage of claims denied and the reasons therefor, including but not limited
- 133.14 to insufficient information and ineligibility and the reason therefor;
- 133.15 (5) average weekly benefit amount paid for all claims and by category of benefit;
- 133.16 (6) changes in the benefits paid compared to previous fiscal years;
- 133.17 (7) processing times for initial claims processing, initial determinations, and final
- 133.18 decisions;
- 133.19 (8) average duration for cases completed; and
- 133.20 (9) the number of cases remaining open at the close of such year.

133.21 **Sec. 34. [268B.26] NOTICE REQUIREMENTS.**

- 133.22 (a) Each employer must post in a conspicuous place on each of its premises a workplace
- 133.23 notice prepared or approved by the commissioner providing notice of benefits available
- 133.24 under this chapter. The required workplace notice must be in English and each language
- 133.25 other than English which is the primary language of five or more employees or independent
- 133.26 contractors of that workplace, if such notice is available from the department.
- 133.27 (b) Each employer must issue to each employee not more than 30 days from the beginning
- 133.28 date of the employee's employment, or 30 days before premium collection begins, whichever
- 133.29 is later, the following written information provided or approved by the department in the
- 133.30 primary language of the employee:

- 134.1 (1) an explanation of the availability of family and medical leave benefits provided under
134.2 this chapter, including rights to reinstatement and continuation of health insurance;
- 134.3 (2) the amount of premium deductions made by the employer under this chapter;
- 134.4 (3) the employer's premium amount and obligations under this chapter;
- 134.5 (4) the name and mailing address of the employer;
- 134.6 (5) the identification number assigned to the employer by the department;
- 134.7 (6) instructions on how to file a claim for family and medical leave benefits;
- 134.8 (7) the mailing address, e-mail address, and telephone number of the department; and
- 134.9 (8) any other information required by the department.

134.10 Delivery is made when an employee provides written acknowledgment of receipt of the
134.11 information, or signs a statement indicating the employee's refusal to sign such
134.12 acknowledgment.

134.13 (c) Each employer shall provide to each independent contractor with whom it contracts,
134.14 at the time such contract is made or, for existing contracts, within 30 days of the effective
134.15 date of this section, the following written information provided or approved by the department
134.16 in the self-employed individual's primary language:

- 134.17 (1) the address and telephone number of the department; and
- 134.18 (2) any other information required by the department.

134.19 (d) An employer that fails to comply with this subdivision may be issued, for a first
134.20 violation, a civil penalty of \$50 per employee and per independent contractor with whom
134.21 it has contracted, and for each subsequent violation, a civil penalty of \$300 per employee
134.22 or self-employed individual with whom it has contracted. The employer shall have the
134.23 burden of demonstrating compliance with this section.

134.24 (e) Employer notice to an employee under this section may be provided in paper or
134.25 electronic format. For notice provided in electronic format only, the employer must provide
134.26 employee access to an employer-owned computer during an employee's regular working
134.27 hours to review and print required notices.

134.28 **Sec. 35. [268B.27] RELATIONSHIP TO OTHER LEAVE; CONSTRUCTION.**

134.29 Subdivision 1. **Concurrent leave.** An employer may require leave taken under this
134.30 chapter to run concurrently with leave taken for the same purpose under section 181.941

135.1 or the Family and Medical Leave Act, United States Code, title 29, sections 2601 to 2654,
135.2 as amended.

135.3 Subd. 2. **Construction.** Nothing in this chapter shall be construed to:

135.4 (1) allow an employer to compel an employee to exhaust accumulated sick, vacation,
135.5 or personal time before or while taking leave under this chapter;

135.6 (2) except as provided under section 268B.01, subdivision 37, prohibit an employer
135.7 from providing additional benefits, including but not limited to covering the portion of
135.8 earnings not provided under this chapter during periods of leave covered under this chapter;
135.9 or

135.10 (3) limit the parties to a collective bargaining agreement from bargaining and agreeing
135.11 with respect to leave benefits and related procedures and employee protections that meet
135.12 or exceed, and do not otherwise conflict with, the minimum standards and requirements in
135.13 this chapter.

135.14 **Sec. 36. [268B.28] SEVERABLE.**

135.15 If the United States Department of Labor or a court of competent jurisdiction determines
135.16 that any provision of the family and medical benefit insurance program under this chapter
135.17 is not in conformity with, or is inconsistent with, the requirements of federal law, the
135.18 provision has no force or effect. If only a portion of the provision, or the application to any
135.19 person or circumstances, is determined not in conformity, or determined inconsistent, the
135.20 remainder of the provision and the application of the provision to other persons or
135.21 circumstances are not affected.

135.22 **Sec. 37. [268B.29] SMALL BUSINESS ASSISTANCE GRANTS.**

135.23 (a) Employers with 50 or fewer employees may apply to the department for grants under
135.24 this section.

135.25 (b) The commissioner may approve a grant of up to \$3,000 if the employer hires a
135.26 temporary worker to replace an employee on family or medical leave for a period of seven
135.27 days or more.

135.28 (c) For an employee's family or medical leave, the commissioner may approve a grant
135.29 of up to \$1,000 as reimbursement for significant additional wage-related costs due to the
135.30 employee's leave.

136.1 (d) To be eligible for consideration for a grant under this section, the employer must
136.2 provide the department written documentation showing the temporary worker hired or
136.3 significant wage-related costs incurred are due to an employee's use of leave under this
136.4 chapter.

136.5 (e) The grants under this section may be funded from the family and medical benefit
136.6 insurance account.

136.7 (f) For the purposes of this section, the commissioner shall average the number of
136.8 employees reported by an employer over the last four completed calendar quarters to
136.9 determine the size of the employer.

136.10 (g) An employer who has an approved private plan is not eligible to receive a grant under
136.11 this section.

136.12 (h) The commissioner may award grants under this section only up to a maximum of
136.13 \$5,000,000 per calendar year.

136.14 Sec. 38. **EFFECTIVE DATES.**

136.15 (a) Benefits under Minnesota Statutes, chapter 268B, shall not be applied for or paid
136.16 until January 1, 2024, and thereafter.

136.17 (b) Sections 1, 2, 4, 5, 6, 36, and 38 are effective July 1, 2021.

136.18 (c) Section 15 is effective July 1, 2022.

136.19 (d) Sections 3, 17, 18, 19, 21, 23, 24, 25, 29, 30, 31, and 33 are effective January 1,
136.20 2023.

136.21 (e) Sections 7, 8, 9, 10, 11, 12, 13, 14, 16, 20, 22, 26, 27, 28, 32, 34, 35, and 37 are
136.22 effective January 1, 2024.

136.23 **ARTICLE 5**

136.24 **FAMILY AND MEDICAL LEAVE BENEFIT AS EARNINGS**

136.25 Section 1. Minnesota Statutes 2020, section 256J.561, is amended by adding a subdivision
136.26 to read:

136.27 Subd. 4. **Parents receiving family and medical leave benefits.** A parent who meets
136.28 the criteria under subdivision 2 and who receives benefits under chapter 268B is not required
136.29 to participate in employment services.

137.1 Sec. 2. Minnesota Statutes 2020, section 256J.95, subdivision 3, is amended to read:

137.2 Subd. 3. **Eligibility for diversionary work program.** (a) Except for the categories of
137.3 family units listed in clauses (1) to (8), all family units who apply for cash benefits and who
137.4 meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must
137.5 participate in the diversionary work program. Family units or individuals that are not eligible
137.6 for the diversionary work program include:

137.7 (1) child only cases;

137.8 (2) single-parent family units that include a child under 12 months of age. A parent is
137.9 eligible for this exception once in a parent's lifetime;

137.10 (3) family units with a minor parent without a high school diploma or its equivalent;

137.11 (4) family units with an 18- or 19-year-old caregiver without a high school diploma or
137.12 its equivalent who chooses to have an employment plan with an education option;

137.13 (5) family units with a caregiver who received DWP benefits within the 12 months prior
137.14 to the month the family applied for DWP, except as provided in paragraph (c);

137.15 (6) family units with a caregiver who received MFIP within the 12 months prior to the
137.16 month the family applied for DWP;

137.17 (7) family units with a caregiver who received 60 or more months of TANF assistance;
137.18 ~~and~~

137.19 (8) family units with a caregiver who is disqualified from the work participation cash
137.20 benefit program, DWP, or MFIP due to fraud; and

137.21 (9) single-parent family units where a parent is receiving family and medical leave
137.22 benefits under chapter 268B.

137.23 (b) A two-parent family must participate in DWP unless both caregivers meet the criteria
137.24 for an exception under paragraph (a), clauses (1) through (5), or the family unit includes a
137.25 parent who meets the criteria in paragraph (a), clause (6), (7), or (8).

137.26 (c) Once DWP eligibility is determined, the four months run consecutively. If a participant
137.27 leaves the program for any reason and reapplies during the four-month period, the county
137.28 must redetermine eligibility for DWP.

137.29 Sec. 3. Minnesota Statutes 2020, section 256J.95, subdivision 11, is amended to read:

137.30 Subd. 11. **Universal participation required.** (a) All DWP caregivers, except caregivers
137.31 who meet the criteria in paragraph (d), are required to participate in DWP employment

138.1 services. Except as specified in paragraphs (b) and (c), employment plans under DWP must,
138.2 at a minimum, meet the requirements in section 256J.55, subdivision 1.

138.3 (b) A caregiver who is a member of a two-parent family that is required to participate
138.4 in DWP who would otherwise be ineligible for DWP under subdivision 3 may be allowed
138.5 to develop an employment plan under section 256J.521, subdivision 2, that may contain
138.6 alternate activities and reduced hours.

138.7 (c) A participant who is a victim of family violence shall be allowed to develop an
138.8 employment plan under section 256J.521, subdivision 3. A claim of family violence must
138.9 be documented by the applicant or participant by providing a sworn statement which is
138.10 supported by collateral documentation in section 256J.545, paragraph (b).

138.11 (d) One parent in a two-parent family unit ~~that has a natural born child under 12 months~~
138.12 ~~of age~~ is not required to have an employment plan ~~until the child reaches 12 months of age~~
138.13 ~~unless the family unit has already used the exclusion under section 256J.561, subdivision~~
138.14 ~~3, or the previously allowed child under age one exemption under section 256J.56, paragraph~~
138.15 ~~(a), clause (5).~~ if that parent:

138.16 (1) receives family and medical leave benefits under chapter 268B; or

138.17 (2) has a natural born child under 12 months of age until the child reaches 12 months
138.18 of age unless the family unit has already used the exclusion under section 256J.561,
138.19 subdivision 3, or the previously allowed child under age one exemption under section
138.20 256J.56, paragraph (a), clause (5).

138.21 (e) The provision in paragraph (d) ends the first full month after the child reaches 12
138.22 months of age. This provision is allowable only once in a caregiver's lifetime. In a two-parent
138.23 household, only one parent shall be allowed to use this category.

138.24 (f) The participant and job counselor must meet in the month after the month the child
138.25 reaches 12 months of age to revise the participant's employment plan. The employment plan
138.26 for a family unit that has a child under 12 months of age that has already used the exclusion
138.27 in section 256J.561 must be tailored to recognize the caregiving needs of the parent.

138.28 Sec. 4. Minnesota Statutes 2020, section 256P.01, subdivision 3, is amended to read:

138.29 Subd. 3. **Earned income.** "Earned income" means cash or in-kind income earned through
138.30 the receipt of wages, salary, commissions, bonuses, tips, gratuities, profit from employment
138.31 activities, net profit from self-employment activities, payments made by an employer for
138.32 regularly accrued vacation or sick leave, severance pay based on accrued leave time, benefits
138.33 paid under chapter 268B, payments from training programs at a rate at or greater than the

139.1 state's minimum wage, royalties, honoraria, or other profit from activity that results from
 139.2 the client's work, service, effort, or labor. The income must be in return for, or as a result
 139.3 of, legal activity.

139.4 Sec. 5. EFFECTIVE DATE.

139.5 Sections 1 to 4 are effective January 1, 2024.

139.6 **ARTICLE 6**
 139.7 **UNEMPLOYMENT INSURANCE**

139.8 Section 1. Minnesota Statutes 2020, section 268.035, subdivision 21c, is amended to read:

139.9 Subd. 21c. **Reemployment assistance training.** (a) An applicant is in "reemployment
 139.10 assistance training" when:

139.11 (1)(i) a reasonable opportunity for suitable employment for the applicant does not exist
 139.12 in the labor market area and additional training will assist the applicant in obtaining suitable
 139.13 employment;

139.14 ~~(2)~~ (ii) the curriculum, facilities, staff, and other essentials are adequate to achieve the
 139.15 training objective;

139.16 ~~(3)~~ (iii) the training is vocational or short term academic training directed to an occupation
 139.17 or skill that will substantially enhance the employment opportunities available to the applicant
 139.18 in the applicant's labor market area;

139.19 ~~(4)~~ (iv) the training course is full time by the training provider; and

139.20 ~~(5)~~ (v) the applicant is making satisfactory progress in the training;

139.21 (2) the applicant can provide proof of enrollment in one or more programs offered by
 139.22 an adult basic education consortium under section 124D.518. Programs may include but
 139.23 are not limited to:

139.24 (i) general educational development diploma preparation;

139.25 (ii) local credit completion adult high school diploma preparation;

139.26 (iii) state competency-based adult high school diploma preparation;

139.27 (iv) basic skills enhancement training focused on math, functional literacy, reading, or
 139.28 writing;

139.29 (v) computer skills training; or

140.1 (vi) English as a second language instruction;

140.2 (3) the applicant can provide proof of enrollment in an English as a second language
 140.3 program taught by a licensed instructor;

140.4 (4) the applicant can provide proof of enrollment in an over-the-road truck driving
 140.5 training program offered by a college or university within the Minnesota state system; or

140.6 (5) the applicant can provide proof of enrollment in a program funded under section
 140.7 116L.99.

140.8 (b) Full-time training provided through the dislocated worker program, the Trade Act
 140.9 of 1974, as amended, or the North American Free Trade Agreement is "reemployment
 140.10 assistance training," if that training course is in accordance with the requirements of that
 140.11 program.

140.12 (c) Apprenticeship training provided in order to meet the requirements of an
 140.13 apprenticeship program under chapter 178 is "reemployment assistance training."

140.14 (d) An applicant is in reemployment assistance training only if the training course has
 140.15 actually started or is scheduled to start within 30 calendar days.

140.16 Sec. 2. Minnesota Statutes 2020, section 268.085, subdivision 2, is amended to read:

140.17 Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for any week:

140.18 (1) that occurs before the effective date of a benefit account;

140.19 (2) that the applicant, at any time during the week, has an outstanding misrepresentation
 140.20 overpayment balance under section 268.18, subdivision 2, including any penalties and
 140.21 interest;

140.22 ~~(3) that occurs in a period when the applicant is a student in attendance at, or on vacation~~
 140.23 ~~from a secondary school including the period between academic years or terms;~~

140.24 ~~(4)~~(3) that the applicant is incarcerated or performing court-ordered community service.
 140.25 The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day
 140.26 the applicant is incarcerated or performing court-ordered community service;

140.27 ~~(5)~~(4) that the applicant fails or refuses to provide information on an issue of ineligibility
 140.28 required under section 268.101;

140.29 ~~(6)~~(5) that the applicant is performing services 32 hours or more, in employment, covered
 140.30 employment, noncovered employment, volunteer work, or self-employment regardless of
 140.31 the amount of any earnings; or

141.1 ~~(7)~~ (6) with respect to which the applicant has filed an application for unemployment
 141.2 benefits under any federal law or the law of any other state. If the appropriate agency finally
 141.3 determines that the applicant is not entitled to establish a benefit account under federal law
 141.4 or the law of any other state, this clause does not apply.

141.5 **EFFECTIVE DATE.** This section is effective August 1, 2021.

141.6 Sec. 3. Minnesota Statutes 2020, section 268.085, subdivision 4a, is amended to read:

141.7 Subd. 4a. **Social Security disability benefits.** (a) An applicant who is receiving, has
 141.8 received, or has filed for primary Social Security disability benefits for any week is ineligible
 141.9 for unemployment benefits for that week, unless:

141.10 (1) the Social Security Administration approved the collecting of primary Social Security
 141.11 disability benefits each month the applicant was employed during the base period; or

141.12 (2) the applicant provides a statement from an appropriate health care professional who
 141.13 is aware of the applicant's Social Security disability claim and the basis for that claim,
 141.14 certifying that the applicant is available for suitable employment.

141.15 (b) If an applicant meets the requirements of paragraph (a), clause (1) or (2), there is no
 141.16 deduction from the applicant's weekly benefit amount for any Social Security disability
 141.17 benefits.

141.18 ~~(c) If an applicant meets the requirements of paragraph (a), clause (2), there must be~~
 141.19 ~~deducted from the applicant's weekly unemployment benefit amount 50 percent of the~~
 141.20 ~~weekly equivalent of the primary Social Security disability benefits the applicant is receiving,~~
 141.21 ~~has received, or has filed for, with respect to that week.~~

141.22 ~~If the Social Security Administration determines that the applicant is not entitled to~~
 141.23 ~~receive primary Social Security disability benefits for any week the applicant has applied~~
 141.24 ~~for those benefits, then this paragraph does not apply to that week.~~

141.25 ~~(d)~~ (c) Information from the Social Security Administration is conclusive, absent specific
 141.26 evidence showing that the information was erroneous.

141.27 ~~(e)~~ (d) This subdivision does not apply to Social Security survivor benefits.

141.28 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2021.

141.29 Sec. 4. Minnesota Statutes 2020, section 268.085, subdivision 7, is amended to read:

141.30 Subd. 7. **School employees; between terms denial.** (a) Wage credits from employment
 141.31 with an educational institution or institutions may not be used for unemployment benefit

142.1 purposes for any week during the period between two successive academic years or terms
142.2 if:

142.3 (1) the applicant had employment for an educational institution or institutions in the
142.4 prior academic year or term; and

142.5 (2) there is a reasonable assurance that the applicant will have employment for an
142.6 educational institution or institutions in the following academic year or term.

142.7 This paragraph applies to a vacation period or holiday recess if the applicant was
142.8 employed immediately before the vacation period or holiday recess, and there is a reasonable
142.9 assurance that the applicant will be employed immediately following the vacation period
142.10 or holiday recess. This paragraph also applies to the period between two regular but not
142.11 successive terms if there is an agreement for that schedule between the applicant and the
142.12 educational institution.

142.13 This paragraph does not apply if the subsequent employment is substantially less
142.14 favorable than the employment of the prior academic year or term, or the employment prior
142.15 to the vacation period or holiday recess.

142.16 (b) Paragraph (a) does not apply to:

142.17 (1) an applicant who, at the end of the prior academic year or term, had an agreement
142.18 for a definite period of employment between academic years or terms in other than an
142.19 instructional, research, or principal administrative capacity and the educational institution
142.20 or institutions failed to provide that employment; or

142.21 (2) an applicant in a position for which no license is required by the Professional Educator
142.22 Licensing and Standards Board or the Board of School Administrators.

142.23 (c) If unemployment benefits are denied to any applicant under paragraph (a) who was
142.24 employed in the prior academic year or term in other than an instructional, research, or
142.25 principal administrative capacity and who was not offered an opportunity to perform the
142.26 employment in the following academic year or term, the applicant is entitled to retroactive
142.27 unemployment benefits for each week during the period between academic years or terms
142.28 that the applicant filed a timely continued request for unemployment benefits, but
142.29 unemployment benefits were denied solely because of paragraph (a).

142.30 (d) This subdivision applies to employment with an educational service agency if the
142.31 applicant performed the services at an educational institution or institutions. "Educational
142.32 service agency" means a governmental entity established and operated for the purpose of
142.33 providing services to one or more educational institutions.

143.1 (e) This subdivision applies to employment with Minnesota, a political subdivision, or
143.2 a nonprofit organization, if the services are provided to or on behalf of an educational
143.3 institution or institutions.

143.4 (f) Paragraph (a) applies beginning the Sunday of the week that there is a reasonable
143.5 assurance of employment.

143.6 (g) Employment and a reasonable assurance with multiple education institutions must
143.7 be aggregated for purposes of application of this subdivision.

143.8 (h) If all of the applicant's employment with any educational institution or institutions
143.9 during the prior academic year or term consisted of on-call employment, and the applicant
143.10 has a reasonable assurance of any on-call employment with any educational institution or
143.11 institutions for the following academic year or term, it is not considered substantially less
143.12 favorable employment.

143.13 (i) A "reasonable assurance" may be written, oral, implied, or established by custom or
143.14 practice.

143.15 (j) An "educational institution" is a school, college, university, or other educational entity
143.16 operated by Minnesota, a political subdivision or instrumentality thereof, or a nonprofit
143.17 organization.

143.18 (k) An "instructional, research, or principal administrative capacity" does not include
143.19 an educational assistant.

143.20 Sec. 5. Minnesota Statutes 2020, section 268.101, subdivision 2, is amended to read:

143.21 Subd. 2. **Determination.** (a) The commissioner must determine any issue of ineligibility
143.22 raised by information required from an applicant under subdivision 1, paragraph (a) or (c),
143.23 and send to the applicant and any involved employer, by mail or electronic transmission, a
143.24 document titled a determination of eligibility or a determination of ineligibility, as is
143.25 appropriate. The determination on an issue of ineligibility as a result of a quit or a discharge
143.26 of the applicant must state the effect on the employer under section 268.047. A determination
143.27 must be made in accordance with this paragraph even if a notified employer has not raised
143.28 the issue of ineligibility.

143.29 (b) The commissioner must determine any issue of ineligibility raised by an employer
143.30 and send to the applicant and that employer, by mail or electronic transmission, a document
143.31 titled a determination of eligibility or a determination of ineligibility as is appropriate. The
143.32 determination on an issue of ineligibility as a result of a quit or discharge of the applicant
143.33 must state the effect on the employer under section 268.047.

144.1 If a base period employer:

144.2 (1) was not the applicant's most recent employer before the application for unemployment
144.3 benefits;

144.4 (2) did not employ the applicant during the six calendar months before the application
144.5 for unemployment benefits; and

144.6 (3) did not raise an issue of ineligibility as a result of a quit or discharge of the applicant
144.7 within ten calendar days of notification under subdivision 1, paragraph (b);

144.8 then any exception under section 268.047, subdivisions 2 and 3, begins the Sunday two
144.9 weeks following the week that the issue of ineligibility as a result of a quit or discharge of
144.10 the applicant was raised by the employer.

144.11 A communication from an employer must specifically set out why the applicant should
144.12 be determined ineligible for unemployment benefits for that communication to be considered
144.13 to have raised an issue of ineligibility for purposes of this section. A statement of "protest"
144.14 or a similar term without more information does not constitute raising an issue of ineligibility
144.15 for purposes of this section.

144.16 (c) Subject to section 268.031, an issue of ineligibility is determined based upon that
144.17 information required of an applicant, any information that may be obtained from an applicant
144.18 or employer, and information from any other source.

144.19 (d) Regardless of the requirements of this subdivision, the commissioner is not required
144.20 to send to an applicant a copy of the determination where the applicant has satisfied a period
144.21 of ineligibility because of a quit or a discharge under section 268.095, subdivision 10.

144.22 (e) The department is authorized to issue a determination on an issue of ineligibility
144.23 within 24 months from the establishment of a benefit account based upon information from
144.24 any source, even if the issue of ineligibility was not raised by the applicant or an employer.

144.25 If an applicant obtained unemployment benefits through misrepresentation under section
144.26 268.18, subdivision 2, the department is authorized to issue a determination of ineligibility
144.27 within 48 months of the establishment of the benefit account.

144.28 If the department has filed an intervention in a worker's compensation matter under
144.29 section 176.361, the department is authorized to issue a determination of ineligibility within
144.30 48 months of the establishment of the benefit account.

144.31 (f) A determination of eligibility or determination of ineligibility is final unless an appeal
144.32 is filed by the applicant or employer within ~~20~~ 60 calendar days after sending. The

145.1 determination must contain a prominent statement indicating the consequences of not
145.2 appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

145.3 (g) An issue of ineligibility required to be determined under this section includes any
145.4 question regarding the denial or allowing of unemployment benefits under this chapter
145.5 except for issues under section 268.07. An issue of ineligibility for purposes of this section
145.6 includes any question of effect on an employer under section 268.047.

145.7 Sec. 6. Minnesota Statutes 2020, section 268.133, is amended to read:

145.8 **268.133 UNEMPLOYMENT BENEFITS WHILE IN ENTREPRENEURIAL**
145.9 **TRAINING.**

145.10 Unemployment benefits are available to dislocated workers participating in the converting
145.11 layoffs into Minnesota businesses (CLIMB) program under section 116L.17, subdivision
145.12 11. Applicants participating in CLIMB are considered in reemployment assistance training
145.13 under section 268.035, subdivision 21c. All requirements under section 268.069, subdivision
145.14 1, must be met, except the commissioner may waive:

145.15 (1) the deductible earnings provisions in section 268.085, subdivision 5; and

145.16 (2) the 32 hours of work limitation in section 268.085, subdivision 2, clause ~~(6)~~ (5). A
145.17 maximum of 500 applicants may receive a waiver at any given time.

145.18 **EFFECTIVE DATE.** This section is effective August 1, 2021.

145.19 Sec. 7. Minnesota Statutes 2020, section 268.136, subdivision 1, is amended to read:

145.20 Subdivision 1. **Shared work plan requirements.** An employer may submit a proposed
145.21 shared work plan for an employee group to the commissioner for approval in a manner and
145.22 format set by the commissioner. The proposed shared work plan must include:

145.23 (1) a certified statement that the normal weekly hours of work of all of the proposed
145.24 participating employees were full time or regular part time but are now reduced, or will be
145.25 reduced, with a corresponding reduction in pay, in order to prevent layoffs;

145.26 (2) the name and Social Security number of each participating employee;

145.27 (3) the number of layoffs that would have occurred absent the employer's ability to
145.28 participate in a shared work plan;

145.29 (4) a certified statement that each participating employee was first hired by the employer
145.30 at least ~~one year~~ three months before the proposed shared work plan is submitted and is not
145.31 a seasonal, temporary, or intermittent worker;

146.1 (5) the hours of work each participating employee will work each week for the duration
146.2 of the shared work plan, which must be at least 50 percent of the normal weekly hours but
146.3 no more than 80 percent of the normal weekly hours, except that the plan may provide for
146.4 a uniform vacation shutdown of up to two weeks;

146.5 (6) a certified statement that any health benefits and pension benefits provided by the
146.6 employer to participating employees will continue to be provided under the same terms and
146.7 conditions as though the participating employees' hours of work each week had not been
146.8 reduced;

146.9 (7) a certified statement that the terms and implementation of the shared work plan is
146.10 consistent with the employer's obligations under state and federal law;

146.11 (8) an acknowledgment that the employer understands that unemployment benefits paid
146.12 under a shared work plan will be used in computing the future tax rate of a taxpaying
146.13 employer or charged to the reimbursable account of a nonprofit or government employer;

146.14 (9) the proposed duration of the shared work plan, which must be at least two months
146.15 and not more than one year, although a plan may be extended for up to an additional year
146.16 upon approval of the commissioner;

146.17 (10) a starting date beginning on a Sunday at least 15 calendar days after the date the
146.18 proposed shared work plan is submitted; and

146.19 (11) a signature of an owner or officer of the employer who is listed as an owner or
146.20 officer on the employer's account under section 268.045.

146.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

146.22 **Sec. 8. CONTINUED SUSPENSION OF ONE-WEEK WAITING PERIOD.**

146.23 Notwithstanding Minnesota Statutes, section 268.085, subdivision 1, the one-week
146.24 nonpayable waiting period to receive unemployment benefits is waived for applicants for
146.25 unemployment insurance benefit accounts established between December 27, 2020, and
146.26 September 4, 2021.

146.27 **EFFECTIVE DATE.** This section is effective retroactively from December 27, 2020.

146.28 **Sec. 9. CONTINUED SUSPENSION OF FIVE-WEEK BUSINESS OWNER**
146.29 **BENEFIT LIMITATION.**

146.30 Notwithstanding Minnesota Statutes, section 268.085, subdivision 9, the five-week
146.31 limitation for receipt of unemployment benefits for business owners is suspended for

147.1 applicants for unemployment insurance benefit accounts established between December
147.2 27, 2020, and September 4, 2021.

147.3 **EFFECTIVE DATE.** This section is effective retroactively from December 27, 2020.

147.4 **Sec. 10. LEAVE OF ABSENCE DUE TO COVID-19.**

147.5 Notwithstanding Minnesota Statutes, section 268.085, subdivision 13a, for an applicant
147.6 applying for an unemployment insurance benefit account established between December
147.7 27, 2020, and September 4, 2021, a leave of absence is presumed to be an involuntary leave
147.8 of absence and not ineligible if:

147.9 (1) a determination has been made by health authorities or by a health care professional
147.10 that the presence of the applicant in the workplace would jeopardize the health of others,
147.11 whether or not the applicant has actually contracted a communicable disease;

147.12 (2) a quarantine or isolation order has been issued to the applicant pursuant to Minnesota
147.13 Statutes, sections 144.419 to 144.4196;

147.14 (3) there is a recommendation from health authorities or from a health care professional
147.15 that the applicant should self-isolate or self-quarantine due to elevated risk from COVID-19
147.16 due to being immunocompromised;

147.17 (4) the applicant has been instructed by the applicant's employer not to come to the
147.18 employer's place of business due to an outbreak of a communicable disease; or

147.19 (5) the applicant has received a notification from a school district, day care, or other
147.20 child care provider that either (i) classes are canceled, or (ii) the applicant's ordinary child
147.21 care is unavailable, provided that the applicant made reasonable effort to obtain other child
147.22 care and requested time off or other accommodation from the employer and no reasonable
147.23 accommodation was available.

147.24 **EFFECTIVE DATE.** This section is effective retroactively from December 27, 2020.

147.25 **Sec. 11. PANDEMIC UNEMPLOYMENT ASSISTANCE TO HIGH SCHOOL**
147.26 **STUDENTS.**

147.27 Pandemic Unemployment Assistance payments made to high school students under the
147.28 federal CARES Act, United States Code, title 15, chapter 116, and extended by the federal
147.29 Consolidated Appropriations Act, 2021, Public Law 116-260, subject to any necessary
147.30 federal approval, must not be counted as income when determining eligibility for the
147.31 programs administered by the Department of Human Services.

148.1 **EFFECTIVE DATE.** This section is effective retroactively from January 7, 2021.

148.2 Sec. 12. **REPEALER.**

148.3 **(a) Minnesota Statutes 2020, section 268.085, subdivision 4, is repealed January 1, 2021.**

148.4 **(b) Minnesota Statutes 2020, section 268.085, subdivision 8, is repealed."**

148.5 Delete the title and insert:

148.6 "A bill for an act

148.7 relating to economic development; appropriating money for workforce and business
148.8 development; establishing paid medical leave benefits; modifying unemployment
148.9 insurance benefits; making policy and technical changes to programs administered
148.10 by the Department of Employment and Economic Development; authorizing
148.11 rulemaking; requiring reports; amending Minnesota Statutes 2020, sections 13.719,
148.12 by adding a subdivision; 116J.035, subdivision 6; 116J.8748, subdivision 3;
148.13 116J.994, subdivision 6; 116L.02; 116L.03, subdivisions 1, 2, 3; 116L.05,
148.14 subdivision 5; 116L.17, subdivisions 1, 4; 116L.20, subdivision 2, by adding a
148.15 subdivision; 116L.40, subdivisions 5, 6, 9, 10, by adding a subdivision; 116L.41,
148.16 subdivisions 1, 2, by adding subdivisions; 116L.42, subdivisions 1, 2; 116L.98,
148.17 subdivisions 1, 2, 3; 177.27, subdivision 4; 181.032; 256J.561, by adding a
148.18 subdivision; 256J.95, subdivisions 3, 11; 256P.01, subdivision 3; 268.035,
148.19 subdivision 21c; 268.085, subdivisions 2, 4a, 7; 268.101, subdivision 2; 268.133;
148.20 268.136, subdivision 1; 268.19, subdivision 1; Laws 2017, chapter 94, article 1,
148.21 section 2, subdivision 2, as amended; Laws 2019, First Special Session chapter 7,
148.22 article 1, section 2, subdivision 2, as amended; article 2, section 8; proposing
148.23 coding for new law in Minnesota Statutes, chapters 116J; 116L; proposing coding
148.24 for new law as Minnesota Statutes, chapter 268B; repealing Minnesota Statutes
148.25 2020, sections 116L.18; 268.085, subdivisions 4, 8."