

Chapter 6

2025 First Special Session

Subject Jobs committee finance and policy**Bill** S.F. 17**Analyst** Anna Scholin**Date** June 24, 2025

Overview

This act related to workforce, labor, and economic development (i.e. jobs) committee finance and policy.

Article 1: Appropriations; Jobs

This article appropriates money to the Department of Employment and Economic Development, Explore Minnesota, the Department of Children, Youth, and Families, and the Public Facilities Authority, as well as extending prior appropriations, and making transfers and cancellations. See fiscal spreadsheet for details.

Article 2: Appropriations; Labor

This article appropriates money to the Department of Labor and Industry, the Bureau of Mediation Services, and the Workers' Compensation Court of Appeals, as well as extending a prior appropriation and making cancellations. See fiscal spreadsheet for details.

Article 3: Appropriation Modifications

This article makes modifications to appropriations made by the jobs committee in prior biennia.

Section	Description – Article 3: Appropriation Modifications
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1	Business and community development.
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	Corrects language from the 2023-2024 biennium for: 1) the transfer language for the Minnesota Expanding Opportunity Fund Program; and 2) the funding for the PROMISE Act grants to South Minneapolis neighborhoods.
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	Effective date: This section is effective retroactively to July 1, 2023, except that the changes to the PROMISE Act grants are retroactive to July 1, 2024.
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Section Description – Article 3: Appropriation Modifications

2 Employment and training programs.

Extends appropriations from the 2023-2024 biennium for grants to: 1) Ramsey County until December 31, 2027; and 2) Youthprise until June 30, 2026. Removes Ka Joog as a subgrantee of the Youthprise appropriation.

Effective date: This section became effective June 15, 2025.

3 Appropriations.

Removes a requirement to provide matching funds for federal programs and keeps money available until spent for fiscal year 2024 appropriations from the Minnesota forward fund account.

4 Appropriation; city of Minneapolis; grant.

Keeps a fiscal year 2024 appropriation for a grant to the city of Minneapolis from the 2023 tax bill available until June 30, 2027, and removes obsolete language about when the grant must be paid.

Effective date: This section became effective June 15, 2025.

5 Employment and training programs.

Extends a fiscal year 2025 appropriation for a grant to Arrowhead Opportunity Agency so it remains available until June 30, 2027, for use as a revolving fund for funding the creation of owner-occupied workforce housing, Requires reporting to the legislature.

Effective date: This section became effective June 15, 2025.

6 Explore Minnesota.

Removes Ka Joog as the grantee for a fiscal year 2025 appropriation for Somali community cultural festivals and events, replaces them with the Minnesota Humanities Center, and keeps the funds available until June 30, 2026.

Effective date: This section became effective June 15, 2025.

7 Applicability of certain requirements to appropriation.

Removes the requirement that an appropriation for online hospitality career training comply with workforce outcome reporting requirements.

Effective date: This section is effective retroactively from July 1, 2023.

Article 4: Employment and Economic Development Policy

This article is policy for the Department of Employment and Economic Development and Explore Minnesota.

Section	Description – Article 4: Employment and Economic Development Policy
1	<p>Eligible projects.</p> <p>Adds agricultural processing of plants and plant-based products to the list of eligible projects for the greater Minnesota business development public infrastructure grant program.</p>
2	<p>Loans to businesses.</p> <p>Increases the maximum state contribution to loans under the CanStartup program from \$50,000 to \$75,000 and, when there is a 100 percent private match, from \$150,000 to \$200,000. Clarifies the loan approval process, caps each business at two loans, prohibits refinancing existing debt, and makes other technical changes to the program.</p>
3	<p>Revolving loan account administration.</p> <p>Modifies the CanStartup program to allow charging a fee equivalent instead of interest, permit loan originators to retain interest payments to pay for administrative costs, add to the list of qualifying administrative expenses, and require reporting and publishing of average interest rates charged under the program.</p>
4	<p>Minnesota expanding opportunity account.</p> <p>Rewrites the revolving loan fund language for the Minnesota Expanding Opportunity Fund Program. Requires all loan repayments to be paid into the account to fund additional loans.</p>
5	<p>Purpose.</p> <p>Removes language about meeting federal funding match requirements from the purposes of the Minnesota forward fund account.</p>
6	<p>[116J.9921] Office of Public Service.</p> <p>Creates the Office of Public Service within the Department of Employment and Economic Development to promote and expand public service opportunities, align strategies, identify opportunities, and strengthen associated career pathways, as well as administer the Service to Success Opportunity grant program. Requires biannual reporting to the legislature on the office's activities.</p>

Section	Description – Article 4: Employment and Economic Development Policy
7	<p>Appointment.</p> <p>Allows the commissioner of employment and economic development to designate someone to serve on the Minnesota Job Skills Partnership Board in the commissioner’s place.</p>
8	<p>Partnership program.</p> <p>Increases the maximum grant amount to a single institution from \$400,000 to \$500,000. Allows the higher education institution participating in the partnership program, at the discretion of the Job Skills Partnership Board, to charge up to 30 percent more than the direct project costs, not including equipment.</p>
9	<p>Pathways program.</p> <p>Increases the maximum grant amount to a single institution from \$400,000 to \$500,000. Allows the higher education institution participating in the pathways program, at the discretion of the Job Skills Partnership Board, to charge up to 30 percent more than the direct project costs, not including equipment.</p>
10	<p>Use of workforce development funds.</p> <p>Stipulates that the Job Skills Partnership Board must also consider county labor force participation rates before spending money from the workforce development fund.</p>
11	<p>Establishment.</p> <p>Modifying the purpose of the youth-at-work grant program to include providing preemployment services and mentorship opportunities to economically disadvantaged or at-risk youth.</p>
12	<p>Competitive grant awards.</p> <p>Expands language for the youth-at-work grant program to accommodate its expanded purpose.</p>
13	<p>Membership.</p> <p>Makes modifications to the voting and nonvoting membership of the governor's Workforce Development Board.</p>
14	<p>Cannabis industry training grants.</p> <p>Removes grants to individuals from the CanTrain grant program, leaving only grants to organizations.</p>

Section	Description – Article 4: Employment and Economic Development Policy
15	Definitions. Broadens the definition of credential for the purposes of workforce program outcomes to include any degrees, not just postsecondary degrees. Eliminates the definition of “net impact.”
16	Uniform outcome report card; reporting by commissioner. Makes uniform outcome reporting an annual requirement rather than every other year and adds to the list of information that must be provided to the legislature.
17	Limitations on future appropriations. Makes grant recipients ineligible for additional state appropriations and allows the commissioner to withhold grant disbursements if uniform outcome reporting requirements are not met, beginning May 1, 2025, and for appropriations for fiscal years 2027 and beyond. Requires all new grantees, beginning July 1, 2025, to demonstrate how they will meet reporting requirements and have that plan approved by the commissioner before funds can be disbursed.
18	Minnesota emerging entrepreneur program account. Rewrites the revolving loan fund language for the Minnesota emerging entrepreneur program account.
19-23	[Explore Minnesota mission language changes.] Makes a variety of adjustments to language relating to the mission of Explore Minnesota to align with the duties previously assigned by the legislature. Clarifies that the types of contracts that Explore Minnesota can enter into are professional technical service contracts related to its mission.
24	Blind, vending facilities on governmental property; liability limited. Makes technical changes to how the vending points run by blind persons are described, changing “stands and machines” to “facilities” throughout.
25	Use of revolving fund, licenses for operation of vending facilities. Makes technical changes to how the vending points run by blind persons are described, changing “stands” and “machine” to “facility” or “facilities” throughout.
26	Misrepresentation; administrative penalties. Increases the maximum penalty for employer misrepresentations related to unemployment benefits from the greater of \$500 or 50 percent of the resulting payment error to the greater of \$500 or 100 percent of the resulting payment error.

Section Description – Article 4: Employment and Economic Development Policy

Effective date: This section is effective for penalties imposed on or after October 1, 2025.

27 Premium rate adjustments.

Decreases the maximum annual premium rate that can be charged by the paid family and medical leave program from 1.2 percent of taxable wages to 1.1 percent of taxable wages.

28 Credit for parking revenue.

Makes technical changes to clarify which year of parking revenue a city must certify to the commissioner of employment and economic development.

29 Loans to community businesses.

Lowers the minimum state contribution to loans in the community wealth building program from \$50,000 to \$10,000, allowing smaller loans to be made.

Effective date: This section became effective June 15, 2025.

30-34 PROMISE Act changes.

Make technical changes to the PROMISE Act to make the program operate more smoothly.

Effective date: These sections became effective June 15, 2025.

35 Iron ore mining additional unemployment benefits program.

Makes additional unemployment insurance benefits available to applicants who were let go in mass layoffs by the iron ore mining industry or by a related explosives manufacturer on or after March 15 and before June 16 of 2025. Extends benefits for these applicants for an additional 26 weeks on top of the regular 26 weeks of eligibility, as long as at least 50 percent of the employee's wage credits were earned in the iron ore mining or related explosives manufacturing industries and regular eligibility criteria are met. Renders applicants who have applied and been determined eligible for federal Trade Readjustment Allowance benefits ineligible for this additional unemployment insurance benefit.

Effective date: This section is effective retroactively from March 15, 2025.

36 Change starts with community violence prevention program.

Sets objectives for Change Starts With Community's job training program and requires specific partnerships, hiring, and reports to the legislature.

Section	Description – Article 4: Employment and Economic Development Policy
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37	Task force on workforce development system reform.
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Establishes a task force on workforce development system reform to study state workforce development efforts and decision-making. Sets requirements for task force meetings, duties, consideration of community input, reports to the legislature, and expiration of the task force on January 16, 2027.

Effective date: This section became effective June 15, 2025.

38	Revisor instruction.
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Directs the revisor to rename Enterprise Minnesota's "small business growth acceleration program" the "Made in Minnesota program" throughout the statutes.

39	Repealer.
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Repeals two mandatory reports to the legislature. Includes the inventory of all economic development and workforce development programs every two years, which is duplicative of the annual reports the agency already produces, and the workforce program net impact analysis every four years, which requires paying an outside economist for a complex study that establishes that, generally, participants in workforce programs have better outcomes than those that did not receive services, but that the external economic landscape has a significant role in determining those outcomes. The most recent inventory cost \$23,549 to produce and the most recent net impact analysis cost \$54,487. Cost estimates for future studies are significantly higher.

Article 5: Department of Labor and Industry Policy

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

Section	Description – Article 5: Department of Labor and Industry Policy
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1	Rest breaks.
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Defines a rest break as at least 15 minutes or enough time to utilize the nearest restroom, whichever is longer.

Effective date: This section is effective January 1, 2026.

2	Remedies.
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Makes employers liable to employees if rest breaks are not allowed for twice the employee's regular rate of pay for the length of the disallowed rest break.

Section Description – Article 5: Department of Labor and Industry Policy

Effective date: This section is effective January 1, 2026.

3 Meal break.

Requires employers to allow employees a meal break of at least 30 minutes after six consecutive hours of work rather than eight hours.

Effective date: This section is effective January 1, 2026.

4 Payment not required.

Makes a conforming change to account for the new remedy in subdivision 4.

Effective date: This section is effective January 1, 2026.

5 Remedies.

Makes employers liable to employees if meal breaks are not allowed for twice the employee's regular rate of pay for the length of the disallowed meal break.

Effective date: This section is effective January 1, 2026.

6 Civil actions.

Allows the commissioner of labor and industry to apply to a judge for a temporary restraining order enjoining violations of any statute or rule the commissioner already has the power to enforce in court.

7 Nursing home.

Clarifies the definition of “nursing home” for the purposes of laws related to the Nursing Home Workforce Standards Board so that only Minnesota nursing homes that are licensed by the Minnesota Department of Health and reimbursed under medical assistance payment rates are included.

8 Nursing home employer.

Clarifies the definition of “nursing home employer” for the purposes of laws related to the Nursing Home Workforce Standards Board so that only Minnesota nursing homes that are licensed by the Minnesota Department of Health and reimbursed under medical assistance payment rates are included.

9 Misclassification fraud impact report.

Codifies a requirement that by January 15, 2027, and every six years thereafter (subject to available appropriations), the commissioners of revenue, employment and economic development, and labor and industry must coordinate on an analysis of the costs of worker misclassification for workers, government programs, and tax collections. Allows contracting with external experts for the study and report. Lists specific information that must be shared between agencies and contained in the

Section Description – Article 5: Department of Labor and Industry Policy

- report. Requires that the commissioners make budget requests to the legislature to pay for future reports.
- 10 **Notice.**
Allows employers to require employees to give notice of the need for unforeseeable use of earned sick and safe time "as reasonably required," rather than "as soon as practicable."
- 11 **Documentation.**
Permits employers to require reasonable documentation of the need for earned sick and safe time after missing two consecutive scheduled work days instead of three.
- 12 **Replacement worker.**
Clarifies that employees are not prohibited from voluntarily seeking replacement workers or trading shifts when the employee needs to use earned sick and safe time.
- 13 **Effect on more generous sick and safe time policies.**
Allows employers to advance employees earned sick and safe time hours based on the employee's anticipated work for the rest of the accrual year and to make up the difference if they actually would have accrued more.

Effective date: This section is effective January 1, 2026.
- 14 **Internet continuing education.**
Corrects the name of an accrediting organization.
- 15-19 **Manufactured housing technical changes and fee increases.**
Make a variety of technical changes to provisions related to manufactured housing, including defining relevant terms. Sets plan review and inspection fees.
- 20 **Department permit and inspection fees.**
Establishes a fee for a remote virtual inspection of a stairway chairlift installation in a private residence of \$10.
- 21 **Operating permits and fees; periodic inspections.**
Increases the annual operating permit for an elevator from \$100 to \$145.
- 22 **Technology circuits or systems.**
Creates a class 4 for circuits and systems, simplifies citations to the National Electrical Code, and adds language about low-voltage lighting.

Section Description – Article 5: Department of Labor and Industry Policy

23 Exemptions from licensing.

Allows work on class 4 circuits and systems to be done by an unlicensed individual under the supervision of a licensed person, as certain class 2 and 3 work can be. Makes a technical correction.

24-31 Construction code and licensing fee increases.

Increase various construction code inspection fees to conform with current electrical codes and agency operating costs.

32 Agreement with Department of Health.

Requires the commissioner of labor and industry, by January 1, 2026, to delegate to the commissioner of health plan and specification review and inspection authority for work performed by a well contractor or limited well/boring contractor licensed by the Department of Health. Specifies numerous particular terms of this delegation, which may be terminated under certain circumstances.

Effective date: This section is effective the day following final enactment.

33-35 Construction code and licensing fee increases.

Increase various construction code fees to conform with current codes and agency operating costs.

36-48 Manufactured housing technical changes and fee increases.

Make a variety of technical changes to provisions related to manufactured housing, including defining relevant terms. Sets plan review, inspection, certificate, filing, and seal fees.



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