

Subject Workforce incentive fund grants

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## Overview

The bill establishes a workforce incentive fund to provide grants for behavioral health, housing, disability, and home and community-based older adult providers.

It additionally exempts grant payments from state taxes, and from being considered income for the purposes of the property tax refund program.

## Summary

Section	Description
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1	<b>Workforce incentive fund grants.</b>
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Creates § 256.4778. Establishes workforce incentive fund grants for behavioral health, housing, disability, and home and community-based older adult providers to assist with recruiting and retaining direct support and frontline workers.

**Subd. 1. Grant program established.** Requires the commissioner of human services to establish grants for behavioral health, housing, disability, and home and community-based older adult providers to assist with recruiting and retaining direct support and frontline workers.

**Subd. 2. Definitions.** Defines terms for purposes of this section including “commissioner,” “eligible worker,” and “eligible employer.”

**Subd. 3. Allowable uses of funds.** Lists allowable uses of funds under the workforce incentive fund grant program. Requires the commissioner to:

- 1) develop a grant cycle distribution plan that allows for equitable distribution of funding among eligible employer types; and
- 2) make efforts to prioritize Black, Indigenous, and people of color-owned and small to midsize eligible employers.

**Section**   **Description**

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**Subd. 4. Attestation.** Requires an eligible employer to attest to certain conditions as a condition of obtaining a workforce incentive grant payment.

**Subd. 5. Self-directed services workforce.** Specifies that grants paid to employees providing covered services under the quality self-directed services workforce provision do not constitute a change in term or condition and are not subject to the state’s obligation to meet and negotiate under the chapter of statutes governing public employment labor relations.

**Subd. 6. Grants not to be considered income.** Prohibits grants awarded under this section from being considered income, assets, or personal property for purposes of determining eligibility for various economic assistance and health care programs.

**Subd. 7. Audits and recoupment.** Allows the commissioner to perform an audit up to six years after a grant is awarded under this section to ensure the grantee used funds solely for allowed purposes, was truthful when making attestations, and complied with the conditions of receiving a workforce incentive grant. Allows the commissioner to treat any amount used for a purpose not authorized under this section as an overpayment and requires the commissioner to recover overpayments.

Effective July 1, 2022.

- 2     **Workforce incentive fund grant payments; income tax subtraction.**  
Allows an individual income tax subtraction for grant payments under section 1 of the bill. This would exclude those payments from state income taxes.
- 3     **Workforce incentive fund grant payments; education credit.**  
Excludes grant payments under section 1 of the bill from being considered income for the purposes of the Minnesota education expense credit.
- 4     **Workforce incentive fund grant payments; property tax refunds.**  
Excludes grant payments under section 1 of the bill from being considered income for the purposes of the state’s property tax refund programs.



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