

Subject Workforce Development Omnibus Bill

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Overview

This bill, as amended, constitutes the Workforce Development Policy and Finance Omnibus bill.

Article 1: Appropriations

Appropriates money to the Department of Employment and Economic Development and the Department of Corrections (for two workforce programs). See fiscal spreadsheet for details.

Article 2: Workforce Development

Makes a variety of workforce development policy changes, including creating new programs.

Section	Description – Article 2: Workforce Development
1	[116J.545] Getting to work grant program. Creates the getting to work grant program in statute to make grants to nonprofits to provide, repair, or maintain motor vehicles for low-income workers to help them get and keep employment. Stipulates an educational or counseling component must be part of each program and sets out the application process and the eligibility criteria. Requires a report to the legislature.
2	Meetings. Changes the timing of meetings of the Energy Transition Advisory Committee from monthly to quarterly, with annual submission of an updated energy transition plan.
3	Expiration. Extends the existence of the Energy Transition Advisory Committee from ending the day after the energy transition plan is submitted to the fixed date of June 30, 2027.

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- 4 Definitions.**
Expands the definition of “eligible community” for the community energy transition grant program to also include communities where the power plant had a current operating license that expires within 15 years of the effective date of this section.
- 5 Grant awards; limitations.**
Allows the commissioner of employment and economic development to award community energy transition grants on a rolling basis rather than a competitive grant process. Increases the maximum grant award from \$500,000 to \$1,000,000.
- 6 Eligible expenditures.**
Permits the commissioner to transfer part of the department’s allowed administrative funding to the Environmental Quality Board to assist communities with regulatory coordination and provide technical assistance. Expands the nonexclusive list of examples of permissible uses for the community energy transition grants.
- 7 [116J.659] Office of New Americans.**
Creates the Office of New Americans within the Department of Employment and Economic Development, lead by a governor-appointed assistant commissioner, to coordinate and guide access to state programs and services for immigrants and refugees, with particular focus on economic development and workforce programming. Establishes a list of duties, regular reporting to the legislature, and an advisory interdepartmental Coordinating Council on Immigrant and Refugee Affairs. Allows the office to apply for grants for interested state agencies, community partners, and stakeholders to assist in the duties of the office.
- 8-11 Youthbuild (multiple sections).**
Modifies the Youthbuild program to allow participation of individuals with incomes of up to 80 percent of the area median income, rather than only 50 percent. Expands the facilities that Youthbuild participants can work on to include playhouses for day care centers and tiny houses for transitional housing. Updates a citation to federal law.
- 12 [116L.43] Targeted populations workforce grants.**
Subd. 1. Definitions. Defines terms for the section, including that “community-based organization” means a nonprofit that provides workforce development programming or services, has an annual budget of no more than \$1,000,000, has its primary office in a historically underserved community of color or low-income community, and serves a population that generally reflects the demographics of that local community. Defines “small business” as an independently owned and operated business with either no more than 20 full-time employees, no more

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than \$1,000,000 in annual gross revenue, or no more than \$2,500,000 in annual gross revenue if it is a technical or professional service business.

Subd. 2. Job and entrepreneurial skills training grants. Creates a competitive grant program for community-based organizations to provide training that leads to employment or business development. Limits grants to \$750,000 per year per organization and requires grants be for two years. Allows partnering with other organizations. Exempts the grants from the requirements of the uniform outcome report cards.

Subd. 3. Diversity and inclusion training for small employers. Creates a competitive grant program for small businesses to obtain diversity and inclusion training, including creating and implementing a plan to actively hire and retain people of color. Limits grants to \$300,000 per year per business, with a maximum of one grant per business per biennium. Requires submission of plans for use of funds and for implementation of a diversity and inclusion plan after training is complete. Exempts the grants from the requirements of the uniform outcome report cards and the laws against subsidies to private businesses.

Subd. 4. Capacity building. Creates a capacity building grant program for community-based organizations to cover the costs of staff, infrastructure, training, and service model development. Limits grants to \$50,000 per organization with a limit of one grant per organization. Exempts the grants from the requirements of the uniform outcome report cards. Requires grant recipients to submit a report to the commissioner on the use of grant funds and the impact of the funding on the organization's future ability to provide workforce services.

13-14 Minnesota Youth Program (multiple sections).

Raises the maximum participant age for the Minnesota Youth Program from 21 to 24.

15 Definitions.

Updates a federal citation for the Youth-at-Work program.

16 Noncovered employment.

Modifies the definition of "noncovered employment" in existing law to add employment by a foreign agricultural worker on a temporary H-2A visa. Employers would not pay unemployment insurance taxes on the wages of a temporary agricultural worker on an H-2A visa, and such wages would not be included in the worker's wage credits for the purposes of unemployment insurance.

17 Provider rate increases.

Requires the commissioner of employment and economic development, if sufficient funding is available, to provide for an annual growth factor adjustment of at least

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three percent for providers of extended employment services for persons with severe disabilities and, as of July 1, 2023, to increase reimbursement rates by the amount of this adjustment. Stipulates that the commissioner of management and budget must include an annual inflationary adjustment in reimbursement rates for providers as a budget change request in the biennial budget submitted to the legislature.

18 Public infrastructure project.

Expands the definition of “public infrastructure project” for the purposes of the Destination Medical Center to also include design and predesign, compliance services, construction costs, community engagement, and transit costs incurred on or after March 16, 2020.

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

19 Definitions.

Expands the definition of “transit costs” for the purposes of the Destination Medical Center to include, but not be limited to, buses and other means of transit, bus charging stations and equipment, and costs permitted under the definition of a public infrastructure project, including transit costs incurred on or after March 16, 2020.

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

20 State transit aid.

Modifies the state transit aid formula for the Destination Medical Center, including allowing city or county contributions in excess of the ratio to carry forward and be credited toward subsequent years.

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

21 Minnesota employer reasonable accommodation fund.

Creates a program to reimburse eligible employers for the cost of providing reasonable accommodations to applicants or employees with disabilities. Limits participation to employers with a principal place of business in Minnesota, employing 500 employees or less, with no more than \$5,000,000 in gross annual revenue. Awards reimbursement on a rolling basis for a maximum of \$30,000 per employer per year, for onetime accommodation costs between \$250 and \$15,000 per individual with a disability or for ongoing accommodation costs without limitation. Creates an account in the special revenue fund for the purposes of the program. Allows the commissioner to provide technical assistance to applicants about accommodations requests and for up to 20 percent of the biennial appropriation to the program to be used for administration and marketing expenses. Requires public

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notification about the availability of funds under the program and annual reports to the legislature. Sets the program to expire June 30, 2025, or when money appropriated for its purpose expires, whichever is later.

22 Engagement to address barriers to employment.

Requires the commissioner to engage stakeholders to identify the barriers that adults with mental illness face in obtaining and retaining employment and recommend strategies to address those barriers through a report to the legislature by February 1, 2024.

23 Southwestern Minnesota workforce development scholarship pilot program.

Creates the southwestern Minnesota workforce development scholarships pilot program which will award students scholarships at Minnesota West colleges for study of in-demand fields as determined by the local workforce development board. Requires scholarship applicants to commit to three years of full-time employment with any qualified local employer in their field, if this obligation is not met, the scholarship converts to a loan. Prioritizes grants to applicants continuing in the program and then students sponsored by an employer. Requires reports to the legislature on program outcomes and sets other administrative procedures.

24 Unemployment insurance fine reduction and interest elimination.

Requires the commissioner to make recommendations to the legislature by January 1, 2024, of how the unemployment insurance system will reduce the fines (from 40 percent to 15 percent) and eliminate interest applied to misrepresentation overpayments, including a timeline for these changes.



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