

**Subject** Jobs committee finance and policy bill

**Authors** Pinto

**Analyst** Anna Scholin

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### Overview

This bill is the workforce, labor, and economic development (i.e. jobs) committee finance and policy bill.

## Article 1: Appropriations

This article appropriates money to the Department of Employment and Economic Development, Explore Minnesota, the Department of Labor and Industry, Bureau of Mediation Services, the Workers' Compensation Court of Appeals, and the Department of Children, Youth and Families. See fiscal spreadsheet for details.

## Article 2: Appropriation Modifications

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

Section	Description – Article 2: Appropriation Modifications
1	<p><b>Business and community development.</b></p> <p>Corrects language from the 2023-2024 biennium for: 1) the transfer language for the Minnesota Expanding Opportunity Fund Program; and 2) the reduction to funding for the PROMISE Act grants to South Minneapolis neighborhoods.</p> <p>Effective date: This section is effective retroactively to July 1, 2023.</p>
2	<p><b>Employment and training programs.</b></p> <p>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.</p> <p>Effective date: This section is effective the day following final enactment.</p>

**Section Description – Article 2: Appropriation Modifications**

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**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 is effective the day following final enactment.

**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, 2026. Specifies that the money can be used for creating a regional hub building.

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

**6 Explore Minnesota.**

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

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

**7 Department of Labor and Industry.**

Keeps a fiscal year 2025 appropriation for a single-egress stairway apartment building report available until June 30, 2026.

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

**8 Appropriation cancellation; job creation fund.**

Corrects language for a cancellation from the fiscal year 2025 appropriation to the job creation fund.

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

**9 Repealer.**

Repeals incorrect cancellation language for a fiscal year 2025 appropriation to the job creation fund retroactively from July 1, 2024.

## Article 3: DEED Policy

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

Section	Description – Article 3: DEED Policy
1	<p><b>Eligible projects.</b></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><b>Minnesota expanding opportunity account.</b></p> <p>Rewrites the revolving loan fund language for the Minnesota Expanding Opportunity Fund Program. Restricts eligibility for loans from the fund to just nonprofit corporations, removing Tribal economic development entities and community development financial institutions (unless they are a nonprofit corporation also). Requires all loan repayments to be paid into the account to fund additional loans.</p>
3	<p><b>Purpose.</b></p> <p>Removes language about meeting federal funding match requirements from the purposes of the Minnesota forward fund account.</p>
4	<p><b>Appointment.</b></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>
5	<p><b>Partnership program.</b></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 15 percent more than the direct project costs, not including equipment.</p>
6	<p><b>Pathways program.</b></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 15 percent more than the direct project costs, not including equipment.</p>

**Section Description – Article 3: DEED Policy**

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- 7        **Use of workforce development funds.**  
Allows the Job Skills Partnership Board to use workforce development funds for training programs other than the dislocated worker program after September 1 of each year rather than after March 1.
- 8        **Establishment.**  
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.
- 9        **Competitive grant awards.**  
Expands language for the youth-at-work grant program to accommodate its expanded purpose.
- 10       **Definitions.**  
Broadens the definition of credential for the purposes of workforce program outcomes to include any degrees, not just postsecondary degrees.
- 11-15   **[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.
- 16       **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.
- 17       **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.
- 18       **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.
- 19       **Repealer.**  
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

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<b>Section</b>	<b>Description – Article 3: DEED Policy</b>
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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 4: Department of Labor and Industry Policy**

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

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<b>Section</b>	<b>Description – Article 4: Department of Labor and Industry Policy</b>
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| 1 | <p><b>Civil actions.</b></p> <p>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.</p>  |
| 2 | <p><b>Nursing home.</b></p> <p>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.</p>  |
| 3 | <p><b>Nursing home employer.</b></p> <p>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.</p>  |
| 4 | <p><b>Covenants not to compete void and unenforceable.</b></p> <p>Allows covenants not to compete if the employee:</p> <ul style="list-style-type: none"><li>▪ is restricted for no more than one year and is given a clear, written explanation of the restriction prior to entering the contract; and either</li><li>▪ earns a salary of \$200,000 or more and has primary job duties involving research and development or secret information; or</li><li>▪ earns a salary of \$500,000 or more.</li></ul> <p>Defines "trade secret" to match the federal definition under United States Code, title 18, section 1839, paragraph (3).</p> |

**Section Description – Article 4: Department of Labor and Industry Policy**

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

**5 Internet continuing education.**

Corrects the name of an accrediting organization.

**6 Installation requirements.**

Removes the requirement that two safety qualified underground telecommunications installers be present at all times during directional drilling. Deletes an earlier deadline for the seven-county metropolitan area to meet the requirements for underground telecommunications infrastructure installation, keeping only the statewide deadline for compliance of January 1, 2026.

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

**7 Certification standards.**

Allows approved training providers for underground telecommunications installer certification programs to apply for credit for instruction delivered up to two years prior to becoming an approved training provider as being substantially equivalent training. Grants potentially full or partial retroactive credit for completion of that training to trainees who successfully complete the required examination to be certified as a safety-qualified underground telecommunications installer.

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

**8 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.

**9 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.

**10 Misclassification fraud impact report.**

Stipulates that every two years 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. Requires a report to the legislature on this analysis beginning January 15, 2027. Allows contracting with external experts for the study and report.



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