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## State of Minnesota

## HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1342

02/18/2021 Authored by Noor and Ecklund

The bill was read for the first time and referred to the Committee on Workforce and Business Development Finance and Policy

04/12/2021 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act

1.2 relating to economic development; appropriating money for workforce and business  
1.3 development; establishing paid medical leave benefits; modifying unemployment  
1.4 insurance benefits; making policy and technical changes to programs administered  
1.5 by the Department of Employment and Economic Development; authorizing  
1.6 rulemaking; requiring reports; amending Minnesota Statutes 2020, sections 13.719,  
1.7 by adding a subdivision; 116J.035, subdivision 6; 116J.431, subdivision 2, by  
1.8 adding a subdivision; 116J.8748, subdivision 3; 116J.994, subdivision 6; 116L.02;  
1.9 116L.03, subdivisions 1, 2, 3; 116L.05, subdivision 5; 116L.17, subdivisions 1,  
1.10 4; 116L.20, subdivision 2, by adding a subdivision; 116L.40, subdivisions 5, 6, 9,  
1.11 10, by adding a subdivision; 116L.41, subdivisions 1, 2, by adding subdivisions;  
1.12 116L.42, subdivisions 1, 2; 116L.98, subdivisions 1, 2, 3; 177.27, subdivision 4;  
1.13 181.032; 256J.561, by adding a subdivision; 256J.95, subdivisions 3, 11; 256P.01,  
1.14 subdivision 3; 268.035, subdivision 21c; 268.085, subdivisions 2, 4a, 7; 268.101,  
1.15 subdivision 2; 268.133; 268.136, subdivision 1; 268.19, subdivision 1; Laws 2017,  
1.16 chapter 94, article 1, section 2, subdivision 2, as amended; Laws 2019, First Special  
1.17 Session chapter 7, article 1, section 2, subdivision 2, as amended; article 2, section  
1.18 8; proposing coding for new law in Minnesota Statutes, chapters 116J; 116L;  
1.19 proposing coding for new law as Minnesota Statutes, chapter 268B; repealing  
1.20 Minnesota Statutes 2020, sections 116L.18; 268.085, subdivisions 4, 8.

1.21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.22 ARTICLE 1

1.23 APPROPRIATIONS

1.24 Section 1. **JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS.**

1.25 (a) The sums shown in the columns marked "Appropriations" are appropriated to the  
1.26 agencies and for the purposes specified in this article. The appropriations are from the  
1.27 general fund, or another named fund, and are available for the fiscal years indicated for  
1.28 each purpose. The figures "2022" and "2023" used in this article mean that the appropriations  
1.29 listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023,

respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

(b) If an appropriation in this article is enacted more than once in the 2021 regular or special legislative session, the appropriation must be given effect only once.

| APPROPRIATIONS         |      |
|------------------------|------|
| Available for the Year |      |
| Ending June 30         |      |
|                        |      |
|                        |      |
| 2022                   | 2023 |

Sec. 2. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Subdivision 1. Total Appropriation \$ 128,635,000 \$ 129,999,000

| Appropriations by Fund                       |             |            |
|----------------------------------------------|-------------|------------|
|                                              | 2022        | 2023       |
| General                                      | 117,200,000 | 94,684,000 |
| Remediation                                  | 700,000     | 700,000    |
| Workforce Development                        | 10,735,000  | 10,735,000 |
| Family and medical benefit insurance account | -0-         | 23,880,000 |

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

Subd. 2. Business and Community Development 58,963,000 46,935,000

| Appropriations by Fund |            |            |
|------------------------|------------|------------|
| General                | 56,886,000 | 44,885,000 |
| Remediation            | 700,000    | 700,000    |
| Workforce Development  | 1,350,000  | 1,350,000  |

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

3.1 (b) \$1,425,000 each year is for the business  
3.2 development competitive grant program. Of  
3.3 this amount, up to five percent is for  
3.4 administration and monitoring of the business  
3.5 development competitive grant program. All  
3.6 grant awards shall be for two consecutive  
3.7 years. Grants shall be awarded in the first year.

3.8 (c) \$1,772,000 each year is for contaminated  
3.9 site cleanup and development grants under  
3.10 Minnesota Statutes, sections 116J.551 to  
3.11 116J.558. This appropriation is available until  
3.12 expended.

3.13 (d) \$700,000 each year is from the remediation  
3.14 fund for contaminated site cleanup and  
3.15 development grants under Minnesota Statutes,  
3.16 sections 116J.551 to 116J.558. This  
3.17 appropriation is available until expended.

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

3.20 (f) \$25,000 each year is for the administration  
3.21 of state aid for the Destination Medical Center  
3.22 under Minnesota Statutes, sections 469.40 to  
3.23 469.47.

3.24 (g) \$875,000 each year is for the host  
3.25 community economic development program  
3.26 established in Minnesota Statutes, section  
3.27 116J.548.

3.28 (h) \$500,000 each year is for the small  
3.29 business development center program for  
3.30 grants to the regional small business  
3.31 development center offices and the lead center.  
3.32 This is a onetime appropriation.

3.33 (i) \$3,000,000 each year is for technical  
3.34 assistance to small businesses. Of this amount:

- 4.1 (1) \$1,500,000 is for grants to nonprofit  
4.2 lenders to provide additional equity support  
4.3 to leverage other capital sources;
- 4.4 (2) \$750,000 is for the business development  
4.5 competitive grant program; and
- 4.6 (3) \$750,000 is for grants to small business  
4.7 incubators that serve minority-, veteran-, and  
4.8 women-owned businesses, or businesses  
4.9 owned by persons with disabilities, to provide  
4.10 commercial space, technical assistance, and  
4.11 education services.
- 4.12 This is a onetime appropriation.
- 4.13 (j)(1) \$10,000,000 in the first year is for grants  
4.14 to local communities to increase the number  
4.15 of quality child care providers to support  
4.16 economic development. This is a onetime  
4.17 appropriation and is available through June  
4.18 30, 2023. Fifty percent of grant funds must go  
4.19 to communities located outside the  
4.20 seven-county metropolitan area as defined in  
4.21 Minnesota Statutes, section 473.121,  
4.22 subdivision 2.
- 4.23 (2) Grant recipients must obtain a 50 percent  
4.24 nonstate match to grant funds in either cash  
4.25 or in-kind contribution, unless the  
4.26 commissioner waives the requirement. Grant  
4.27 funds available under this subdivision must  
4.28 be used to implement projects to reduce the  
4.29 child care shortage in the state, including but  
4.30 not limited to funding for child care business  
4.31 start-ups or expansion, training, facility  
4.32 modifications, direct subsidies or incentives  
4.33 to retain employees, or improvements required  
4.34 for licensing, and assistance with licensing

5.1 and other regulatory requirements. In awarding  
5.2 grants, the commissioner must give priority  
5.3 to communities that have demonstrated a  
5.4 shortage of child care providers.

5.5 (3) Within one year of receiving grant funds,  
5.6 grant recipients must report to the  
5.7 commissioner on the outcomes of the grant  
5.8 program, including but not limited to the  
5.9 number of new providers, the number of  
5.10 additional child care provider jobs created, the  
5.11 number of additional child care slots, and the  
5.12 amount of cash and in-kind local funds  
5.13 invested. Within one month of all grant  
5.14 recipients reporting on program outcomes, the  
5.15 commissioner must report the grant recipients'  
5.16 outcomes to the chairs and ranking members  
5.17 of the legislative committees with jurisdiction  
5.18 over early learning and child care and  
5.19 economic development.

5.20 (k) \$2,000,000 in the first year is for a grant  
5.21 to the Minnesota Initiative Foundations. This  
5.22 is a onetime appropriation and is available  
5.23 until June 30, 2025. The Minnesota Initiative  
5.24 Foundations must use grant funds under this  
5.25 section to:

5.26 (1) facilitate planning processes for rural  
5.27 communities resulting in a community solution  
5.28 action plan that guides decision making to  
5.29 sustain and increase the supply of quality child  
5.30 care in the region to support economic  
5.31 development;

5.32 (2) engage the private sector to invest local  
5.33 resources to support the community solution  
5.34 action plan and ensure quality child care is a

6.1 vital component of additional regional  
6.2 economic development planning processes;  
6.3 (3) provide locally based training and technical  
6.4 assistance to rural child care business owners  
6.5 individually or through a learning cohort.  
6.6 Access to financial and business development  
6.7 assistance must prepare child care businesses  
6.8 for quality engagement and improvement by  
6.9 stabilizing operations, leveraging funding from  
6.10 other sources, and fostering business acumen  
6.11 that allows child care businesses to plan for  
6.12 and afford the cost of providing quality child  
6.13 care; and  
6.14 (4) recruit child care programs to participate  
6.15 in Parent Aware, Minnesota's quality and  
6.16 improvement rating system, and other high  
6.17 quality measurement programs. The Minnesota  
6.18 Initiative Foundations must work with local  
6.19 partners to provide low-cost training,  
6.20 professional development opportunities, and  
6.21 continuing education curricula. The Minnesota  
6.22 Initiative Foundations must fund, through local  
6.23 partners, an enhanced level of coaching to  
6.24 rural child care providers to obtain a quality  
6.25 rating through Parent Aware or other high  
6.26 quality measurement programs.  
6.27 (l) \$7,500,000 each year is for the Minnesota  
6.28 job creation fund under Minnesota Statutes,  
6.29 section 116J.8748. Of this amount, the  
6.30 commissioner of employment and economic  
6.31 development may use up to three percent for  
6.32 administrative expenses. This appropriation  
6.33 is available until expended. The base amount  
6.34 for this purpose in fiscal year 2024 and beyond  
6.35 is \$8,000,000.

7.1 (m) \$7,750,000 each year is for the Minnesota  
7.2 investment fund under Minnesota Statutes,  
7.3 section 116J.8731. Of this amount, the  
7.4 commissioner of employment and economic  
7.5 development may use up to three percent for  
7.6 administration and monitoring of the program.  
7.7 In fiscal year 2024 and beyond, the base  
7.8 amount is \$12,370,000. This appropriation is  
7.9 available until expended. Notwithstanding  
7.10 Minnesota Statutes, section 116J.8731, money  
7.11 appropriated to the commissioner for the  
7.12 Minnesota investment fund may be used for  
7.13 the redevelopment program under Minnesota  
7.14 Statutes, sections 116J.575 and 116J.5761, at  
7.15 the discretion of the commissioner. Grants  
7.16 under this paragraph are not subject to the  
7.17 grant amount limitation under Minnesota  
7.18 Statutes, section 116J.8731.

7.19 (n) \$1,000,000 each year is for the Minnesota  
7.20 emerging entrepreneur loan program under  
7.21 Minnesota Statutes, section 116M.18. Funds  
7.22 available under this paragraph are for transfer  
7.23 into the emerging entrepreneur program  
7.24 special revenue fund account created under  
7.25 Minnesota Statutes, chapter 116M, and are  
7.26 available until expended. Of this amount, up  
7.27 to four percent is for administration and  
7.28 monitoring of the program.

7.29 (o) \$325,000 each year is for the Minnesota  
7.30 Film and TV Board. The appropriation in each  
7.31 year is available only upon receipt by the  
7.32 board of \$1 in matching contributions of  
7.33 money or in-kind contributions from nonstate  
7.34 sources for every \$3 provided by this  
7.35 appropriation, except that each year up to

8.1 \$50,000 is available on July 1 even if the  
8.2 required matching contribution has not been  
8.3 received by that date.

8.4 (p) \$12,000 each year is for a grant to the  
8.5 Upper Minnesota Film Office.

8.6 (q) \$500,000 each year is for a grant to the  
8.7 Minnesota Film and TV Board for the film  
8.8 production jobs program under Minnesota  
8.9 Statutes, section 116U.26. This appropriation  
8.10 is available until June 30, 2025.

8.11 (r) \$4,195,000 each year is for the Minnesota  
8.12 job skills partnership program under  
8.13 Minnesota Statutes, sections 116L.01 to  
8.14 116L.17. If the appropriation for either year  
8.15 is insufficient, the appropriation for the other  
8.16 year is available. This appropriation is  
8.17 available until expended.

8.18 (s) \$1,350,000 each year from the workforce  
8.19 development fund and \$250,000 each year  
8.20 from the general fund are for jobs training  
8.21 grants under Minnesota Statutes, section  
8.22 116L.42.

8.23 (t) \$2,500,000 each year is for Launch  
8.24 Minnesota. This is a onetime appropriation  
8.25 and funds are available until June 30, 2025.  
8.26 Of this amount:

8.27 (1) \$1,500,000 each year is for innovation  
8.28 grants to eligible Minnesota entrepreneurs or  
8.29 start-up businesses to assist with their  
8.30 operating needs;

8.31 (2) \$500,000 each year is for administration  
8.32 of Launch Minnesota; and



9.1 (3) \$500,000 each year is for grantee activities  
 9.2 at Launch Minnesota.

9.3 (u) \$1,050,000 each year is for the  
 9.4 microenterprise development program under  
 9.5 Minnesota Statutes, section 116J.8736. Of  
 9.6 these amounts, \$150,000 each year is for  
 9.7 providing technical assistance and outreach  
 9.8 to microenterprise development organizations.

9.9 (v) \$5,298,000 in the first year and \$5,297,000  
 9.10 in the second year are for grants to the  
 9.11 Neighborhood Development Center,  
 9.12 Metropolitan Economic Development  
 9.13 Association, Latino Economic Development  
 9.14 Center, Northside Economic Opportunity  
 9.15 Network, and African Economic Development  
 9.16 Solutions to provide business development  
 9.17 services and funding. Of these amounts, at  
 9.18 least \$2,000,000 each year must be used for  
 9.19 services and funding for entrepreneurs who  
 9.20 are women of color. This is a onetime  
 9.21 appropriation.

9.22 (w) \$375,000 each year is for the publication,  
 9.23 dissemination, and use of labor market  
 9.24 information under Minnesota Statutes, section  
 9.25 116J.401.

|      |                                                         |                  |                  |
|------|---------------------------------------------------------|------------------|------------------|
| 9.26 | <u>Subd. 3. <b>Employment and Training Programs</b></u> | <u>9,921,000</u> | <u>9,921,000</u> |
|------|---------------------------------------------------------|------------------|------------------|

|      |                               |                  |                  |
|------|-------------------------------|------------------|------------------|
| 9.27 | <u>Appropriations by Fund</u> |                  |                  |
| 9.28 | <u>General</u>                | <u>8,421,000</u> | <u>8,421,000</u> |
| 9.29 | <u>Workforce</u>              |                  |                  |
| 9.30 | <u>Development</u>            | <u>1,500,000</u> | <u>1,500,000</u> |

9.31 (a) \$500,000 each year from the general fund  
 9.32 and \$500,000 each year from the workforce  
 9.33 development fund are for rural career  
 9.34 counseling coordinators in the workforce

10.1 service areas and for the purposes specified  
10.2 under Minnesota Statutes, section 116L.667.

10.3 (b) \$750,000 each year is for the women and  
10.4 high-wage, high-demand, nontraditional jobs  
10.5 grant program under Minnesota Statutes,  
10.6 section 116L.99. Of this amount, up to five  
10.7 percent is for administration and monitoring  
10.8 of the program.

10.9 (c) \$2,546,000 each year is for the pathways  
10.10 to prosperity competitive grant program. Of  
10.11 this amount, up to five percent is for  
10.12 administration and monitoring of the program.

10.13 (d) \$500,000 each year is from the workforce  
10.14 development fund for a grant to the American  
10.15 Indian Opportunities and Industrialization  
10.16 Center, in collaboration with the Northwest  
10.17 Indian Community Development Center, to  
10.18 reduce academic disparities for American  
10.19 Indian students and adults. This is a onetime  
10.20 appropriation. The grant funds may be used  
10.21 to provide:

10.22 (1) student tutoring and testing support  
10.23 services;

10.24 (2) training and employment placement in  
10.25 information technology;

10.26 (3) training and employment placement within  
10.27 trades;

10.28 (4) assistance in obtaining a GED;

10.29 (5) remedial training leading to enrollment  
10.30 and to sustain enrollment in a postsecondary  
10.31 higher education institution;

10.32 (6) real-time work experience in information  
10.33 technology fields and in the trades;

- 11.1 (7) contextualized adult basic education;
- 11.2 (8) career and educational counseling for
- 11.3 clients with significant and multiple barriers;
- 11.4 and;
- 11.5 (9) reentry services and counseling for adults
- 11.6 and youth.
- 11.7 After notification to the chairs and minority
- 11.8 leads of the legislative committees with
- 11.9 jurisdiction over jobs and economic
- 11.10 development, the commissioner may transfer
- 11.11 this appropriation to the commissioner of
- 11.12 education.
- 11.13 (e) \$500,000 each year is from the workforce
- 11.14 development fund for current Minnesota
- 11.15 affiliates of OIC of America, Inc. This
- 11.16 appropriation shall be divided equally among
- 11.17 the eligible centers.
- 11.18 (f) \$1,000,000 each year is for competitive
- 11.19 grants to organizations providing services to
- 11.20 relieve economic disparities in the Southeast
- 11.21 Asian community through workforce
- 11.22 recruitment, development, job creation,
- 11.23 assistance of smaller organizations to increase
- 11.24 capacity, and outreach. Of this amount, up to
- 11.25 five percent is for administration and
- 11.26 monitoring of the program.
- 11.27 (g) \$1,000,000 each year is for a competitive
- 11.28 grant program to provide grants to
- 11.29 organizations that provide support services for
- 11.30 individuals, such as job training, employment
- 11.31 preparation, internships, job assistance to
- 11.32 parents, financial literacy, academic and
- 11.33 behavioral interventions for low-performing
- 11.34 students, and youth intervention. Grants made

12.1 under this section must focus on low-income  
12.2 communities, young adults from families with  
12.3 a history of intergenerational poverty, and  
12.4 communities of color. Of this amount, up to  
12.5 five percent is for administration and  
12.6 monitoring of the program.

12.7 (h) \$1,000,000 each year is for a grant to  
12.8 Propel Nonprofits to provide capacity-building  
12.9 grants and related technical assistance to small,  
12.10 culturally specific organizations that primarily  
12.11 serve historically underserved cultural  
12.12 communities. Propel Nonprofits may only  
12.13 award grants to nonprofit organizations that  
12.14 have an annual organizational budget of less  
12.15 than \$500,000. These grants may be used for:

12.16 (1) organizational infrastructure  
12.17 improvements, including developing database  
12.18 management systems and financial systems,  
12.19 or other administrative needs that increase the  
12.20 organization's ability to access new funding  
12.21 sources;

12.22 (2) organizational workforce development,  
12.23 including hiring culturally competent staff,  
12.24 training and skills development, and other  
12.25 methods of increasing staff capacity; or

12.26 (3) creating or expanding partnerships with  
12.27 existing organizations that have specialized  
12.28 expertise in order to increase capacity of the  
12.29 grantee organization to improve services to  
12.30 the community.

12.31 Of this amount, up to five percent may be used  
12.32 by Propel Nonprofits for administrative costs.  
12.33 This is a onetime appropriation.

13.1 (i) \$750,000 each year is for the youth-at-work  
13.2 competitive grant program under Minnesota  
13.3 Statutes, section 116L.562. Of this amount,  
13.4 up to five percent is for administration and  
13.5 monitoring of the youth workforce  
13.6 development competitive grant program. All  
13.7 grant awards shall be for two consecutive  
13.8 years. Grants shall be awarded in the first year.

13.9 (j) \$875,000 each year is for a grant to the  
13.10 Minnesota Technology Association to support  
13.11 the SciTech Internship Program, a program  
13.12 that supports science, technology, engineering,  
13.13 and math (STEM) internship opportunities for  
13.14 two- and four-year college students and  
13.15 graduate students in their fields of study. The  
13.16 internship opportunities must match students  
13.17 with paid internships within STEM disciplines  
13.18 at small, for-profit companies located in  
13.19 Minnesota having fewer than 250 employees  
13.20 worldwide. At least 200 students must be  
13.21 matched in the first year and at least 200  
13.22 students must be matched in the second year.  
13.23 No more than 15 percent of the hires may be  
13.24 graduate students. Selected hiring companies  
13.25 shall receive from the grant 50 percent of the  
13.26 wages paid to the intern, capped at \$2,500 per  
13.27 intern. The program must work toward  
13.28 increasing the participation among women or  
13.29 other underserved populations. This is a  
13.30 onetime appropriation.

13.31 Subd. 4. General Support Services 3,692,000 4,005,000

13.32 Appropriations by Fund

13.33 General Fund 3,637,000 3,950,000

13.34 Workforce

13.35 Development 55,000 55,000

|       |                                                        |                          |                          |
|-------|--------------------------------------------------------|--------------------------|--------------------------|
| 14.1  | <u>\$1,269,000 each year is for transfer to the</u>    |                          |                          |
| 14.2  | <u>Minnesota Housing Finance Agency for</u>            |                          |                          |
| 14.3  | <u>operating the Olmstead Compliance Office.</u>       |                          |                          |
| 14.4  | <b><u>Subd. 5. Minnesota Trade Office</u></b>          | <b><u>2,142,000</u></b>  | <b><u>2,142,000</u></b>  |
| 14.5  | <u>(a) \$200,000 each year is for the STEP grants</u>  |                          |                          |
| 14.6  | <u>in Minnesota Statutes, section 116J.979. The</u>    |                          |                          |
| 14.7  | <u>base for this purpose in fiscal year 2024 and</u>   |                          |                          |
| 14.8  | <u>beyond is \$300,000.</u>                            |                          |                          |
| 14.9  | <u>(b) \$180,000 each year is for the Invest</u>       |                          |                          |
| 14.10 | <u>Minnesota marketing initiative in Minnesota</u>     |                          |                          |
| 14.11 | <u>Statutes, section 116J.9781.</u>                    |                          |                          |
| 14.12 | <u>(c) \$270,000 each year is for the Minnesota</u>    |                          |                          |
| 14.13 | <u>Trade Offices under Minnesota Statutes,</u>         |                          |                          |
| 14.14 | <u>section 116J.978.</u>                               |                          |                          |
| 14.15 | <b><u>Subd. 6. Vocational Rehabilitation</u></b>       | <b><u>36,691,000</u></b> | <b><u>36,691,000</u></b> |
| 14.16 | <u>Appropriations by Fund</u>                          |                          |                          |
| 14.17 | <u>General</u>                                         | <u>28,861,000</u>        | <u>28,861,000</u>        |
| 14.18 | <u>Workforce</u>                                       |                          |                          |
| 14.19 | <u>Development</u>                                     | <u>7,830,000</u>         | <u>7,830,000</u>         |
| 14.20 | <u>(a) \$14,300,000 each year is for the state's</u>   |                          |                          |
| 14.21 | <u>vocational rehabilitation program under</u>         |                          |                          |
| 14.22 | <u>Minnesota Statutes, chapter 268A.</u>               |                          |                          |
| 14.23 | <u>(b) \$8,995,000 each year from the general fund</u> |                          |                          |
| 14.24 | <u>and \$6,830,000 each year from the workforce</u>    |                          |                          |
| 14.25 | <u>development fund are for extended</u>               |                          |                          |
| 14.26 | <u>employment services for persons with severe</u>     |                          |                          |
| 14.27 | <u>disabilities under Minnesota Statutes, section</u>  |                          |                          |
| 14.28 | <u>268A.15. Of the amounts appropriated from</u>       |                          |                          |
| 14.29 | <u>the general fund, \$2,000,000 each year is for</u>  |                          |                          |
| 14.30 | <u>rate increases to providers of extended</u>         |                          |                          |
| 14.31 | <u>employment services for persons with severe</u>     |                          |                          |
| 14.32 | <u>disabilities under Minnesota Statutes, section</u>  |                          |                          |
| 14.33 | <u>268A.15.</u>                                        |                          |                          |

15.1 (c) \$2,555,000 each year is for grants to  
15.2 programs that provide employment support  
15.3 services to persons with mental illness under  
15.4 Minnesota Statutes, sections 268A.13 and  
15.5 268A.14.

15.6 (d) \$3,011,000 each year is for grants to  
15.7 centers for independent living under  
15.8 Minnesota Statutes, section 268A.11.

15.9 (e) \$1,000,000 each year is from the workforce  
15.10 development fund for grants under Minnesota  
15.11 Statutes, section 268A.16, for employment  
15.12 services for persons, including transition-age  
15.13 youth, who are deaf, deafblind, or  
15.14 hard-of-hearing. If the amount in the first year  
15.15 is insufficient, the amount in the second year  
15.16 is available in the first year.

|       |                                               |                  |                  |
|-------|-----------------------------------------------|------------------|------------------|
| 15.17 | <u>Subd. 7. <b>Services for the Blind</b></u> | <u>6,425,000</u> | <u>6,425,000</u> |
|-------|-----------------------------------------------|------------------|------------------|

15.18 Of this amount, \$500,000 each year is for  
15.19 senior citizens who are becoming blind. At  
15.20 least one-half of the funds for this purpose  
15.21 must be used to provide training services for  
15.22 seniors who are becoming blind. Training  
15.23 services must provide independent living skills  
15.24 to seniors who are becoming blind to allow  
15.25 them to continue to live independently in their  
15.26 homes.

|       |                                                      |                   |                   |
|-------|------------------------------------------------------|-------------------|-------------------|
| 15.27 | <u>Subd. 8. <b>Paid Family and Medical Leave</b></u> | <u>10,828,000</u> | <u>23,880,000</u> |
|-------|------------------------------------------------------|-------------------|-------------------|

15.28 Appropriations by Fund

|       |                           |                   |                   |
|-------|---------------------------|-------------------|-------------------|
| 15.29 | <u>General</u>            | <u>10,828,000</u> | <u>-0-</u>        |
| 15.30 | <u>Family and medical</u> |                   |                   |
| 15.31 | <u>benefit insurance</u>  |                   |                   |
| 15.32 | <u>account</u>            | <u>-0-</u>        | <u>23,880,000</u> |

15.33 (a) \$10,828,000 in the first year is for the  
15.34 purposes of Minnesota Statutes, chapter 268B.  
15.35 This is a onetime appropriation.

16.1 (b) \$23,250,000 in the second year is from the  
16.2 family and medical benefit insurance account  
16.3 for the purposes of Minnesota Statutes, chapter  
16.4 268B. The base appropriation is \$51,041,000  
16.5 in fiscal year 2024 and \$50,125,000 in fiscal  
16.6 year 2025. Starting in fiscal year 2026, the  
16.7 base appropriation is \$46,465,000.

16.8 (c) \$630,000 in the second year is from the  
16.9 family medical benefit insurance account for  
16.10 the purpose of outreach, education, and  
16.11 technical assistance for employees and  
16.12 employers regarding Minnesota Statutes,  
16.13 chapter 268B. Of this amount, at least half  
16.14 must be used for grants to community-based  
16.15 groups providing outreach, education, and  
16.16 technical assistance for employees, employers,  
16.17 and self-employed individuals regarding  
16.18 Minnesota Statutes, chapter 268B. Outreach  
16.19 must include efforts to notify self-employed  
16.20 individuals of their ability to elect coverage  
16.21 under Minnesota Statutes, section 268B.11,  
16.22 and provide them with technical assistance in  
16.23 doing so.

16.24 **Sec. 3. DEPARTMENT OF LABOR AND**  
16.25 **INDUSTRY**

|       |                                                  |                  |                       |                  |                       |
|-------|--------------------------------------------------|------------------|-----------------------|------------------|-----------------------|
| 16.26 | <b><u>Subdivision 1. Total Appropriation</u></b> | <b><u>\$</u></b> | <b><u>528,000</u></b> | <b><u>\$</u></b> | <b><u>518,000</u></b> |
| 16.27 | <u>Appropriations by Fund</u>                    |                  |                       |                  |                       |
| 16.28 |                                                  | <u>2022</u>      | <u>2023</u>           |                  |                       |
| 16.29 | <u>General</u>                                   | <u>528,000</u>   | <u>-0-</u>            |                  |                       |
| 16.30 | <u>Family and medical</u>                        |                  |                       |                  |                       |
| 16.31 | <u>benefit insurance</u>                         |                  |                       |                  |                       |
| 16.32 | <u>account</u>                                   | <u>-0-</u>       | <u>518,000</u>        |                  |                       |

16.33 (a) \$528,000 in the first year is for the  
16.34 purposes of Minnesota Statutes, chapter 268B.  
16.35 This is a onetime appropriation.



17.1 (b) \$518,000 in the second year is from the  
17.2 family and medical benefit insurance account  
17.3 for the purposes of Minnesota Statutes, chapter  
17.4 268B. The base appropriation is \$468,000 in  
17.5 fiscal year 2024 and \$618,000 in fiscal year  
17.6 2025.

|      |                                    |    |               |                |
|------|------------------------------------|----|---------------|----------------|
| 17.7 | Sec. 4. <u>DEPARTMENT OF HUMAN</u> |    |               |                |
| 17.8 | <u>SERVICES</u>                    | \$ | <u>-0-</u> \$ | <u>574,000</u> |

17.9 \$574,000 in the second year is from the family  
17.10 and medical benefit insurance account for  
17.11 information technology system costs  
17.12 associated with Minnesota Statutes, chapter  
17.13 268B. This is a onetime appropriation.

17.14 Sec. 5. MANAGEMENT AND BUDGET

|       |                                           |    |                  |                  |
|-------|-------------------------------------------|----|------------------|------------------|
| 17.15 | <u>Subdivision 1. Total Appropriation</u> | \$ | <u>28,000</u> \$ | <u>1,953,000</u> |
|-------|-------------------------------------------|----|------------------|------------------|

|       |                               |               |                  |  |
|-------|-------------------------------|---------------|------------------|--|
| 17.16 | <u>Appropriations by Fund</u> |               |                  |  |
| 17.17 |                               | <u>2022</u>   | <u>2023</u>      |  |
| 17.18 | <u>General</u>                | <u>28,000</u> | <u>1,930,000</u> |  |
| 17.19 | <u>Family and medical</u>     |               |                  |  |
| 17.20 | <u>benefit insurance</u>      |               |                  |  |
| 17.21 | <u>account</u>                | <u>-0-</u>    | <u>23,000</u>    |  |

17.22 (a) \$28,000 in the first year is for information  
17.23 technology systems upgrades necessary to  
17.24 comply with Minnesota Statutes, chapter  
17.25 268B. This is a onetime appropriation.

17.26 (b) \$23,000 in the second year from the family  
17.27 and medical benefit insurance account is for  
17.28 ongoing maintenance of these information  
17.29 technology systems. For fiscal year 2024 and  
17.30 beyond, the base appropriation is \$13,000.

17.31 (c) \$1,930,000 in the second year is for the  
17.32 premiums and notice acknowledgment  
17.33 required of employers under Minnesota  
17.34 Statutes, chapter 268B. For fiscal year 2024

18.1     and beyond, the base appropriation is

18.2     \$3,727,000.

18.3     Sec. 6. LEGISLATIVE COORDINATING

18.4     COMMISSION                                 \$                 11,000 \$                 -0-

18.5     \$11,000 in the first year is for systems

18.6     upgrades necessary to comply with Minnesota

18.7     Statutes, chapter 268B. This is a onetime

18.8     appropriation.

18.9     Sec. 7. SUPREME COURT                                 \$                 20,000 \$                 -0-

18.10    \$20,000 in the first year is for judicial

18.11    responsibilities associated with Minnesota

18.12    Statutes, chapter 268B. This is a onetime

18.13    appropriation.

18.14    Sec. 8. COURT OF APPEALS                                 \$                 -0- \$                 -0-

18.15    For fiscal year 2025, the base from the family

18.16    and medical benefit insurance account for

18.17    judicial responsibilities associated with

18.18    Minnesota Statutes, chapter 268B, is

18.19    \$5,600,000.

18.20    Sec. 9. FAMILY AND MEDICAL BENEFITS; TRANSFER.

18.21    In the second year only, \$11,416,000 shall be transferred from the family and medical

18.22    benefit insurance account to the general fund.

18.23                                                 **ARTICLE 2**

18.24                                                 **PRIOR YEAR APPROPRIATIONS**

18.25    Section 1. Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended by Laws

18.26    2017, First Special Session chapter 7, section 2, is amended to read:

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

18.28                                 Appropriations by Fund

18.29    General                                 \$43,363,000     \$38,424,000

18.30    Remediation                                 \$700,000         \$700,000

|      |                 |             |             |
|------|-----------------|-------------|-------------|
| 19.1 | Workforce       |             |             |
| 19.2 | Development     | \$1,861,000 | \$1,811,000 |
| 19.3 | Special Revenue | \$150,000   | -0-         |

19.4 (a) \$4,195,000 each year is for the Minnesota  
19.5 job skills partnership program under  
19.6 Minnesota Statutes, sections 116L.01 to  
19.7 116L.17. If the appropriation for either year  
19.8 is insufficient, the appropriation for the other  
19.9 year is available. This appropriation is  
19.10 available until spent.

19.11 (b) \$750,000 each year is for grants to the  
19.12 Neighborhood Development Center for small  
19.13 business programs:

19.14 (1) training, lending, and business services;

19.15 (2) model outreach and training in greater  
19.16 Minnesota; and

19.17 (3) development of new business incubators.

19.18 This is a onetime appropriation.

19.19 (c) \$1,175,000 each year is for a grant to the  
19.20 Metropolitan Economic Development  
19.21 Association (MEDA) for statewide business  
19.22 development and assistance services, including  
19.23 services to entrepreneurs with businesses that  
19.24 have the potential to create job opportunities  
19.25 for unemployed and underemployed people,  
19.26 with an emphasis on minority-owned  
19.27 businesses. This is a onetime appropriation.

19.28 (d) \$125,000 each year is for a grant to the  
19.29 White Earth Nation for the White Earth Nation  
19.30 Integrated Business Development System to  
19.31 provide business assistance with workforce  
19.32 development, outreach, technical assistance,  
19.33 infrastructure and operational support,

20.1 financing, and other business development  
20.2 activities. This is a onetime appropriation.

20.3 (e)(1) \$12,500,000 each year is for the  
20.4 Minnesota investment fund under Minnesota  
20.5 Statutes, section 116J.8731. Of this amount,  
20.6 the commissioner of employment and  
20.7 economic development may use up to three  
20.8 percent for administration and monitoring of  
20.9 the program. This appropriation is available  
20.10 until spent.

20.11 (2) Of the amount appropriated in fiscal year  
20.12 2018, \$4,000,000 is for a loan to construct and  
20.13 equip a wholesale electronic component  
20.14 distribution center investing a minimum of  
20.15 \$200,000,000 and constructing a facility at  
20.16 least 700,000 square feet in size. Loan funds  
20.17 may be used for purchases of materials,  
20.18 supplies, and equipment for the construction  
20.19 of the facility and are available from July 1,  
20.20 2017, to June 30, 2021. The commissioner of  
20.21 employment and economic development shall  
20.22 forgive the loan after verification that the  
20.23 project has satisfied performance goals and  
20.24 contractual obligations as required under  
20.25 Minnesota Statutes, section 116J.8731.

20.26 (3) Of the amount appropriated in fiscal year  
20.27 2018, \$700,000 is for a ~~loan to extend an~~  
20.28 ~~effluent pipe that will deliver reclaimed water~~  
20.29 ~~to an innovative waste-to-biofuel project~~  
20.30 ~~investing a minimum of \$150,000,000 and~~  
20.31 ~~constructing a facility that is designed to~~  
20.32 ~~process approximately 400,000 tons of waste~~  
20.33 ~~annually. Loan grant to the Metropolitan~~  
20.34 Council under Minnesota Statutes, section  
20.35 116.195, for wastewater infrastructure to

21.1 support industrial users in Rosemount that  
21.2 require significant water use. Grant funds are  
21.3 available until June 30, ~~2021~~ 2025.

21.4 (f) \$8,500,000 each year is for the Minnesota  
21.5 job creation fund under Minnesota Statutes,  
21.6 section 116J.8748. Of this amount, the  
21.7 commissioner of employment and economic  
21.8 development may use up to three percent for  
21.9 administrative expenses. This appropriation  
21.10 is available until expended. In fiscal year 2020  
21.11 and beyond, the base amount is \$8,000,000.

21.12 (g) \$1,647,000 each year is for contaminated  
21.13 site cleanup and development grants under  
21.14 Minnesota Statutes, sections 116J.551 to  
21.15 116J.558. This appropriation is available until  
21.16 spent. In fiscal year 2020 and beyond, the base  
21.17 amount is \$1,772,000.

21.18 (h) \$12,000 each year is for a grant to the  
21.19 Upper Minnesota Film Office.

21.20 (i) \$163,000 each year is for the Minnesota  
21.21 Film and TV Board. The appropriation in each  
21.22 year is available only upon receipt by the  
21.23 board of \$1 in matching contributions of  
21.24 money or in-kind contributions from nonstate  
21.25 sources for every \$3 provided by this  
21.26 appropriation, except that each year up to  
21.27 \$50,000 is available on July 1 even if the  
21.28 required matching contribution has not been  
21.29 received by that date.

21.30 (j) \$500,000 each year is from the general fund  
21.31 for a grant to the Minnesota Film and TV  
21.32 Board for the film production jobs program  
21.33 under Minnesota Statutes, section 116U.26.

22.1 This appropriation is available until June 30,  
22.2 2021.

22.3 (k) \$139,000 each year is for a grant to the  
22.4 Rural Policy and Development Center under  
22.5 Minnesota Statutes, section 116J.421.

22.6 (l)(1) \$1,300,000 each year is for the greater  
22.7 Minnesota business development public  
22.8 infrastructure grant program under Minnesota  
22.9 Statutes, section 116J.431. This appropriation  
22.10 is available until spent. If the appropriation  
22.11 for either year is insufficient, the appropriation  
22.12 for the other year is available. In fiscal year  
22.13 2020 and beyond, the base amount is  
22.14 \$1,787,000. Funds available under this  
22.15 paragraph may be used for site preparation of  
22.16 property owned and to be used by private  
22.17 entities.

22.18 (2) Of the amounts appropriated, \$1,600,000  
22.19 in fiscal year 2018 is for a grant to the city of  
22.20 Thief River Falls to support utility extensions,  
22.21 roads, and other public improvements related  
22.22 to the construction of a wholesale electronic  
22.23 component distribution center at least 700,000  
22.24 square feet in size and investing a minimum  
22.25 of \$200,000,000. Notwithstanding Minnesota  
22.26 Statutes, section 116J.431, a local match is  
22.27 not required. Grant funds are available from  
22.28 July 1, 2017, to June 30, 2021.

22.29 (m) \$876,000 the first year and \$500,000 the  
22.30 second year are for the Minnesota emerging  
22.31 entrepreneur loan program under Minnesota  
22.32 Statutes, section 116M.18. Funds available  
22.33 under this paragraph are for transfer into the  
22.34 emerging entrepreneur program special  
22.35 revenue fund account created under Minnesota

23.1 Statutes, chapter 116M, and are available until  
23.2 spent. Of this amount, up to four percent is for  
23.3 administration and monitoring of the program.  
23.4 In fiscal year 2020 and beyond, the base  
23.5 amount is \$1,000,000.

23.6 (n) \$875,000 each year is for a grant to  
23.7 Enterprise Minnesota, Inc. for the small  
23.8 business growth acceleration program under  
23.9 Minnesota Statutes, section 116O.115. This  
23.10 is a onetime appropriation.

23.11 (o) \$250,000 in fiscal year 2018 is for a grant  
23.12 to the Minnesota Design Center at the  
23.13 University of Minnesota for the greater  
23.14 Minnesota community design pilot project.

23.15 (p) \$275,000 in fiscal year 2018 is from the  
23.16 general fund to the commissioner of  
23.17 employment and economic development for  
23.18 a grant to Community and Economic  
23.19 Development Associates (CEDA) for an  
23.20 economic development study and analysis of  
23.21 the effects of current and projected economic  
23.22 growth in southeast Minnesota. CEDA shall  
23.23 report on the findings and recommendations  
23.24 of the study to the committees of the house of  
23.25 representatives and senate with jurisdiction  
23.26 over economic development and workforce  
23.27 issues by February 15, 2019. All results and  
23.28 information gathered from the study shall be  
23.29 made available for use by cities in southeast  
23.30 Minnesota by March 15, 2019. This  
23.31 appropriation is available until June 30, 2020.

23.32 (q) \$2,000,000 in fiscal year 2018 is for a  
23.33 grant to Pillsbury United Communities for  
23.34 construction and renovation of a building in  
23.35 north Minneapolis for use as the "North

24.1 Market" grocery store and wellness center,  
24.2 focused on offering healthy food, increasing  
24.3 health care access, and providing job creation  
24.4 and economic opportunities in one place for  
24.5 children and families living in the area. To the  
24.6 extent possible, Pillsbury United Communities  
24.7 shall employ individuals who reside within a  
24.8 five mile radius of the grocery store and  
24.9 wellness center. This appropriation is not  
24.10 available until at least an equal amount of  
24.11 money is committed from nonstate sources.  
24.12 This appropriation is available until the project  
24.13 is completed or abandoned, subject to  
24.14 Minnesota Statutes, section 16A.642.

24.15 (r) \$1,425,000 each year is for the business  
24.16 development competitive grant program. Of  
24.17 this amount, up to five percent is for  
24.18 administration and monitoring of the business  
24.19 development competitive grant program. All  
24.20 grant awards shall be for two consecutive  
24.21 years. Grants shall be awarded in the first year.

24.22 (s) \$875,000 each year is for the host  
24.23 community economic development grant  
24.24 program established in Minnesota Statutes,  
24.25 section 116J.548.

24.26 (t) \$700,000 each year is from the remediation  
24.27 fund for contaminated site cleanup and  
24.28 development grants under Minnesota Statutes,  
24.29 sections 116J.551 to 116J.558. This  
24.30 appropriation is available until spent.

24.31 (u) \$161,000 each year is from the workforce  
24.32 development fund for a grant to the Rural  
24.33 Policy and Development Center. This is a  
24.34 onetime appropriation.



25.1 (v) \$300,000 each year is from the workforce  
25.2 development fund for a grant to Enterprise  
25.3 Minnesota, Inc. This is a onetime  
25.4 appropriation.

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

25.9 (x) \$1,350,000 each year is from the  
25.10 workforce development fund for job training  
25.11 grants under Minnesota Statutes, section  
25.12 116L.42.

25.13 (y)(1) \$519,000 in fiscal year 2018 is for  
25.14 grants to local communities to increase the  
25.15 supply of quality child care providers in order  
25.16 to support economic development. At least 60  
25.17 percent of grant funds must go to communities  
25.18 located outside of the seven-county  
25.19 metropolitan area, as defined under Minnesota  
25.20 Statutes, section 473.121, subdivision 2. Grant  
25.21 recipients must obtain a 50 percent nonstate  
25.22 match to grant funds in either cash or in-kind  
25.23 contributions. Grant funds available under this  
25.24 paragraph must be used to implement solutions  
25.25 to reduce the child care shortage in the state  
25.26 including but not limited to funding for child  
25.27 care business start-ups or expansions, training,  
25.28 facility modifications or improvements  
25.29 required for licensing, and assistance with  
25.30 licensing and other regulatory requirements.

25.31 In awarding grants, the commissioner must  
25.32 give priority to communities that have  
25.33 documented a shortage of child care providers  
25.34 in the area.

26.1 (2) Within one year of receiving grant funds,  
26.2 grant recipients must report to the  
26.3 commissioner on the outcomes of the grant  
26.4 program including but not limited to the  
26.5 number of new providers, the number of  
26.6 additional child care provider jobs created, the  
26.7 number of additional child care slots, and the  
26.8 amount of local funds invested.

26.9 (3) By January 1 of each year, starting in 2019,  
26.10 the commissioner must report to the standing  
26.11 committees of the legislature having  
26.12 jurisdiction over child care and economic  
26.13 development on the outcomes of the program  
26.14 to date.

26.15 (z) \$319,000 in fiscal year 2018 is from the  
26.16 general fund for a grant to the East Phillips  
26.17 Improvement Coalition to create the East  
26.18 Phillips Neighborhood Institute (EPNI) to  
26.19 expand culturally tailored resources that  
26.20 address small business growth and create  
26.21 green jobs. The grant shall fund the  
26.22 collaborative work of Tamales y Bicicletas,  
26.23 Little Earth of the United Tribes, a nonprofit  
26.24 serving East Africans, and other coalition  
26.25 members towards developing EPNI as a  
26.26 community space to host activities including,  
26.27 but not limited to, creation and expansion of  
26.28 small businesses, culturally specific  
26.29 entrepreneurial activities, indoor urban  
26.30 farming, job training, education, and skills  
26.31 development for residents of this low-income,  
26.32 environmental justice designated  
26.33 neighborhood. Eligible uses for grant funds  
26.34 include, but are not limited to, planning and  
26.35 start-up costs, staff and consultant costs,

27.1 building improvements, rent, supplies, utilities,  
27.2 vehicles, marketing, and program activities.  
27.3 The commissioner shall submit a report on  
27.4 grant activities and quantifiable outcomes to  
27.5 the committees of the house of representatives  
27.6 and the senate with jurisdiction over economic  
27.7 development by December 15, 2020. This  
27.8 appropriation is available until June 30, 2020.

27.9 (aa) \$150,000 the first year is from the  
27.10 renewable development account in the special  
27.11 revenue fund established in Minnesota  
27.12 Statutes, section 116C.779, subdivision 1, to  
27.13 conduct the biomass facility closure economic  
27.14 impact study.

27.15 (bb)(1)\$300,000 in fiscal year 2018 is for a  
27.16 grant to East Side Enterprise Center (ESEC)  
27.17 to expand culturally tailored resources that  
27.18 address small business growth and job  
27.19 creation. This appropriation is available until  
27.20 June 30, 2020. The appropriation shall fund  
27.21 the work of African Economic Development  
27.22 Solutions, the Asian Economic Development  
27.23 Association, the Dayton's Bluff Community  
27.24 Council, and the Latino Economic  
27.25 Development Center in a collaborative  
27.26 approach to economic development that is  
27.27 effective with smaller, culturally diverse  
27.28 communities that seek to increase the  
27.29 productivity and success of new immigrant  
27.30 and minority populations living and working  
27.31 in the community. Programs shall provide  
27.32 minority business growth and capacity  
27.33 building that generate wealth and jobs creation  
27.34 for local residents and business owners on the  
27.35 East Side of St. Paul.

28.1 (2) In fiscal year 2019 ESEC shall use funds  
28.2 to share its integrated service model and  
28.3 evolving collaboration principles with civic  
28.4 and economic development leaders in greater  
28.5 Minnesota communities which have diverse  
28.6 populations similar to the East Side of St. Paul.  
28.7 ESEC shall submit a report of activities and  
28.8 program outcomes, including quantifiable  
28.9 measures of success annually to the house of  
28.10 representatives and senate committees with  
28.11 jurisdiction over economic development.

28.12 (cc) \$150,000 in fiscal year 2018 is for a grant  
28.13 to Mille Lacs County for the purpose of  
28.14 reimbursement grants to small resort  
28.15 businesses located in the city of Isle with less  
28.16 than \$350,000 in annual revenue, at least four  
28.17 rental units, which are open during both  
28.18 summer and winter months, and whose  
28.19 business was adversely impacted by a decline  
28.20 in walleye fishing on Lake Mille Lacs.

28.21 (dd)(1) \$250,000 in fiscal year 2018 is for a  
28.22 grant to the Small Business Development  
28.23 Center hosted at Minnesota State University,  
28.24 Mankato, for a collaborative initiative with  
28.25 the Regional Center for Entrepreneurial  
28.26 Facilitation. Funds available under this section  
28.27 must be used to provide entrepreneur and  
28.28 small business development direct professional  
28.29 business assistance services in the following  
28.30 counties in Minnesota: Blue Earth, Brown,  
28.31 Faribault, Le Sueur, Martin, Nicollet, Sibley,  
28.32 Watonwan, and Waseca. For the purposes of  
28.33 this section, "direct professional business  
28.34 assistance services" must include, but is not  
28.35 limited to, pre-venture assistance for

29.1 individuals considering starting a business.

29.2 This appropriation is not available until the  
29.3 commissioner determines that an equal amount  
29.4 is committed from nonstate sources. Any  
29.5 balance in the first year does not cancel and  
29.6 is available for expenditure in the second year.

29.7 (2) Grant recipients shall report to the  
29.8 commissioner by February 1 of each year and  
29.9 include information on the number of  
29.10 customers served in each county; the number  
29.11 of businesses started, stabilized, or expanded;  
29.12 the number of jobs created and retained; and  
29.13 business success rates in each county. By April  
29.14 1 of each year, the commissioner shall report  
29.15 the information submitted by grant recipients  
29.16 to the chairs of the standing committees of the  
29.17 house of representatives and the senate having  
29.18 jurisdiction over economic development  
29.19 issues.

29.20 (ee) \$500,000 in fiscal year 2018 is for the  
29.21 central Minnesota opportunity grant program  
29.22 established under Minnesota Statutes, section  
29.23 116J.9922. This appropriation is available until  
29.24 June 30, 2022.

29.25 (ff) \$25,000 each year is for the administration  
29.26 of state aid for the Destination Medical Center  
29.27 under Minnesota Statutes, sections 469.40 to  
29.28 469.47.

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

29.30 Sec. 2. Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 2, as  
29.31 amended by Laws 2019, First Special Session chapter 12, section 4, and Laws 2020, chapter  
29.32 112, section 1, is amended to read:

|       |                                                    |            |            |
|-------|----------------------------------------------------|------------|------------|
| 29.33 | Subd. 2. <b>Business and Community Development</b> | 44,931,000 | 42,381,000 |
|-------|----------------------------------------------------|------------|------------|

|      |                        |            |            |
|------|------------------------|------------|------------|
| 30.1 | Appropriations by Fund |            |            |
| 30.2 | General                | 40,756,000 | 38,206,000 |
| 30.3 | Remediation            | 700,000    | 700,000    |
| 30.4 | Workforce              |            |            |
| 30.5 | Development            | 3,475,000  | 3,475,000  |

30.6 (a) \$1,787,000 each year is for the greater  
30.7 Minnesota business development public  
30.8 infrastructure grant program under Minnesota  
30.9 Statutes, section 116J.431. This appropriation  
30.10 is available until June 30, 2023.

30.11 (b) \$1,425,000 each year is for the business  
30.12 development competitive grant program. Of  
30.13 this amount, up to five percent is for  
30.14 administration and monitoring of the business  
30.15 development competitive grant program. All  
30.16 grant awards shall be for two consecutive  
30.17 years. Grants shall be awarded in the first year.

30.18 (c) \$1,772,000 each year is for contaminated  
30.19 site cleanup and development grants under  
30.20 Minnesota Statutes, sections 116J.551 to  
30.21 116J.558. This appropriation is available until  
30.22 June 30, 2023.

30.23 (d) \$700,000 each year is from the remediation  
30.24 fund for contaminated site cleanup and  
30.25 development grants under Minnesota Statutes,  
30.26 sections 116J.551 to 116J.558. This  
30.27 appropriation is available until June 30, 2023.

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

30.30 (f) \$25,000 each year is for the administration  
30.31 of state aid for the Destination Medical Center  
30.32 under Minnesota Statutes, sections 469.40 to  
30.33 469.47.

31.1 (g) \$875,000 each year is for the host  
31.2 community economic development program  
31.3 established in Minnesota Statutes, section  
31.4 116J.548.

31.5 (h) \$125,000 each year is from the workforce  
31.6 development fund for a grant to the White  
31.7 Earth Nation for the White Earth Nation  
31.8 Integrated Business Development System to  
31.9 provide business assistance with workforce  
31.10 development, outreach, technical assistance,  
31.11 infrastructure and operational support,  
31.12 financing, and other business development  
31.13 activities. This is a onetime appropriation.

31.14 (i) \$450,000 each year is from the workforce  
31.15 development fund for a grant to Enterprise  
31.16 Minnesota, Inc. for the small business growth  
31.17 acceleration program under Minnesota  
31.18 Statutes, section 116O.115. This is a onetime  
31.19 appropriation.

31.20 (j) \$250,000 the first year is for a grant to the  
31.21 Rondo Community Land Trust for  
31.22 improvements to leased commercial space in  
31.23 the Selby Milton Victoria Project that will  
31.24 create long-term affordable space for small  
31.25 businesses and for build-out and development  
31.26 of new businesses.

31.27 (k) \$400,000 each year is from the workforce  
31.28 development fund for a grant to the  
31.29 Metropolitan Economic Development  
31.30 Association (MEDA) for statewide business  
31.31 development and assistance services, including  
31.32 services to entrepreneurs with businesses that  
31.33 have the potential to create job opportunities  
31.34 for unemployed and underemployed people,

32.1 with an emphasis on minority-owned  
32.2 businesses. This is a onetime appropriation.

32.3 (l) \$750,000 in fiscal year 2020 is for grants  
32.4 to local communities to increase the supply of  
32.5 quality child care providers to support  
32.6 economic development. At least 60 percent of  
32.7 grant funds must go to communities located  
32.8 outside of the seven-county metropolitan area  
32.9 as defined under Minnesota Statutes, section  
32.10 473.121, subdivision 2. Grant recipients must  
32.11 obtain a 50 percent nonstate match to grant  
32.12 funds in either cash or in-kind contributions.  
32.13 Grant funds available under this section must  
32.14 be used to implement projects to reduce the  
32.15 child care shortage in the state, including but  
32.16 not limited to funding for child care business  
32.17 start-ups or expansion, training, facility  
32.18 modifications or improvements required for  
32.19 licensing, and assistance with licensing and  
32.20 other regulatory requirements. In awarding  
32.21 grants, the commissioner must give priority  
32.22 to communities that have demonstrated a  
32.23 shortage of child care providers in the area.  
32.24 This is a onetime appropriation. Within one  
32.25 year of receiving grant funds, grant recipients  
32.26 must report to the commissioner on the  
32.27 outcomes of the grant program, including but  
32.28 not limited to the number of new providers,  
32.29 the number of additional child care provider  
32.30 jobs created, the number of additional child  
32.31 care slots, and the amount of cash and in-kind  
32.32 local funds invested.

32.33 (m) \$750,000 in fiscal year 2020 is for a grant  
32.34 to the Minnesota Initiative Foundations. This  
32.35 is a onetime appropriation and is available



33.1 until June 30, 2023. The Minnesota Initiative  
33.2 Foundations must use grant funds under this  
33.3 section to:

33.4 (1) facilitate planning processes for rural  
33.5 communities resulting in a community solution  
33.6 action plan that guides decision making to  
33.7 sustain and increase the supply of quality child  
33.8 care in the region to support economic  
33.9 development;

33.10 (2) engage the private sector to invest local  
33.11 resources to support the community solution  
33.12 action plan and ensure quality child care is a  
33.13 vital component of additional regional  
33.14 economic development planning processes;

33.15 (3) provide locally based training and technical  
33.16 assistance to rural child care business owners  
33.17 individually or through a learning cohort.  
33.18 Access to financial and business development  
33.19 assistance must prepare child care businesses  
33.20 for quality engagement and improvement by  
33.21 stabilizing operations, leveraging funding from  
33.22 other sources, and fostering business acumen  
33.23 that allows child care businesses to plan for  
33.24 and afford the cost of providing quality child  
33.25 care; or

33.26 (4) recruit child care programs to participate  
33.27 in Parent Aware, Minnesota's quality and  
33.28 improvement rating system, and other high  
33.29 quality measurement programs. The Minnesota  
33.30 Initiative Foundations must work with local  
33.31 partners to provide low-cost training,  
33.32 professional development opportunities, and  
33.33 continuing education curricula. The Minnesota  
33.34 Initiative Foundations must fund, through local  
33.35 partners, an enhanced level of coaching to

34.1 rural child care providers to obtain a quality  
34.2 rating through Parent Aware or other high  
34.3 quality measurement programs.

34.4 (n)(1) \$650,000 each year from the workforce  
34.5 development fund is for grants to the  
34.6 Neighborhood Development Center for small  
34.7 business programs. This is a onetime  
34.8 appropriation.

34.9 (2) Of the amount appropriated in the first  
34.10 year, \$150,000 is for outreach and training  
34.11 activities outside the seven-county  
34.12 metropolitan area, as defined in Minnesota  
34.13 Statutes, section 473.121, subdivision 2.

34.14 (o) \$8,000,000 each year is for the Minnesota  
34.15 job creation fund under Minnesota Statutes,  
34.16 section 116J.8748. Of this amount, the  
34.17 commissioner of employment and economic  
34.18 development may use up to three percent for  
34.19 administrative expenses. This appropriation  
34.20 is available until expended.

34.21 (p)(1) \$11,970,000 each year is for the  
34.22 Minnesota investment fund under Minnesota  
34.23 Statutes, section 116J.8731. Of this amount,  
34.24 the commissioner of employment and  
34.25 economic development may use up to three  
34.26 percent for administration and monitoring of  
34.27 the program. In fiscal year 2022 and beyond,  
34.28 the base amount is \$12,370,000. This  
34.29 appropriation is available until expended.

34.30 Notwithstanding Minnesota Statutes, section  
34.31 116J.8731, funds appropriated to the  
34.32 commissioner for the Minnesota investment  
34.33 fund may be used for the redevelopment  
34.34 program under Minnesota Statutes, sections  
34.35 116J.575 and 116J.5761, at the discretion of

35.1 the commissioner. Grants under this paragraph  
35.2 are not subject to the grant amount limitation  
35.3 under Minnesota Statutes, section 116J.8731.

35.4 (2) Of the amount appropriated in the first  
35.5 year, ~~\$2,000,000~~ \$3,000,000 is for a loan to a  
35.6 paper mill in Duluth for a retrofit project that  
35.7 will support the ~~operation and manufacture of~~  
35.8 packaging conversion of the existing Duluth  
35.9 paper mill for the manufacture of new paper  
35.10 grades. The company that owns the paper mill  
35.11 must ~~spend \$20,000,000 on~~ invest  
35.12 \$25,000,000 in project activities by ~~December~~  
35.13 ~~31, 2020~~ May 1, 2023, in order to be eligible  
35.14 to receive this loan. Loan funds may be used  
35.15 for purchases of materials, supplies, and  
35.16 equipment for the project and are available  
35.17 from ~~July 1, 2019~~ April 1, 2021, to ~~July 30,~~  
35.18 ~~2021~~ May 1, 2023. The commissioner of  
35.19 employment and economic development shall  
35.20 forgive 25 percent of the loan each year after  
35.21 the second year during a five-year period if  
35.22 the mill has retained at least ~~150~~ 80 full-time  
35.23 equivalent employees and has satisfied other  
35.24 performance goals and contractual obligations  
35.25 as required under Minnesota Statutes, section  
35.26 116J.8731.

35.27 (q) \$700,000 in fiscal year 2020 is for the  
35.28 airport infrastructure renewal (AIR) grant  
35.29 program under Minnesota Statutes, section  
35.30 116J.439.

35.31 (r) \$100,000 in fiscal year 2020 is for a grant  
35.32 to FIRST in Upper Midwest to support  
35.33 competitive robotics teams. Funds must be  
35.34 used to make up to five awards of no more  
35.35 than \$20,000 each to Minnesota-based public

36.1 entities or private nonprofit organizations for  
36.2 the creation of competitive robotics hubs.  
36.3 Awards may be used for tools, equipment, and  
36.4 physical space to be utilized by robotics teams.  
36.5 At least 50 percent of grant funds must be used  
36.6 outside of the seven-county metropolitan area,  
36.7 as defined under Minnesota Statutes, section  
36.8 473.121, subdivision 2. The grant recipient  
36.9 shall report to the chairs and ranking minority  
36.10 members of the legislative committees with  
36.11 jurisdiction over jobs and economic growth  
36.12 by February 1, 2021, on the status of awards  
36.13 and include information on the number and  
36.14 amount of awards made, the number of  
36.15 customers served, and any outcomes resulting  
36.16 from the grant. The grant requires a 50 percent  
36.17 match from nonstate sources.

36.18 (s) \$1,000,000 each year is for the Minnesota  
36.19 emerging entrepreneur loan program under  
36.20 Minnesota Statutes, section 116M.18. Funds  
36.21 available under this paragraph are for transfer  
36.22 into the emerging entrepreneur program  
36.23 special revenue fund account created under  
36.24 Minnesota Statutes, chapter 116M, and are  
36.25 available until expended. Of this amount, up  
36.26 to four percent is for administration and  
36.27 monitoring of the program.

36.28 (t) \$163,000 each year is for the Minnesota  
36.29 Film and TV Board. The appropriation in each  
36.30 year is available only upon receipt by the  
36.31 board of \$1 in matching contributions of  
36.32 money or in-kind contributions from nonstate  
36.33 sources for every \$3 provided by this  
36.34 appropriation, except that each year up to  
36.35 \$50,000 is available on July 1 even if the

37.1 required matching contribution has not been  
37.2 received by that date.

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

37.5 (v) \$500,000 each year is from the general  
37.6 fund for a grant to the Minnesota Film and TV  
37.7 Board for the film production jobs program  
37.8 under Minnesota Statutes, section 116U.26.  
37.9 This appropriation is available until June 30,  
37.10 2023.

37.11 (w) \$4,195,000 each year is for the Minnesota  
37.12 job skills partnership program under  
37.13 Minnesota Statutes, sections 116L.01 to  
37.14 116L.17. If the appropriation for either year  
37.15 is insufficient, the appropriation for the other  
37.16 year is available. This appropriation is  
37.17 available until expended.

37.18 (x) \$1,350,000 each year is from the  
37.19 workforce development fund for jobs training  
37.20 grants under Minnesota Statutes, section  
37.21 116L.42.

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

37.26 (1) \$1,600,000 each year is for innovation  
37.27 grants to eligible Minnesota entrepreneurs or  
37.28 start-up businesses to assist with their  
37.29 operating needs;

37.30 (2) \$450,000 each year is for administration  
37.31 of Launch Minnesota; and

37.32 (3) \$450,000 each year is for grantee activities  
37.33 at Launch Minnesota.

38.1 (z) \$500,000 each year is from the workforce  
38.2 development fund for a grant to Youthprise  
38.3 to give grants through a competitive process  
38.4 to community organizations to provide  
38.5 economic development services designed to  
38.6 enhance long-term economic self-sufficiency  
38.7 in communities with concentrated East African  
38.8 populations. Such communities include but  
38.9 are not limited to Faribault, Rochester, St.  
38.10 Cloud, Moorhead, and Willmar. To the extent  
38.11 possible, Youthprise must make at least 50  
38.12 percent of these grants to organizations serving  
38.13 communities located outside the seven-county  
38.14 metropolitan area, as defined in Minnesota  
38.15 Statutes, section 473.121, subdivision 2. This  
38.16 is a onetime appropriation and is available  
38.17 until June 30, 2022.

38.18 (aa) \$125,000 each year is for a grant to the  
38.19 Hmong Chamber of Commerce to train  
38.20 ethnically Southeast Asian business owners  
38.21 and operators in better business practices. This  
38.22 is a onetime appropriation and is available  
38.23 until June 30, 2023.

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

38.25 Sec. 3. **GRANT TO THE NORTHEAST ENTREPRENEUR FUND;**  
38.26 **APPROPRIATION.**

38.27 \$1,148,000 in fiscal year 2021 is appropriated from the general fund to the commissioner  
38.28 of employment and economic development for a grant to the Northeast Entrepreneur Fund,  
38.29 a small business administration microlender and community development financial institution  
38.30 operating in northern Minnesota, to be made only upon the Northeast Entrepreneur Fund's  
38.31 repayment of its current \$1,148,000 loan issued by the commissioner. Grant funds must be  
38.32 used as capital for accessing additional federal lending for small businesses impacted by  
38.33 COVID-19 and must be returned to the commissioner for deposit in the general fund if the

39.1 Northeast Entrepreneur Fund fails to secure such federal funds before January 1, 2022. This  
39.2 is a onetime appropriation.

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

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

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

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

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

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

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

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

39.16 (1) \$24,900,000 is for grants to the Minnesota Initiative Foundations to provide grants  
39.17 to businesses in greater Minnesota. Up to ten percent of this amount may be used for the  
39.18 administrative costs of the Minnesota Initiative Foundations;

39.19 (2) \$24,900,000 is for grants to eligible organizations to provide grants to businesses in  
39.20 the seven-county metropolitan area defined in section 473.121, subdivision 2. Up to ten  
39.21 percent of this amount may be used for the administrative costs of the eligible organizations;  
39.22 and

39.23 (3) \$200,000 is for the administrative costs of the department.

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

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

39.27 (1) \$10,000,000 must be awarded to businesses that employ the equivalent of six full-time  
39.28 workers or less;

39.29 (2) \$10,000,000 must be awarded to minority business enterprises, as defined in  
39.30 Minnesota Statutes, section 116M.14, subdivision 5; and

40.1 (3) \$3,000,000 must be awarded under subdivision 5.

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

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

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

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

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

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

40.9 (b) Grants under this subdivision shall be for no less than \$5,000 and no more than  
40.10 \$100,000.

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

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

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

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

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

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

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

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

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



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

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

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

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

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

(b) By February 15, 2022, the commissioner must report to the legislative committees in the house of representatives and senate with jurisdiction over economic development about grants made under this program based on the information received under paragraph (a).

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

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

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

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

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

**ARTICLE 3**

**DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

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

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

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

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

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

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

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

Sec. 2. Minnesota Statutes 2020, section 116J.431, subdivision 2, is amended to read:

Subd. 2. **Eligible projects.** (a) An economic development project for which a county or city may be eligible to receive a grant under this section includes:

(1) manufacturing;

(2) technology;

(3) warehousing and distribution;

(4) research and development;

(5) agricultural processing, defined as transforming, packaging, sorting, or grading livestock or livestock products into goods that are used for intermediate or final consumption, including goods for nonfood use; or

(6) industrial park development that would be used by any other business listed in this subdivision even if no business has committed to locate in the industrial park at the time the grant application is made.

(b) Up to 15 percent of the development of a project may be for a purpose that is ancillary to the project but that is not included under this subdivision as an eligible project. A city or county must provide notice to the commissioner for the commissioner's approval of the proposed ancillary development purpose.

43.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
43.2 applies to projects that have been funded previously under Minnesota Statutes, section  
43.3 116J.431.

43.4 Sec. 3. Minnesota Statutes 2020, section 116J.431, is amended by adding a subdivision  
43.5 to read:

43.6 Subd. 3a. **Development restrictions expiration.** After ten years from the date of the  
43.7 grant award under this section, a project that has been developed for its original project  
43.8 purpose may be developed for any lawful purpose.

43.9 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
43.10 applies to projects that have been funded previously under Minnesota Statutes, section  
43.11 116J.431.

43.12 Sec. 4. **[116J.8736] MICROENTERPRISE DEVELOPMENT PROGRAM.**

43.13 Subdivision 1. **Establishment.** The commissioner of employment and economic  
43.14 development shall establish the microenterprise development program to award grants to  
43.15 microenterprise development organizations to encourage microenterprise development.

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

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

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

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

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

43.25 (2) for nonmetropolitan areas, the greater of 80 percent of the area median income or  
43.26 80 percent of the statewide nonmetropolitan area median income.

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

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

44.1 (g) "Program" means the microenterprise development program established under this  
44.2 section.

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

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

44.7 (2) scope of services to be provided;

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

44.9 (4) ability to provide business training and technical assistance to disadvantaged  
44.10 entrepreneurs;

44.11 (5) ability to monitor and provide financial oversight of recipients of loans and services;  
44.12 and

44.13 (6) sources and sufficiency of operating funds.

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

44.16 Subd. 4. **Eligible uses of grant funds.** Microenterprise development organizations may  
44.17 use grant funds for any of the following purposes:

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

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

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

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

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

44.28 Subd. 5. **Reports to the legislature.** (a) By December 1, 2023, and every December 1  
44.29 thereafter until given permission by the commissioner to cease reporting, grant recipients  
44.30 must submit a report to the commissioner on the use of grant funds in the form that the

45.1 commissioner prescribes and include any documentation of and supporting information  
45.2 regarding the grant that the commissioner requires, including:

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

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

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

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

45.14 Sec. 5. Minnesota Statutes 2020, section 116J.8748, subdivision 3, is amended to read:

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

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

45.20 (i) manufacturing;

45.21 (ii) warehousing;

45.22 (iii) distribution;

45.23 (iv) information technology;

45.24 (v) finance;

45.25 (vi) insurance; or

45.26 (vii) professional or technical services;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(9) any other criteria the commissioner deems necessary.

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

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

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

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

**EFFECTIVE DATE.** This section is effective retroactively from March 15, 2020.

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

Subd. 6. **Failure to meet goals.** (a) The subsidy agreement must specify the recipient's obligation if the recipient does not fulfill the agreement. At a minimum, the agreement must require a recipient failing to meet subsidy agreement goals to pay back the assistance plus interest to the grantor or, at the grantor's option, to the account created under section 116J.551 provided that repayment may be prorated to reflect partial fulfillment of goals. The interest rate must be set at no less than the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the Bureau

of Economic Analysis of the United States Department of Commerce for the 12-month period ending March 31 of the previous year. The grantor, after a public hearing, may extend for up to one year the period for meeting the wage and job goals under subdivision 4 provided in a subsidy agreement or up to two years if a peacetime emergency under section 12.31, subdivision 2, as declared by the governor is active during the initial two-year compliance period. A grantor may extend the period for meeting other goals under subdivision 3, paragraph (a), clause (3), by documenting in writing the reason for the extension and attaching a copy of the document to its next annual report to the department.

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

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

**EFFECTIVE DATE.** This section is effective retroactively from March 15, 2020.

Sec. 7. Minnesota Statutes 2020, section 116L.02, is amended to read:

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

~~(a)~~ The Minnesota Job Skills Partnership program is created to act as a catalyst to bring together employers with specific training needs with educational or other nonprofit institutions which can design programs to fill those needs. The partnership shall work closely with employers to prepare, train and place prospective or incumbent workers in identifiable positions as well as assisting educational or other nonprofit institutions in developing training programs that coincide with current and future employer requirements. The partnership shall provide grants to educational or other nonprofit institutions for the purpose of training workers. A participating business must match the grant-in-aid made by the Minnesota Job Skills Partnership. The match may be in the form of funding, equipment, or faculty.

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



49.1 Sec. 8. Minnesota Statutes 2020, section 116L.03, subdivision 1, is amended to read:

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

49.3 Sec. 9. Minnesota Statutes 2020, section 116L.03, subdivision 2, is amended to read:

49.4 Subd. 2. **Appointment.** The Minnesota Job Skills Partnership Board consists of: ~~seven~~  
49.5 eight members appointed by the governor, the commissioner of employment and economic  
49.6 development, the chancellor, or the chancellor's designee, of the Minnesota State Colleges  
49.7 and Universities, the president, or the president's designee, of the University of Minnesota,  
49.8 and two nonlegislator members, one appointed by the Subcommittee on Committees of the  
49.9 senate Committee on Rules and Administration and one appointed by the speaker of the  
49.10 house. If the chancellor or the president of the university makes a designation under this  
49.11 subdivision, the designee must have experience in technical education. Four of the appointed  
49.12 members must be members of the governor's Workforce Development Board, of whom two  
49.13 must represent organized labor and two must represent business and industry. ~~One of the~~  
49.14 ~~appointed members must be a representative of a nonprofit organization that provides~~  
49.15 ~~workforce development or job training services.~~ Two of the members must be from  
49.16 community-based organizations that have demonstrated experience and expertise in  
49.17 addressing the employment, training, or education needs of individuals or communities  
49.18 facing barriers to employment.

49.19 Sec. 10. Minnesota Statutes 2020, section 116L.03, subdivision 3, is amended to read:

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

49.22 Sec. 11. Minnesota Statutes 2020, section 116L.05, subdivision 5, is amended to read:

49.23 Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year, the  
49.24 board may use ~~workforce development~~ funds appropriated under section 116L.20, subdivision  
49.25 2, paragraph (b), clause (1), for the purposes outlined in sections 116L.02 and 116L.04, or  
49.26 ~~to provide incumbent worker training services under section 116L.18~~ 116L.21 and 116L.22  
49.27 if the following conditions have been met:

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

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

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

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

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

50.11 Sec. 12. Minnesota Statutes 2020, section 116L.17, subdivision 1, is amended to read:

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

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

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

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

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

50.25 ~~(3)~~ (2) has been terminated or has received a notice of termination of employment as a  
50.26 result of a plant closing or a substantial layoff at a plant, facility, or enterprise;

50.27 ~~(4)~~ (3) has been self-employed, including farmers and ranchers, and is unemployed as  
50.28 a result of general economic conditions in the community in which the individual resides  
50.29 or because of natural disasters;

50.30 ~~(5)~~ (4) is a veteran as defined by section 197.447, has been discharged or released from  
50.31 active duty under honorable conditions within the last 36 months, and (i) is unemployed or

51.1 (ii) is employed in a job verified to be below the skill level and earning capacity of the  
51.2 veteran;

51.3 ~~(6)~~ (5) is an individual determined by the United States Department of Labor to be  
51.4 covered by trade adjustment assistance under United States Code, title 19, sections 2271 to  
51.5 2331, as amended; or

51.6 ~~(7)~~ (6) is a displaced homemaker. A "displaced homemaker" is an individual who has  
51.7 spent a substantial number of years in the home providing homemaking service and (i) has  
51.8 been dependent upon the financial support of another; and now due to divorce, separation,  
51.9 death, or disability of that person, must find employment to self support; or (ii) derived the  
51.10 substantial share of support from public assistance on account of dependents in the home  
51.11 and no longer receives such support. To be eligible under this clause, the support must have  
51.12 ceased while the worker resided in Minnesota.

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

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

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

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

51.26 Sec. 13. Minnesota Statutes 2020, section 116L.17, subdivision 4, is amended to read:

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

51.29 (1) employment transition services such as developing readjustment plans for individuals;  
51.30 outreach and intake; early readjustment; job or career counseling; testing; orientation;  
51.31 assessment of skills and aptitudes; provision of occupational and labor market information;  
51.32 job placement assistance; job search; job development; prelayoff assistance; relocation  
51.33 assistance; programs provided in cooperation with employers or labor organizations to

52.1 provide early intervention in the event of plant closings or substantial layoffs; and  
52.2 entrepreneurial training and business consulting;

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

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

52.14 (4) long-term training in a new occupation or industry, including occupational skills  
52.15 training or customized training in an accredited program recognized by one or more relevant  
52.16 industries. Long-term training shall only be provided to dislocated workers whose skills are  
52.17 obsolete and who have no other transferable skills likely to result in employment at a  
52.18 comparable wage rate. Training shall only be provided for occupations or industries with  
52.19 reasonable expectations of job availability based on the service provider's thorough  
52.20 assessment of local labor market information where the individual currently resides or is  
52.21 willing to relocate. This clause shall not restrict training in personal services or other such  
52.22 industries; and

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

52.26 Sec. 14. Minnesota Statutes 2020, section 116L.20, subdivision 2, is amended to read:

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

52.31 (b) ~~All money in the fund not otherwise appropriated or transferred is appropriated to~~  
52.32 ~~the Job Skills Partnership Board for the purposes of section 116L.17 and as provided for in~~

53.1 ~~paragraph (d).~~ Of the money in the fund not otherwise appropriated or transferred by July  
53.2 1 of each year:

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

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

53.9 (3) up to 65 percent is appropriated to the commissioner for workforce development  
53.10 grants under subdivision 3.

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

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

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

53.24 Sec. 15. Minnesota Statutes 2020, section 116L.20, is amended by adding a subdivision  
53.25 to read:

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

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

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

54.3 (2) grants must be made for programs under sections 116L.362, 116L.561, 116L.562,  
54.4 116L.96, 116L.981, and 116L.99.

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

54.7 (1) 50 percent is for removing barriers to employment grants under section 116L.21;  
54.8 and

54.9 (2) 50 percent is for innovative employment solutions grants under section 116L.22.

54.10 (d) When making competitive grants for adult grantees, the commissioner shall benchmark  
54.11 outcomes against similar populations with similar barriers to employment. The commissioner  
54.12 must consider the following outcomes for competitive grant awards focused on adults: job  
54.13 placement and retention, wage levels, and credentials attainment. The commissioner must  
54.14 consider the following outcomes for competitive grant awards focused on youth: work  
54.15 readiness, credentials, and placement.

54.16 **Sec. 16. [116L.21] REMOVING BARRIERS TO EMPLOYMENT GRANT**  
54.17 **PROGRAM.**

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

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

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

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

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

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

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

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

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

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

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

55.11 (b) The commissioner must provide outreach and technical assistance to prospective  
55.12 applicants.

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

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

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

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

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

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

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

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

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

56.8 Sec. 17. **[116L.22] INNOVATIVE EMPLOYMENT SOLUTIONS GRANT**  
56.9 **PROGRAM.**

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

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

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

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

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

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

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

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

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

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

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



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

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

57.11 (b) The commissioner must provide outreach and technical assistance to prospective  
57.12 applicants.

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

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

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

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

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

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

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

Sec. 18. **[116L.23] GRANT REVIEW ADVISORY COUNCIL.**

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

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

(b) After the initial appointments, members of the advisory council shall be appointed no later than January 15 of every odd-numbered year and shall serve until January 15 of the next odd-numbered year. Members may be removed and vacancies filled as provided in section 15.059, subdivision 4. Appointed members are eligible for reappointment and shall serve until their successors have been appointed.

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

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

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

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

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

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

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

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

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

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

59.13 Sec. 19. Minnesota Statutes 2020, section 116L.40, is amended by adding a subdivision  
59.14 to read:

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

59.22 Sec. 20. Minnesota Statutes 2020, section 116L.40, subdivision 5, is amended to read:

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

59.25 Sec. 21. Minnesota Statutes 2020, section 116L.40, subdivision 6, is amended to read:

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

60.1 Sec. 22. Minnesota Statutes 2020, section 116L.40, subdivision 9, is amended to read:

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

60.6 Sec. 23. Minnesota Statutes 2020, section 116L.40, subdivision 10, is amended to read:

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

60.12 Sec. 24. Minnesota Statutes 2020, section 116L.41, subdivision 1, is amended to read:

60.13 Subdivision 1. **Service provision.** Upon request, the commissioner shall provide or  
60.14 coordinate the provision of program services under sections 116L.40 to 116L.42 to a business  
60.15 eligible for grants under this section ~~116L.42~~. The commissioner shall specify the form of  
60.16 and required information to be provided with applications for projects to be funded with  
60.17 grants under this section ~~116L.42~~.

60.18 Sec. 25. Minnesota Statutes 2020, section 116L.41, is amended by adding a subdivision  
60.19 to read:

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

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

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

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

61.1 Sec. 26. Minnesota Statutes 2020, section 116L.41, is amended by adding a subdivision  
61.2 to read:

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

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

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

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

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

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

61.20 Sec. 27. Minnesota Statutes 2020, section 116L.41, subdivision 2, is amended to read:

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

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

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

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

61.28 (4) provides that each employee ~~must be paid wages at least equal to the median hourly~~  
61.29 ~~wage for the county in which the job is located, as reported in the most recently available~~  
61.30 ~~data from the United States Bureau of the Census, plus benefits, by the earlier of the end~~  
61.31 ~~of the training period or 18 months of employment under the project~~ receiving training

62.1 through the project must be paid wages of at least 120 percent of the federal poverty  
62.2 guidelines for a family of four, plus benefits; and

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

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

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

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

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

62.14 Sec. 28. Minnesota Statutes 2020, section 116L.42, subdivision 1, is amended to read:

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

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

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

62.20 Sec. 29. Minnesota Statutes 2020, section 116L.42, subdivision 2, is amended to read:

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

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

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

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

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

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

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

63.2 Sec. 30. Minnesota Statutes 2020, section 116L.98, subdivision 1, is amended to read:

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

63.11 Sec. 31. Minnesota Statutes 2020, section 116L.98, subdivision 2, is amended to read:

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

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

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

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

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

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

63.29 Sec. 32. Minnesota Statutes 2020, section 116L.98, subdivision 3, is amended to read:

63.30 Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December  
63.31 31 of each even-numbered year, the commissioner must report to the chairs and ranking

64.1 minority members of the committees of the house of representatives and the senate having  
64.2 jurisdiction over economic development and workforce policy and finance the following  
64.3 information separately for each of the previous two fiscal or calendar years, for each program  
64.4 subject to the requirements of subdivision 1:

64.5 (1) the total number of participants enrolled;

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

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

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

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

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

64.15 (7) the total number of exited participants who completed training;

64.16 (8) the total number of exited participants who attained a credential;

64.17 (9) the total number of participants employed during three consecutive quarters  
64.18 immediately following the quarter of exit, by industry;

64.19 (10) the median wages of participants employed during three consecutive quarters  
64.20 immediately following the quarter of exit;

64.21 (11) the total number of participants employed during eight consecutive quarters  
64.22 immediately following the quarter of exit, by industry; and

64.23 (12) the median wages of participants employed during eight consecutive quarters  
64.24 immediately following the quarter of exit;

64.25 ~~(13) the total cost of the program;~~

64.26 ~~(14) the total cost of the program per participant;~~

64.27 ~~(15) the cost per credential received by a participant; and~~

64.28 ~~(16) the administrative cost of the program.~~

64.29 ~~(b)~~ The report to the legislature must contain participant information by education level,  
64.30 race and ethnicity, gender, and geography, and a comparison of exited participants who



65.1 completed training and those who did not. The report to the legislature shall include a  
65.2 summary of current program trends in the state that are relevant to workforce development  
65.3 and employment outcomes.

65.4 ~~(e)~~ The requirements of this section apply to programs administered directly by the  
65.5 commissioner or administered by other organizations under a grant made by the department.

65.6 (b) For youth workforce-related programs funded in whole or in part by state funds the  
65.7 following shall be reported:

65.8 (1) the total number of participants enrolled in training;

65.9 (2) the total number of participants who completed training;

65.10 (3) the total number of exited participants who have a placement in employment;

65.11 (4) the total number of exited participants who have a placement in post-secondary  
65.12 education;

65.13 (5) the total number of exited participants with a placement in occupational or vocational  
65.14 skills training, apprenticeship training, or military training;

65.15 (6) the total number of exited participants who have returned to school;

65.16 (7) the total number of exited participants who earned academic credit or service learning  
65.17 credit for work-based learning or participation in work experience;

65.18 (8) the total number of exited participants who have earned their high school diploma  
65.19 or GED;

65.20 (9) the total number of exited participants who have earned a certificate or  
65.21 industry-recognized credential; and

65.22 (10) the total number of exited participants who have completed and attained a work  
65.23 readiness skills training. "Work readiness" means a participant has the knowledge the  
65.24 participant needs in order to seek out employment. Activities, programs, or services must  
65.25 be designed to help an individual acquire a combination of basic academic skills, critical  
65.26 thinking skills, digital literacy skills, and self-management skills, including competencies  
65.27 in: (i) utilizing resources; (ii) using information; (iii) working with others; (iv) understanding  
65.28 systems; (v) skills necessary for successful transition into and completion of postsecondary  
65.29 education or training, or employment; and (vi) other employability skills. Competencies  
65.30 are measured through a pre- and post-training checklist completed and evaluated by  
65.31 employers.

66.1 Sec. 33. [116L.981] PATHWAYS TO PROSPERITY PROGRAM.

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

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

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

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

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

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

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

66.19 (6) enables an individual to attain a relevant academic award, certificate, or  
66.20 industry-recognized credential; and

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

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

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

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

66.31 Subd. 3. Competitive grant process. (a) The commissioner shall award grants to  
66.32 applicants through a competitive grant process. This process shall include an expedited

67.1 application process for previous grant recipients that operate career pathway programs that  
67.2 are aligned with current labor market needs and that are meeting or exceeding their  
67.3 performance goals related to training and placement for individuals facing multiple barriers  
67.4 to employment.

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

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

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

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

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

67.17 Sec. 34. Laws 2019, First Special Session chapter 7, article 2, section 8, is amended to  
67.18 read:

67.19 Sec. 8. **LAUNCH MINNESOTA.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) planned principal operations have not commenced; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

70.12 Subd. 4. **Administration.** (a) The ~~department~~ commissioner shall employ an executive  
70.13 director in the unclassified service, one staff member to support Launch Minnesota, and  
70.14 one staff member in the business and community development division to manage grants.  
70.15 The executive director shall:

70.16 (1) assist the commissioner and the advisory board in performing the duties of Launch  
70.17 Minnesota; and

70.18 (2) comply with all state and federal program requirements, and all state and federal  
70.19 securities and tax laws and regulations.

70.20 (b) ~~To the extent possible, the space that~~ Launch Minnesota ~~shall~~ may occupy and lease  
70.21 ~~must be physical space in a private coworking facility that includes office space for staff~~  
70.22 and space for community engagement for training entrepreneurs. The physical space leased  
70.23 under this paragraph is exempt from the requirements in Minnesota Statutes, section 16B.24,  
70.24 subdivision 6.

70.25 (c) At least three times per month, Launch Minnesota staff shall ~~visit~~ communicate with  
70.26 organizations in greater Minnesota that have received a grant under subdivision 7. To the  
70.27 extent possible, Launch Minnesota shall form partnerships with organizations located  
70.28 throughout the state.

70.29 (d) Launch Minnesota must accept grant applications under this section and provide  
70.30 funding recommendations to the commissioner; ~~who~~ and the commissioner shall distribute  
70.31 grants based in part on the recommendations.

71.1 Subd. 5. **Application process.** (a) The commissioner shall establish the application form  
71.2 and procedures for grants.

71.3 (b) Upon receiving recommendations from Launch Minnesota, the ~~department~~  
71.4 commissioner is responsible for evaluating all applications using evaluation criteria which  
71.5 shall be developed by Launch Minnesota in consultation with the advisory board ~~and the~~  
71.6 ~~commissioner~~.

71.7 (c) For grants under subdivision 6, priority shall be given if the applicant is:

71.8 (1) a business or entrepreneur located in greater Minnesota; or

71.9 (2) a business owner, individual with a disability, or entrepreneur who is a woman,  
71.10 veteran, or minority group member.

71.11 (d) For grants under subdivision 7, priority shall be given if the applicant is planning to  
71.12 serve:

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

71.14 (2) business owners, individuals with disabilities, or entrepreneurs who are women,  
71.15 veterans, or minority group members.

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

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

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

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

71.27 (b) The commissioner shall provide a grant of up to \$35,000 to an eligible business or  
71.28 entrepreneur for research and development expenses, direct business expenses, and the  
71.29 purchase of technical assistance or services from public higher education institutions and  
71.30 nonprofit entities. Research and development expenditures may include but are not limited  
71.31 to proof of concept activities, intellectual property protection, prototype designs and  
71.32 production, and commercial feasibility. Expenditures funded under this subdivision are not

eligible for the research and development tax credit under Minnesota Statutes, section 290.068. Direct business expenses may include rent, equipment purchases, and supplier invoices. Taxes imposed by federal, state, or local government entities may not be reimbursed under this paragraph. Technical assistance or services must be purchased to assist in the development or commercialization of a product or service to be eligible. Each business or entrepreneur may receive only one grant per biennium under this paragraph.

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

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

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

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

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

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

(1) development and delivery to ~~high~~ innovative technology businesses of industry specific or innovative product or process specific counseling on issues of business formation,



73.1 market structure, market research and strategies, securing first mover advantage or  
73.2 overcoming barriers to entry, protecting intellectual property, and securing debt or equity  
73.3 capital. This counseling is to be delivered in a classroom setting or using distance media  
73.4 presentations;

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

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

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

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

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

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

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

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

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

Sec. 35. **GRANT EXCEPTIONS.**

Notwithstanding Minnesota Statutes, sections 116J.8731, subdivision 5, and 116J.8748, subdivision 4, the commissioner may approve a Minnesota investment fund grant or job creation fund grant of up to \$2,000,000 for qualified applicants. This section expires July 1, 2022.

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

Sec. 36. **ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

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

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

Sec. 37. **REPEALER.**

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

## ARTICLE 4

## FAMILY AND MEDICAL BENEFITS

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

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

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

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

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

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

76.1 written notice of objection with the commissioner, the order becomes a final order of the  
76.2 commissioner.

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

76.4 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE**  
76.5 **TO EMPLOYEE.**

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

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

76.14 (1) the name of the employee;

76.15 (2) the rate or rates of pay and basis thereof, including whether the employee is paid by  
76.16 hour, shift, day, week, salary, piece, commission, or other method;

76.17 (3) allowances, if any, claimed pursuant to permitted meals and lodging;

76.18 (4) the total number of hours worked by the employee unless exempt from chapter 177;

76.19 (5) the total amount of gross pay earned by the employee during that period;

76.20 (6) a list of deductions made from the employee's pay;

76.21 (7) any amount deducted by the employer under section 268B.14, subdivision 3, and  
76.22 the amount paid by the employer based on the employee's wages under section 268B.14,  
76.23 subdivision 1;

76.24 ~~(7)~~ (8) the net amount of pay after all deductions are made;

76.25 ~~(8)~~ (9) the date on which the pay period ends;

76.26 ~~(9)~~ (10) the legal name of the employer and the operating name of the employer if  
76.27 different from the legal name;

76.28 ~~(10)~~ (11) the physical address of the employer's main office or principal place of business,  
76.29 and a mailing address if different; and

76.30 ~~(11)~~ (12) the telephone number of the employer.

(c) An employer must provide earnings statements to an employee in writing, rather than by electronic means, if the employer has received at least 24 hours notice from an employee that the employee would like to receive earnings statements in written form. Once an employer has received notice from an employee that the employee would like to receive earnings statements in written form, the employer must comply with that request on an ongoing basis.

(d) At the start of employment, an employer shall provide each employee a written notice containing the following information:

(1) the rate or rates of pay and basis thereof, including whether the employee is paid by the hour, shift, day, week, salary, piece, commission, or other method, and the specific application of any additional rates;

(2) allowances, if any, claimed pursuant to permitted meals and lodging;

(3) paid vacation, sick time, or other paid time-off accruals and terms of use;

(4) the employee's employment status and whether the employee is exempt from minimum wage, overtime, and other provisions of chapter 177, and on what basis;

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

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

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

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

(9) the telephone number of the employer.

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

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

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

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

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

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

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

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

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

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

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

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

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

78.31 (10) local and state welfare agencies for monitoring the eligibility of the data subject  
78.32 for assistance programs, or for any employment or training program administered by those

79.1 agencies, whether alone, in combination with another welfare agency, or in conjunction  
79.2 with the department or to monitor and evaluate the statewide Minnesota family investment  
79.3 program by providing data on recipients and former recipients of Supplemental Nutrition  
79.4 Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or  
79.5 256K, child care assistance under chapter 119B, or medical programs under chapter 256B  
79.6 or 256L or formerly codified under chapter 256D;

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

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

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

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

79.17 (15) the Department of Corrections for the purposes of case planning and internal research  
79.18 for preprobation, probation, and postprobation employment tracking of offenders sentenced  
79.19 to probation and preconfinement and postconfinement employment tracking of committed  
79.20 offenders;

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

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

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

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

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

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

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

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

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

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

|                                                             |                                      |
|-------------------------------------------------------------|--------------------------------------|
| 80.16 <u>If the application for family or medical leave</u> |                                      |
| 80.17 <u>benefits is effective on or between these</u>      |                                      |
| 80.18 <u>dates:</u>                                         | <u>The base period is the prior:</u> |
| 80.19 <u>February 1 to March 31</u>                         | <u>January 1 to December 31</u>      |
| 80.20 <u>May 1 to June 30</u>                               | <u>April 1 to March 31</u>           |
| 80.21 <u>August 1 to September 30</u>                       | <u>July 1 to June 30</u>             |
| 80.22 <u>November 1 to December 31</u>                      | <u>October 1 to September 30</u>     |

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

|                                                             |                                      |
|-------------------------------------------------------------|--------------------------------------|
| 80.28 <u>If the application for family or medical leave</u> |                                      |
| 80.29 <u>benefits is effective on or between these</u>      |                                      |
| 80.30 <u>dates:</u>                                         | <u>The base period is the prior:</u> |
| 80.31 <u>January 1 to January 31</u>                        | <u>October 1 to September 30</u>     |
| 80.32 <u>April 1 to April 30</u>                            | <u>January 1 to December 31</u>      |
| 80.33 <u>July 1 to July 31</u>                              | <u>April 1 to March 31</u>           |
| 80.34 <u>October 1 to October 31</u>                        | <u>July 1 to June 30</u>             |



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

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

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

81.16 (2) if an applicant was compensated for a loss of work of 14 to 26 weeks during a base  
81.17 period referred to in paragraph (a) or (b), then the base period is the first four of the most  
81.18 recent seven completed calendar quarters before the effective date of the application for  
81.19 family or medical leave benefits;

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

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

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

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

82.1 Subd. 7. **Benefit year.** "Benefit year" means the period of 52 calendar weeks beginning  
82.2 the date a benefit account under section 268B.04 is effective. For a benefit account established  
82.3 effective any January 1, April 1, July 1, or October 1, the benefit year will be a period of  
82.4 53 calendar weeks.

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

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

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

82.12 Subd. 11. **Calendar week.** "Calendar week" has the same meaning as "week" under  
82.13 subdivision 46.

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

82.16 Subd. 13. **Covered employment.** (a) "Covered employment" means performing services  
82.17 of whatever nature, unlimited by the relationship of master and servant as known to the  
82.18 common law, or any other legal relationship performed for wages or under any contract  
82.19 calling for the performance of services, written or oral, express or implied.

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

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

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

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

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

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

82.32 (1) a self-employed individual; or

83.1 (2) an independent contractor.

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

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

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

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

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

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

83.13 (3) any local government entity, including but not limited to a county, city, town, school  
83.14 district, municipal corporation, quasimunicipal corporation, or other political subdivision.  
83.15 An employer also includes charter schools.

83.16 (b) Employer does not include:

83.17 (1) the United States of America; or

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

83.20 Subd. 17. **Estimated self-employment income.** "Estimated self-employment income"  
83.21 means a self-employed individual's average net earnings from self-employment in the two  
83.22 most recent taxable years. For a self-employed individual who had net earnings from  
83.23 self-employment in only one of the years, the individual's estimated self-employment income  
83.24 equals the individual's net earnings from self-employment in the year in which the individual  
83.25 had net earnings from self-employment.

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

83.29 Subd. 19. **Family and medical benefit insurance enforcement account.** "Family and  
83.30 medical benefit insurance enforcement account" means the family and medical benefit  
83.31 insurance enforcement account in the state treasury under section 268B.185.

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

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

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

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

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

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

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

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

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

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

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

84.29 Subd. 26. **Independent contractor.** (a) If there is an existing specific test or definition  
84.30 for independent contractor in Minnesota statute or rule applicable to an occupation or sector  
84.31 as of the date of enactment of this chapter, that test or definition shall apply to that occupation

85.1 or sector for purposes of this chapter. If there is not an existing test or definition as described,  
85.2 the definition for independent contractor shall be as provided in this subdivision.

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

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

85.8 (2) the individual:

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

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

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

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

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

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

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

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

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

85.28 (c) For the purposes of this chapter, an insurance producer, as defined in section 60K.31,  
85.29 subdivision 6, is an independent contractor of an insurance company, as defined in section  
85.30 60A.02, subdivision 4, unless the insurance producer and insurance company agree otherwise.

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

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

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

86.9 Subd. 30. **Net earnings from self-employment.** "Net earnings from self-employment"  
86.10 has the meaning given in section 1402 of the Internal Revenue Code, as defined in section  
86.11 290.01, subdivision 31.

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

86.14 Subd. 32. **Qualifying exigency.** (a) "Qualifying exigency" means a need arising out of  
86.15 a military member's active duty service or notice of an impending call or order to active  
86.16 duty in the United States armed forces, including providing for the care or other needs of  
86.17 the family member's child or other dependent, making financial or legal arrangements for  
86.18 the family member, attending counseling, attending military events or ceremonies, spending  
86.19 time with the family member during a rest and recuperation leave or following return from  
86.20 deployment, or making arrangements following the death of the military member.

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

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

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

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

86.31 (3) obtain psychological or other counseling;

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

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

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

87.8 Subd. 35. **Self-employment premium base.** "Self-employment premium base" means  
87.9 the lesser of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

89.8 Subd. 41. **Taxable wages.** "Taxable wages" means those wages paid to an employee in  
89.9 covered employment each calendar year up to an amount equal to the maximum wages  
89.10 subject to premium in a calendar year, which is equal to the maximum earnings in that year  
89.11 subject to the FICA Old-Age, Survivors, and Disability Insurance tax rounded to the nearest  
89.12 \$1,000.

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

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

89.16 (2) 40 hours for a salaried employee, regardless of the number of hours the salaried  
89.17 employee typically works.

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

89.20 Subd. 44. **Wage detail report.** "Wage detail report" means the report on each employee  
89.21 in covered employment required from an employer on a calendar quarter basis under section  
89.22 268B.12.

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

89.30 (1) the amount of any payment made to, or on behalf of, an employee under a plan  
89.31 established by an employer that makes provision for employees generally or for a class or  
89.32 classes of employees, including any amount paid by an employer for insurance or annuities,

90.1 or into a plan, to provide for a payment, on account of (i) retirement, (ii) medical and  
90.2 hospitalization expenses in connection with sickness or accident disability, or (iii) death;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

91.32 (d) Wages includes payments made for services as a caretaker. Unless there is a contract  
91.33 or other proof to the contrary, compensation is considered as being equally received by a

92.1 married couple where the employer makes payment to only one spouse, or by all tenants of  
92.2 a household who perform services where two or more individuals share the same dwelling  
92.3 and the employer makes payment to only one individual.

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

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

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

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

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

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

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

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

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

92.26 (1) that have been actually paid; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

93.28 (2) the applicant has met all of the ongoing eligibility requirements under section  
93.29 268B.06;

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

94.1 (4) the applicant has not been held ineligible for benefits under section 268.07, subdivision  
94.2 2; and

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

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

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

94.17 Subdivision 1. **Application for benefits; determination of benefit account.** (a) An  
94.18 application for benefits may be filed in person, by mail, or by electronic transmission as the  
94.19 commissioner may require. The applicant must include certification supporting a request  
94.20 for leave under this chapter. The applicant must meet eligibility requirements at the time  
94.21 the application is filed and must provide all requested information in the manner required.  
94.22 If the applicant does not meet eligibility at the time of the application or fails to provide all  
94.23 requested information, the communication is not an application for family and medical leave  
94.24 benefits.

94.25 (b) The commissioner must examine each application for benefits to determine the base  
94.26 period and the benefit year, and based upon all the covered employment in the base period  
94.27 the commissioner must determine the weekly benefit amount available, if any, and the  
94.28 maximum amount of benefits available, if any. The determination, which is a document  
94.29 separate and distinct from a document titled a determination of eligibility or determination  
94.30 of ineligibility, must be titled determination of benefit account. A determination of benefit  
94.31 account must be sent to the applicant and all base period employers, by mail or electronic  
94.32 transmission.

94.33 (c) If a base period employer did not provide wage detail information for the applicant  
94.34 as required under section 268B.12, the commissioner may accept an applicant certification

95.1 of wage credits, based upon the applicant's records, and issue a determination of benefit  
95.2 account.

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

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

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

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

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

95.33 (1) 90 percent of wages that do not exceed 50 percent of the state's average weekly wage;  
95.34 plus

96.1 (2) 66 percent of wages that exceed 50 percent of the state's average weekly wage but  
96.2 not 100 percent; plus

96.3 (3) 55 percent of wages that exceed 100 percent of the state's average weekly wage.

96.4 (b) The state's average weekly wage is the average wage as calculated under section  
96.5 268.035, subdivision 23, at the time a benefit amount is first determined.

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

96.8 (d) The state's maximum weekly benefit amount, computed in accordance with section  
96.9 268.035, subdivision 23, applies to a benefit account established effective on or after the  
96.10 last Sunday in October. Once established, an applicant's weekly benefit amount is not  
96.11 affected by the last Sunday in October change in the state's maximum weekly benefit amount.

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

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

96.15 (2) the employee uses paid sick leave, paid vacation leave, or other paid time off that is  
96.16 not considered a supplemental benefit payment as defined in section 268B.01, subdivision  
96.17 37.

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

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

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

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

96.31 Subd. 7. **Right of appeal.** (a) A determination or amended determination of benefit  
96.32 account is final unless an applicant files an appeal within 20 calendar days after the sending



97.1 of the determination or amended determination. Every determination or amended  
97.2 determination of benefit account must contain a prominent statement indicating in clear  
97.3 language the consequences of not appealing. Proceedings on the appeal are conducted in  
97.4 accordance with section 268B.08.

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

97.8 Subd. 8. **Limitations on applications and benefit accounts.** (a) An application for  
97.9 family or medical leave benefits is effective the Sunday of the calendar week that the  
97.10 application was filed. An application for benefits may be backdated one calendar week  
97.11 before the Sunday of the week the application was actually filed if the applicant requests  
97.12 the backdating within seven calendar days of the date the application is filed. An application  
97.13 may be backdated only if the applicant was eligible for the benefit during the period of the  
97.14 backdating. If an individual attempted to file an application for benefits, but was prevented  
97.15 from filing an application by the department, the application is effective the Sunday of the  
97.16 calendar week the individual first attempted to file an application.

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

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

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

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

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

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

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

97.30 A continued request for family or medical leave benefits is a certification by an applicant,  
97.31 done on a weekly basis, that the applicant is unable to perform usual work due to a qualifying

98.1 event and meets the ongoing eligibility requirements for benefits under section 268B.06. A  
98.2 continued request must include information on possible issues of ineligibility.

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

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

98.7 (1) the applicant has filed a continued request for benefits for that week under section  
98.8 268B.05;

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

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

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

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

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

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

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

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

98.29 Subd. 3. **Certification.** (a) Certification for an applicant taking leave related to the  
98.30 applicant's serious health condition shall be sufficient if the certification states the date on  
98.31 which the serious health condition began, the probable duration of the condition, and the

99.1 appropriate medical facts within the knowledge of the health care provider as required by  
99.2 the commissioner.

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

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

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

99.16 (e) Certification for an applicant taking bonding leave because of the placement of a  
99.17 child with the applicant for adoption or foster care shall be sufficient if the applicant provides  
99.18 a document issued by the health care provider of the child, an adoption or foster care agency  
99.19 involved in the placement, or by other individuals as determined by the commissioner that  
99.20 confirms the placement and the date of placement. To the extent that the status of an applicant  
99.21 as an adoptive or foster parent changes while an application for benefits is pending, or while  
99.22 the covered individual is receiving benefits, the applicant must notify the department of  
99.23 such change in status in writing.

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

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

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

99.28 (3) other documentation permitted by the commissioner.

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

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

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

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

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

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

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

(4) for which the applicant worked for pay.

Subd. 5. **Vacation, sick leave, and supplemental benefit payments.** (a) An applicant is not eligible to receive benefits for any portion of a typical workweek the applicant is receiving, has received, or will receive vacation pay, sick pay, or personal time off pay, also known as "PTO."

(b) Paragraph (a) does not apply:

(1) upon a permanent separation from employment;

(2) to payments from a vacation fund administered by a union or a third party not under the control of the employer; or

(3) to supplemental benefit payments, as defined in section 268B.01, subdivision 37.

(c) Payments under this subdivision are applied to the period immediately following the later of the date of separation from employment or the date the applicant first becomes aware that the employer will be making a payment. The date the payment is actually made or received, or that an applicant must agree to a release of claims, does not affect the application of this subdivision.

Subd. 6. **Workers' compensation and disability insurance offset.** (a) An applicant is not eligible to receive benefits for any portion of a week in which the applicant is receiving or has received compensation for loss of wages equal to or in excess of the applicant's weekly family or medical leave benefit amount under:

101.1 (1) the workers' compensation law of this state;

101.2 (2) the workers' compensation law of any other state or similar federal law; or

101.3 (3) any insurance or trust fund paid in whole or in part by an employer.

101.4 (b) This subdivision does not apply to an applicant who has a claim pending for loss of  
101.5 wages under paragraph (a). If the applicant later receives compensation as a result of the  
101.6 pending claim, the applicant is subject to paragraph (a) and the family or medical leave  
101.7 benefits paid are overpaid benefits under section 268B.185.

101.8 (c) If the amount of compensation described under paragraph (a) for any week is less  
101.9 than the applicant's weekly family or medical leave benefit amount, benefits requested for  
101.10 that week are reduced by the amount of that compensation payment.

101.11 Subd. 7. **Separation, severance, or bonus payments.** (a) An applicant is not eligible  
101.12 to receive benefits for any week the applicant is receiving, has received, or will receive  
101.13 separation pay, severance pay, bonus pay, or any other payments paid by an employer  
101.14 because of, upon, or after separation from employment. This subdivision applies if the  
101.15 payment is:

101.16 (1) considered wages under section 268B.01, subdivision 43; or

101.17 (2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social  
101.18 Security and Medicare.

101.19 (b) Payments under this subdivision are applied to the period immediately following the  
101.20 later of the date of separation from employment or the date the applicant first becomes  
101.21 aware that the employer will be making a payment. The date the payment is actually made  
101.22 or received, or that an applicant must agree to a release of claims, does not affect the  
101.23 application of this paragraph.

101.24 (c) This subdivision does not apply to vacation pay, sick pay, personal time off pay, or  
101.25 supplemental benefit payment under subdivision 4.

101.26 (d) This subdivision applies to all the weeks of payment.

101.27 (e) Under this subdivision, if the payment with respect to a week is equal to or more  
101.28 than the applicant's weekly benefit amount, the applicant is ineligible for benefits for that  
101.29 week. If the payment with respect to a week is less than the applicant's weekly benefit  
101.30 amount, benefits are reduced by the amount of the payment.

Subd. 8. Social Security disability benefits. (a) An applicant who is receiving, has received, or has filed for primary Social Security disability benefits for any week is ineligible for benefits for that week, unless:

(1) the Social Security Administration approved the collecting of primary Social Security disability benefits each month the applicant was employed during the base period; or

(2) the applicant provides a statement from an appropriate health care professional who is aware of the applicant's Social Security disability claim and the basis for that claim, certifying that the applicant is available for suitable employment.

(b) If an applicant meets the requirements of paragraph (a), clause (1) or (2), there is no deduction from the applicant's weekly benefit amount for any Social Security disability benefits.

(c) Information from the Social Security Administration is conclusive, absent specific evidence showing that the information was erroneous.

**Sec. 11. [268B.07] DETERMINATION ON ISSUES OF ELIGIBILITY.**

Subdivision 1. Employer notification. (a) Upon a determination that an applicant is entitled to benefits, the commissioner must promptly send a notification to each current employer of the applicant, if any, in accordance with paragraph (b).

(b) The notification under paragraph (a) must include, at a minimum:

(1) the name of the applicant;

(2) that the applicant has applied for and received benefits;

(3) the week the benefits commence;

(4) the weekly benefit amount payable; and

(5) the maximum duration of benefits.

Subd. 2. Determination. (a) The commissioner must determine any issue of ineligibility raised by information required from an applicant and send to the applicant and any current base period employer, by mail or electronic transmission, a document titled a determination of eligibility or a determination of ineligibility, as is appropriate, within two weeks.

(b) If an applicant obtained benefits through misrepresentation, the department is authorized to issue a determination of ineligibility within 48 months of the establishment of the benefit account.

103.1 (c) If the department has filed an intervention in a worker's compensation matter under  
103.2 section 176.361, the department is authorized to issue a determination of ineligibility within  
103.3 48 months of the establishment of the benefit account.

103.4 (d) A determination of eligibility or determination of ineligibility is final unless an appeal  
103.5 is filed by the applicant within 20 calendar days after sending. The determination must  
103.6 contain a prominent statement indicating the consequences of not appealing. Proceedings  
103.7 on the appeal are conducted in accordance with section 268B.08.

103.8 (e) An issue of ineligibility required to be determined under this section includes any  
103.9 question regarding the denial or allowing of benefits under this chapter.

103.10 Subd. 3. **Amended determination.** Unless an appeal has been filed, the commissioner,  
103.11 on the commissioner's own motion, may reconsider a determination of eligibility or  
103.12 determination of ineligibility that has not become final and issue an amended determination.  
103.13 Any amended determination must be sent to the applicant and any employer in the current  
103.14 base period by mail or electronic transmission. Any amended determination is final unless  
103.15 an appeal is filed by the applicant within 20 calendar days after sending. Proceedings on  
103.16 the appeal are conducted in accordance with section 268B.08.

103.17 Subd. 4. **Benefit payment.** If a determination or amended determination allows benefits  
103.18 to an applicant, the family or medical leave benefits must be paid regardless of any appeal  
103.19 period or any appeal having been filed.

103.20 Subd. 5. **Overpayment.** A determination or amended determination that holds an  
103.21 applicant ineligible for benefits for periods an applicant has been paid benefits is an  
103.22 overpayment of those family or medical leave benefits. A determination or amended  
103.23 determination issued under this section that results in an overpayment of benefits must set  
103.24 out the amount of the overpayment and the requirement that the overpaid benefits must be  
103.25 repaid according to section 268B.185.

103.26 Sec. 12. **[268B.08] APPEAL PROCESS.**

103.27 Subdivision 1. **Hearing.** (a) The commissioner shall designate a chief benefit judge.

103.28 (b) Upon a timely appeal to a determination having been filed or upon a referral for  
103.29 direct hearing, the chief benefit judge must set a time and date for a de novo due-process  
103.30 hearing and send notice to an applicant and an employer, by mail or electronic transmission,  
103.31 not less than ten calendar days before the date of the hearing.

103.32 (c) The commissioner may adopt rules on procedures for hearings. The rules need not  
103.33 conform to common law or statutory rules of evidence and other technical rules of procedure.

104.1 (d) The chief benefit judge has discretion regarding the method by which the hearing is  
104.2 conducted.

104.3 Subd. 2. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained,  
104.4 the benefit judge must serve by mail or electronic transmission to all parties the decision,  
104.5 reasons for the decision, and written findings of fact.

104.6 (b) Decisions of a benefit judge are not precedential.

104.7 Subd. 3. **Request for reconsideration.** Any party, or the commissioner, may, within  
104.8 30 calendar days after service of the benefit judge's decision, file a request for reconsideration  
104.9 asking the judge to reconsider that decision.

104.10 Subd. 4. **Appeal to court of appeals.** Any final determination on a request for  
104.11 reconsideration may be appealed by any party directly to the Minnesota Court of Appeals.

104.12 Subd. 5. **Benefit judges.** (a) Only employees of the department who are attorneys licensed  
104.13 to practice law in Minnesota may serve as a chief benefit judge, senior benefit judges who  
104.14 are supervisors, or benefit judges.

104.15 (b) The chief benefit judge must assign a benefit judge to conduct a hearing and may  
104.16 transfer to another benefit judge any proceedings pending before another benefit judge.

104.17 Sec. 13. **[268B.085] LEAVE.**

104.18 Subdivision 1. **Right to leave.** Ninety calendar days from the date of hire, an employee  
104.19 has a right to leave from employment for any day, or portion of a day, for which the employee  
104.20 would be eligible for benefits under this chapter, regardless of whether the employee actually  
104.21 applied for benefits and regardless of whether the employee is covered under a private plan  
104.22 or the public program under this chapter.

104.23 Subd. 2. **Notice to employer.** (a) If the need for leave is foreseeable, an employee must  
104.24 provide the employer at least 30 days' advance notice before leave under this chapter is to  
104.25 begin. If 30 days' notice is not practicable because of a lack of knowledge of approximately  
104.26 when leave will be required to begin, a change in circumstances, or a medical emergency,  
104.27 notice must be given as soon as practicable. Whether leave is to be continuous or is to be  
104.28 taken intermittently or on a reduced-schedule basis, notice need only be given one time, but  
104.29 the employee must advise the employer as soon as practicable if dates of scheduled leave  
104.30 change or are extended, or were initially unknown. In those cases where the employee is  
104.31 required to provide at least 30 days' notice of foreseeable leave and does not do so, the  
104.32 employee must explain the reasons why notice was not practicable upon request from the  
104.33 employer.



105.1 (b) "As soon as practicable" means as soon as both possible and practical, taking into  
105.2 account all of the facts and circumstances in the individual case. When an employee becomes  
105.3 aware of a need for leave under this chapter less than 30 days in advance, it should be  
105.4 practicable for the employee to provide notice of the need for leave either the same day or  
105.5 the next day, unless the need for leave is based on a medical emergency. In all cases,  
105.6 however, the determination of when an employee could practicably provide notice must  
105.7 take into account the individual facts and circumstances.

105.8 (c) An employee shall provide at least verbal notice sufficient to make the employer  
105.9 aware that the employee needs leave allowed under this chapter and the anticipated timing  
105.10 and duration of the leave. An employer may require an employee giving notice of leave to  
105.11 include a certification for the leave as described in section 268B.06, subdivision 3. Such  
105.12 certification, if required by an employer, is timely when the employee delivers it as soon  
105.13 as practicable given the circumstances requiring the need for leave, and the required contents  
105.14 of the certification.

105.15 (d) An employer may require an employee to comply with the employer's usual and  
105.16 customary notice and procedural requirements for requesting leave, absent unusual  
105.17 circumstances or other circumstances caused by the reason for the employee's need for  
105.18 leave. Leave under this chapter must not be delayed or denied where an employer's usual  
105.19 and customary notice or procedural requirements require notice to be given sooner than set  
105.20 forth in this subdivision.

105.21 (e) If an employer has failed to provide notice to the employee as required under section  
105.22 268B.26, paragraph (a), (b), or (c), the employee is not required to comply with the notice  
105.23 requirements of this subdivision.

105.24 Subd. 3. **Bonding leave.** Bonding leave taken under this chapter begins at a time requested  
105.25 by the employee. Bonding leave must begin within 12 months of the birth, adoption, or  
105.26 placement of a foster child, except that, in the case where the child must remain in the  
105.27 hospital longer than the mother, the leave must begin within 12 months after the child leaves  
105.28 the hospital.

105.29 Subd. 4. **Intermittent or reduced-leave schedule.** (a) Leave under this chapter, based  
105.30 on a serious health condition, may be taken intermittently or on a reduced-leave schedule  
105.31 if such leave would be medically beneficial to the individual with the serious health condition.  
105.32 For all other leaves under this chapter, leave may be taken intermittently or on a  
105.33 reduced-leave schedule. Intermittent leave is leave taken in separate blocks of time due to

a single, seven-day qualifying event. A reduced-leave schedule is a leave schedule that reduces an employee's usual number of working hours per workweek or hours per workday.

(b) Leave taken intermittently or on a reduced-schedule basis counts toward the maximums described in section 268B.04, subdivision 5.

Sec. 14. **[268B.09] EMPLOYMENT PROTECTIONS.**

Subdivision 1. **Retaliation prohibited.** An employer must not retaliate against an employee for requesting or obtaining benefits, or for exercising any other right under this chapter.

Subd. 2. **Interference prohibited.** An employer must not obstruct or impede an application for leave or benefits or the exercise of any other right under this chapter.

Subd. 3. **Waiver of rights void.** Any agreement to waive, release, or commute rights to benefits or any other right under this chapter is void.

Subd. 4. **No assignment of benefits.** Any assignment, pledge, or encumbrance of benefits is void. Benefits are exempt from levy, execution, attachment, or any other remedy provided for the collection of debt. Any waiver of this subdivision is void.

Subd. 5. **Continued insurance.** During any leave for which an employee is entitled to benefits under this chapter, the employer must maintain coverage under any group insurance policy, group subscriber contract, or health care plan for the employee and any dependents as if the employee was not on leave, provided, however, that the employee must continue to pay any employee share of the cost of such benefits.

Subd. 6. **Employee right to reinstatement.** (a) On return from leave under this chapter, an employee is entitled to be returned to the same position the employee held when leave commenced or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment. An employee is entitled to reinstatement even if the employee has been replaced or the employee's position has been restructured to accommodate the employee's absence.

(b)(1) An equivalent position is one that is virtually identical to the employee's former position in terms of pay, benefits, and working conditions, including privileges, prerequisites, and status. It must involve the same or substantially similar duties and responsibilities, which must entail substantially equivalent skill, effort, responsibility, and authority.

(2) If an employee is no longer qualified for the position because of the employee's inability to attend a necessary course, renew a license, fly a minimum number of hours, or

107.1 similar condition, as a result of the leave, the employee must be given a reasonable  
107.2 opportunity to fulfill those conditions upon return from leave.

107.3 (c)(1) An employee is entitled to any unconditional pay increases which may have  
107.4 occurred during the leave period, such as cost of living increases. Pay increases conditioned  
107.5 upon seniority, length of service, or work performed must be granted in accordance with  
107.6 the employer's policy or practice with respect to other employees on an equivalent leave  
107.7 status for a reason that does not qualify for leave under this chapter. An employee is entitled  
107.8 to be restored to a position with the same or equivalent pay premiums, such as a shift  
107.9 differential. If an employee departed from a position averaging ten hours of overtime, and  
107.10 corresponding overtime pay, each week an employee is ordinarily entitled to such a position  
107.11 on return from leave under this chapter.

107.12 (2) Equivalent pay includes any bonus or payment, whether it is discretionary or  
107.13 nondiscretionary, made to employees consistent with clause (1). If a bonus or other payment  
107.14 is based on the achievement of a specified goal such as hours worked, products sold, or  
107.15 perfect attendance, and the employee has not met the goal due to leave under this chapter,  
107.16 the payment may be denied, unless otherwise paid to employees on an equivalent leave  
107.17 status for a reason that does not qualify for leave under this chapter.

107.18 (d) Benefits under this section include all benefits provided or made available to  
107.19 employees by an employer, including group life insurance, health insurance, disability  
107.20 insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether  
107.21 benefits are provided by a practice or written policy of an employer through an employee  
107.22 benefit plan as defined in section 3(3) of United States Code, title 29, section 1002(3).

107.23 (1) At the end of an employee's leave under this chapter, benefits must be resumed in  
107.24 the same manner and at the same levels as provided when the leave began, and subject to  
107.25 any changes in benefit levels that may have taken place during the period of leave affecting  
107.26 the entire workforce, unless otherwise elected by the employee. Upon return from a leave  
107.27 under this chapter, an employee must not be required to requalify for any benefits the  
107.28 employee enjoyed before leave began, including family or dependent coverages.

107.29 (2) An employee may, but is not entitled to, accrue any additional benefits or seniority  
107.30 during a leave under this chapter. Benefits accrued at the time leave began must be available  
107.31 to an employee upon return from leave.

107.32 (3) With respect to pension and other retirement plans, leave under this chapter must  
107.33 not be treated as or counted toward a break in service for purposes of vesting and eligibility  
107.34 to participate. If the plan requires an employee to be employed on a specific date in order

108.1 to be credited with a year of service for vesting, contributions, or participation purposes,  
108.2 an employee on leave under this chapter must be treated as employed on that date. Periods  
108.3 of leave under this chapter need not be treated as credited service for purposes of benefit  
108.4 accrual, vesting, and eligibility to participate.

108.5 (4) Employees on leave under this chapter must be treated as if they continued to work  
108.6 for purposes of changes to benefit plans. Employees on leave under this chapter are entitled  
108.7 to changes in benefit plans, except those which may be dependent upon seniority or accrual  
108.8 during the leave period, immediately upon return from leave or to the same extent they  
108.9 would have qualified if no leave had been taken.

108.10 (e) An equivalent position must have substantially similar duties, conditions,  
108.11 responsibilities, privileges, and status as the employee's original position.

108.12 (1) The employee must be reinstated to the same or a geographically proximate worksite  
108.13 from where the employee had previously been employed. If the employee's original worksite  
108.14 has been closed, the employee is entitled to the same rights as if the employee had not been  
108.15 on leave when the worksite closed.

108.16 (2) The employee is ordinarily entitled to return to the same shift or the same or an  
108.17 equivalent work schedule.

108.18 (3) The employee must have the same or an equivalent opportunity for bonuses,  
108.19 profit-sharing, and other similar discretionary and nondiscretionary payments.

108.20 (4) This chapter does not prohibit an employer from accommodating an employee's  
108.21 request to be restored to a different shift, schedule, or position which better suits the  
108.22 employee's personal needs on return from leave, or to offer a promotion to a better position.  
108.23 However, an employee must not be induced by the employer to accept a different position  
108.24 against the employee's wishes.

108.25 (f) The requirement that an employee be restored to the same or equivalent job with the  
108.26 same or equivalent pay, benefits, and terms and conditions of employment does not extend  
108.27 to de minimis, intangible, or unmeasurable aspects of the job.

108.28 Subd. 7. **Limitations on an employee's right to reinstatement.** An employee has no  
108.29 greater right to reinstatement or to other benefits and conditions of employment than if the  
108.30 employee had been continuously employed during the period of leave under this chapter.  
108.31 An employer must be able to show that an employee would not otherwise have been  
108.32 employed at the time reinstatement is requested in order to deny restoration to employment.

(1) If an employee is laid off during the course of taking a leave under this chapter and employment is terminated, the employer's responsibility to continue the leave, maintain group health plan benefits, and restore the employee cease at the time the employee is laid off, provided the employer has no continuing obligations under a collective bargaining agreement or otherwise. An employer would have the burden of proving that an employee would have been laid off during the period of leave under this chapter and, therefore, would not be entitled to restoration. Restoration to a job slated for layoff when the employee's original position would not meet the requirements of an equivalent position.

(2) If a shift has been eliminated or overtime has been decreased, an employee would not be entitled to return to work that shift or the original overtime hours upon restoration. However, if a position on, for example, a night shift has been filled by another employee, the employee is entitled to return to the same shift on which employed before taking leave under this chapter.

(3) If an employee was hired for a specific term or only to perform work on a discrete project, the employer has no obligation to restore the employee if the employment term or project is over and the employer would not otherwise have continued to employ the employee.

Subd. 8. Remedies. (a) In addition to any other remedies available to an employee in law or equity, an employer who violates the provisions of this section is liable to any employee affected for:

(1) damages equal to the amount of:

(i) any wages, salary, employment benefits, or other compensation denied or lost to such employee by reason of the violation, or, in cases in which wages, salary, employment benefits, or other compensation have not been denied or lost to the employee, any actual monetary losses sustained by the employee as a direct result of the violation; and

(ii) reasonable interest on the amount described in item (i); and

(2) such equitable relief as may be appropriate, including employment, reinstatement, and promotion.

(b) An action to recover damages or equitable relief prescribed in paragraph (a) may be maintained against any employer in any federal or state court of competent jurisdiction by any one or more employees for and on behalf of:

(1) the employees; or

(2) the employees and other employees similarly situated.

(c) The court in an action under this section must, in addition to any judgment awarded to the plaintiff or plaintiffs, allow reasonable attorney fees, reasonable expert witness fees, and other costs of the action to be paid by the defendant.

(d) Nothing in this section shall be construed to allow an employee to recover damages from an employer for the denial of benefits under this chapter by the department, unless the employer unlawfully interfered with the application for benefits under subdivision 2.

Sec. 15. **[268B.10] SUBSTITUTION OF A PRIVATE PLAN.**

Subdivision 1. **Application for substitution.** Employers may apply to the commissioner for approval to meet their obligations under this chapter through the substitution of a private plan that provides paid family, paid medical, or paid family and medical benefits. In order to be approved as meeting an employer's obligations under this chapter, a private plan must confer all of the same rights, protections, and benefits provided to employees under this chapter, including but not limited to benefits under section 268B.04 and employment protections under section 268B.09. An employee covered by a private plan under this section retains all applicable rights and remedies under section 268B.09.

Subd. 2. **Private plan requirements; medical benefit program.** (a) The commissioner must approve an application for private provision of the medical benefit program if the commissioner determines:

(1) all of the employees of the employer are to be covered under the provisions of the employer plan;

(2) eligibility requirements for benefits and leave are no more restrictive than as provided under this chapter;

(3) the weekly benefits payable under the private plan for any week are at least equal to the weekly benefit amount payable under this chapter, taking into consideration any coverage with respect to concurrent employment by another employer;

(4) the total number of weeks for which benefits are payable under the private plan is at least equal to the total number of weeks for which benefits would have been payable under this chapter;

(5) no greater amount is required to be paid by employees toward the cost of benefits under the employer plan than by this chapter;

(6) wage replacement benefits are stated in the plan separately and distinctly from other benefits;

111.1 (7) the private plan will provide benefits and leave for any serious health condition or  
111.2 pregnancy for which benefits are payable, and leave provided, under this chapter;

111.3 (8) the private plan will impose no additional condition or restriction on the use of  
111.4 medical benefits beyond those explicitly authorized by this chapter or regulations  
111.5 promulgated pursuant to this chapter;

111.6 (9) the private plan will allow any employee covered under the private plan who is  
111.7 eligible to receive medical benefits under this chapter to receive medical benefits under the  
111.8 employer plan; and

111.9 (10) coverage will continue under the private plan while an employee remains employed  
111.10 by the employer.

111.11 (b) Notwithstanding paragraph (a), a private plan may provide shorter durations of leave  
111.12 and benefit eligibility if the total dollar value of wage replacement benefits under the private  
111.13 plan for an employee for any particular qualifying event meets or exceeds what the total  
111.14 dollar value would be under the public family and medical benefit program.

111.15 Subd. 3. **Private plan requirements; family benefit program.** (a) The commissioner  
111.16 must approve an application for private provision of the family benefit program if the  
111.17 commissioner determines:

111.18 (1) all of the employees of the employer are to be covered under the provisions of the  
111.19 employer plan;

111.20 (2) eligibility requirements for benefits and leave are no more restrictive than as provided  
111.21 under this chapter;

111.22 (3) the weekly benefits payable under the private plan for any week are at least equal to  
111.23 the weekly benefit amount payable under this chapter, taking into consideration any coverage  
111.24 with respect to concurrent employment by another employer;

111.25 (4) the total number of weeks for which benefits are payable under the private plan is  
111.26 at least equal to the total number of weeks for which benefits would have been payable  
111.27 under this chapter;

111.28 (5) no greater amount is required to be paid by employees toward the cost of benefits  
111.29 under the employer plan than by this chapter;

111.30 (6) wage replacement benefits are stated in the plan separately and distinctly from other  
111.31 benefits;

112.1 (7) the private plan will provide benefits and leave for any care for a family member  
112.2 with a serious health condition, bonding with a child, qualifying exigency, or safety leave  
112.3 event for which benefits are payable, and leave provided, under this chapter;

112.4 (8) the private plan will impose no additional condition or restriction on the use of family  
112.5 benefits beyond those explicitly authorized by this chapter or regulations promulgated  
112.6 pursuant to this chapter;

112.7 (9) the private plan will allow any employee covered under the private plan who is  
112.8 eligible to receive medical benefits under this chapter to receive medical benefits under the  
112.9 employer plan; and

112.10 (10) coverage will continue under the private plan while an employee remains employed  
112.11 by the employer.

112.12 (b) Notwithstanding paragraph (a), a private plan may provide shorter durations of leave  
112.13 and benefit eligibility if the total dollar value of wage replacement benefits under the private  
112.14 plan for an employee for any particular qualifying event meets or exceeds what the total  
112.15 dollar value would be under the public family and medical benefit program.

112.16 Subd. 4. **Use of private insurance products.** Nothing in this section prohibits an  
112.17 employer from meeting the requirements of a private plan through a private insurance  
112.18 product. If the employer plan involves a private insurance product, that insurance product  
112.19 must conform to any applicable law or rule.

112.20 Subd. 5. **Private plan approval and oversight fee.** An employer with an approved  
112.21 private plan is not required to pay premiums established under section 268B.14. An employer  
112.22 with an approved private plan is responsible for a private plan approval and oversight fee  
112.23 equal to \$250 for employers with fewer than 50 employees, \$500 for employers with 50 to  
112.24 499 employees, and \$1,000 for employers with 500 or more employees. The employer must  
112.25 pay this fee (1) upon initial application for private plan approval, and (2) any time the  
112.26 employer applies to amend the private plan. The commissioner must review and report on  
112.27 the adequacy of this fee to cover private plan administrative costs annually beginning October  
112.28 1, 2022, as part of the annual report established in section 268B.21.

112.29 Subd. 6. **Plan duration.** A private plan under this section must be in effect for a period  
112.30 of at least one year and, thereafter, continuously unless the commissioner finds that the  
112.31 employer has given notice of withdrawal from the plan in a manner specified by the  
112.32 commissioner in this section or rule. The plan may be withdrawn by the employer within  
112.33 30 days of the effective date of any law increasing the benefit amounts or within 30 days  
112.34 of the date of any change in the rate of premiums. If the plan is not withdrawn, it must be



113.1 amended to conform to provide the increased benefit amount or change in the rate of the  
113.2 employee's premium on the date of the increase or change.

113.3 Subd. 7. **Appeals.** An employer may appeal any adverse action regarding that employer's  
113.4 private plan to the commissioner, in a manner specified by the commissioner.

113.5 Subd. 8. **Employees no longer covered.** (a) An employee is no longer covered by an  
113.6 approved private plan if a leave under this chapter occurs after the employment relationship  
113.7 with the private plan employer ends, or if the commissioner revokes the approval of the  
113.8 private plan.

113.9 (b) An employee no longer covered by an approved private plan is, if otherwise eligible,  
113.10 immediately entitled to benefits under this chapter to the same extent as though there had  
113.11 been no approval of the private plan.

113.12 Subd. 9. **Posting of notice regarding private plan.** An employer with a private plan  
113.13 must provide a notice prepared by or approved by the commissioner regarding the private  
113.14 plan consistent with section 268B.26.

113.15 Subd. 10. **Amendment.** (a) The commissioner must approve any amendment to a private  
113.16 plan adjusting the provisions thereof, if the commissioner determines:

113.17 (1) that the plan, as amended, will conform to the standards set forth in this chapter; and

113.18 (2) that notice of the amendment has been delivered to all affected employees at least  
113.19 ten days before the submission of the amendment.

113.20 (b) Any amendments approved under this subdivision are effective on the date of the  
113.21 commissioner's approval, unless the commissioner and the employer agree on a later date.

113.22 Subd. 11. **Successor employer.** A private plan in effect at the time a successor acquires  
113.23 the employer organization, trade, or business, or substantially all the assets thereof, or a  
113.24 distinct and severable portion of the organization, trade, or business, and continues its  
113.25 operation without substantial reduction of personnel resulting from the acquisition, must  
113.26 continue the approved private plan and must not withdraw the plan without a specific request  
113.27 for withdrawal in a manner and at a time specified by the commissioner. A successor may  
113.28 terminate a private plan with notice to the commissioner and within 90 days from the date  
113.29 of the acquisition.

113.30 Subd. 12. **Revocation of approval by commissioner.** (a) The commissioner may  
113.31 terminate any private plan if the commissioner determines the employer:

113.32 (1) failed to pay benefits;

114.1 (2) failed to pay benefits in a timely manner, consistent with the requirements of this  
114.2 chapter;

114.3 (3) failed to submit reports as required by this chapter or rule adopted under this chapter;  
114.4 or

114.5 (4) otherwise failed to comply with this chapter or rule adopted under this chapter.

114.6 (b) The commissioner must give notice of the intention to terminate a plan to the employer  
114.7 at least ten days before taking any final action. The notice must state the effective date and  
114.8 the reason for the termination.

114.9 (c) The employer may, within ten days from mailing or personal service of the notice,  
114.10 file an appeal to the commissioner in the time, manner, method, and procedure provided by  
114.11 the commissioner under subdivision 7.

114.12 (d) The payment of benefits must not be delayed during an employer's appeal of the  
114.13 revocation of approval of a private plan.

114.14 (e) If the commissioner revokes approval of an employer's private plan, that employer  
114.15 is ineligible to apply for approval of another private plan for a period of three years, beginning  
114.16 on the date of revocation.

114.17 Subd. 13. **Employer penalties.** (a) The commissioner may assess the following monetary  
114.18 penalties against an employer with an approved private plan found to have violated this  
114.19 chapter:

114.20 (1) \$1,000 for the first violation; and

114.21 (2) \$2,000 for the second, and each successive violation.

114.22 (b) The commissioner must waive collection of any penalty if the employer corrects the  
114.23 violation within 30 days of receiving a notice of the violation and the notice is for a first  
114.24 violation.

114.25 (c) The commissioner may waive collection of any penalty if the commissioner determines  
114.26 the violation to be an inadvertent error by the employer.

114.27 (d) Monetary penalties collected under this section shall be deposited in the family and  
114.28 medical benefit insurance account.

114.29 (e) Assessment of penalties under this subdivision may be appealed as provided by the  
114.30 commissioner under subdivision 7.

Subd. 14. **Reports, information, and records.** Employers with an approved private plan must maintain all reports, information, and records as relating to the private plan and claims for a period of six years from creation and provide to the commissioner upon request.

Subd. 15. **Audit and investigation.** The commissioner may investigate and audit plans approved under this section both before and after the plans are approved.

Sec. 16. **[268B.11] SELF-EMPLOYED AND INDEPENDENT CONTRACTOR ELECTION OF COVERAGE.**

Subdivision 1. **Election of coverage.** (a) A self-employed individual or independent contractor may file with the commissioner by electronic transmission in a format prescribed by the commissioner an application to be entitled to benefits under this chapter for a period not less than 104 consecutive calendar weeks. Upon the approval of the commissioner, sent by United States mail or electronic transmission, the individual is entitled to benefits under this chapter beginning the calendar quarter after the date of approval or beginning in a later calendar quarter if requested by the self-employed individual or independent contractor. The individual ceases to be entitled to benefits as of the first day of January of any calendar year only if, at least 30 calendar days before the first day of January, the individual has filed with the commissioner by electronic transmission in a format prescribed by the commissioner a notice to that effect.

(b) The commissioner may terminate any application approved under this section with 30 calendar days' notice sent by United States mail or electronic transmission if the self-employed individual is delinquent on any premiums due under this chapter. If an approved application is terminated in this manner during the first 104 consecutive calendar weeks of election, the self-employed individual remains obligated to pay the premium under subdivision 3 for the remainder of that 104-week period.

Subd. 2. **Application.** A self-employed individual who applies for coverage under this section must provide the commissioner with (1) the amount of the individual's net earnings from self-employment, if any, from the two most recent taxable years and all tax documents necessary to prove the accuracy of the amounts reported, and (2) any other documentation the commissioner requires. A self-employed individual who is covered under this chapter must annually provide the commissioner with the amount of the individual's net earnings from self-employment within 30 days of filing a federal income tax return.

Subd. 3. **Premium.** A self-employed individual who elects to receive coverage under this chapter must annually pay a premium equal to one-half the percentage in section 268B.14, subdivision 5, clause (1), times the lesser of:

(1) the individual's self-employment premium base; or

(2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability

Insurance tax.

Subd. 4. **Benefits.** Notwithstanding anything to the contrary, a self-employed individual who has applied to and been approved for coverage by the commissioner under this section is entitled to benefits on the same basis as an employee under this chapter, except that a self-employed individual's weekly benefit amount under section 268B.04, subdivision 1, must be calculated as a percentage of the self-employed individual's self-employment premium base, rather than wages.

Sec. 17. **[268B.12] WAGE REPORTING.**

Subdivision 1. **Wage detail report.** (a) Each employer must submit, under the employer premium account described in section 268B.13, a quarterly wage detail report by electronic transmission, in a format prescribed by the commissioner. The report must include for each employee in covered employment during the calendar quarter, the employee's name, Social Security number, the total wages paid to the employee, and total number of paid hours worked. For employees exempt from the definition of employee in section 177.23, subdivision 7, clause (6), the employer must report 40 hours worked for each week any duties were performed by a full-time employee and must report a reasonable estimate of the hours worked for each week duties were performed by a part-time employee. In addition, the wage detail report must include the number of employees employed during the payroll period that includes the 12th day of each calendar month and, if required by the commissioner, the report must be broken down by business location and separate business unit. The report is due and must be received by the commissioner on or before the last day of the month following the end of the calendar quarter. The commissioner may delay the due date on a specific calendar quarter in the event the department is unable to accept wage detail reports electronically.

(b) The employer may report the wages paid to the next lower whole dollar amount.

(c) An employer need not include the name of the employee or other required information on the wage detail report if disclosure is specifically exempted from being reported by federal law.

(d) A wage detail report must be submitted for each calendar quarter even though no wages were paid, unless the business has been terminated.

117.1 Subd. 2. **Electronic transmission of report required.** Each employer must submit the  
117.2 quarterly wage detail report by electronic transmission in a format prescribed by the  
117.3 commissioner. The commissioner has the discretion to accept wage detail reports that are  
117.4 submitted by any other means or the commissioner may return the report submitted by other  
117.5 than electronic transmission to the employer, and reports returned are considered as not  
117.6 submitted and the late fees under subdivision 3 may be imposed.

117.7 Subd. 3. **Failure to timely file report; late fees.** (a) Any employer that fails to submit  
117.8 the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed  
117.9 based upon the highest of:

117.10 (1) the number of employees reported on the last wage detail report submitted;

117.11 (2) the number of employees reported in the corresponding quarter of the prior calendar  
117.12 year; or

117.13 (3) if no wage detail report has ever been submitted, the number of employees listed at  
117.14 the time of employer registration.

117.15 The late fee is canceled if the wage detail report is received within 30 calendar days after  
117.16 a demand for the report is sent to the employer by mail or electronic transmission. A late  
117.17 fee assessed an employer may not be canceled more than twice each 12 months. The amount  
117.18 of the late fee assessed may not be less than \$250.

117.19 (b) If the wage detail report is not received in a manner and format prescribed by the  
117.20 commissioner within 30 calendar days after demand is sent under paragraph (a), the late  
117.21 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the  
117.22 increased late fee will be sent to the employer by mail or electronic transmission.

117.23 (c) Late fees due under this subdivision may be canceled, in whole or in part, under  
117.24 section 268B.16.

117.25 Subd. 4. **Missing or erroneous information.** (a) Any employer that submits the wage  
117.26 detail report, but fails to include all required employee information or enters erroneous  
117.27 information, is subject to an administrative service fee of \$25 for each employee for whom  
117.28 the information is partially missing or erroneous.

117.29 (b) Any employer that submits the wage detail report, but fails to include an employee,  
117.30 is subject to an administrative service fee equal to two percent of the total wages for each  
117.31 employee for whom the information is completely missing.

Subd. 5. **Fees.** The fees provided for in subdivisions 3 and 4 are in addition to interest and other penalties imposed by this chapter and are collected in the same manner as delinquent taxes and credited to the family and medical benefit insurance account.

Sec. 18. **[268B.13] EMPLOYER PREMIUM ACCOUNTS.**

The commissioner must maintain a premium account for each employer. The commissioner must assess the premium account for all the premiums due under section 268B.14, and credit the family and medical benefit insurance account with all premiums paid.

Sec. 19. **[268B.14] PREMIUMS.**

Subdivision 1. **Payments.** (a) Family and medical leave premiums accrue and become payable by each employer for each calendar year on the taxable wages that the employer paid to employees in covered employment.

Each employer must pay premiums quarterly, at the premium rate defined under this section, on the taxable wages paid to each employee. The commissioner must compute the premium due from the wage detail report required under section 268B.12 and notify the employer of the premium due. The premiums must be paid to the family and medical benefit insurance account and must be received by the department on or before the last day of the month following the end of the calendar quarter.

(b) If for any reason the wages on the wage detail report under section 268B.12 are adjusted for any quarter, the commissioner must recompute the premiums due for that quarter and assess the employer for any amount due or credit the employer as appropriate.

Subd. 2. **Payments by electronic payment required.** (a) Every employer must make any payments due under this chapter by electronic payment.

(b) All third-party processors, paying on behalf of a client company, must make any payments due under this chapter by electronic payment.

(c) Regardless of paragraph (a) or (b), the commissioner has the discretion to accept payment by other means.

Subd. 3. **Employee charge back.** Notwithstanding section 177.24, subdivision 4, or 181.06, subdivision 1, employers and covered business entities may deduct up to 50 percent of annual premiums paid under this section from employee wages. Such deductions for any given employee must be in equal proportion to the premiums paid based on the wages of that employee, and all employees of an employer must be subject to the same percentage

119.1 deduction. Deductions under this section must not cause an employee's wage, after the  
119.2 deduction, to fall below the rate required to be paid to the worker by law, including any  
119.3 applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or  
119.4 other legal authority, whichever rate of pay is greater.

119.5 Subd. 4. **Wages and payments subject to premium.** The maximum wages subject to  
119.6 premium in a calendar year is equal to the maximum earnings in that year subject to the  
119.7 FICA Old-Age, Survivors, and Disability Insurance tax.

119.8 Subd. 5. **Annual premium rates.** The employer premium rates for the calendar year  
119.9 beginning January 1, 2023, shall be as follows:

119.10 (1) for employers participating in both family and medical benefit programs, 0.6 percent;

119.11 (2) for an employer participating in only the medical benefit program and with an  
119.12 approved private plan for the family benefit program, 0.486 percent; and

119.13 (3) for an employer participating in only the family benefit program and with an approved  
119.14 private plan for the medical benefit program, 0.114 percent.

119.15 Subd. 6. **Premium rate adjustments.** (a) Beginning January 1, 2026, and each calendar  
119.16 year thereafter, the commissioner must adjust the annual premium rates using the formula  
119.17 in paragraph (b).

119.18 (b) To calculate the employer rates for a calendar year, the commissioner must:

119.19 (1) multiply 1.45 times the amount disbursed from the family and medical benefit  
119.20 insurance account for the 52-week period ending September 30 of the prior year;

119.21 (2) subtract the amount in the family and medical benefit insurance account on that  
119.22 September 30 from the resulting figure;

119.23 (3) divide the resulting figure by twice the total wages in covered employment of  
119.24 employees of employers without approved private plans under section 268B.10 for either  
119.25 the family or medical benefit program. For employers with an approved private plan for  
119.26 either the medical benefit program or the family benefit program, but not both, count only  
119.27 the proportion of wages in covered employment associated with the program for which the  
119.28 employer does not have an approved private plan; and

119.29 (4) round the resulting figure down to the nearest one-hundredth of one percent.

119.30 (c) The commissioner must apportion the premium rate between the family and medical  
119.31 benefit programs based on the relative proportion of expenditures for each program during  
119.32 the preceding year.

120.1 Subd. 7. **Deposit of premiums.** All premiums collected under this section must be  
120.2 deposited into the family and medical benefit insurance account.

120.3 Subd. 8. **Nonpayment of premiums by employer.** The failure of an employer to pay  
120.4 premiums does not impact the right of an employee to benefits, or any other right, under  
120.5 this chapter.

120.6 Sec. 20. **[268B.145] INCOME TAX WITHHOLDING.**

120.7 If the Internal Revenue Service determines that benefits are subject to federal income  
120.8 tax, and an applicant elects to have federal income tax deducted and withheld from the  
120.9 applicant's benefits, the commissioner must deduct and withhold the amount specified in  
120.10 the Internal Revenue Code in a manner consistent with state law.

120.11 Sec. 21. **[268B.15] COLLECTION OF PREMIUMS.**

120.12 Subdivision 1. **Amount computed presumed correct.** Any amount due from an  
120.13 employer, as computed by the commissioner, is presumed to be correctly determined and  
120.14 assessed, and the burden is upon the employer to show its incorrectness. A statement by the  
120.15 commissioner of the amount due is admissible in evidence in any court or administrative  
120.16 proceeding and is prima facie evidence of the facts in the statement.

120.17 Subd. 2. **Priority of payments.** (a) Any payment received from an employer must be  
120.18 applied in the following order:

120.19 (1) family and medical leave premiums under this chapter; then

120.20 (2) interest on past due premiums; then

120.21 (3) penalties, late fees, administrative service fees, and costs.

120.22 (b) Paragraph (a) is the priority used for all payments received from an employer,  
120.23 regardless of how the employer may designate the payment to be applied, except when:

120.24 (1) there is an outstanding lien and the employer designates that the payment made  
120.25 should be applied to satisfy the lien;

120.26 (2) the payment is specifically designated by the employer to be applied to an outstanding  
120.27 overpayment of benefits of an applicant;

120.28 (3) a court or administrative order directs that the payment be applied to a specific  
120.29 obligation;

120.30 (4) a preexisting payment plan provides for the application of payment; or



121.1 (5) the commissioner, under the compromise authority of section 268B.16, agrees to  
121.2 apply the payment to a different priority.

121.3 Subd. 3. **Estimating the premium due.** Only if an employer fails to make all necessary  
121.4 records available for an audit under section 268B.21 and the commissioner has reason to  
121.5 believe the employer has not reported all the required wages on the quarterly wage detail  
121.6 reports, may the commissioner then estimate the amount of premium due and assess the  
121.7 employer the estimated amount due.

121.8 Subd. 4. **Costs.** (a) Any employer and any applicant subject to section 268B.185,  
121.9 subdivision 2, that fails to pay any amount when due under this chapter is liable for any  
121.10 filing fees, recording fees, sheriff fees, costs incurred by referral to any public or private  
121.11 collection agency, or litigation costs, including attorney fees, incurred in the collection of  
121.12 the amounts due.

121.13 (b) If any tendered payment of any amount due is not honored when presented to a  
121.14 financial institution for payment, any costs assessed the department by the financial institution  
121.15 and a fee of \$25 must be assessed to the person.

121.16 (c) Costs and fees collected under this subdivision are credited to the enforcement account  
121.17 under section 268B.185, subdivision 3.

121.18 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under  
121.19 this chapter are not received on the date due, the commissioner must assess interest on any  
121.20 amount that remains unpaid. Interest is assessed at the rate of one percent per month or any  
121.21 part of a month. Interest is not assessed on unpaid interest. Interest collected under this  
121.22 subdivision is credited to the enforcement account under section 268B.185, subdivision 3.

121.23 Subd. 6. **Interest on judgments.** Regardless of section 549.09, if a judgment is entered  
121.24 upon any past due amounts from an employer under this chapter, the unpaid judgment bears  
121.25 interest at the rate specified in subdivision 5 until the date of payment.

121.26 Subd. 7. **Credit adjustments; refunds.** (a) If an employer makes an application for a  
121.27 credit adjustment of any amount paid under this chapter within four years of the date that  
121.28 the payment was due, in a manner and format prescribed by the commissioner, and the  
121.29 commissioner determines that the payment or any portion thereof was erroneous, the  
121.30 commissioner must make an adjustment and issue a credit without interest. If a credit cannot  
121.31 be used, the commissioner must refund, without interest, the amount erroneously paid. The  
121.32 commissioner, on the commissioner's own motion, may make a credit adjustment or refund  
121.33 under this subdivision.

122.1 (b) Any refund returned to the commissioner is considered unclaimed property under  
122.2 chapter 345.

122.3 (c) If a credit adjustment or refund is denied in whole or in part, a determination of denial  
122.4 must be sent to the employer by mail or electronic transmission. The determination of denial  
122.5 is final unless an employer files an appeal within 20 calendar days after sending. Proceedings  
122.6 on the appeal are conducted in accordance with section 268B.08.

122.7 (d) If an employer receives a credit adjustment or refund under this section, the employer  
122.8 must determine the amount of any overpayment attributable to a deduction from employee  
122.9 wages under section 268B.14, subdivision 3, and return any amount erroneously deducted  
122.10 to each affected employee.

122.11 Subd. 8. **Priorities under legal dissolutions or distributions.** In the event of any  
122.12 distribution of an employer's assets according to an order of any court, including any  
122.13 receivership, assignment for benefit of creditors, adjudicated insolvency, or similar  
122.14 proceeding, premiums then or thereafter due must be paid in full before all other claims  
122.15 except claims for wages of not more than \$1,000 per former employee, earned within six  
122.16 months of the commencement of the proceedings. In the event of an employer's adjudication  
122.17 in bankruptcy under federal law, premiums then or thereafter due are entitled to the priority  
122.18 provided in that law for taxes due in any state.

122.19 Sec. 22. **[268B.155] CHILD SUPPORT DEDUCTION FROM BENEFITS.**

122.20 Subdivision 1. **Definitions.** As used in this section:

122.21 (1) "child support agency" means the public agency responsible for child support  
122.22 enforcement, including federally approved comprehensive Tribal IV-D programs; and

122.23 (2) "child support obligations" means obligations that are being enforced by a child  
122.24 support agency in accordance with a plan described in United States Code, title 42, sections  
122.25 454 and 455 of the Social Security Act that has been approved by the secretary of health  
122.26 and human services under part D of title IV of the Social Security Act. This does not include  
122.27 any type of spousal maintenance or foster care payments.

122.28 Subd. 2. **Notice upon application.** In an application for family or medical leave benefits,  
122.29 the applicant must disclose if child support obligations are owed and, if so, in what state  
122.30 and county. If child support obligations are owed, the commissioner must, if the applicant  
122.31 establishes a benefit account, notify the child support agency.

123.1 Subd. 3. **Withholding of benefit.** The commissioner must deduct and withhold from  
123.2 any family or medical leave benefits payable to an applicant who owes child support  
123.3 obligations:

123.4 (1) the amount required under a proper order of a court or administrative agency; or

123.5 (2) if clause (1) is not applicable, the amount determined under an agreement under  
123.6 United States Code, title 42, section 454 (20)(B)(i), of the Social Security Act; or

123.7 (3) if clause (1) or (2) is not applicable, the amount specified by the applicant.

123.8 Subd. 4. **Payment.** Any amount deducted and withheld must be paid to the child support  
123.9 agency, must for all purposes be treated as if it were paid to the applicant as family or  
123.10 medical leave benefits and paid by the applicant to the child support agency in satisfaction  
123.11 of the applicant's child support obligations.

123.12 Subd. 5. **Payment of costs.** The child support agency must pay the costs incurred by  
123.13 the commissioner in the implementation and administration of this section and sections  
123.14 518A.50 and 518A.53.

123.15 Sec. 23. **[268B.16] COMPROMISE.**

123.16 (a) The commissioner may compromise in whole or in part any action, determination,  
123.17 or decision that affects only an employer and not an applicant. This paragraph applies if it  
123.18 is determined by a court of law, or a confession of judgment, that an applicant, while  
123.19 employed, wrongfully took from the employer \$500 or more in money or property.

123.20 (b) The commissioner may at any time compromise any premium or reimbursement due  
123.21 from an employer under this chapter.

123.22 (c) Any compromise involving an amount over \$10,000 must be authorized by an attorney  
123.23 licensed to practice law in Minnesota who is an employee of the department designated by  
123.24 the commissioner for that purpose.

123.25 (d) Any compromise must be in the best interest of the state of Minnesota.

123.26 Sec. 24. **[268B.17] ADMINISTRATIVE COSTS.**

123.27 From July 1, 2023, through December 31, 2023, the commissioner may spend up to  
123.28 seven percent of premiums collected under section 268B.15 for administration of this chapter.  
123.29 Beginning January 1, 2024, and each calendar year thereafter, the commissioner may spend  
123.30 up to seven percent of projected benefit payments for that calendar year for the administration  
123.31 of this chapter. The department may enter into interagency agreements with the Department

124.1 of Labor and Industry, including agreements to transfer funds, subject to the limit in this  
124.2 section, for the Department of Labor and Industry to fulfill its enforcement authority of this  
124.3 chapter.

124.4 Sec. 25. **[268B.18] PUBLIC OUTREACH.**

124.5 Beginning in fiscal year 2023, the commissioner must use at least 0.5 percent of revenue  
124.6 collected under this chapter for the purpose of outreach, education, and technical assistance  
124.7 for employees, employers, and self-employed individuals eligible to elect coverage under  
124.8 section 268B.11. The department may enter into interagency agreements with the Department  
124.9 of Labor and Industry, including agreements to transfer funds, subject to the limit in section  
124.10 268B.17, to accomplish the requirements of this section. At least one-half of the amount  
124.11 spent under this section must be used for grants to community-based groups.

124.12 Sec. 26. **[268B.185] BENEFIT OVERPAYMENTS.**

124.13 Subdivision 1. **Repaying an overpayment.** (a) Any applicant who (1) because of a  
124.14 determination or amended determination issued under this chapter, or (2) because of a  
124.15 benefit law judge's decision under section 268B.08, has received any family or medical  
124.16 leave benefits that the applicant was held not entitled to, is overpaid the benefits and must  
124.17 promptly repay the benefits to the family and medical benefit insurance account.

124.18 (b) If the applicant fails to repay the benefits overpaid, including any penalty and interest  
124.19 assessed under subdivisions 2 and 4, the total due may be collected by the methods allowed  
124.20 under state and federal law.

124.21 Subd. 2. **Overpayment because of misrepresentation.** (a) An applicant has committed  
124.22 misrepresentation if the applicant is overpaid benefits by making a false statement or  
124.23 representation without a good faith belief as to the correctness of the statement or  
124.24 representation.

124.25 (b) After the discovery of facts indicating misrepresentation, the commissioner must  
124.26 issue a determination of overpayment penalty assessing a penalty equal to 20 percent of the  
124.27 amount overpaid. This penalty is in addition to penalties under section 268B.19.

124.28 (c) Unless the applicant files an appeal within 20 calendar days after the sending of a  
124.29 determination of overpayment penalty to the applicant by mail or electronic transmission,  
124.30 the determination is final. Proceedings on the appeal are conducted in accordance with  
124.31 section 268B.08.

125.1 (d) A determination of overpayment penalty must state the methods of collection the  
125.2 commissioner may use to recover the overpayment, penalty, and interest assessed. Money  
125.3 received in repayment of overpaid benefits, penalties, and interest is first applied to the  
125.4 benefits overpaid, second to the penalty amount due, and third to any interest due.

125.5 (e) The department is authorized to issue a determination of overpayment penalty under  
125.6 this subdivision within 48 months of the establishment of the benefit account upon which  
125.7 the benefits were obtained through misrepresentation.

125.8 Subd. 3. **Family and medical benefit insurance enforcement account created.** The  
125.9 family and medical benefit insurance enforcement account is created in the state treasury.  
125.10 Any penalties and interest collected under this section shall be deposited into the account  
125.11 under this subdivision and shall be used only for the purposes of administering and enforcing  
125.12 this chapter. Only the commissioner may authorize expenditures from the account under  
125.13 this subdivision.

125.14 Subd. 4. **Interest.** For any family and medical leave benefits obtained by  
125.15 misrepresentation, and any penalty amounts assessed under subdivision 2, the commissioner  
125.16 must assess interest on any amount that remains unpaid beginning 30 calendar days after  
125.17 the date of a determination of overpayment penalty. Interest is assessed at the rate of one  
125.18 percent per month or any part of a month. A determination of overpayment penalty must  
125.19 state that interest will be assessed. Interest is not assessed on unpaid interest. Interest collected  
125.20 under this subdivision is credited to the family and medical benefit insurance enforcement  
125.21 account.

125.22 Subd. 5. **Offset of benefits.** The commissioner may offset from any future family and  
125.23 medical leave benefits otherwise payable the amount of a nonmisrepresentation overpayment.  
125.24 Except when the nonmisrepresentation overpayment resulted because the applicant failed  
125.25 to report deductible earnings or deductible or benefit delaying payments, no single offset  
125.26 may exceed 50 percent of the amount of the payment from which the offset is made.

125.27 Subd. 6. **Cancellation of overpayments.** (a) If family and medical leave benefits overpaid  
125.28 for reasons other than misrepresentation are not repaid or offset from subsequent benefits  
125.29 within six years after the date of the determination or decision holding the applicant overpaid,  
125.30 the commissioner must cancel the overpayment balance, and no administrative or legal  
125.31 proceedings may be used to enforce collection of those amounts.

125.32 (b) If family and medical leave benefits overpaid because of misrepresentation including  
125.33 penalties and interest are not repaid within ten years after the date of the determination of  
125.34 overpayment penalty, the commissioner must cancel the overpayment balance and any

126.1 penalties and interest due, and no administrative or legal proceeding may be used to enforce  
126.2 collection of those amounts.

126.3 (c) The commissioner may cancel at any time any overpayment, including penalties and  
126.4 interest that the commissioner determines is uncollectible because of death or bankruptcy.

126.5 Subd. 7. **Court fees; collection fees.** (a) If the department is required to pay any court  
126.6 fees in an attempt to enforce collection of overpaid family and medical leave benefits,  
126.7 penalties, or interest, the amount of the court fees may be added to the total amount due.

126.8 (b) If an applicant who has been overpaid family and medical leave benefits because of  
126.9 misrepresentation seeks to have any portion of the debt discharged under the federal  
126.10 bankruptcy code, and the department files an objection in bankruptcy court to the discharge,  
126.11 the cost of any court fees may be added to the debt if the bankruptcy court does not discharge  
126.12 the debt.

126.13 (c) If the Internal Revenue Service assesses the department a fee for offsetting from a  
126.14 federal tax refund the amount of any overpayment, including penalties and interest, the  
126.15 amount of the fee may be added to the total amount due. The offset amount must be put in  
126.16 the family and medical benefit insurance enforcement account and that amount credited to  
126.17 the total amount due from the applicant.

126.18 Subd. 8. **Collection of overpayments.** (a) The commissioner has discretion regarding  
126.19 the recovery of any overpayment for reasons other than misrepresentation. Regardless of  
126.20 any law to the contrary, the commissioner is not required to refer any overpayment for  
126.21 reasons other than misrepresentation to a public or private collection agency, including  
126.22 agencies of this state.

126.23 (b) Amounts overpaid for reasons other than misrepresentation are not considered a  
126.24 "debt" to the state of Minnesota for purposes of any reporting requirements to the  
126.25 commissioner of management and budget.

126.26 (c) A pending appeal under section 268B.08 does not suspend the assessment of interest,  
126.27 penalties, or collection of an overpayment.

126.28 (d) Section 16A.626 applies to the repayment by an applicant of any overpayment,  
126.29 penalty, or interest.

126.30 Sec. 27. **[268B.19] APPLICANT ADMINISTRATIVE PENALTIES.**

126.31 (a) Any applicant who makes a false statement or representation without a good faith  
126.32 belief as to the correctness of the statement or representation in order to obtain or in an

127.1 attempt to obtain benefits may be assessed, in addition to any other penalties, an  
127.2 administrative penalty of being ineligible for benefits for 13 to 104 weeks.

127.3 (b) A determination of ineligibility setting out the weeks the applicant is ineligible must  
127.4 be sent to the applicant by mail or electronic transmission. The department is authorized to  
127.5 issue a determination of ineligibility under this subdivision within 48 months of the  
127.6 establishment of the benefit account upon which the benefits were obtained, or attempted  
127.7 to be obtained. Unless an appeal is filed within 20 calendar days of sending, the determination  
127.8 is final. Proceedings on the appeal are conducted in accordance with section 268B.08.

127.9 Sec. 28. **[268B.20] EMPLOYER MISCONDUCT; PENALTY.**

127.10 (a) The commissioner must penalize an employer if that employer or any employee,  
127.11 officer, or agent of that employer is in collusion with any applicant for the purpose of  
127.12 assisting the applicant in receiving benefits fraudulently. The penalty is \$500 or the amount  
127.13 of benefits determined to be overpaid, whichever is greater.

127.14 (b) The commissioner must penalize an employer if that employer or any employee,  
127.15 officer, or agent of that employer:

127.16 (1) made a false statement or representation knowing it to be false;

127.17 (2) made a false statement or representation without a good-faith belief as to the  
127.18 correctness of the statement or representation; or

127.19 (3) knowingly failed to disclose a material fact.

127.20 (c) The penalty is the greater of \$500 or 50 percent of the following resulting from the  
127.21 employer's action:

127.22 (1) the amount of any overpaid benefits to an applicant;

127.23 (2) the amount of benefits not paid to an applicant that would otherwise have been paid;  
127.24 or

127.25 (3) the amount of any payment required from the employer under this chapter that was  
127.26 not paid.

127.27 (d) Penalties must be paid within 30 calendar days of issuance of the determination of  
127.28 penalty and credited to the family and medical benefit insurance account.

127.29 (e) The determination of penalty is final unless the employer files an appeal within 30  
127.30 calendar days after the sending of the determination of penalty to the employer by United  
127.31 States mail or electronic transmission.

128.1 Sec. 29. **[268B.21] RECORDS; AUDITS.**

128.2 Subdivision 1. **Employer records; audits.** (a) Each employer must keep true and accurate  
128.3 records on individuals performing services for the employer, containing the information  
128.4 the commissioner may require under this chapter. The records must be kept for a period of  
128.5 not less than four years in addition to the current calendar year.

128.6 (b) For the purpose of administering this chapter, the commissioner has the power to  
128.7 audit, examine, or cause to be supplied or copied, any books, correspondence, papers,  
128.8 records, or memoranda that are the property of, or in the possession of, an employer or any  
128.9 other person at any reasonable time and as often as may be necessary. Subpoenas may be  
128.10 issued under section 268B.22 as necessary, for an audit.

128.11 (c) An employer or other person that refuses to allow an audit of its records by the  
128.12 department or that fails to make all necessary records available for audit in the state upon  
128.13 request of the commissioner may be assessed an administrative penalty of \$500. The penalty  
128.14 collected is credited to the family and medical benefit insurance account.

128.15 (d) An employer, or other person, that fails to provide a weekly breakdown of money  
128.16 earned by an applicant upon request of the commissioner, information necessary for the  
128.17 detection of applicant misrepresentation under section 268B.185, subdivision 2, may be  
128.18 assessed an administrative penalty of \$100. Any notice requesting a weekly breakdown  
128.19 must clearly state that a \$100 penalty may be assessed for failure to provide the information.  
128.20 The penalty collected is credited to the family and medical benefit insurance account.

128.21 Subd. 2. **Department records; destruction.** (a) The commissioner may make summaries,  
128.22 compilations, duplications, or reproductions of any records pertaining to this chapter that  
128.23 the commissioner considers advisable for the preservation of the information.

128.24 (b) Regardless of any law to the contrary, the commissioner may destroy any records  
128.25 that are no longer necessary for the administration of this chapter. In addition, the  
128.26 commissioner may destroy any record from which the information has been electronically  
128.27 captured and stored.

128.28 Sec. 30. **[268B.22] SUBPOENAS; OATHS.**

128.29 (a) The commissioner or benefit judge has authority to administer oaths and affirmations,  
128.30 take depositions, certify to official acts, and issue subpoenas to compel the attendance of  
128.31 individuals and the production of documents and other personal property necessary in  
128.32 connection with the administration of this chapter.



129.1 (b) Individuals subpoenaed, other than applicants or officers and employees of an  
129.2 employer that is the subject of the inquiry, are paid witness fees the same as witness fees  
129.3 in civil actions in district court. The fees need not be paid in advance.

129.4 (c) The subpoena is enforceable through the district court in Ramsey County.

129.5 Sec. 31. **[268B.23] LIEN; LEVY; SETOFF; AND CIVIL ACTION.**

129.6 Subdivision 1. **Lien.** (a) Any amount due under this chapter, from an applicant or an  
129.7 employer, becomes a lien upon all the property, within this state, both real and personal, of  
129.8 the person liable, from the date of assessment. For the purposes of this section, "date of  
129.9 assessment" means the date the obligation was due.

129.10 (b) The lien is not enforceable against any purchaser, mortgagee, pledgee, holder of a  
129.11 Uniform Commercial Code security interest, mechanic's lien, or judgment lien creditor,  
129.12 until a notice of lien has been filed with the county recorder of the county where the property  
129.13 is situated, or in the case of personal property belonging to a nonresident person in the Office  
129.14 of the Secretary of State. When the notice of lien is filed with the county recorder, the fee  
129.15 for filing and indexing is as provided in sections 272.483 and 272.484.

129.16 (c) Notices of liens, lien renewals, and lien releases, in a form prescribed by the  
129.17 commissioner, may be filed with the county recorder or the secretary of state by mail,  
129.18 personal delivery, or electronic transmission into the computerized filing system of the  
129.19 secretary of state. The secretary of state must, on any notice filed with that office, transmit  
129.20 the notice electronically to the appropriate county recorder. The filing officer, whether the  
129.21 county recorder or the secretary of state, must endorse and index a printout of the notice as  
129.22 if the notice had been mailed or delivered.

129.23 (d) County recorders and the secretary of state must enter information on lien notices,  
129.24 renewals, and releases into the central database of the secretary of state. For notices filed  
129.25 electronically with the county recorders, the date and time of receipt of the notice and county  
129.26 recorder's file number, and for notices filed electronically with the secretary of state, the  
129.27 secretary of state's recording information, must be entered into the central database before  
129.28 the close of the working day following the day of the original data entry by the commissioner.

129.29 (e) The lien imposed on personal property, even though properly filed, is not enforceable  
129.30 against a purchaser of tangible personal property purchased at retail or personal property  
129.31 listed as exempt in sections 550.37, 550.38, and 550.39.

129.32 (f) A notice of lien filed has priority over any security interest arising under chapter 336,  
129.33 article 9, that is perfected prior in time to the lien imposed by this subdivision, but only if:

130.1 (1) the perfected security interest secures property not in existence at the time the notice  
130.2 of lien is filed; and

130.3 (2) the property comes into existence after the 45th calendar day following the day the  
130.4 notice of lien is filed, or after the secured party has actual notice or knowledge of the lien  
130.5 filing, whichever is earlier.

130.6 (g) The lien is enforceable from the time the lien arises and for ten years from the date  
130.7 of filing the notice of lien. A notice of lien may be renewed before expiration for an additional  
130.8 ten years.

130.9 (h) The lien is enforceable by levy under subdivision 2 or by judgment lien foreclosure  
130.10 under chapter 550.

130.11 (i) The lien may be imposed upon property defined as homestead property in chapter  
130.12 510 but may be enforced only upon the sale, transfer, or conveyance of the homestead  
130.13 property.

130.14 (j) The commissioner may sell and assign to a third party the commissioner's right of  
130.15 redemption in specific real property for liens filed under this subdivision. The assignee is  
130.16 limited to the same rights of redemption as the commissioner, except that in a bankruptcy  
130.17 proceeding, the assignee does not obtain the commissioner's priority. Any proceeds from  
130.18 the sale of the right of redemption are credited to the family and medical benefit insurance  
130.19 account.

130.20 Subd. 2. Levy. (a) If any amount due under this chapter, from an applicant or an employer,  
130.21 is not paid when due, the amount may be collected by the commissioner by direct levy upon  
130.22 all property and rights of property of the person liable for the amount due except property  
130.23 exempt from execution under section 550.37. For the purposes of this section, "levy" includes  
130.24 the power of distraint and seizure by any means.

130.25 (b) In addition to a direct levy, the commissioner may issue a warrant to the sheriff of  
130.26 any county who must proceed within 60 calendar days to levy upon the property or rights  
130.27 to property of the delinquent person within the county, except property exempt under section  
130.28 550.37. The sheriff must sell that property necessary to satisfy the total amount due, together  
130.29 with the commissioner's and sheriff's costs. The sales are governed by the law applicable  
130.30 to sales of like property on execution of a judgment.

130.31 (c) Notice and demand for payment of the total amount due must be mailed to the  
130.32 delinquent person at least ten calendar days before action being taken under paragraphs (a)  
130.33 and (b).

131.1 (d) If the commissioner has reason to believe that collection of the amount due is in  
131.2 jeopardy, notice and demand for immediate payment may be made. If the total amount due  
131.3 is not paid, the commissioner may proceed to collect by direct levy or issue a warrant without  
131.4 regard to the ten calendar day period.

131.5 (e) In executing the levy, the commissioner must have all of the powers provided in  
131.6 chapter 550 or any other law that provides for execution against property in this state. The  
131.7 sale of property levied upon and the time and manner of redemption is as provided in chapter  
131.8 550. The seal of the court is not required. The levy may be made whether or not the  
131.9 commissioner has commenced a legal action for collection.

131.10 (f) Where any assessment has been made by the commissioner, the property seized for  
131.11 collection of the total amount due must not be sold until any determination of liability has  
131.12 become final. No sale may be made unless a portion of the amount due remains unpaid for  
131.13 a period of more than 30 calendar days after the determination of liability becomes final.  
131.14 Seized property may be sold at any time if:

131.15 (1) the delinquent person consents in writing to the sale; or

131.16 (2) the commissioner determines that the property is perishable or may become greatly  
131.17 reduced in price or value by keeping, or that the property cannot be kept without great  
131.18 expense.

131.19 (g) Where a levy has been made to collect the amount due and the property seized is  
131.20 properly included in a formal proceeding commenced under sections 524.3-401 to 524.3-505  
131.21 and maintained under full supervision of the court, the property may not be sold until the  
131.22 probate proceedings are completed or until the court orders.

131.23 (h) The property seized must be returned if the owner:

131.24 (1) gives a surety bond equal to the appraised value of the owner's interest in the property,  
131.25 as determined by the commissioner; or

131.26 (2) deposits with the commissioner security in a form and amount the commissioner  
131.27 considers necessary to insure payment of the liability.

131.28 (i) If a levy or sale would irreparably injure rights in property that the court determines  
131.29 superior to rights of the state, the court may grant an injunction to prohibit the enforcement  
131.30 of the levy or to prohibit the sale.

131.31 (j) Any person who fails or refuses to surrender without reasonable cause any property  
131.32 or rights to property subject to levy is personally liable in an amount equal to the value of  
131.33 the property or rights not so surrendered, but not exceeding the amount due.

132.1 (k) If the commissioner has seized the property of any individual, that individual may,  
132.2 upon giving 48 hours notice to the commissioner and to the court, bring a claim for equitable  
132.3 relief before the district court for the release of the property upon terms and conditions the  
132.4 court considers equitable.

132.5 (l) Any person in control or possession of property or rights to property upon which a  
132.6 levy has been made who surrenders the property or rights to property, or who pays the  
132.7 amount due is discharged from any obligation or liability to the person liable for the amount  
132.8 due with respect to the property or rights to property.

132.9 (m) The notice of any levy may be served personally or by mail.

132.10 (n) The commissioner may release the levy upon all or part of the property or rights to  
132.11 property levied upon if the commissioner determines that the release will facilitate the  
132.12 collection of the liability, but the release does not prevent any subsequent levy. If the  
132.13 commissioner determines that property has been wrongfully levied upon, the commissioner  
132.14 must return:

132.15 (1) the specific property levied upon, at any time; or

132.16 (2) an amount of money equal to the amount of money levied upon, at any time before  
132.17 the expiration of nine months from the date of levy.

132.18 (o) Regardless of section 52.12, a levy upon a person's funds on deposit in a financial  
132.19 institution located in this state, has priority over any unexercised right of setoff of the  
132.20 financial institution to apply the levied funds toward the balance of an outstanding loan or  
132.21 loans owed by the person to the financial institution. A claim by the financial institution  
132.22 that it exercised its right to setoff before the levy must be substantiated by evidence of the  
132.23 date of the setoff, and verified by an affidavit from a corporate officer of the financial  
132.24 institution. For purposes of determining the priority of any levy under this subdivision, the  
132.25 levy is treated as if it were an execution under chapter 550.

132.26 Subd. 3. **Right of setoff.** (a) Upon certification by the commissioner to the commissioner  
132.27 of management and budget, or to any state agency that disburses its own funds, that a person,  
132.28 applicant, or employer has a liability under this chapter, and that the state has purchased  
132.29 personal services, supplies, contract services, or property from that person, the commissioner  
132.30 of management and budget or the state agency must set off and pay to the commissioner an  
132.31 amount sufficient to satisfy the unpaid liability from funds appropriated for payment of the  
132.32 obligation of the state otherwise due the person. No amount may be set off from any funds  
132.33 exempt under section 550.37 or funds due an individual who receives assistance under  
132.34 chapter 256.

133.1 (b) All funds, whether general or dedicated, are subject to setoff.

133.2 (c) Regardless of any law to the contrary, the commissioner has first priority to setoff  
133.3 from any funds otherwise due from the department to a delinquent person.

133.4 Subd. 4. **Collection by civil action.** (a) Any amount due under this chapter, from an  
133.5 applicant or employer, may be collected by civil action in the name of the state of Minnesota.  
133.6 Civil actions brought under this subdivision must be heard as provided under section 16D.14.  
133.7 In any action, judgment must be entered in default for the relief demanded in the complaint  
133.8 without proof, together with costs and disbursements, upon the filing of an affidavit of  
133.9 default.

133.10 (b) Any person that is not a resident of this state and any resident person removed from  
133.11 this state, is considered to appoint the secretary of state as its agent for the acceptance of  
133.12 process in any civil action. The commissioner must file process with the secretary of state,  
133.13 together with a payment of a fee of \$15 and that service is considered sufficient service and  
133.14 has the same force and validity as if served personally within this state. Notice of the service  
133.15 of process, together with a copy of the process, must be sent by certified mail to the person's  
133.16 last known address. An affidavit of compliance with this subdivision, and a copy of the  
133.17 notice of service must be appended to the original of the process and filed in the court.

133.18 (c) No court filing fees, docketing fees, or release of judgment fees may be assessed  
133.19 against the state for actions under this subdivision.

133.20 Subd. 5. **Injunction forbidden.** No injunction or other legal action to prevent the  
133.21 determination, assessment, or collection of any amounts due under this chapter, from an  
133.22 applicant or employer, are allowed.

133.23 Sec. 32. **[268B.24] CONCILIATION SERVICES.**

133.24 The Department of Labor and Industry may offer conciliation services to employers and  
133.25 employees to resolve disputes concerning alleged violations of employment protections  
133.26 identified in section 268B.09.

133.27 Sec. 33. **[268B.25] ANNUAL REPORTS.**

133.28 (a) Beginning on or before December 1, 2023, the commissioner must annually report  
133.29 to the Department of Management and Budget and the house of representatives and senate  
133.30 committee chairs with jurisdiction over this chapter on program administrative expenditures  
133.31 and revenue collection for the prior fiscal year, including but not limited to:

133.32 (1) total revenue raised through premium collection;

134.1 (2) the number of self-employed individuals or independent contractors electing coverage  
134.2 under section 268B.11 and amount of associated revenue;

134.3 (3) the number of covered business entities paying premiums under this chapter and  
134.4 associated revenue;

134.5 (4) administrative expenditures including transfers to other state agencies expended in  
134.6 the administration of the chapter;

134.7 (5) summary of contracted services expended in the administration of this chapter;

134.8 (6) grant amounts and recipients under sections 268B.29 and 268B.18;

134.9 (7) an accounting of required outreach expenditures;

134.10 (8) summary of private plan approvals including the number of employers and employees  
134.11 covered under private plans; and

134.12 (9) adequacy and use of the private plan approval and oversight fee.

134.13 (b) Beginning on or before December 1, 2023, the commissioner must annually publish  
134.14 a publicly available report providing the following information for the previous fiscal year:

134.15 (1) total eligible claims;

134.16 (2) the number and percentage of claims attributable to each category of benefit;

134.17 (3) claimant demographics by age, gender, average weekly wage, occupation, and the  
134.18 type of leave taken;

134.19 (4) the percentage of claims denied and the reasons therefor, including but not limited  
134.20 to insufficient information and ineligibility and the reason therefor;

134.21 (5) average weekly benefit amount paid for all claims and by category of benefit;

134.22 (6) changes in the benefits paid compared to previous fiscal years;

134.23 (7) processing times for initial claims processing, initial determinations, and final  
134.24 decisions;

134.25 (8) average duration for cases completed; and

134.26 (9) the number of cases remaining open at the close of such year.

134.27 **Sec. 34. [268B.26] NOTICE REQUIREMENTS.**

134.28 (a) Each employer must post in a conspicuous place on each of its premises a workplace  
134.29 notice prepared or approved by the commissioner providing notice of benefits available

135.1 under this chapter. The required workplace notice must be in English and each language  
135.2 other than English which is the primary language of five or more employees or independent  
135.3 contractors of that workplace, if such notice is available from the department.

135.4 (b) Each employer must issue to each employee not more than 30 days from the beginning  
135.5 date of the employee's employment, or 30 days before premium collection begins, whichever  
135.6 is later, the following written information provided or approved by the department in the  
135.7 primary language of the employee:

135.8 (1) an explanation of the availability of family and medical leave benefits provided under  
135.9 this chapter, including rights to reinstatement and continuation of health insurance;

135.10 (2) the amount of premium deductions made by the employer under this chapter;

135.11 (3) the employer's premium amount and obligations under this chapter;

135.12 (4) the name and mailing address of the employer;

135.13 (5) the identification number assigned to the employer by the department;

135.14 (6) instructions on how to file a claim for family and medical leave benefits;

135.15 (7) the mailing address, e-mail address, and telephone number of the department; and

135.16 (8) any other information required by the department.

135.17 Delivery is made when an employee provides written acknowledgment of receipt of the  
135.18 information, or signs a statement indicating the employee's refusal to sign such  
135.19 acknowledgment.

135.20 (c) Each employer shall provide to each independent contractor with whom it contracts,  
135.21 at the time such contract is made or, for existing contracts, within 30 days of the effective  
135.22 date of this section, the following written information provided or approved by the department  
135.23 in the self-employed individual's primary language:

135.24 (1) the address and telephone number of the department; and

135.25 (2) any other information required by the department.

135.26 (d) An employer that fails to comply with this subdivision may be issued, for a first  
135.27 violation, a civil penalty of \$50 per employee and per independent contractor with whom  
135.28 it has contracted, and for each subsequent violation, a civil penalty of \$300 per employee  
135.29 or self-employed individual with whom it has contracted. The employer shall have the  
135.30 burden of demonstrating compliance with this section.

(e) Employer notice to an employee under this section may be provided in paper or electronic format. For notice provided in electronic format only, the employer must provide employee access to an employer-owned computer during an employee's regular working hours to review and print required notices.

Sec. 35. **[268B.27] RELATIONSHIP TO OTHER LEAVE; CONSTRUCTION.**

Subdivision 1. **Concurrent leave.** An employer may require leave taken under this chapter to run concurrently with leave taken for the same purpose under section 181.941 or the Family and Medical Leave Act, United States Code, title 29, sections 2601 to 2654, as amended.

Subd. 2. **Construction.** Nothing in this chapter shall be construed to:

(1) allow an employer to compel an employee to exhaust accumulated sick, vacation, or personal time before or while taking leave under this chapter;

(2) except as provided under section 268B.01, subdivision 37, prohibit an employer from providing additional benefits, including but not limited to covering the portion of earnings not provided under this chapter during periods of leave covered under this chapter; or

(3) limit the parties to a collective bargaining agreement from bargaining and agreeing with respect to leave benefits and related procedures and employee protections that meet or exceed, and do not otherwise conflict with, the minimum standards and requirements in this chapter.

Sec. 36. **[268B.28] SEVERABLE.**

If the United States Department of Labor or a court of competent jurisdiction determines that any provision of the family and medical benefit insurance program under this chapter is not in conformity with, or is inconsistent with, the requirements of federal law, the provision has no force or effect. If only a portion of the provision, or the application to any person or circumstances, is determined not in conformity, or determined inconsistent, the remainder of the provision and the application of the provision to other persons or circumstances are not affected.

Sec. 37. **[268B.29] SMALL BUSINESS ASSISTANCE GRANTS.**

(a) Employers with 50 or fewer employees may apply to the department for grants under this section.



137.1 (b) The commissioner may approve a grant of up to \$3,000 if the employer hires a  
137.2 temporary worker to replace an employee on family or medical leave for a period of seven  
137.3 days or more.

137.4 (c) For an employee's family or medical leave, the commissioner may approve a grant  
137.5 of up to \$1,000 as reimbursement for significant additional wage-related costs due to the  
137.6 employee's leave.

137.7 (d) To be eligible for consideration for a grant under this section, the employer must  
137.8 provide the department written documentation showing the temporary worker hired or  
137.9 significant wage-related costs incurred are due to an employee's use of leave under this  
137.10 chapter.

137.11 (e) The grants under this section may be funded from the family and medical benefit  
137.12 insurance account.

137.13 (f) For the purposes of this section, the commissioner shall average the number of  
137.14 employees reported by an employer over the last four completed calendar quarters to  
137.15 determine the size of the employer.

137.16 (g) An employer who has an approved private plan is not eligible to receive a grant under  
137.17 this section.

137.18 (h) The commissioner may award grants under this section only up to a maximum of  
137.19 \$5,000,000 per calendar year.

137.20 Sec. 38. **EFFECTIVE DATES.**

137.21 (a) Benefits under Minnesota Statutes, chapter 268B, shall not be applied for or paid  
137.22 until January 1, 2024, and thereafter.

137.23 (b) Sections 1, 2, 4, 5, 6, 36, and 38 are effective July 1, 2021.

137.24 (c) Section 15 is effective July 1, 2022.

137.25 (d) Sections 3, 17, 18, 19, 21, 23, 24, 25, 29, 30, 31, and 33 are effective January 1,  
137.26 2023.

137.27 (e) Sections 7, 8, 9, 10, 11, 12, 13, 14, 16, 20, 22, 26, 27, 28, 32, 34, 35, and 37 are  
137.28 effective January 1, 2024.

**ARTICLE 5****FAMILY AND MEDICAL LEAVE BENEFIT AS EARNINGS**

Section 1. Minnesota Statutes 2020, section 256J.561, is amended by adding a subdivision to read:

Subd. 4. **Parents receiving family and medical leave benefits.** A parent who meets the criteria under subdivision 2 and who receives benefits under chapter 268B is not required to participate in employment services.

Sec. 2. Minnesota Statutes 2020, section 256J.95, subdivision 3, is amended to read:

**Subd. 3. Eligibility for diversionary work program.** (a) Except for the categories of family units listed in clauses (1) to (8), all family units who apply for cash benefits and who meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must participate in the diversionary work program. Family units or individuals that are not eligible for the diversionary work program include:

(1) child only cases;

(2) single-parent family units that include a child under 12 months of age. A parent is eligible for this exception once in a parent's lifetime;

(3) family units with a minor parent without a high school diploma or its equivalent;

(4) family units with an 18- or 19-year-old caregiver without a high school diploma or its equivalent who chooses to have an employment plan with an education option;

(5) family units with a caregiver who received DWP benefits within the 12 months prior to the month the family applied for DWP, except as provided in paragraph (c);

(6) family units with a caregiver who received MFIP within the 12 months prior to the month the family applied for DWP;

(7) family units with a caregiver who received 60 or more months of TANF assistance; ~~and~~

(8) family units with a caregiver who is disqualified from the work participation cash benefit program, DWP, or MFIP due to fraud; and

(9) single-parent family units where a parent is receiving family and medical leave benefits under chapter 268B.

(b) A two-parent family must participate in DWP unless both caregivers meet the criteria for an exception under paragraph (a), clauses (1) through (5), or the family unit includes a parent who meets the criteria in paragraph (a), clause (6), (7), or (8).

(c) Once DWP eligibility is determined, the four months run consecutively. If a participant leaves the program for any reason and reapplies during the four-month period, the county must redetermine eligibility for DWP.

Sec. 3. Minnesota Statutes 2020, section 256J.95, subdivision 11, is amended to read:

**Subd. 11. Universal participation required.** (a) All DWP caregivers, except caregivers who meet the criteria in paragraph (d), are required to participate in DWP employment services. Except as specified in paragraphs (b) and (c), employment plans under DWP must, at a minimum, meet the requirements in section 256J.55, subdivision 1.

(b) A caregiver who is a member of a two-parent family that is required to participate in DWP who would otherwise be ineligible for DWP under subdivision 3 may be allowed to develop an employment plan under section 256J.521, subdivision 2, that may contain alternate activities and reduced hours.

(c) A participant who is a victim of family violence shall be allowed to develop an employment plan under section 256J.521, subdivision 3. A claim of family violence must be documented by the applicant or participant by providing a sworn statement which is supported by collateral documentation in section 256J.545, paragraph (b).

~~(d) One parent in a two-parent family unit that has a natural born child under 12 months of age is not required to have an employment plan until the child reaches 12 months of age unless the family unit has already used the exclusion under section 256J.561, subdivision 3, or the previously allowed child under age one exemption under section 256J.56, paragraph (a), clause (5), if that parent:~~

(1) receives family and medical leave benefits under chapter 268B; or

(2) has a natural born child under 12 months of age until the child reaches 12 months of age unless the family unit has already used the exclusion under section 256J.561, subdivision 3, or the previously allowed child under age one exemption under section 256J.56, paragraph (a), clause (5).

(e) The provision in paragraph (d) ends the first full month after the child reaches 12 months of age. This provision is allowable only once in a caregiver's lifetime. In a two-parent household, only one parent shall be allowed to use this category.

(f) The participant and job counselor must meet in the month after the month the child reaches 12 months of age to revise the participant's employment plan. The employment plan for a family unit that has a child under 12 months of age that has already used the exclusion in section 256J.561 must be tailored to recognize the caregiving needs of the parent.

Sec. 4. Minnesota Statutes 2020, section 256P.01, subdivision 3, is amended to read:

Subd. 3. **Earned income.** "Earned income" means cash or in-kind income earned through the receipt of wages, salary, commissions, bonuses, tips, gratuities, profit from employment activities, net profit from self-employment activities, payments made by an employer for regularly accrued vacation or sick leave, severance pay based on accrued leave time, benefits paid under chapter 268B, payments from training programs at a rate at or greater than the state's minimum wage, royalties, honoraria, or other profit from activity that results from the client's work, service, effort, or labor. The income must be in return for, or as a result of, legal activity.

Sec. 5. **EFFECTIVE DATE.**

Sections 1 to 4 are effective January 1, 2024.

## ARTICLE 6

### UNEMPLOYMENT INSURANCE

Section 1. Minnesota Statutes 2020, section 268.035, subdivision 21c, is amended to read:

Subd. 21c. **Reemployment assistance training.** (a) An applicant is in "reemployment assistance training" when:

(1)(i) a reasonable opportunity for suitable employment for the applicant does not exist in the labor market area and additional training will assist the applicant in obtaining suitable employment;

(2) (ii) the curriculum, facilities, staff, and other essentials are adequate to achieve the training objective;

(3) (iii) the training is vocational or short term academic training directed to an occupation or skill that will substantially enhance the employment opportunities available to the applicant in the applicant's labor market area;

(4) (iv) the training course is full time by the training provider; and

(5) (v) the applicant is making satisfactory progress in the training;

141.1 (2) the applicant can provide proof of enrollment in one or more programs offered by  
141.2 an adult basic education consortium under section 124D.518. Programs may include but  
141.3 are not limited to:

141.4 (i) general educational development diploma preparation;

141.5 (ii) local credit completion adult high school diploma preparation;

141.6 (iii) state competency-based adult high school diploma preparation;

141.7 (iv) basic skills enhancement training focused on math, functional literacy, reading, or  
141.8 writing;

141.9 (v) computer skills training; or

141.10 (vi) English as a second language instruction;

141.11 (3) the applicant can provide proof of enrollment in an English as a second language  
141.12 program taught by a licensed instructor;

141.13 (4) the applicant can provide proof of enrollment in an over-the-road truck driving  
141.14 training program offered by a college or university within the Minnesota state system; or

141.15 (5) the applicant can provide proof of enrollment in a program funded under section  
141.16 116L.99.

141.17 (b) Full-time training provided through the dislocated worker program, the Trade Act  
141.18 of 1974, as amended, or the North American Free Trade Agreement is "reemployment  
141.19 assistance training," if that training course is in accordance with the requirements of that  
141.20 program.

141.21 (c) Apprenticeship training provided in order to meet the requirements of an  
141.22 apprenticeship program under chapter 178 is "reemployment assistance training."

141.23 (d) An applicant is in reemployment assistance training only if the training course has  
141.24 actually started or is scheduled to start within 30 calendar days.

141.25 Sec. 2. Minnesota Statutes 2020, section 268.085, subdivision 2, is amended to read:

141.26 Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for any week:

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

141.28 (2) that the applicant, at any time during the week, has an outstanding misrepresentation  
141.29 overpayment balance under section 268.18, subdivision 2, including any penalties and  
141.30 interest;

142.1 ~~(3) that occurs in a period when the applicant is a student in attendance at, or on vacation~~  
142.2 ~~from a secondary school including the period between academic years or terms;~~

142.3 ~~(4)~~ (3) that the applicant is incarcerated or performing court-ordered community service.  
142.4 The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day  
142.5 the applicant is incarcerated or performing court-ordered community service;

142.6 ~~(5)~~ (4) that the applicant fails or refuses to provide information on an issue of ineligibility  
142.7 required under section 268.101;

142.8 ~~(6)~~ (5) that the applicant is performing services 32 hours or more, in employment, covered  
142.9 employment, noncovered employment, volunteer work, or self-employment regardless of  
142.10 the amount of any earnings; or

142.11 ~~(7)~~ (6) with respect to which the applicant has filed an application for unemployment  
142.12 benefits under any federal law or the law of any other state. If the appropriate agency finally  
142.13 determines that the applicant is not entitled to establish a benefit account under federal law  
142.14 or the law of any other state, this clause does not apply.

142.15 **EFFECTIVE DATE.** This section is effective August 1, 2021.

142.16 Sec. 3. Minnesota Statutes 2020, section 268.085, subdivision 4a, is amended to read:

142.17 Subd. 4a. **Social Security disability benefits.** (a) An applicant who is receiving, has  
142.18 received, or has filed for primary Social Security disability benefits for any week is ineligible  
142.19 for unemployment benefits for that week, unless:

142.20 (1) the Social Security Administration approved the collecting of primary Social Security  
142.21 disability benefits each month the applicant was employed during the base period; or

142.22 (2) the applicant provides a statement from an appropriate health care professional who  
142.23 is aware of the applicant's Social Security disability claim and the basis for that claim,  
142.24 certifying that the applicant is available for suitable employment.

142.25 (b) If an applicant meets the requirements of paragraph (a), clause (1) or (2), there is no  
142.26 deduction from the applicant's weekly benefit amount for any Social Security disability  
142.27 benefits.

142.28 ~~(c) If an applicant meets the requirements of paragraph (a), clause (2), there must be~~  
142.29 ~~deducted from the applicant's weekly unemployment benefit amount 50 percent of the~~  
142.30 ~~weekly equivalent of the primary Social Security disability benefits the applicant is receiving,~~  
142.31 ~~has received, or has filed for, with respect to that week.~~

~~If the Social Security Administration determines that the applicant is not entitled to receive primary Social Security disability benefits for any week the applicant has applied for those benefits, then this paragraph does not apply to that week.~~

~~(d)~~ (c) Information from the Social Security Administration is conclusive, absent specific evidence showing that the information was erroneous.

~~(e)~~ (d) This subdivision does not apply to Social Security survivor benefits.

**EFFECTIVE DATE.** This section is effective retroactively from January 1, 2021.

Sec. 4. Minnesota Statutes 2020, section 268.085, subdivision 7, is amended to read:

Subd. 7. **School employees; between terms denial.** (a) Wage credits from employment with an educational institution or institutions may not be used for unemployment benefit purposes for any week during the period between two successive academic years or terms if:

(1) the applicant had employment for an educational institution or institutions in the prior academic year or term; and

(2) there is a reasonable assurance that the applicant will have employment for an educational institution or institutions in the following academic year or term.

This paragraph applies to a vacation period or holiday recess if the applicant was employed immediately before the vacation period or holiday recess, and there is a reasonable assurance that the applicant will be employed immediately following the vacation period or holiday recess. This paragraph also applies to the period between two regular but not successive terms if there is an agreement for that schedule between the applicant and the educational institution.

This paragraph does not apply if the subsequent employment is substantially less favorable than the employment of the prior academic year or term, or the employment prior to the vacation period or holiday recess.

(b) Paragraph (a) does not apply to:

(1) an applicant who, at the end of the prior academic year or term, had an agreement for a definite period of employment between academic years or terms in other than an instructional, research, or principal administrative capacity and the educational institution or institutions failed to provide that employment; or

(2) an applicant in a position for which no license is required by the Professional Educator Licensing and Standards Board or the Board of School Administrators.

144.1 (c) If unemployment benefits are denied to any applicant under paragraph (a) who was  
144.2 employed in the prior academic year or term in other than an instructional, research, or  
144.3 principal administrative capacity and who was not offered an opportunity to perform the  
144.4 employment in the following academic year or term, the applicant is entitled to retroactive  
144.5 unemployment benefits for each week during the period between academic years or terms  
144.6 that the applicant filed a timely continued request for unemployment benefits, but  
144.7 unemployment benefits were denied solely because of paragraph (a).

144.8 (d) This subdivision applies to employment with an educational service agency if the  
144.9 applicant performed the services at an educational institution or institutions. "Educational  
144.10 service agency" means a governmental entity established and operated for the purpose of  
144.11 providing services to one or more educational institutions.

144.12 (e) This subdivision applies to employment with Minnesota, a political subdivision, or  
144.13 a nonprofit organization, if the services are provided to or on behalf of an educational  
144.14 institution or institutions.

144.15 (f) Paragraph (a) applies beginning the Sunday of the week that there is a reasonable  
144.16 assurance of employment.

144.17 (g) Employment and a reasonable assurance with multiple education institutions must  
144.18 be aggregated for purposes of application of this subdivision.

144.19 (h) If all of the applicant's employment with any educational institution or institutions  
144.20 during the prior academic year or term consisted of on-call employment, and the applicant  
144.21 has a reasonable assurance of any on-call employment with any educational institution or  
144.22 institutions for the following academic year or term, it is not considered substantially less  
144.23 favorable employment.

144.24 (i) A "reasonable assurance" may be written, oral, implied, or established by custom or  
144.25 practice.

144.26 (j) An "educational institution" is a school, college, university, or other educational entity  
144.27 operated by Minnesota, a political subdivision or instrumentality thereof, or a nonprofit  
144.28 organization.

144.29 (k) An "instructional, research, or principal administrative capacity" does not include  
144.30 an educational assistant.



145.1 Sec. 5. Minnesota Statutes 2020, section 268.101, subdivision 2, is amended to read:

145.2 Subd. 2. **Determination.** (a) The commissioner must determine any issue of ineligibility  
145.3 raised by information required from an applicant under subdivision 1, paragraph (a) or (c),  
145.4 and send to the applicant and any involved employer, by mail or electronic transmission, a  
145.5 document titled a determination of eligibility or a determination of ineligibility, as is  
145.6 appropriate. The determination on an issue of ineligibility as a result of a quit or a discharge  
145.7 of the applicant must state the effect on the employer under section 268.047. A determination  
145.8 must be made in accordance with this paragraph even if a notified employer has not raised  
145.9 the issue of ineligibility.

145.10 (b) The commissioner must determine any issue of ineligibility raised by an employer  
145.11 and send to the applicant and that employer, by mail or electronic transmission, a document  
145.12 titled a determination of eligibility or a determination of ineligibility as is appropriate. The  
145.13 determination on an issue of ineligibility as a result of a quit or discharge of the applicant  
145.14 must state the effect on the employer under section 268.047.

145.15 If a base period employer:

145.16 (1) was not the applicant's most recent employer before the application for unemployment  
145.17 benefits;

145.18 (2) did not employ the applicant during the six calendar months before the application  
145.19 for unemployment benefits; and

145.20 (3) did not raise an issue of ineligibility as a result of a quit or discharge of the applicant  
145.21 within ten calendar days of notification under subdivision 1, paragraph (b);

145.22 then any exception under section 268.047, subdivisions 2 and 3, begins the Sunday two  
145.23 weeks following the week that the issue of ineligibility as a result of a quit or discharge of  
145.24 the applicant was raised by the employer.

145.25 A communication from an employer must specifically set out why the applicant should  
145.26 be determined ineligible for unemployment benefits for that communication to be considered  
145.27 to have raised an issue of ineligibility for purposes of this section. A statement of "protest"  
145.28 or a similar term without more information does not constitute raising an issue of ineligibility  
145.29 for purposes of this section.

145.30 (c) Subject to section 268.031, an issue of ineligibility is determined based upon that  
145.31 information required of an applicant, any information that may be obtained from an applicant  
145.32 or employer, and information from any other source.

(d) Regardless of the requirements of this subdivision, the commissioner is not required to send to an applicant a copy of the determination where the applicant has satisfied a period of ineligibility because of a quit or a discharge under section 268.095, subdivision 10.

(e) The department is authorized to issue a determination on an issue of ineligibility within 24 months from the establishment of a benefit account based upon information from any source, even if the issue of ineligibility was not raised by the applicant or an employer.

If an applicant obtained unemployment benefits through misrepresentation under section 268.18, subdivision 2, the department is authorized to issue a determination of ineligibility within 48 months of the establishment of the benefit account.

If the department has filed an intervention in a worker's compensation matter under section 176.361, the department is authorized to issue a determination of ineligibility within 48 months of the establishment of the benefit account.

(f) A determination of eligibility or determination of ineligibility is final unless an appeal is filed by the applicant or employer within ~~20~~ 60 calendar days after sending. The determination must contain a prominent statement indicating the consequences of not appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

(g) An issue of ineligibility required to be determined under this section includes any question regarding the denial or allowing of unemployment benefits under this chapter except for issues under section 268.07. An issue of ineligibility for purposes of this section includes any question of effect on an employer under section 268.047.

Sec. 6. Minnesota Statutes 2020, section 268.133, is amended to read:

**268.133 UNEMPLOYMENT BENEFITS WHILE IN ENTREPRENEURIAL TRAINING.**

Unemployment benefits are available to dislocated workers participating in the converting layoffs into Minnesota businesses (CLIMB) program under section 116L.17, subdivision 11. Applicants participating in CLIMB are considered in reemployment assistance training under section 268.035, subdivision 21c. All requirements under section 268.069, subdivision 1, must be met, except the commissioner may waive:

(1) the deductible earnings provisions in section 268.085, subdivision 5; and

(2) the 32 hours of work limitation in section 268.085, subdivision 2, clause ~~(6)~~ (5). A maximum of 500 applicants may receive a waiver at any given time.

**EFFECTIVE DATE.** This section is effective August 1, 2021.

147.1 Sec. 7. Minnesota Statutes 2020, section 268.136, subdivision 1, is amended to read:

147.2 Subdivision 1. **Shared work plan requirements.** An employer may submit a proposed  
147.3 shared work plan for an employee group to the commissioner for approval in a manner and  
147.4 format set by the commissioner. The proposed shared work plan must include:

147.5 (1) a certified statement that the normal weekly hours of work of all of the proposed  
147.6 participating employees were full time or regular part time but are now reduced, or will be  
147.7 reduced, with a corresponding reduction in pay, in order to prevent layoffs;

147.8 (2) the name and Social Security number of each participating employee;

147.9 (3) the number of layoffs that would have occurred absent the employer's ability to  
147.10 participate in a shared work plan;

147.11 (4) a certified statement that each participating employee was first hired by the employer  
147.12 at least ~~one year~~ three months before the proposed shared work plan is submitted and is not  
147.13 a seasonal, temporary, or intermittent worker;

147.14 (5) the hours of work each participating employee will work each week for the duration  
147.15 of the shared work plan, which must be at least 50 percent of the normal weekly hours but  
147.16 no more than 80 percent of the normal weekly hours, except that the plan may provide for  
147.17 a uniform vacation shutdown of up to two weeks;

147.18 (6) a certified statement that any health benefits and pension benefits provided by the  
147.19 employer to participating employees will continue to be provided under the same terms and  
147.20 conditions as though the participating employees' hours of work each week had not been  
147.21 reduced;

147.22 (7) a certified statement that the terms and implementation of the shared work plan is  
147.23 consistent with the employer's obligations under state and federal law;

147.24 (8) an acknowledgment that the employer understands that unemployment benefits paid  
147.25 under a shared work plan will be used in computing the future tax rate of a taxpaying  
147.26 employer or charged to the reimbursable account of a nonprofit or government employer;

147.27 (9) the proposed duration of the shared work plan, which must be at least two months  
147.28 and not more than one year, although a plan may be extended for up to an additional year  
147.29 upon approval of the commissioner;

147.30 (10) a starting date beginning on a Sunday at least 15 calendar days after the date the  
147.31 proposed shared work plan is submitted; and

148.1 (11) a signature of an owner or officer of the employer who is listed as an owner or  
148.2 officer on the employer's account under section 268.045.

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

148.4 Sec. 8. **CONTINUED SUSPENSION OF ONE-WEEK WAITING PERIOD.**

148.5 Notwithstanding Minnesota Statutes, section 268.085, subdivision 1, the one-week  
148.6 nonpayable waiting period to receive unemployment benefits is waived for applicants for  
148.7 unemployment insurance benefit accounts established between December 27, 2020, and  
148.8 September 4, 2021.

148.9 **EFFECTIVE DATE.** This section is effective retroactively from December 27, 2020.

148.10 Sec. 9. **CONTINUED SUSPENSION OF FIVE-WEEK BUSINESS OWNER**  
148.11 **BENEFIT LIMITATION.**

148.12 Notwithstanding Minnesota Statutes, section 268.085, subdivision 9, the five-week  
148.13 limitation for receipt of unemployment benefits for business owners is suspended for  
148.14 applicants for unemployment insurance benefit accounts established between December  
148.15 27, 2020, and September 4, 2021.

148.16 **EFFECTIVE DATE.** This section is effective retroactively from December 27, 2020.

148.17 Sec. 10. **LEAVE OF ABSENCE DUE TO COVID-19.**

148.18 Notwithstanding Minnesota Statutes, section 268.085, subdivision 13a, for an applicant  
148.19 applying for an unemployment insurance benefit account established between December  
148.20 27, 2020, and September 4, 2021, a leave of absence is presumed to be an involuntary leave  
148.21 of absence and not ineligible if:

148.22 (1) a determination has been made by health authorities or by a health care professional  
148.23 that the presence of the applicant in the workplace would jeopardize the health of others,  
148.24 whether or not the applicant has actually contracted a communicable disease;

148.25 (2) a quarantine or isolation order has been issued to the applicant pursuant to Minnesota  
148.26 Statutes, sections 144.419 to 144.4196;

148.27 (3) there is a recommendation from health authorities or from a health care professional  
148.28 that the applicant should self-isolate or self-quarantine due to elevated risk from COVID-19  
148.29 due to being immunocompromised;

(4) the applicant has been instructed by the applicant's employer not to come to the employer's place of business due to an outbreak of a communicable disease; or

(5) the applicant has received a notification from a school district, day care, or other child care provider that either (i) classes are canceled, or (ii) the applicant's ordinary child care is unavailable, provided that the applicant made reasonable effort to obtain other child care and requested time off or other accommodation from the employer and no reasonable accommodation was available.

**EFFECTIVE DATE.** This section is effective retroactively from December 27, 2020.

Sec. 11. **SUITABLE EMPLOYMENT DURING COVID-19 PANDEMIC.**

Notwithstanding the definition of "suitable employment" provided in Minnesota Statutes, section 268.035, subdivision 23a, for an applicant applying for unemployment insurance benefits between December 27, 2020, and September 4, 2021, employment is not suitable under Minnesota Statutes, section 268.035, subdivision 23a, paragraphs (a) and (b), if:

(1) the employment puts the health and safety of the applicant at risk due to potential exposure of the applicant to COVID-19; or

(2) the employment puts the health and safety of other workers and the general public at risk due to potential exposure of the other workers and the general public to COVID-19.

**EFFECTIVE DATE.** This section is effective retroactively from December 27, 2020.

Sec. 12. **PANDEMIC UNEMPLOYMENT ASSISTANCE TO HIGH SCHOOL STUDENTS.**

Pandemic Unemployment Assistance payments made to high school students under the federal CARES Act, United States Code, title 15, chapter 116, and extended by the federal Consolidated Appropriations Act, 2021, Public Law 116-260, subject to any necessary federal approval, must not be counted as income when determining eligibility for the programs administered by the Department of Human Services.

**EFFECTIVE DATE.** This section is effective retroactively from January 7, 2021.

Sec. 13. **REPEALER.**

(a) Minnesota Statutes 2020, section 268.085, subdivision 4, is repealed January 1, 2021.

(b) Minnesota Statutes 2020, section 268.085, subdivision 8, is repealed.

### 116L.18 SPECIAL INCUMBENT WORKER TRAINING GRANTS.

Subdivision 1. **Purpose.** The purpose of the special incumbent worker training grants is to expand opportunities for businesses and workers to gain new skills that are in demand in the Minnesota economy. The board shall establish criteria for incumbent worker grants under this section and may encourage creative training models, innovative partnerships, and expansion or replication of promising practices.

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

(b) "Incumbent worker" means an individual employed by a qualifying employer.

(c) "Qualifying employer" means a for-profit business or nonprofit organization in Minnesota with at least one full-time paid employee. Public sector organizations are not considered qualifying employers.

(d) "Eligible organization" has the meaning given in section 116L.17.

Subd. 3. **Amount of grants.** A grant to an eligible organization may not exceed \$400,000.

Subd. 4. **Matching funds.** The board shall require matching funds from qualifying employers in the form of funding, equipment, or faculty.

Subd. 5. **Use of funds.** Eligible organizations shall use funds granted under this section for direct training services to provide a measurable increase in the job-related skills of participating incumbent workers. Eligible organizations may also provide basic assessment, counseling, and preemployment training services requested by the qualifying employer. No funds may be used for support services as described in section 116L.17, subdivision 4, clause (2).

Subd. 6. **Performance outcome measures.** The board and the commissioner of employment and economic development shall jointly develop performance outcome measures and standards for this program. The commissioner and board shall consult with eligible organizations in establishing standards. Measures at a minimum must include posttraining retention, promotion, and wage increase. The board and commissioner shall provide a report to the legislature by March 1 of each year on the previous fiscal year's program performance. Eligible organizations must provide performance data in a timely manner for the completion of this report.

### 268.085 ELIGIBILITY REQUIREMENTS; PAYMENTS THAT AFFECT BENEFITS.

Subd. 4. **Social Security old age insurance benefits.** (a) If all of the applicant's wage credits were earned while the applicant was claiming Social Security old age benefits, there is no deduction of the Social Security benefits from the applicant's weekly unemployment benefit amount.

(b) Unless paragraph (a) applies, 50 percent of the weekly equivalent of the primary Social Security old age benefit the applicant has received, has filed for, or intends to file for, with respect to that week must be deducted from an applicant's weekly unemployment benefit amount.

(c) Any applicant aged 62 or over is required to state when filing an application for unemployment benefits and when filing continued requests for unemployment benefits if the applicant is receiving, has filed for, or intends to file for, primary Social Security old age benefits.

(d) Information from the Social Security Administration is conclusive, absent specific evidence showing that the information was erroneous.

(e) This subdivision does not apply to Social Security survivor benefits.

Subd. 8. **Services for school contractors.** (a) Wage credits from an employer are subject to subdivision 7, if:

(1) the employment was provided under a contract between the employer and an elementary or secondary school; and

(2) the contract was for services that the elementary or secondary school could have had performed by its employees.

(b) Wage credits from an employer are not subject to subdivision 7 if:

(1) those wage credits were earned by an employee of a private employer performing work under a contract between the employer and an elementary or secondary school; and

(2) the employment was related to food services provided to the school by the employer.