

**SENATE  
STATE OF MINNESOTA  
NINETY-FIRST SESSION**

**S.F. No. 2611**

(SENATE AUTHORS: PRATT, Westrom, Osmek and Dahms)

DATE	D-PG	OFFICIAL STATUS
03/20/2019	1066	Introduction and first reading
		Referred to Jobs and Economic Growth Finance and Policy
04/10/2019	2260a	Comm report: To pass as amended and re-refer to Finance See SF2226

1.1 A bill for an act

1.2 relating to jobs; appropriating money for the Department of Employment and

1.3 Economic Development, Department of Labor and Industry, the Bureau of

1.4 Mediation Services, and Workers' Compensation Court of Appeals; modifying

1.5 use of Minnesota investment fund; establishing an airport infrastructure renewal

1.6 (AIR) grant program; modifying the youth skills training program; modifying

1.7 retainage requirements for certain public contracts and building and construction

1.8 contracts; providing uniformity for employment mandates on private employers;

1.9 prohibiting wage theft; adopting recommendations from the Workers' Compensation

1.10 Advisory Council; making policy and technical changes; modifying fees;

1.11 establishing criminal penalties; requiring reports; amending Minnesota Statutes

1.12 2018, sections 15.72, subdivision 2; 116J.035, subdivision 7; 175.46, subdivisions

1.13 3, 13; 176.1812, subdivision 2; 176.231, subdivision 1; 177.23, subdivision 7;

1.14 177.27, subdivision 1; 177.32, subdivision 1; 181.03, subdivision 1, by adding

1.15 subdivisions; 326B.821, subdivision 21; 337.10, subdivision 4; 341.30, subdivision

1.16 1; 341.32, subdivision 1; 341.321; 469.074, by adding a subdivision; Laws 2017,

1.17 chapter 94, article 1, section 2, subdivision 3; proposing coding for new law in

1.18 Minnesota Statutes, chapters 116J; 116L; 181.

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

1.20 **ARTICLE 1**

1.21 **APPROPRIATIONS**

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

1.23 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

1.24 and for the purposes specified in this article. The appropriations are from the general fund,

1.25 or another named fund, and are available for the fiscal years indicated for each purpose.

1.26 The figures "2020" and "2021" used in this article mean that the appropriations listed under

1.27 them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively.

1.28 "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium"

1.29 is fiscal years 2020 and 2021.

2.1				<b><u>APPROPRIATIONS</u></b>
2.2				<b><u>Available for the Year</u></b>
2.3				<b><u>Ending June 30</u></b>
2.4				<b><u>2020</u>                      <u>2021</u></b>
2.5	<b>Sec. 2. <u>DEPARTMENT OF EMPLOYMENT</u></b>			
2.6	<b><u>AND ECONOMIC DEVELOPMENT</u></b>			
2.7	<b><u>Subdivision 1. Total Appropriation</u></b>		<b>\$</b>	<b><u>114,607,000</u> \$              <u>114,607,000</u></b>
2.8		<b><u>Appropriations by Fund</u></b>		
2.9		<b><u>2020</u></b>	<b><u>2021</u></b>	
2.10	<b><u>General</u></b>	<b><u>82,810,000</u></b>	<b><u>82,810,000</u></b>	
2.11	<b><u>Remediation</u></b>	<b><u>700,000</u></b>	<b><u>700,000</u></b>	
2.12	<b><u>Workforce</u></b>			
2.13	<b><u>Development</u></b>	<b><u>31,097,000</u></b>	<b><u>31,097,000</u></b>	
2.14	<b><u>The amounts that may be spent for each</u></b>			
2.15	<b><u>purpose are specified in the following</u></b>			
2.16	<b><u>subdivisions.</u></b>			
2.17	<b><u>Subd. 2. Business and Community Development</u></b>			<b><u>38,286,000</u>                      <u>38,286,000</u></b>
2.18		<b><u>Appropriations by Fund</u></b>		
2.19	<b><u>General</u></b>	<b><u>36,111,000</u></b>	<b><u>36,111,000</u></b>	
2.20	<b><u>Remediation</u></b>	<b><u>700,000</u></b>	<b><u>700,000</u></b>	
2.21	<b><u>Workforce</u></b>			
2.22	<b><u>Development</u></b>	<b><u>1,475,000</u></b>	<b><u>1,475,000</u></b>	
2.23	<b><u>(a)(1) \$12,500,000 each year is for the</u></b>			
2.24	<b><u>Minnesota investment fund under Minnesota</u></b>			
2.25	<b><u>Statutes, section 116J.8731. Of this amount,</u></b>			
2.26	<b><u>up to two percent is for administration and</u></b>			
2.27	<b><u>monitoring of the program. This appropriation</u></b>			
2.28	<b><u>is available until spent. Notwithstanding</u></b>			
2.29	<b><u>Minnesota Statutes, section 116J.8731, funds</u></b>			
2.30	<b><u>appropriated to the commissioner for the</u></b>			
2.31	<b><u>Minnesota investment fund may be used for</u></b>			
2.32	<b><u>the redevelopment program under Minnesota</u></b>			
2.33	<b><u>Statutes, sections 116J.575 and 116J.5761, at</u></b>			
2.34	<b><u>the discretion of the commissioner. Grants</u></b>			
2.35	<b><u>under this paragraph are not subject to the</u></b>			

3.1 grant amount limitation under Minnesota  
3.2 Statutes, section 116J.8731;  
3.3 (2) of the amount appropriated in fiscal year  
3.4 2020, \$2,000,000 is for a loan to a paper mill  
3.5 in Duluth to support the operation and  
3.6 manufacture of packaging paper grades. The  
3.7 company that owns the paper mill must spend  
3.8 \$25,000,000 on expansion activities by  
3.9 December 31, 2020, in order to be eligible to  
3.10 receive funds in this appropriation. This  
3.11 appropriation is onetime and may be used for  
3.12 the mill's equipment, materials, supplies, and  
3.13 other operating expenses. The commissioner  
3.14 of employment and economic development  
3.15 shall forgive a portion of the loan each year  
3.16 after verification that the mill has retained 200  
3.17 full-time jobs over a period of five years and  
3.18 has satisfied other performance goals and  
3.19 contractual obligations as required under  
3.20 Minnesota Statutes, section 116J.8731;  
3.21 (3) of the amount appropriated in fiscal year  
3.22 2020, \$1,000,000 is for the airport  
3.23 infrastructure renewal (AIR) grant program  
3.24 under Minnesota Statutes, section 116J.439;  
3.25 and  
3.26 (4) of the amount appropriated in fiscal year  
3.27 2020, \$100,000 is for a grant to FIRST in  
3.28 Upper Midwest to support competitive  
3.29 robotics teams. Funds must be used to make  
3.30 up to five awards of no more than \$20,000  
3.31 each to Minnesota-based public entities or  
3.32 private nonprofit organizations for the creation  
3.33 of competitive robotics hubs. Awards may be  
3.34 used for tools, equipment, and physical space  
3.35 to be utilized by robotics teams. At least 50

4.1 percent of grant funds must be used outside  
4.2 of the seven-county metropolitan area, as  
4.3 defined under Minnesota Statutes, section  
4.4 473.121, subdivision 2. The grant recipient  
4.5 shall report to the chairs and ranking minority  
4.6 members of the legislative committees with  
4.7 jurisdiction over jobs and economic growth  
4.8 by February 1, 2021, on the status of awards  
4.9 and include information on the number and  
4.10 amount of awards made, the number of  
4.11 customers served, and any outcomes resulting  
4.12 from the grant. The grant requires a 50 percent  
4.13 match from nonstate sources.

4.14 (b) \$8,000,000 each year is for the Minnesota  
4.15 job creation fund under Minnesota Statutes,  
4.16 section 116J.8748. Of this amount, up to two  
4.17 percent is for administration and monitoring  
4.18 of the program. This appropriation is available  
4.19 until spent.

4.20 (c) \$1,000,000 each year is for the Minnesota  
4.21 emerging entrepreneur loan program under  
4.22 Minnesota Statutes, section 116M.18. Funds  
4.23 available under this paragraph are for transfer  
4.24 into the emerging entrepreneur program  
4.25 special revenue fund account created under  
4.26 Minnesota Statutes, chapter 116M, and are  
4.27 available until spent.

4.28 (d) \$1,350,000 each year from the workforce  
4.29 development fund is for job training costs  
4.30 under Minnesota Statutes, section 116L.42.

4.31 (e) \$1,787,000 each year is for the greater  
4.32 Minnesota business development public  
4.33 infrastructure grant program under Minnesota  
4.34 Statutes, section 116J.431. This appropriation  
4.35 is available until spent.

- 5.1 (f) \$139,000 each year is for the Center for  
5.2 Rural Policy and Development.
- 5.3 (g) \$1,772,000 each year is for contaminated  
5.4 site cleanup and development grants under  
5.5 Minnesota Statutes, sections 116J.551 to  
5.6 116J.558. This appropriation is available until  
5.7 spent.
- 5.8 (h) \$700,000 each year is from the remediation  
5.9 fund for contaminated site cleanup and  
5.10 development grants under Minnesota Statutes,  
5.11 sections 116J.551 to 116J.558. This  
5.12 appropriation is available until spent.
- 5.13 (i) \$1,425,000 each year is for the business  
5.14 development competitive grant program. Of  
5.15 this amount, up to two percent is for  
5.16 administration and monitoring of the business  
5.17 development competitive grant program. All  
5.18 grant awards shall be for two consecutive  
5.19 years. Grants shall be awarded in the first year.
- 5.20 (j) \$4,195,000 each year is for the Minnesota  
5.21 job skills partnership program under  
5.22 Minnesota Statutes, sections 116L.01 to  
5.23 116L.17. If the appropriation for either year  
5.24 is insufficient, the appropriation for the other  
5.25 year is available. This appropriation is  
5.26 available until spent.
- 5.27 (k) \$875,000 each year is from the general  
5.28 fund for the host community economic  
5.29 development program established in  
5.30 Minnesota Statutes, section 116J.548.
- 5.31 (l) \$25,000 each year is for the administration  
5.32 of state aid for the Destination Medical Center  
5.33 under Minnesota Statutes, sections 469.40 to  
5.34 469.47.

6.1 (m) \$125,000 each year from the workforce  
 6.2 development fund is for a grant to the White  
 6.3 Earth Nation for the White Earth Nation  
 6.4 Integrated Business Development System to  
 6.5 provide business assistance with workforce  
 6.6 development, outreach, technical assistance,  
 6.7 infrastructure and operational support,  
 6.8 financing, and other business development  
 6.9 activities. This is a onetime appropriation.

6.10 (n) \$12,000 each year is from the general fund  
 6.11 for a grant to the Upper Minnesota Film  
 6.12 Office.

6.13 (o) \$163,000 each year is from the general  
 6.14 fund for the Minnesota Film and TV Board.  
 6.15 The appropriation in each year is available  
 6.16 only upon receipt by the board of \$1 in  
 6.17 matching contributions of money or in-kind  
 6.18 contributions from nonstate sources for every  
 6.19 \$3 provided by this appropriation, except that  
 6.20 each year up to \$50,000 is available on July  
 6.21 1 even if the required matching contribution  
 6.22 has not been received by that date.

6.23 (p) \$500,000 each year is from the general  
 6.24 fund for a grant to the Minnesota Film and TV  
 6.25 Board for the film production jobs program  
 6.26 under Minnesota Statutes, section 116U.26.  
 6.27 This appropriation is available until spent.

6.28 Subd. 3. **Minnesota Trade Office**

2,292,000

2,292,000

6.29 (a) \$300,000 each year is for the STEP grants  
 6.30 in Minnesota Statutes, section 116J.979.

6.31 (b) \$180,000 each year is for the Invest  
 6.32 Minnesota Marketing Initiative in Minnesota  
 6.33 Statutes, section 116J.9781.

7.1 (c) \$270,000 each year is for the Minnesota  
 7.2 Trade Offices under Minnesota Statutes,  
 7.3 section 116J.978.

7.4 (d) \$50,000 each year is for the trade policy  
 7.5 advisory group under Minnesota Statutes,  
 7.6 section 116J.9661.

7.7 **Subd. 4. Workforce Development** 26,242,000 26,242,000

7.8 Appropriations by Fund

7.9 General 4,450,000 4,450,000

7.10 Workforce  
 7.11 Development 21,792,000 21,792,000

7.12 (a) \$4,604,000 each year from the workforce  
 7.13 development fund is for the pathways to  
 7.14 prosperity competitive grant program. Of this  
 7.15 amount, up to two percent is for administration  
 7.16 and monitoring of the program.

7.17 (b) \$4,065,000 each year is from the  
 7.18 workforce development fund for the  
 7.19 Minnesota youth program under Minnesota  
 7.20 Statutes, sections 116L.56 and 116L.561.

7.21 (c) \$1,000,000 each year is from the workforce  
 7.22 development fund for the youthbuild program  
 7.23 under Minnesota Statutes, sections 116L.361  
 7.24 to 116L.366.

7.25 (d) \$750,000 each year is from the general  
 7.26 fund and \$3,348,000 each year is from the  
 7.27 workforce development fund for the youth at  
 7.28 work competitive grant program under  
 7.29 Minnesota Statutes, section 116L.562. Of this  
 7.30 amount, up to two percent is for administration  
 7.31 and monitoring of the youth workforce  
 7.32 development competitive grant program. All  
 7.33 grant awards shall be for two consecutive  
 7.34 years. Grants shall be awarded in the first year.

8.1 (e) \$500,000 each year from the general fund  
8.2 and \$500,000 each year from the workforce  
8.3 development fund are for rural career  
8.4 counseling coordinators in the workforce  
8.5 service areas and for the purposes specified  
8.6 under Minnesota Statutes, section 116L.667.

8.7 (f) \$250,000 each year is for the higher  
8.8 education career advising program.

8.9 (g) \$1,000,000 each year is for a competitive  
8.10 grant program for grants to organizations  
8.11 providing services to relieve economic  
8.12 disparities in the Southeast Asian community  
8.13 through workforce recruitment, development,  
8.14 job creation, assistance of smaller  
8.15 organizations to increase capacity, and  
8.16 outreach. Of this amount, up to two percent is  
8.17 for administration and monitoring of the  
8.18 program.

8.19 (h) \$1,000,000 each year is for a competitive  
8.20 grant program to provide grants to  
8.21 organizations that provide support services for  
8.22 individuals, such as job training, employment  
8.23 preparation, internships, job assistance to  
8.24 fathers, financial literacy, academic and  
8.25 behavioral interventions for low-performing  
8.26 students, and youth intervention. Grants made  
8.27 under this section must focus on low-income  
8.28 communities, young adults from families with  
8.29 a history of intergenerational poverty, and  
8.30 communities of color. Of this amount, up to  
8.31 two percent is for administration and  
8.32 monitoring of the program.

8.33 (i) \$750,000 each year is for the high-wage,  
8.34 high-demand, nontraditional jobs grant  
8.35 program under Minnesota Statutes, section



9.1 116L.99. Of this amount, up to two percent is  
9.2 for administration and monitoring of the  
9.3 program.

9.4 (j) \$500,000 each year is from the workforce  
9.5 development fund for the Opportunities  
9.6 Industrialization Center programs. This  
9.7 appropriation shall be divided equally among  
9.8 the eligible centers.

9.9 (k) \$250,000 each year is from the workforce  
9.10 development fund for a grant to YWCA St.  
9.11 Paul to provide job training services and  
9.12 workforce development programs and  
9.13 services, including job skills training and  
9.14 counseling. This is a onetime appropriation.

9.15 (l) \$750,000 each year is from the workforce  
9.16 development fund for a grant to the  
9.17 Minneapolis Foundation for a strategic  
9.18 intervention program designed to target and  
9.19 connect program participants to meaningful,  
9.20 sustainable living-wage employment. This is  
9.21 a onetime appropriation.

9.22 (m) \$800,000 each year is from the workforce  
9.23 development fund for performance grants  
9.24 under Minnesota Statutes, section 116J.8747,  
9.25 to Twin Cities R!SE to provide training to  
9.26 hard-to-train individuals. This is a onetime  
9.27 appropriation.

9.28 (n) \$600,000 each year from the workforce  
9.29 development fund is for a grant to Ujamaa  
9.30 Place for job training, employment  
9.31 preparation, internships, education, training  
9.32 in the construction trades, housing, and  
9.33 organizational capacity-building. This is a  
9.34 onetime appropriation.

- 10.1 (o) \$200,000 each year is for a grant to  
10.2 AccessAbility Incorporated to provide job  
10.3 skills training to individuals who have been  
10.4 released from incarceration for a felony-level  
10.5 offense and are no more than 12 months from  
10.6 the date of release. AccessAbility Incorporated  
10.7 shall annually report to the commissioner on  
10.8 how the money was spent and what results  
10.9 were achieved. The report must include, at a  
10.10 minimum, information and data about the  
10.11 number of participants; participant  
10.12 homelessness, employment, recidivism, and  
10.13 child support compliance; and training  
10.14 provided to program participants. This is a  
10.15 onetime appropriation.
- 10.16 (p) \$450,000 each year is from the workforce  
10.17 development fund for grants to Minnesota  
10.18 Diversified Industries, Inc. to provide  
10.19 progressive development and employment  
10.20 opportunities for people with disabilities. This  
10.21 is a onetime appropriation.
- 10.22 (q) \$750,000 each year is from the workforce  
10.23 development fund for a grant to the Minnesota  
10.24 Alliance of Boys and Girls Clubs to administer  
10.25 a statewide project of youth job skills and  
10.26 career development. This project, which may  
10.27 have career guidance components including  
10.28 health and life skills, must be designed to  
10.29 encourage, train, and assist youth in early  
10.30 access to education and job-seeking skills,  
10.31 work-based learning experience including  
10.32 career pathways in STEM learning, career  
10.33 exploration and matching, and first job  
10.34 placement through local community  
10.35 partnerships and on-site job opportunities. This

- 11.1 grant requires a 25 percent match from  
11.2 nonstate resources. This is a onetime  
11.3 appropriation.
- 11.4 (r) \$500,000 each year is from the workforce  
11.5 development fund for a grant to Avivo to  
11.6 provide low-income individuals with career  
11.7 education and job skills training that is fully  
11.8 integrated with chemical and mental health  
11.9 services. This is a onetime appropriation.
- 11.10 (s) \$1,500,000 each year is from the workforce  
11.11 development fund for a grant to the Minnesota  
11.12 High Tech Association to support  
11.13 SciTechsperience, a program that supports  
11.14 science, technology, engineering, and math  
11.15 (STEM) internship opportunities for two- and  
11.16 four-year college students and graduate  
11.17 students in their field of study. The internship  
11.18 opportunities must match students with paid  
11.19 internships within STEM disciplines at small,  
11.20 for-profit companies located in Minnesota  
11.21 having fewer than 250 employees worldwide.  
11.22 At least 350 students must be matched in the  
11.23 first year and at least 350 students must be  
11.24 matched in the second year. No more than 15  
11.25 percent of the hires may be graduate students.  
11.26 Selected hiring companies shall receive from  
11.27 the grant 50 percent of the wages paid to the  
11.28 intern, capped at \$3,000 per intern. The  
11.29 program must work toward increasing the  
11.30 participation among women or other  
11.31 underserved populations. This is a onetime  
11.32 appropriation.
- 11.33 (t) \$250,000 each year is from the workforce  
11.34 development fund for a grant to Big Brothers  
11.35 Big Sisters of the Greater Twin Cities for

- 12.1 workforce readiness, employment exploration,  
12.2 and skills development for youth ages 12 to  
12.3 21. The grant must serve youth in the Big  
12.4 Brothers Big Sisters chapters in the Twin  
12.5 Cities, central Minnesota, and southern  
12.6 Minnesota. This is a onetime appropriation.
- 12.7 (u) \$200,000 each year is from the workforce  
12.8 development fund for a grant to 180 Degrees  
12.9 to expand their job readiness training program  
12.10 to: young adults in group homes; sexually  
12.11 exploited girls at Brittany's Place; and men  
12.12 who have recently been released from prison  
12.13 at the Clifton Residence. This is a onetime  
12.14 appropriation.
- 12.15 (v) \$150,000 each year is from the workforce  
12.16 development fund for displaced homemaker  
12.17 programs under Minnesota Statutes, section  
12.18 116L.96. The commissioner, through the adult  
12.19 career pathways program, shall distribute the  
12.20 funds to existing nonprofit and state displaced  
12.21 homemaker programs. This is a onetime  
12.22 appropriation.
- 12.23 (w) \$500,000 each year is from the workforce  
12.24 development fund for a grant to Goodwill  
12.25 Easter Seals Minnesota and its partners. The  
12.26 grant shall be used to continue the FATHER  
12.27 Project in Rochester, Park Rapids, St. Cloud,  
12.28 Minneapolis, and the surrounding areas to  
12.29 assist fathers in overcoming barriers that  
12.30 prevent fathers from supporting their children  
12.31 economically and emotionally. This is a  
12.32 onetime appropriation.
- 12.33 (x) \$500,000 each year is from the workforce  
12.34 development fund for a grant to Summit  
12.35 Academy OIC to expand their contextualized

- 13.1 GED and employment placement program and  
13.2 STEM program. This is a onetime  
13.3 appropriation.
- 13.4 (y) \$250,000 each year is from the workforce  
13.5 development fund for a grant to Bridges to  
13.6 Healthcare to provide career education,  
13.7 wraparound support services, and job skills  
13.8 training in high-demand health care fields to  
13.9 low-income parents, nonnative speakers of  
13.10 English, and other hard-to-train individuals,  
13.11 helping families build secure pathways out of  
13.12 poverty while also addressing worker  
13.13 shortages in one of Minnesota's most  
13.14 innovative industries. Funds may be used for  
13.15 program expenses, including but not limited  
13.16 to hiring instructors and navigators; space  
13.17 rental; and supportive services to help  
13.18 participants attend classes, including assistance  
13.19 with course fees, child care, transportation,  
13.20 and safe and stable housing. In addition, up to  
13.21 five percent of grant funds may be used for  
13.22 Bridges to Healthcare's administrative costs.  
13.23 This is a onetime appropriation.
- 13.24 (z) \$75,000 each year is from the workforce  
13.25 development fund for grants to the Minnesota  
13.26 Grocers Association Foundation for Carts to  
13.27 Careers, a statewide initiative to promote  
13.28 careers, conduct outreach, provide job skills  
13.29 training, and grant scholarships for careers in  
13.30 the retail food industry. This is a onetime  
13.31 appropriation.
- 13.32 (aa) \$250,000 each year is from the workforce  
13.33 development fund for grants to the American  
13.34 Indian Opportunities and Industrialization  
13.35 Center, in collaboration with the Northwest

14.1	<u>Indian Community Development Center, to</u>		
14.2	<u>reduce academic disparities for American</u>		
14.3	<u>Indian students and adults. The grant funds</u>		
14.4	<u>may be used to provide:</u>		
14.5	<u>(1) student tutoring and testing support</u>		
14.6	<u>services;</u>		
14.7	<u>(2) training and employment placement in</u>		
14.8	<u>information technology;</u>		
14.9	<u>(3) training and employment placement within</u>		
14.10	<u>trades;</u>		
14.11	<u>(4) assistance in obtaining a GED;</u>		
14.12	<u>(5) remedial training leading to enrollment or</u>		
14.13	<u>to sustain enrollment in a postsecondary higher</u>		
14.14	<u>education institution;</u>		
14.15	<u>(6) real-time work experience in information</u>		
14.16	<u>technology fields and in the trades;</u>		
14.17	<u>(7) contextualized adult basic education;</u>		
14.18	<u>(8) career and educational counseling for</u>		
14.19	<u>clients with significant and multiple barriers;</u>		
14.20	<u>and</u>		
14.21	<u>(9) reentry services and counseling for adults</u>		
14.22	<u>and youth.</u>		
14.23	<u>After notification to the legislature, the</u>		
14.24	<u>commissioner may transfer this appropriation</u>		
14.25	<u>to the commissioner of education.</u>		
14.26	<b><u>Subd. 5. Vocational Rehabilitation</u></b>	<u>36,961,000</u>	<u>36,961,000</u>
14.27	<u>Appropriations by Fund</u>		
14.28	<u>General</u>	<u>28,861,000</u>	<u>28,861,000</u>
14.29	<u>Workforce</u>		
14.30	<u>Development</u>	<u>7,830,000</u>	<u>7,830,000</u>

- 15.1 (a) \$14,300,000 each year is for the state's  
 15.2 vocational rehabilitation program under  
 15.3 Minnesota Statutes, chapter 268A.
- 15.4 (b) \$3,011,000 each year is from the general  
 15.5 fund for grants to centers for independent  
 15.6 living under Minnesota Statutes, section  
 15.7 268A.11.
- 15.8 (c) \$8,995,000 each year from the general fund  
 15.9 and \$6,830,000 each year from the workforce  
 15.10 development fund are for extended  
 15.11 employment services for persons with severe  
 15.12 disabilities under Minnesota Statutes, section  
 15.13 268A.15. Of the amounts appropriated from  
 15.14 the general fund, \$2,000,000 each year is for  
 15.15 rate increases to providers of extended  
 15.16 employment services for persons with severe  
 15.17 disabilities under Minnesota Statutes, section  
 15.18 268A.15.
- 15.19 (d) \$1,000,000 each year is from the  
 15.20 workforce development fund for grants under  
 15.21 Minnesota Statutes, section 268A.16, for  
 15.22 employment services for persons, including  
 15.23 transition-aged youth, who are deaf, deafblind,  
 15.24 or hard-of-hearing. If the amount in the first  
 15.25 year is insufficient, the amount in the second  
 15.26 year is available in the first year. Of this  
 15.27 amount, up to two percent is for administration  
 15.28 and monitoring of the program.
- 15.29 (e) \$2,555,000 each year is for grants to  
 15.30 programs that provide employment support  
 15.31 services to persons with mental illness under  
 15.32 Minnesota Statutes, sections 268A.13 and  
 15.33 268A.14.
- 15.34 **Subd. 6. Services for the Blind** 6,425,000 6,425,000

16.1 \$500,000 each year is to provide services for  
 16.2 senior citizens who are becoming blind. At  
 16.3 least half of the funds appropriated must be  
 16.4 used to provide training services for seniors  
 16.5 who are becoming blind. Training services  
 16.6 must provide independent living skills to  
 16.7 seniors who are becoming blind to allow them  
 16.8 to continue to live independently in their  
 16.9 homes.

16.10 **Subd. 7. General Support Services** 4,671,000 4,671,000

16.11 (a) \$250,000 each year is for the publication,  
 16.12 dissemination, and use of labor market  
 16.13 information under Minnesota Statutes, section  
 16.14 116J.4011.

16.15 (b) \$1,269,000 each year is for transfer to the  
 16.16 Minnesota Housing Finance Agency for  
 16.17 operating the Olmstead Implementation  
 16.18 Office.

16.19 (c) \$500,000 each year is for the  
 16.20 capacity-building grant program to assist  
 16.21 nonprofit organizations offering or seeking to  
 16.22 offer workforce development and economic  
 16.23 development programming.

16.24 **Subd. 8. Competitive Grant Limitations**

16.25 An organization that receives a direct  
 16.26 appropriation under this section is not eligible  
 16.27 to participate in competitive grant programs  
 16.28 under this section for substantially the same  
 16.29 program or purpose as the direct appropriation  
 16.30 received during the fiscal years in which the  
 16.31 direct appropriations are received.

16.32 **Sec. 3. DEPARTMENT OF LABOR AND**  
 16.33 **INDUSTRY**

16.34 **Subdivision 1. Total Appropriation** **\$ 28,700,000 \$ 25,700,000**



17.1	<u>Appropriations by Fund</u>		
17.2		<u>2020</u>	<u>2021</u>
17.3	<u>General</u>	<u>3,048,000</u>	<u>3,048,000</u>
17.4	<u>Workers'</u>		
17.5	<u>Compensation</u>	<u>22,919,000</u>	<u>19,919,000</u>
17.6	<u>Workforce</u>		
17.7	<u>Development</u>	<u>2,733,000</u>	<u>2,733,000</u>
17.8	<u>The amounts that may be spent for each</u>		
17.9	<u>purpose are specified in the following</u>		
17.10	<u>subdivisions.</u>		
17.11	<u>Subd. 2. <b>Workers' Compensation</b></u>		<u>14,882,000</u> <u>11,882,000</u>
17.12	<u>This appropriation is from the workers'</u>		
17.13	<u>compensation fund.</u>		
17.14	<u>\$3,000,000 in fiscal year 2020 is for workers'</u>		
17.15	<u>compensation system upgrades. This amount</u>		
17.16	<u>is available until June 30, 2021. This is a</u>		
17.17	<u>onetime appropriation.</u>		
17.18	<u>Subd. 3. <b>Labor Standards and Apprenticeship</b></u>		<u>4,731,000</u> <u>4,731,000</u>
17.19	<u>Appropriations by Fund</u>		
17.20	<u>General</u>	<u>3,048,000</u>	<u>3,048,000</u>
17.21	<u>Workforce</u>		
17.22	<u>Development</u>	<u>1,683,000</u>	<u>1,683,000</u>
17.23	<u>(a) \$1,500,000 each year is for wage theft</u>		
17.24	<u>prevention. Beginning in fiscal year 2022, the</u>		
17.25	<u>base amount for this appropriation is</u>		
17.26	<u>\$1,000,000.</u>		
17.27	<u>(b) \$250,000 each year is to develop an open</u>		
17.28	<u>and competitive grant process in consultation</u>		
17.29	<u>with the Office of Justice Programs in the</u>		
17.30	<u>Department of Public Safety, law enforcement</u>		
17.31	<u>organizations, and the Minnesota County</u>		
17.32	<u>Attorneys Association to award a grant to a</u>		
17.33	<u>nonprofit organization identifying and serving</u>		
17.34	<u>victims of labor trafficking to: (1) develop a</u>		
17.35	<u>statewide model protocol for law enforcement,</u>		

18.1 prosecutors, and other persons who in their  
18.2 professional capacity encounter labor  
18.3 trafficking to identify and intervene with  
18.4 victims of labor trafficking; (2) conduct  
18.5 statewide training for law enforcement and  
18.6 prosecutors including, at a minimum, methods  
18.7 under Minnesota Statutes, section 299A.79,  
18.8 subdivision 2; and (3) develop and disseminate  
18.9 investigative best practices to identify victims  
18.10 of labor trafficking and traffickers to law  
18.11 enforcement, prosecutors, and other persons  
18.12 who in their professional capacity encounter  
18.13 labor trafficking. The grant recipient may use  
18.14 the money appropriated in this paragraph to  
18.15 partner with other entities to implement  
18.16 clauses (1) to (3).

18.17 (c) By January 15, 2021, the grant recipient  
18.18 shall report to the chairs and ranking minority  
18.19 members of the senate and house of  
18.20 representatives committees and divisions with  
18.21 jurisdiction over criminal justice and labor and  
18.22 industry policy and funding on the grant  
18.23 process and how the grant money was spent  
18.24 and details and results of the implementation  
18.25 of paragraph (a), clauses (1) to (3). This  
18.26 appropriation is onetime.

18.27 (d) \$1,133,000 each year is from the  
18.28 workforce development fund for the  
18.29 apprenticeship program under Minnesota  
18.30 Statutes, chapter 178.

18.31 (e) \$150,000 each year is from the workforce  
18.32 development fund for prevailing wage  
18.33 enforcement.

18.34 (f) \$100,000 each year is from the workforce  
18.35 development fund for labor education and

19.1 advancement program grants under Minnesota  
 19.2 Statutes, section 178.11, to expand and  
 19.3 promote registered apprenticeship training for  
 19.4 minorities and women.

19.5 (g) \$300,000 each year is from the workforce  
 19.6 development fund for grants to the  
 19.7 Construction Careers Foundation for the  
 19.8 Helmets to Hard Hats Minnesota initiative.  
 19.9 Grant funds must be used to recruit, retain,  
 19.10 assist, and support National Guard, reserve,  
 19.11 and active duty military members' and  
 19.12 veterans' participation into apprenticeship  
 19.13 programs registered with the Department of  
 19.14 Labor and Industry and connect them with  
 19.15 career training and employment in the building  
 19.16 and construction industry. The recruitment,  
 19.17 selection, employment, and training must be  
 19.18 without discrimination due to race, color,  
 19.19 creed, religion, national origin, sex, sexual  
 19.20 orientation, marital status, physical or mental  
 19.21 disability, receipt of public assistance, or age.  
 19.22 This is a onetime appropriation.

19.23 **Subd. 4. Workplace Safety** 4,167,000 4,167,000

19.24 This appropriation is from the workers'  
 19.25 compensation fund.

19.26 **Subd. 5. General Support** 7,003,000 7,003,000

19.27 Appropriations by Fund

19.28 <u>Workers'</u>		
19.29 <u>Compensation</u>	<u>5,953,000</u>	<u>5,953,000</u>
19.30 <u>Workforce</u>		
19.31 <u>Development</u>	<u>1,050,000</u>	<u>1,050,000</u>

19.32 (a) \$300,000 each year is from the workforce  
 19.33 development fund for the PIPELINE program.

19.34 (b) \$750,000 each year is from the workforce  
 19.35 development fund for youth skills training

20.1 grants under Minnesota Statutes, section  
 20.2 175.46. The commissioner shall award grants  
 20.3 not to exceed \$100,000 per local partnership  
 20.4 grant. \$100,000 each year is from the  
 20.5 workforce development fund for the  
 20.6 administration of the grant program.

20.7 Sec. 4. **BUREAU OF MEDIATION SERVICES** \$ **2,404,000** \$ **2,404,000**

20.8 (a) \$68,000 each year is for grants to area  
 20.9 labor management committees. Grants may  
 20.10 be awarded for a 12-month period beginning  
 20.11 July 1 each year. Any unencumbered balance  
 20.12 remaining at the end of the first year does not  
 20.13 cancel but is available for the second year.

20.14 (b) \$394,000 each year is for the Office of  
 20.15 Collaboration and Dispute Resolution under  
 20.16 Minnesota Statutes, section 179.90. Of this  
 20.17 amount, \$160,000 each year is for grants under  
 20.18 Minnesota Statutes, section 179.91.

20.19 Sec. 5. **WORKERS' COMPENSATION COURT**  
 20.20 **OF APPEALS** \$ **1,952,000** \$ **1,952,000**

20.21 This appropriation is from the workers'  
 20.22 compensation fund.

20.23 Sec. 6. **REDUCTION IN APPROPRIATIONS FOR UNFILLED POSITIONS.**

20.24 Subdivision 1. **Reduction required.** The commissioner of management and budget must  
 20.25 reduce general fund and nongeneral fund appropriations to the Department of Employment  
 20.26 and Economic Development and the Department of Labor and Industry for agency operations  
 20.27 for the biennium ending June 30, 2021, for salary and benefits savings that results from any  
 20.28 positions that have not been filled within 180 days of the posting of the position. This section  
 20.29 applies only to positions that are posted in fiscal years 2019, 2020, and 2021. Reductions  
 20.30 made under this paragraph must be reflected as reductions in agency base budgets for fiscal  
 20.31 years 2022 and 2023.

20.32 Subd. 2. **Reporting.** The commissioner of management and budget must report to the  
 20.33 chairs and ranking minority members of the senate and the house of representatives jobs

21.1 and economic development finance committees regarding the amount of reductions in  
 21.2 spending by each agency under this section.

21.3 **ARTICLE 2**

21.4 **JOBS POLICY**

21.5 Section 1. Minnesota Statutes 2018, section 116J.035, subdivision 7, is amended to read:

21.6 Subd. 7. **Monitoring pass-through grant recipients.** The commissioner shall monitor  
 21.7 the activities and outcomes of programs and services funded by legislative appropriations  
 21.8 and administered by the department on a pass-through basis. Unless amounts are otherwise  
 21.9 appropriated for administrative costs, the commissioner may retain up to ~~five~~ two percent  
 21.10 of the amount appropriated to the department for grants to pass-through entities. Amounts  
 21.11 retained are deposited to a special revenue account and are appropriated to the commissioner  
 21.12 for costs incurred in administering and monitoring the pass-through grants.

21.13 Sec. 2. **[116J.439] AIRPORT INFRASTRUCTURE RENEWAL (AIR) GRANT**  
 21.14 **PROGRAM.**

21.15 Subdivision 1. Grant program established; purpose. (a) The commissioner shall make  
 21.16 grants to counties, airport authorities, or cities to provide up to 50 percent of the capital  
 21.17 costs of redevelopment of an existing facility or construction of a new facility; and for public  
 21.18 or private infrastructure costs, including broadband infrastructure costs, necessary for an  
 21.19 eligible airport infrastructure renewal economic development project.

21.20 (b) The purpose of the grants made under this section is to keep or enhance jobs in the  
 21.21 area, increase the tax base, or expand or create new economic development.

21.22 (c) In awarding grants under this section, the commissioner must adhere to the criteria  
 21.23 under subdivision 5.

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

21.26 (b) "City" means a statutory or home rule charter city located outside the metropolitan  
 21.27 area as defined in section 473.121, subdivision 2.

21.28 (c) "County" means a county located outside the metropolitan area as defined in section  
 21.29 473.121, subdivision 2.

21.30 (d) "Airport authority" means an authority created pursuant to section 360.0426.

22.1 Subd. 3. **Eligible projects.** An economic development project for which a county, airport  
 22.2 authority, or city may be eligible to receive a grant under this section includes: (1)  
 22.3 manufacturing; (2) technology; (3) warehousing and distribution; or (4) research and  
 22.4 development.

22.5 Subd. 4. **Ineligible projects.** The following projects are not eligible for a grant under  
 22.6 this section: (1) retail development; or (2) office space development, except as incidental  
 22.7 to an eligible purpose.

22.8 Subd. 5. **Application.** (a) The commissioner must develop forms and procedures for  
 22.9 soliciting and reviewing applications for grants under this section. At a minimum, a county,  
 22.10 airport authority, or city must include in its application a resolution of the governing body  
 22.11 of the county, airport authority, or city certifying that half of the cost of the project is  
 22.12 committed from nonstate sources. The commissioner must evaluate complete applications  
 22.13 for eligible projects using the following criteria:

22.14 (1) the project is an eligible project as defined under subdivision 3;

22.15 (2) the project is expected to result in or will attract substantial public and private capital  
 22.16 investment and provide substantial economic benefit to the county, airport authority, or city  
 22.17 in which the project would be located; and

22.18 (3) the project is expected to or will create or retain full-time jobs.

22.19 (b) The determination of whether to make a grant for a site is within the discretion of  
 22.20 the commissioner, subject to this section. The commissioner's decisions and application of  
 22.21 the criteria are not subject to judicial review except for abuse of discretion.

22.22 Subd. 6. **Maximum grant amount.** A county, airport authority, or city may receive no  
 22.23 more than \$250,000 in two years for one or more projects.

22.24 Subd. 7. **Cancellation of grant; return of grant money.** If after five years the  
 22.25 commissioner determines that a project has not proceeded in a timely manner and is unlikely  
 22.26 to be completed, the commissioner must cancel the grant and require the grantee to return  
 22.27 all grant money awarded for that project.

22.28 Subd. 8. **Appropriation.** Grant money returned to the commissioner is appropriated to  
 22.29 the commissioner to make additional grants under this section.

22.30 Sec. 3. **[116L.35] INVENTORY OF ECONOMIC DEVELOPMENT PROGRAMS.**

22.31 (a) By January 15, 2020, and by January 15 of each even-numbered year thereafter, the  
 22.32 commissioner of employment and economic development must submit a report to the chairs

23.1 of the legislative committees with jurisdiction over economic development that provides  
23.2 an inventory of all economic development programs, including any workforce development  
23.3 programs, either provided by or overseen by any agency of the state of Minnesota.

23.4 (b) Programs related to economic development that must be included in the report include  
23.5 those that:

23.6 (1) receive federal funds or state funds;

23.7 (2) provide assistance to either businesses or individuals; or

23.8 (3) support internships, apprenticeships, career and technical education, or any form of  
23.9 employment training.

23.10 (c) For each economic development program, the report must include, at a minimum,  
23.11 the following information:

23.12 (1) details of program costs;

23.13 (2) the number of staff, both within the department and any outside organization;

23.14 (3) the number of program participants;

23.15 (4) the demographic information including, but not limited to, race, age, gender, and  
23.16 income of program participants;

23.17 (5) a list of any and all subgrantees receiving funds from the program, as well as the  
23.18 amount of funding received;

23.19 (6) information about other sources of funding including other public or private funding  
23.20 or in-kind donations;

23.21 (7) evidence that: (i) the organization administering a program; (ii) a business receiving  
23.22 a loan for a new or expanded business from a program; or (iii) a subgrantee of a program  
23.23 is in good standing with the Minnesota Secretary of State and the Minnesota Department  
23.24 of Revenue;

23.25 (8) a short description of what each program does; and

23.26 (9) to the extent practical, quantifiable measures of program success.

23.27 (d) In addition to the information required under paragraph (c), a program related to  
23.28 economic development under paragraph (b) that requests an increase in state funding over  
23.29 the previous biennium must provide the following:

23.30 (1) detailed information regarding the need for increased funds; and

24.1 (2) the planned uses of the increased funds.

24.2 (e) A program related to economic development under paragraph (b) is ineligible for  
 24.3 state funding in the following biennium if it does not submit the information required under  
 24.4 paragraph (c).

24.5 Sec. 4. Minnesota Statutes 2018, section 469.074, is amended by adding a subdivision to  
 24.6 read:

24.7 Subd. 3. Meetings by telephone or other electronic means. The port authority may  
 24.8 conduct meetings as provided in section 13D.015.

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

24.10 Sec. 5. Laws 2017, chapter 94, article 1, section 2, subdivision 3, is amended to read:

24.11 Subd. 3. **Workforce Development** \$ 31,498,000 \$ 30,231,000

24.12 Appropriations by Fund

24.13 General \$6,239,000 \$5,889,000

24.14 Workforce  
 24.15 Development \$25,259,000 \$24,342,000

24.16 (a) \$500,000 each year is for the  
 24.17 youth-at-work competitive grant program  
 24.18 under Minnesota Statutes, section 116L.562.  
 24.19 Of this amount, up to five percent is for  
 24.20 administration and monitoring of the youth  
 24.21 workforce development competitive grant  
 24.22 program. All grant awards shall be for two  
 24.23 consecutive years. Grants shall be awarded in  
 24.24 the first year. In fiscal year 2020 and beyond,  
 24.25 the base amount is \$750,000.

24.26 (b) \$250,000 each year is for pilot programs  
 24.27 in the workforce service areas to combine  
 24.28 career and higher education advising.

24.29 (c) \$500,000 each year is for rural career  
 24.30 counseling coordinator positions in the  
 24.31 workforce service areas and for the purposes  
 24.32 specified in Minnesota Statutes, section



25.1 116L.667. The commissioner of employment  
25.2 and economic development, in consultation  
25.3 with local workforce investment boards and  
25.4 local elected officials in each of the service  
25.5 areas receiving funds, shall develop a method  
25.6 of distributing funds to provide equitable  
25.7 services across workforce service areas.

25.8 (d) \$1,000,000 each year is for a grant to the  
25.9 Construction Careers Foundation for the  
25.10 construction career pathway initiative to  
25.11 provide year-round educational and  
25.12 experiential learning opportunities for teens  
25.13 and young adults under the age of 21 that lead  
25.14 to careers in the construction industry. This is  
25.15 a onetime appropriation. Grant funds must be  
25.16 used to:

25.17 (1) increase construction industry exposure  
25.18 activities for middle school and high school  
25.19 youth, parents, and counselors to reach a more  
25.20 diverse demographic and broader statewide  
25.21 audience. This requirement includes, but is  
25.22 not limited to, an expansion of programs to  
25.23 provide experience in different crafts to youth  
25.24 and young adults throughout the state;

25.25 (2) increase the number of high schools in  
25.26 Minnesota offering construction classes during  
25.27 the academic year that utilize a multicraft  
25.28 curriculum;

25.29 (3) increase the number of summer internship  
25.30 opportunities;

25.31 (4) enhance activities to support graduating  
25.32 seniors in their efforts to obtain employment  
25.33 in the construction industry;

26.1 (5) increase the number of young adults  
26.2 employed in the construction industry and  
26.3 ensure that they reflect Minnesota's diverse  
26.4 workforce; and

26.5 (6) enhance an industrywide marketing  
26.6 campaign targeted to youth and young adults  
26.7 about the depth and breadth of careers within  
26.8 the construction industry.

26.9 Programs and services supported by grant  
26.10 funds must give priority to individuals and  
26.11 groups that are economically disadvantaged  
26.12 or historically underrepresented in the  
26.13 construction industry, including but not limited  
26.14 to women, veterans, and members of minority  
26.15 and immigrant groups.

26.16 (e) \$1,539,000 each year from the general fund  
26.17 and \$4,604,000 each year from the workforce  
26.18 development fund are for the Pathways to  
26.19 Prosperity adult workforce development  
26.20 competitive grant program. Of this amount,  
26.21 up to four percent is for administration and  
26.22 monitoring of the program. When awarding  
26.23 grants under this paragraph, the commissioner  
26.24 of employment and economic development  
26.25 may give preference to any previous grantee  
26.26 with demonstrated success in job training and  
26.27 placement for hard-to-train individuals. In  
26.28 fiscal year 2020 and beyond, the general fund  
26.29 base amount for this program is \$4,039,000.

26.30 (f) \$750,000 each year is for a competitive  
26.31 grant program to provide grants to  
26.32 organizations that provide support services for  
26.33 individuals, such as job training, employment  
26.34 preparation, internships, job assistance to  
26.35 fathers, financial literacy, academic and

27.1 behavioral interventions for low-performing  
27.2 students, and youth intervention. Grants made  
27.3 under this section must focus on low-income  
27.4 communities, young adults from families with  
27.5 a history of intergenerational poverty, and  
27.6 communities of color. Of this amount, up to  
27.7 four percent is for administration and  
27.8 monitoring of the program. In fiscal year 2020  
27.9 and beyond, the base amount is \$1,000,000.

27.10 (g) \$500,000 each year is for the women and  
27.11 high-wage, high-demand, nontraditional jobs  
27.12 grant program under Minnesota Statutes,  
27.13 section 116L.99. Of this amount, up to five  
27.14 percent is for administration and monitoring  
27.15 of the program. In fiscal year 2020 and  
27.16 beyond, the base amount is \$750,000.

27.17 (h) \$500,000 each year is for a competitive  
27.18 grant program for grants to organizations  
27.19 providing services to relieve economic  
27.20 disparities in the Southeast Asian community  
27.21 through workforce recruitment, development,  
27.22 job creation, assistance of smaller  
27.23 organizations to increase capacity, and  
27.24 outreach. Of this amount, up to five percent  
27.25 is for administration and monitoring of the  
27.26 program. In fiscal year 2020 and beyond, the  
27.27 base amount is \$1,000,000.

27.28 (i) \$250,000 each year is for a grant to the  
27.29 American Indian Opportunities and  
27.30 Industrialization Center, in collaboration with  
27.31 the Northwest Indian Community  
27.32 Development Center, to reduce academic  
27.33 disparities for American Indian students and  
27.34 adults. This is a onetime appropriation. The  
27.35 grant funds may be used to provide:

- 28.1 (1) student tutoring and testing support  
28.2 services;
- 28.3 (2) training in information technology;
- 28.4 (3) assistance in obtaining a GED;
- 28.5 (4) remedial training leading to enrollment in  
28.6 a postsecondary higher education institution;
- 28.7 (5) real-time work experience in information  
28.8 technology fields; and
- 28.9 (6) contextualized adult basic education.
- 28.10 After notification to the legislature, the  
28.11 commissioner may transfer this appropriation  
28.12 to the commissioner of education.
- 28.13 (j) \$100,000 each year is for the getting to  
28.14 work grant program. This is a onetime  
28.15 appropriation and is available until June 30,  
28.16 2021.
- 28.17 (k) \$525,000 each year is from the workforce  
28.18 development fund for a grant to the YWCA  
28.19 of Minneapolis to provide economically  
28.20 challenged individuals the job skills training,  
28.21 career counseling, and job placement  
28.22 assistance necessary to secure a child  
28.23 development associate credential and to have  
28.24 a career path in early childhood education.  
28.25 This is a onetime appropriation.
- 28.26 (l) \$1,350,000 each year is from the workforce  
28.27 development fund for a grant to the Minnesota  
28.28 High Tech Association to support  
28.29 SciTechsperience, a program that supports  
28.30 science, technology, engineering, and math  
28.31 (STEM) internship opportunities for two- and  
28.32 four-year college students and graduate  
28.33 students in their field of study. The internship

29.1 opportunities must match students with paid  
29.2 internships within STEM disciplines at small,  
29.3 for-profit companies located in Minnesota,  
29.4 having fewer than 250 employees worldwide.  
29.5 At least 300 students must be matched in the  
29.6 first year and at least 350 students must be  
29.7 matched in the second year. No more than 15  
29.8 percent of the hires may be graduate students.  
29.9 Selected hiring companies shall receive from  
29.10 the grant 50 percent of the wages paid to the  
29.11 intern, capped at \$2,500 per intern. The  
29.12 program must work toward increasing the  
29.13 participation of women or other underserved  
29.14 populations. This is a onetime appropriation.

29.15 (m) \$450,000 each year is from the workforce  
29.16 development fund for grants to Minnesota  
29.17 Diversified Industries, Inc. to provide  
29.18 progressive development and employment  
29.19 opportunities for people with disabilities. This  
29.20 is a onetime appropriation.

29.21 (n) \$500,000 each year is from the workforce  
29.22 development fund for a grant to Resource, Inc.  
29.23 to provide low-income individuals career  
29.24 education and job skills training that are fully  
29.25 integrated with chemical and mental health  
29.26 services. This is a onetime appropriation.

29.27 (o) \$750,000 each year is from the workforce  
29.28 development fund for a grant to the Minnesota  
29.29 Alliance of Boys and Girls Clubs to administer  
29.30 a statewide project of youth job skills and  
29.31 career development. This project, which may  
29.32 have career guidance components including  
29.33 health and life skills, is designed to encourage,  
29.34 train, and assist youth in early access to  
29.35 education and job-seeking skills, work-based

30.1 learning experience including career pathways  
30.2 in STEM learning, career exploration and  
30.3 matching, and first job placement through  
30.4 local community partnerships and on-site job  
30.5 opportunities. This grant requires a 25 percent  
30.6 match from nonstate resources. This is a  
30.7 onetime appropriation.

30.8 (p) \$215,000 each year is from the workforce  
30.9 development fund for grants to Big Brothers,  
30.10 Big Sisters of the Greater Twin Cities for  
30.11 workforce readiness, employment exploration,  
30.12 and skills development for youth ages 12 to  
30.13 21. The grant must serve youth in the Twin  
30.14 Cities, Central Minnesota, and Southern  
30.15 Minnesota Big Brothers, Big Sisters chapters.  
30.16 This is a onetime appropriation.

30.17 (q) \$250,000 each year is from the workforce  
30.18 development fund for a grant to YWCA St.  
30.19 Paul to provide job training services and  
30.20 workforce development programs and  
30.21 services, including job skills training and  
30.22 counseling. This is a onetime appropriation.

30.23 (r) \$1,000,000 each year is from the workforce  
30.24 development fund for a grant to EMERGE  
30.25 Community Development, in collaboration  
30.26 with community partners, for services  
30.27 targeting Minnesota communities with the  
30.28 highest concentrations of African and  
30.29 African-American joblessness, based on the  
30.30 most recent census tract data, to provide  
30.31 employment readiness training, credentialed  
30.32 training placement, job placement and  
30.33 retention services, supportive services for  
30.34 hard-to-employ individuals, and a general  
30.35 education development fast track and adult

31.1 diploma program. This is a onetime  
31.2 appropriation.

31.3 (s) \$1,000,000 each year is from the workforce  
31.4 development fund for a grant to the  
31.5 Minneapolis Foundation for a strategic  
31.6 intervention program designed to target and  
31.7 connect program participants to meaningful,  
31.8 sustainable living-wage employment. This is  
31.9 a onetime appropriation.

31.10 (t) \$750,000 each year is from the workforce  
31.11 development fund for a grant to Latino  
31.12 Communities United in Service (CLUES) to  
31.13 expand culturally tailored programs that  
31.14 address employment and education skill gaps  
31.15 for working parents and underserved youth by  
31.16 providing new job skills training to stimulate  
31.17 higher wages for low-income people, family  
31.18 support systems designed to reduce  
31.19 intergenerational poverty, and youth  
31.20 programming to promote educational  
31.21 advancement and career pathways. At least  
31.22 50 percent of this amount must be used for  
31.23 programming targeted at greater Minnesota.  
31.24 This is a onetime appropriation.

31.25 (u) \$600,000 each year is from the workforce  
31.26 development fund for a grant to Ujamaa Place  
31.27 for job training, employment preparation,  
31.28 internships, education, training in the  
31.29 construction trades, housing, and  
31.30 organizational capacity building. This is a  
31.31 onetime appropriation.

31.32 (v) \$1,297,000 in the first year and \$800,000  
31.33 in the second year are from the workforce  
31.34 development fund for performance grants  
31.35 under Minnesota Statutes, section 116J.8747,

32.1 to Twin Cities R!SE to provide training to  
32.2 hard-to-train individuals. Of the amounts  
32.3 appropriated, \$497,000 in fiscal year 2018 is  
32.4 for a grant to Twin Cities R!SE, in  
32.5 collaboration with Metro Transit and Hennepin  
32.6 Technical College for the Metro Transit  
32.7 technician training program. This is a onetime  
32.8 appropriation and funds are available until  
32.9 June 30, 2020.

32.10 (w) \$230,000 in fiscal year 2018 is from the  
32.11 workforce development fund for a grant to the  
32.12 Bois Forte Tribal Employment Rights Office  
32.13 (TERO) for an American Indian workforce  
32.14 development training pilot project. This is a  
32.15 onetime appropriation and is available until  
32.16 June 30, 2019. Funds appropriated the first  
32.17 year are available for use in the second year  
32.18 of the biennium.

32.19 (x) \$40,000 in fiscal year 2018 is from the  
32.20 workforce development fund for a grant to the  
32.21 Cook County Higher Education Board to  
32.22 provide educational programming and  
32.23 academic support services to remote regions  
32.24 in northeastern Minnesota. This appropriation  
32.25 is in addition to other funds previously  
32.26 appropriated to the board.

32.27 (y) \$250,000 each year is from the workforce  
32.28 development fund for a grant to Bridges to  
32.29 Healthcare to provide career education,  
32.30 wraparound support services, and job skills  
32.31 training in high-demand health care fields to  
32.32 low-income parents, nonnative speakers of  
32.33 English, and other hard-to-train individuals,  
32.34 helping families build secure pathways out of  
32.35 poverty while also addressing worker



33.1 shortages in one of Minnesota's most  
33.2 innovative industries. Funds may be used for  
33.3 program expenses, including, but not limited  
33.4 to, hiring instructors and navigators; space  
33.5 rental; and supportive services to help  
33.6 participants attend classes, including assistance  
33.7 with course fees, child care, transportation,  
33.8 and safe and stable housing. In addition, up to  
33.9 five percent of grant funds may be used for  
33.10 Bridges to Healthcare's administrative costs.  
33.11 This is a onetime appropriation and is  
33.12 available until June 30, 2020.

33.13 (z) \$500,000 each year is from the workforce  
33.14 development fund for a grant to the Nonprofits  
33.15 Assistance Fund to provide capacity-building  
33.16 grants to small, culturally specific  
33.17 organizations that primarily serve historically  
33.18 underserved cultural communities. Grants may  
33.19 only be awarded to nonprofit organizations  
33.20 that have an annual organizational budget of  
33.21 less than \$500,000 and are culturally specific  
33.22 organizations that primarily serve historically  
33.23 underserved cultural communities. Grant funds  
33.24 awarded must be used for:

33.25 (1) organizational infrastructure improvement,  
33.26 including developing database management  
33.27 systems and financial systems, or other  
33.28 administrative needs that increase the  
33.29 organization's ability to access new funding  
33.30 sources;

33.31 (2) organizational workforce development,  
33.32 including hiring culturally competent staff,  
33.33 training and skills development, and other  
33.34 methods of increasing staff capacity; or

34.1 (3) creation or expansion of partnerships with  
34.2 existing organizations that have specialized  
34.3 expertise in order to increase the capacity of  
34.4 the grantee organization to improve services  
34.5 for the community. Of this amount, up to five  
34.6 percent may be used by the Nonprofits  
34.7 Assistance Fund for administration costs and  
34.8 providing technical assistance to potential  
34.9 grantees. This is a onetime appropriation.

34.10 (aa) \$4,050,000 each year is from the  
34.11 workforce development fund for the  
34.12 Minnesota youth program under Minnesota  
34.13 Statutes, sections 116L.56 and 116L.561.

34.14 (bb) \$1,000,000 each year is from the  
34.15 workforce development fund for the  
34.16 youthbuild program under Minnesota Statutes,  
34.17 sections 116L.361 to 116L.366.

34.18 (cc) \$3,348,000 each year is from the  
34.19 workforce development fund for the "Youth  
34.20 at Work" youth workforce development  
34.21 competitive grant program. Of this amount,  
34.22 up to five percent is for administration and  
34.23 monitoring of the youth workforce  
34.24 development competitive grant program. All  
34.25 grant awards shall be for two consecutive  
34.26 years. Grants shall be awarded in the first year.

34.27 (dd) \$500,000 each year is from the workforce  
34.28 development fund for the Opportunities  
34.29 Industrialization Center programs.

34.30 (ee) \$750,000 each year is from the workforce  
34.31 development fund for a grant to Summit  
34.32 Academy OIC to expand its contextualized  
34.33 GED and employment placement program.  
34.34 This is a onetime appropriation.

35.1 (ff) \$500,000 each year is from the workforce  
35.2 development fund for a grant to  
35.3 Goodwill-Easter Seals Minnesota and its  
35.4 partners. The grant shall be used to continue  
35.5 the FATHER Project in Rochester, Park  
35.6 Rapids, St. Cloud, Minneapolis, and the  
35.7 surrounding areas to assist fathers in  
35.8 overcoming barriers that prevent fathers from  
35.9 supporting their children economically and  
35.10 emotionally. This is a onetime appropriation.

35.11 (gg) \$150,000 each year is from the workforce  
35.12 development fund for displaced homemaker  
35.13 programs under Minnesota Statutes, section  
35.14 116L.96. The commissioner shall distribute  
35.15 the funds to existing nonprofit and state  
35.16 displaced homemaker programs. This is a  
35.17 onetime appropriation.

35.18 (hh)(1) \$150,000 in fiscal year 2018 is from  
35.19 the workforce development fund for a grant  
35.20 to Anoka County to develop and implement  
35.21 a pilot program to increase competitive  
35.22 employment opportunities for transition-age  
35.23 youth ages 18 to 21.

35.24 (2) The competitive employment for  
35.25 transition-age youth pilot program shall  
35.26 include career guidance components, including  
35.27 health and life skills, to encourage, train, and  
35.28 assist transition-age youth in job-seeking  
35.29 skills, workplace orientation, and job site  
35.30 knowledge.

35.31 (3) In operating the pilot program, Anoka  
35.32 County shall collaborate with schools,  
35.33 disability providers, jobs and training  
35.34 organizations, vocational rehabilitation  
35.35 providers, and employers to build upon

36.1 opportunities and services, to prepare  
36.2 transition-age youth for competitive  
36.3 employment, and to enhance employer  
36.4 connections that lead to employment for the  
36.5 individuals served.

36.6 (4) Grant funds may be used to create an  
36.7 on-the-job training incentive to encourage  
36.8 employers to hire and train qualifying  
36.9 individuals. A participating employer may  
36.10 receive up to 50 percent of the wages paid to  
36.11 the employee as a cost reimbursement for  
36.12 on-the-job training provided.

36.13 (ii) \$500,000 each year is from the workforce  
36.14 development fund for rural career counseling  
36.15 coordinator positions in the workforce service  
36.16 areas and for the purposes specified in  
36.17 Minnesota Statutes, section 116L.667. The  
36.18 commissioner of employment and economic  
36.19 development, in consultation with local  
36.20 workforce investment boards and local elected  
36.21 officials in each of the service areas receiving  
36.22 funds, shall develop a method of distributing  
36.23 funds to provide equitable services across  
36.24 workforce service areas.

36.25 (jj) In calendar year 2017, the public utility  
36.26 subject to Minnesota Statutes, section  
36.27 116C.779, must withhold \$1,000,000 from the  
36.28 funds required to fulfill its financial  
36.29 commitments under Minnesota Statutes,  
36.30 section 116C.779, subdivision 1, and pay such  
36.31 amounts to the commissioner of employment  
36.32 and economic development for deposit in the  
36.33 Minnesota 21st century fund under Minnesota  
36.34 Statutes, section 116J.423.

37.1 (kk) \$350,000 in fiscal year 2018 is for a grant  
 37.2 to AccessAbility Incorporated to provide job  
 37.3 skills training to individuals who have been  
 37.4 released from incarceration for a felony-level  
 37.5 offense and are no more than 12 months from  
 37.6 the date of release. AccessAbility Incorporated  
 37.7 shall annually report to the commissioner on  
 37.8 how the money was spent and the results  
 37.9 achieved. The report must include, at a  
 37.10 minimum, information and data about the  
 37.11 number of participants; participant  
 37.12 homelessness, employment, recidivism, and  
 37.13 child support compliance; and training  
 37.14 provided to program participants.

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

37.16 Sec. 6. **ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA**  
 37.17 **INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

37.18 (a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or  
 37.19 statutory city, county, or town that has uncommitted money received from repayment of  
 37.20 funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20  
 37.21 percent of the balance of that money to the state general fund before June 30, 2020. Any  
 37.22 local entity that does so may then use the remaining 80 percent of the uncommitted money  
 37.23 as a general purpose aid for any lawful expenditure.

37.24 (b) By February 15, 2021, a home rule charter or statutory city, county, or town that  
 37.25 exercises the option under paragraph (a) shall submit to the chairs of the legislative  
 37.26 committees with jurisdiction over economic development policy and finance an accounting  
 37.27 and explanation of the use and distribution of the funds.

37.28 **ARTICLE 3**

37.29 **LABOR AND INDUSTRY POLICY**

37.30 Section 1. Minnesota Statutes 2018, section 15.72, subdivision 2, is amended to read:

37.31 Subd. 2. **Retainage.** (a) A public contracting agency may reserve as retainage from any  
 37.32 progress payment on a public contract for a public improvement an amount not to exceed  
 37.33 five percent of the payment. ~~A~~ The public contracting agency may reduce the amount of

38.1 the retainage and may eliminate retainage on any monthly contract payment if, in the agency's  
38.2 opinion, the work is progressing satisfactorily.

38.3 (b) For all construction contracts greater than \$5,000,000, the public contracting agency  
38.4 must reduce retainage to no more than 2.5 percent if the public contracting agency determines  
38.5 the work is 75 percent or more complete, that work is progressing satisfactorily, and all  
38.6 contract requirements are being met.

38.7 (c) The public contracting agency must release any remaining retainage no later than 60  
38.8 days after substantial completion.

38.9 (d) A contractor on a public contract for a public improvement must pay out any  
38.10 remaining retainage to its subcontractors no later than ten days after receiving payment of  
38.11 retainage from the public contracting agency, unless there is a dispute about the work under  
38.12 a subcontract. If there is a dispute about the work under a subcontract, the contractor must  
38.13 pay out retainage to any subcontractor whose work is not involved in the dispute, and must  
38.14 provide a written statement detailing the amount and reason for the withholding to the  
38.15 affected subcontractor and the public agency.

38.16 (e) A contractor may not reserve as retainage from a subcontractor an amount that exceeds  
38.17 the amount reserved by the public contracting agency under this subdivision. Upon written  
38.18 request of a subcontractor who has not been paid for work in accordance with section  
38.19 16A.1245 or 471.425, subdivision 4a, the public contracting agency shall notify the  
38.20 subcontractor of a progress payment, retainage payment, or final payment made to the  
38.21 contractor. A contractor must include in any contract with a subcontractor the name, address,  
38.22 and telephone number of a responsible official at the public contracting agency that may  
38.23 be contacted for purposes of making a request under this paragraph.

38.24 (f) After substantial completion, a public contracting agency may withhold no more  
38.25 than:

38.26 (1) 250 percent of the value of incomplete or defective work; and

38.27 (2) one percent of the value of the contract or \$500, whichever is greater, pending  
38.28 completion and submission of all final paperwork by the contractor, provided that an amount  
38.29 withheld under this clause may not exceed \$10,000.

38.30 If the public contracting agency withholds payment under this paragraph, the public  
38.31 contracting agency must promptly provide a written statement detailing the amount and  
38.32 basis of withholding to the contractor. The public contracting agency must provide a copy  
38.33 of this statement to any subcontractor that requests it. Any amounts withheld for incomplete

39.1 or defective work shall be paid within 45 days after the completion of the work. Any amounts  
39.2 withheld under clause (1) must be paid within 45 days after completion of the work. Any  
39.3 amounts withheld under clause (2) must be paid within 45 days after submission of all final  
39.4 paperwork.

39.5 (g) As used in this subdivision, "substantial completion" shall be determined as provided  
39.6 in section 541.051, subdivision 1, paragraph (a). For construction, reconstruction, or  
39.7 improvement of streets and highways, including bridges, substantial completion means the  
39.8 date when construction-related traffic devices and ongoing inspections are no longer required.

39.9 (h) The maximum retainage percentage allowed for a building and construction contract  
39.10 is the retainage percentage withheld by the public contracting agency from the contractor.

39.11 (i) Withholding retainage for warranties or warranty work is prohibited.

39.12 **EFFECTIVE DATE.** This section applies to agreements entered into on or after August  
39.13 1, 2019.

39.14 Sec. 2. Minnesota Statutes 2018, section 175.46, subdivision 3, is amended to read:

39.15 Subd. 3. **Duties.** (a) The commissioner shall:

39.16 (1) approve youth skills training programs that train student learners for careers in  
39.17 high-growth, high-demand occupations that provide:

39.18 (i) that the work of the student learner in the occupations declared particularly hazardous  
39.19 shall be incidental to the training;

39.20 (ii) that the work shall be intermittent and for short periods of time, and under the direct  
39.21 and close supervision of a qualified and experienced person;

39.22 (iii) that safety instruction shall be provided to the student learner and may be given by  
39.23 the school and correlated by the employer with on-the-job training;

39.24 (iv) a schedule of organized and progressive work processes to be performed on the job;

39.25 (v) a schedule of wage rates in compliance with section 177.24; and

39.26 (vi) whether the student learner will obtain secondary school academic credit,  
39.27 postsecondary credit, or both, for the training program;

39.28 (2) approve occupations and maintain a list of approved occupations for programs under  
39.29 this section;

39.30 (3) issue requests for proposals for grants;

40.1 (4) work with individuals representing industry and labor to develop new youth skills  
40.2 training programs;

40.3 (5) develop model program guides;

40.4 (6) monitor youth skills training programs;

40.5 (7) provide technical assistance to local partnership grantees;

40.6 (8) work with providers to identify paths for receiving postsecondary credit for  
40.7 participation in the youth skills training program; and

40.8 (9) approve other activities as necessary to implement the program.

40.9 (b) The commissioner shall collaborate with stakeholders, including, but not limited to,  
40.10 representatives of secondary school institutions, career and technical education instructors,  
40.11 postsecondary institutions, businesses, and labor, in developing youth skills training  
40.12 programs, and identifying and approving occupations and competencies for youth skills  
40.13 training programs.

40.14 Sec. 3. Minnesota Statutes 2018, section 175.46, subdivision 13, is amended to read:

40.15 Subd. 13. **Grant awards.** (a) The commissioner shall award grants to local partnerships  
40.16 for youth skills training programs that train student learners for careers in high-growth,  
40.17 high-demand occupations. Grant awards may not exceed \$100,000 per local partnership  
40.18 grant.

40.19 (b) A local partnership awarded a grant under this section must use the grant award for  
40.20 any of the following implementation and coordination activities:

40.21 (1) recruiting additional employers to provide on-the-job training and supervision for  
40.22 student learners and providing technical assistance to those employers;

40.23 (2) recruiting students to participate in the local youth skills training program, monitoring  
40.24 the progress of student learners participating in the program, and monitoring program  
40.25 outcomes;

40.26 (3) coordinating youth skills training activities within participating school districts and  
40.27 among participating school districts, postsecondary institutions, and employers;

40.28 (4) coordinating academic, vocational and occupational learning, school-based and  
40.29 work-based learning, and secondary and postsecondary education for participants in the  
40.30 local youth skills training program;



41.1 (5) coordinating transportation for student learners participating in the local youth skills  
41.2 training program; and

41.3 (6) any other implementation or coordination activity that the commissioner may direct  
41.4 or permit the local partnership to perform.

41.5 ~~(b)~~ (c) Grant awards may not be used to directly or indirectly pay the wages of a student  
41.6 learner.

41.7 Sec. 4. Minnesota Statutes 2018, section 326B.821, subdivision 21, is amended to read:

41.8 Subd. 21. **Residential building contractor, remodeler, and roofer education.** (a) Each  
41.9 licensee must, during each continuing education reporting period, complete and report one  
41.10 hour of continuing education relating to energy codes or energy conservation measures  
41.11 applicable to residential buildings and one hour of business management strategies applicable  
41.12 to residential construction businesses.

41.13 (b) Immediately following the adoption date of a new residential code, the commissioner  
41.14 may prescribe that up to seven of the required 14 hours of continuing education credit per  
41.15 licensure period include education hours specifically designated to instruct licensees on  
41.16 new or existing State Building Code provisions.

41.17 Sec. 5. Minnesota Statutes 2018, section 337.10, subdivision 4, is amended to read:

41.18 Subd. 4. **Progress payments and retainages.** (a) Unless the building and construction  
41.19 contract provides otherwise, the owner or other persons making payments under the contract  
41.20 must make progress payments monthly as the work progresses. Payments shall be based  
41.21 upon estimates of work completed as approved by the owner or the owner's agent. A progress  
41.22 payment shall not be considered acceptance or approval of any work or waiver of any defects  
41.23 therein.

41.24 (b) Retainage on a building and construction contract may not exceed five percent. An  
41.25 owner or owner's agent may reduce the amount of retainage and may eliminate retainage  
41.26 on any monthly contract payment if, in the owner's opinion, the work is progressing  
41.27 satisfactorily. Nothing in this subdivision is intended to require that retainage be withheld  
41.28 in any building or construction contract. For all construction contracts greater than  
41.29 \$5,000,000, the owner or the owner's agent must reduce retainage to no more than 2.5  
41.30 percent if the owner or the owner's agent determines the work is 75 percent or more complete,  
41.31 that work is progressing satisfactorily, and all contract requirements are being met.

42.1 (c) The owner or the owner's agent must release any remaining retainage no later than  
42.2 60 days after substantial completion. For purposes of this subdivision, "substantial  
42.3 completion" shall be determined as provided in section 541.051, subdivision 1, paragraph  
42.4 (a).

42.5 ~~(e)~~ (d) Any contractor holding retainage must reduce that retainage at the same rate  
42.6 reduced by the owner or the owner's agent. A contractor must pay out any remaining retainage  
42.7 no later than ten days after receiving payment of retainage, unless there is a dispute about  
42.8 the work under a subcontract, in which case the contractor must pay out retainage to any  
42.9 party whose work is not involved in the dispute. Nothing in this subdivision is intended to  
42.10 require that retainage be withheld in any building or construction contract.

42.11 (e) After substantial completion, an owner or owner's agent may withhold no more than:

42.12 (1) 250 percent of the value of incomplete or defective work; and

42.13 (2) one percent of the value of the contract or \$500, whichever is greater, pending  
42.14 completion and submission of all final paperwork by the contractor, provided that an amount  
42.15 withheld under this clause may not exceed \$10,000.

42.16 If the owner or the owner's agent withholds payment under this paragraph, the owner or the  
42.17 owner's agent must promptly provide a written statement detailing the amount and basis of  
42.18 withholding to the contractor. The owner or the owner's agent and the contractor must  
42.19 provide a copy of this statement to any subcontractor that requests it. Any amounts withheld  
42.20 for incomplete or defective work shall be paid within 45 days after the completion of the  
42.21 work. Any amounts withheld under clause (1) must be paid within 45 days after completion  
42.22 of the work. Any amounts withheld under clause (2) must be paid within 45 days after  
42.23 submission of all final paperwork.

42.24 (f) The maximum retainage percentage allowed for a building and construction contract  
42.25 is the retainage percentage withheld by the owner from the contractor.

42.26 (g) Withholding retainage for warranties or warranty work is prohibited.

42.27 (h) Retainage must not be used as collateral for the owner, owner's agent, or contractor.

42.28 (i) This subdivision does not apply to a public agency as defined in section 15.71,  
42.29 subdivision 3.

42.30 (j) This subdivision does not apply to contracts for professional services as defined in  
42.31 sections 326.02 to 326.15.

43.1 **EFFECTIVE DATE.** This section applies to agreements entered into on or after August  
 43.2 1, 2019.

43.3 Sec. 6. Minnesota Statutes 2018, section 341.30, subdivision 1, is amended to read:

43.4 Subdivision 1. **Licensure; individuals.** All referees, judges, promoters, trainers, ~~ring~~  
 43.5 ~~announcers~~, timekeepers, ringside physicians, combatants, ~~managers~~, and seconds are  
 43.6 required to be licensed by the commissioner. The commissioner shall not permit any of  
 43.7 these persons to participate in any matter with any combative sport contest unless the  
 43.8 commissioner has first issued the person a license.

43.9 Sec. 7. Minnesota Statutes 2018, section 341.32, subdivision 1, is amended to read:

43.10 Subdivision 1. **Annual licensure.** The commissioner may establish and issue annual  
 43.11 licenses subject to the collection of advance fees by the commissioner for promoters,  
 43.12 ~~managers~~, judges, referees, ~~ring announcers~~, ringside physicians, timekeepers, combatants,  
 43.13 trainers, and seconds.

43.14 Sec. 8. Minnesota Statutes 2018, section 341.321, is amended to read:

43.15 **341.321 FEE SCHEDULE.**

43.16 (a) The fee schedule for professional and amateur licenses issued by the commissioner  
 43.17 is as follows:

43.18 (1) referees, ~~\$80~~ \$25;

43.19 (2) promoters, \$700;

43.20 (3) judges and knockdown judges, ~~\$80~~ \$25;

43.21 (4) trainers and seconds, \$80;

43.22 ~~(5) ring announcers, \$80;~~

43.23 ~~(6)~~ (5) timekeepers, ~~\$80~~ \$25;

43.24 ~~(7)~~ (6) professional combatants, \$70;

43.25 ~~(8)~~ (7) amateur combatants, \$50;

43.26 ~~(9) managers, \$80;~~ and

43.27 ~~(10)~~ (8) ringside physicians, ~~\$80~~ \$25.

44.1 License fees for promoters are due at least six weeks prior to the combative sport contest.  
 44.2 All other license fees shall be paid no later than the weigh-in prior to the contest. No license  
 44.3 may be issued until all prelicensure requirements are satisfied and fees are paid.

44.4 (b) The commissioner shall establish a contest fee for each combative sport contest and  
 44.5 shall consider the size and type of venue when establishing a contest fee. The combative  
 44.6 sport contest fee is \$1,500 per event or not more than four percent of the gross ticket sales,  
 44.7 whichever is greater, as determined by the commissioner when the combative sport contest  
 44.8 is scheduled.

44.9 (c) A professional or amateur combative sport contest fee is nonrefundable and shall be  
 44.10 paid as follows:

44.11 (1) \$500 at the time the combative sport contest is scheduled; and

44.12 (2) \$1,000 at the weigh-in prior to the contest.

44.13 If four percent of the gross ticket sales is greater than \$1,500, the balance is due to the  
 44.14 commissioner within seven days of the completed contest.

44.15 (d) The commissioner may establish the maximum number of complimentary tickets  
 44.16 allowed for each event by rule.

44.17 (e) All fees and penalties collected by the commissioner must be deposited in the  
 44.18 commissioner account in the special revenue fund.

44.19 **Sec. 9. CONTRACTOR RECOVERY FUND; CONSUMER AWARENESS**  
 44.20 **CAMPAIGN.**

44.21 In fiscal years 2020 and 2021 the commissioner of labor and industry must conduct a  
 44.22 statewide consumer awareness campaign highlighting the importance of hiring licensed  
 44.23 contractors as well as the consequences of hiring unlicensed contractors, and may spend up  
 44.24 to \$500,000 each year from the contractor recovery fund to conduct the campaign.

44.25 **ARTICLE 4**

44.26 **EMPLOYMENT POLICY**

44.27 Section 1. Minnesota Statutes 2018, section 177.23, subdivision 7, is amended to read:

44.28 Subd. 7. **Employee.** "Employee" means any individual employed by an employer but  
 44.29 does not include:

44.30 (1) two or fewer specified individuals employed at any given time in agriculture on a  
 44.31 farming unit or operation who are paid a salary;

- 45.1 (2) any individual employed in agriculture on a farming unit or operation who is paid a  
45.2 salary greater than the individual would be paid if the individual worked 48 hours at the  
45.3 state minimum wage plus 17 hours at 1-1/2 times the state minimum wage per week;
- 45.4 (3) an individual under 18 who is employed in agriculture on a farm to perform services  
45.5 other than corn detasseling or hand field work when one or both of that minor hand field  
45.6 worker's parents or physical custodians are also hand field workers;
- 45.7 (4) for purposes of section 177.24, an individual under 18 who is employed as a corn  
45.8 detasseler;
- 45.9 (5) any staff member employed on a seasonal basis by an organization for work in an  
45.10 organized resident or day camp operating under a permit issued under section 144.72;
- 45.11 (6) any individual employed in a bona fide executive, administrative, or professional  
45.12 capacity, or a salesperson who conducts no more than 20 percent of sales on the premises  
45.13 of the employer;
- 45.14 (7) any individual who renders service gratuitously for a nonprofit organization;
- 45.15 (8) any individual who serves as an elected official for a political subdivision or who  
45.16 serves on any governmental board, commission, committee or other similar body, or who  
45.17 renders service gratuitously for a political subdivision;
- 45.18 (9) any individual employed by a political subdivision to provide police or fire protection  
45.19 services or employed by an entity whose principal purpose is to provide police or fire  
45.20 protection services to a political subdivision;
- 45.21 (10) any individual employed by a political subdivision who is ineligible for membership  
45.22 in the Public Employees Retirement Association under section 353.01, subdivision 2b,  
45.23 clause (1), (2), (4), or (9), item (i);
- 45.24 (11) any driver employed by an employer engaged in the business of operating taxicabs;
- 45.25 (12) any individual engaged in babysitting as a sole practitioner;
- 45.26 (13) for the purpose of section 177.25, any individual employed on a seasonal basis in  
45.27 a carnival, circus, fair, or ski facility;
- 45.28 (14) any individual under 18 working less than 20 hours per workweek for a municipality  
45.29 as part of a recreational program;
- 45.30 (15) any individual employed by the state as a natural resource manager 1, 2, or 3  
45.31 (conservation officer);

46.1 (16) any individual in a position for which the United States Department of Transportation  
 46.2 has power to establish qualifications and maximum hours of service under United States  
 46.3 Code, title 49, section 31502;

46.4 (17) any individual employed as a seafarer. The term "seafarer" means a master of a  
 46.5 vessel or any person subject to the authority, direction, and control of the master who is  
 46.6 exempt from federal overtime standards under United States Code, title 29, section 213(b)(6),  
 46.7 including but not limited to pilots, sailors, engineers, radio operators, firefighters, security  
 46.8 guards, pursers, surgeons, cooks, and stewards;

46.9 (18) any individual employed by a county in a single-family residence owned by a county  
 46.10 home school as authorized under section 260B.060 if the residence is an extension facility  
 46.11 of that county home school, and if the individual as part of the employment duties resides  
 46.12 at the residence for the purpose of supervising children as defined by section 260C.007,  
 46.13 subdivision 4; ~~or~~

46.14 (19) nuns, monks, priests, lay brothers, lay sisters, ministers, deacons, and other members  
 46.15 of religious orders who serve pursuant to their religious obligations in schools, hospitals,  
 46.16 and other nonprofit institutions operated by the church or religious order; or

46.17 (20) any individual employed on a seasonal basis who has entered into a contract to play  
 46.18 baseball at the minor league level.

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

46.20 Sec. 2. Minnesota Statutes 2018, section 177.27, subdivision 1, is amended to read:

46.21 Subdivision 1. **Examination of records.** The commissioner may enter during reasonable  
 46.22 office hours or upon request and inspect the place of business or employment of any employer  
 46.23 of employees working in the state, to examine and inspect books, registers, payrolls, and  
 46.24 other records of any employer that in any way relate to wages, hours, and other conditions  
 46.25 of employment of any employees. The commissioner may transcribe any or all of the books,  
 46.26 registers, payrolls, and other records as the commissioner deems necessary or appropriate  
 46.27 and may question the employees to ascertain compliance with sections 177.21 to 177.435.  
 46.28 The commissioner may investigate wage claims or complaints by an employee against an  
 46.29 employer if: (1) the failure to pay a wage may violate Minnesota law or an order or rule of  
 46.30 the department; and (2) the employee making the wage claim or complaint has provided a  
 46.31 written demand for payment to the employer at least five days prior to the commissioner  
 46.32 initiating an investigation.

47.1 Sec. 3. Minnesota Statutes 2018, section 177.32, subdivision 1, is amended to read:

47.2 Subdivision 1. **Misdemeanors.** (a) An employer who does any of the following is guilty  
47.3 of a misdemeanor:

47.4 (1) hinders or delays the commissioner in the performance of duties required under  
47.5 sections 177.21 to 177.435, or sections 181.01 to 181.72;

47.6 (2) refuses to admit the commissioner to the place of business or employment of the  
47.7 employer, as required by section 177.27, subdivision 1;

47.8 (3) repeatedly fails to make, keep, and preserve records as required by section 177.30;

47.9 (4) falsifies any record;

47.10 (5) refuses to make any record available, or to furnish a sworn statement of the record  
47.11 or any other information as required by section 177.27;

47.12 (6) repeatedly fails to post a summary of sections 177.21 to 177.44 or a copy or summary  
47.13 of the applicable rules as required by section 177.31;

47.14 (7) pays or agrees to pay wages at a rate less than the rate required under sections 177.21  
47.15 to 177.44;

47.16 (8) refuses to allow adequate time from work as required by section 177.253; ~~or~~

47.17 (9) otherwise violates any provision of sections 177.21 to 177.44; or

47.18 (10) commits wage theft as described in section 181.03, subdivision 1.

47.19 (b) An employer who violates paragraph (a), clause (10), after having been previously  
47.20 convicted of violating that clause is guilty of a gross misdemeanor.

47.21 (c) Nothing in paragraph (a), clause (10), or paragraph (b), or section 609.035 or 609.04  
47.22 shall limit the power of the state to prosecute or punish a person for conduct that constitutes  
47.23 any other crime under any other law of this state.

47.24 **EFFECTIVE DATE.** This section is effective August 1, 2019, and applies to crimes  
47.25 committed on or after that date.

47.26 Sec. 4. Minnesota Statutes 2018, section 181.03, subdivision 1, is amended to read:

47.27 Subdivision 1. **Prohibited practices.** ~~An employer may not, directly or indirectly and~~  
47.28 ~~with intent to defraud:~~

47.29 (a) No employer shall commit wage theft.

48.1 (b) For purposes of this section, wage theft is committed if an employer, with intent to  
 48.2 defraud:

48.3 (1) fails to pay an employee all wages to which that employee is entitled;

48.4 ~~(1) cause~~ (2) directly or indirectly causes any employee to give a receipt for wages for  
 48.5 a greater amount than that actually paid to the employee for services rendered;

48.6 ~~(2) (3) directly or indirectly demand demands or receive receives~~ from any employee  
 48.7 any rebate or refund from the wages owed the employee under contract of employment with  
 48.8 the employer; ~~or~~

48.9 ~~(3) in any manner make~~ (4) makes or attempt attempts to make it appear in any manner  
 48.10 that the wages paid to any employee were greater than the amount actually paid to the  
 48.11 employee; or

48.12 (5) retaliates against an employee for asserting rights or remedies under this section,  
 48.13 including but not limited to filing a complaint with the Department of Labor and Industry,  
 48.14 telling the employer of intention to file a complaint, or making a written demand for payment  
 48.15 to the employer as provided under section 177.27, subdivision 1.

48.16 Sec. 5. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to  
 48.17 read:

48.18 Subd. 4. **Enforcement.** The commissioner may enforce this section. The use of an  
 48.19 enforcement provision in this section shall not preclude the use of any other enforcement  
 48.20 provision provided by law.

48.21 Sec. 6. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to  
 48.22 read:

48.23 Subd. 5. **Effect on other laws.** Nothing in this section shall be construed to limit the  
 48.24 application of other state or federal laws.

48.25 Sec. 7. [181.741] **EXPRESS PREEMPTION; UNIFORMITY OF PRIVATE**  
 48.26 **EMPLOYER MANDATES.**

48.27 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this  
 48.28 subdivision have the meanings given them.

48.29 (b) "Employer" means a private person employing one or more employees in the state.



49.1 (c) "Local government" means a home rule charter city, statutory city, town, county, the  
49.2 Metropolitan Council, a metropolitan agency as defined in section 473.121, subdivision 5a,  
49.3 or a special district.

49.4 Subd. 2. **Express preemption.** (a) A local government must not adopt, enforce, or  
49.5 administer an ordinance, local resolution, or local policy requiring an employer to pay an  
49.6 employee a wage higher than the applicable state minimum wage rate provided in section  
49.7 177.24.

49.8 (b) A local government must not adopt, enforce, or administer an ordinance, local  
49.9 resolution, or local policy requiring an employer to provide either paid or unpaid leave time.

49.10 (c) A local government must not adopt, enforce, or administer an ordinance, local  
49.11 resolution, or local policy regulating the hours or scheduling of work time that an employer  
49.12 provides to an employee. This paragraph does not preempt an ordinance, local resolution,  
49.13 or local policy limiting the hours a business may operate.

49.14 (d) A local government must not adopt, enforce, or administer an ordinance, local  
49.15 resolution, or local policy requiring an employer to provide an employee a particular benefit  
49.16 or terms of employment.

49.17 Subd. 3. **Local governments as employers and contractors.** This section does not  
49.18 regulate wages, hours, benefits, paid or unpaid leave, attendance policies, or other terms of  
49.19 employment that a local government:

49.20 (1) provides to its own employee;

49.21 (2) requires an employer to provide to its employee to the extent that employer is  
49.22 providing goods or services to the local government, and the requirement applies specifically  
49.23 to work performed in providing goods or services to the local government; or

49.24 (3) requires an employer to provide to its employee, to the extent that employer is  
49.25 receiving funding from the local government or is providing goods or services funded in  
49.26 whole or in part by the local government, when the requirement is an express condition of  
49.27 the funding.

49.28 **EFFECTIVE DATE.** This section is effective upon final enactment and applies to  
49.29 ordinances, local policies, and local resolutions enacted on or after January 1, 2017.

50.1 **ARTICLE 5**

50.2 **WORKERS' COMPENSATION ADVISORY COUNCIL RECOMMENDATIONS**

50.3 Section 1. Minnesota Statutes 2018, section 176.1812, subdivision 2, is amended to read:

50.4 Subd. 2. **Filing and review.** (a) A copy of the agreement and the approximate number  
 50.5 of employees who will be covered under it must be filed with the commissioner. Within 21  
 50.6 days of receipt of an agreement, the commissioner shall review the agreement for compliance  
 50.7 with this section and the benefit provisions of this chapter and notify the parties of any  
 50.8 additional information required or any recommended modification that would bring the  
 50.9 agreement into compliance. Upon receipt of any requested information or modification, the  
 50.10 commissioner must notify the parties within 21 days whether the agreement is in compliance  
 50.11 with this section and the benefit provisions of this chapter.

50.12 (b) After an agreement is approved by the commissioner under paragraph (a), a qualified  
 50.13 employer may join or withdraw from a qualified group of employers without commissioner  
 50.14 review or approval. The commissioner must be notified within 30 days when a qualified  
 50.15 employer joins or withdraws from a qualified group of employers.

50.16 (c) In order for any agreement to remain in effect, it must provide for a timely and  
 50.17 accurate method of reporting to the commissioner necessary information regarding service  
 50.18 cost and utilization the individual claims covered by the agreement and claim-specific  
 50.19 dispute resolution data, in the form and manner prescribed by the commissioner. Dispute  
 50.20 resolution data includes information about facilitation, mediation, and arbitration and shall  
 50.21 be provided annually to the commissioner to enable the commissioner to annually report  
 50.22 aggregate dispute data to the legislature. The information provided to the commissioner  
 50.23 must include aggregate data on the:

50.24 (i) person hours and payroll covered by agreements filed;

50.25 (ii) number of claims filed;

50.26 (iii) average cost per claim;

50.27 (iv) number of litigated claims, including the number of claims submitted to arbitration,  
 50.28 the Workers' Compensation Court of Appeals, the Office of Administrative Hearings, the  
 50.29 district court, the Minnesota Court of Appeals or the supreme court;

50.30 (v) number of contested claims resolved prior to arbitration;

50.31 (vi) projected incurred costs and actual costs of claims;

50.32 (vii) employer's safety history;

51.1 ~~(viii) number of workers participating in vocational rehabilitation; and~~

51.2 ~~(ix) number of workers participating in light-duty programs.~~

51.3 **EFFECTIVE DATE.** Paragraphs (a) and (b) are effective June 1, 2019. Paragraph (c)  
51.4 is effective August 1, 2020.

51.5 Sec. 2. Minnesota Statutes 2018, section 176.231, subdivision 1, is amended to read:

51.6 Subdivision 1. **Time limitation.** (a) Where death or serious injury occurs to an employee  
51.7 during the course of employment, the employer shall report the injury or death to the  
51.8 commissioner and insurer within 48 hours after its occurrence. Where any other injury  
51.9 occurs which wholly or partly incapacitates the employee from performing labor or service  
51.10 for more than three calendar days, the employer shall report the injury to the insurer on a  
51.11 form prescribed by the commissioner within ten days from its occurrence. An insurer and  
51.12 self-insured employer shall report the injury to the commissioner no later than 14 days from  
51.13 its occurrence. Where an injury has once been reported but subsequently death ensues, the  
51.14 employer shall report the death to the commissioner and insurer within 48 hours after the  
51.15 employer receives notice of this fact. An employer who provides notice to the Occupational  
51.16 Safety and Health Division of the Department of Labor and Industry of a fatality within the  
51.17 eight-hour time frame required by law, or of an inpatient hospitalization within the 24-hour  
51.18 time frame required by law, has satisfied the employer's obligation under this section.

51.19 (b) At the time an injury is required to be reported to the commissioner, the insurer or  
51.20 self-insured employer must also specify whether the injury is covered by a collective  
51.21 bargaining agreement approved by the commissioner under section 176.1812. Notice must  
51.22 be provided in the format and manner prescribed by the commissioner.

51.23 **EFFECTIVE DATE.** This section is effective August 1, 2020.