

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

**S.F. No. 4091**

(SENATE AUTHORS: PRATT and by request)

DATE	D-PG	OFFICIAL STATUS
03/17/2022	5381	Introduction and first reading Referred to Jobs and Economic Growth Finance and Policy
04/05/2022	6472a	Comm report: To pass as amended and re-refer to Finance
04/19/2022		Comm report: To pass as amended Second reading

1.1 A bill for an act

1.2 relating to economic development; making policy and technical changes; requiring

1.3 reports; appropriating money; amending Minnesota Statutes 2020, sections

1.4 116J.035, by adding a subdivision; 116J.55, subdivision 6; 116J.552, subdivision

1.5 6; 116J.8747, subdivisions 2, 3, 4; 116J.993, subdivision 3; 116L.04, subdivision

1.6 1a; 116L.17, subdivision 1; 116L.98, subdivisions 2, 3; 181.032; 181.101; 268.18,

1.7 by adding a subdivision; Laws 2021, First Special Session chapter 10, article 1,

1.8 section 5; proposing coding for new law in Minnesota Statutes, chapter 116L.

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

1.10 **ARTICLE 1**

1.11 **APPROPRIATIONS**

1.12 Section 1. **APPROPRIATIONS.**

1.13 The sums shown in the columns under "Appropriations" are added to the appropriations

1.14 in Laws 2021, First Special Session chapter 10, or other law to the specified agencies. The

1.15 appropriations are from the general fund, or another named fund, and are available for the

1.16 fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article

1.17 mean that the appropriations listed under them are available for the fiscal year ending June

1.18 30, 2022, or June 30, 2023, respectively. Appropriations for the fiscal year ending June 30,

1.19 2022, are effective the day following final enactment.

1.20 **APPROPRIATIONS**

1.21 **Available for the Year**

1.22 **Ending June 30**

1.23 **2022** **2023**

1.24 **Sec. 2. DEPARTMENT OF LABOR AND**

1.25 **INDUSTRY** **\$** **-0-** **\$** **225,000**

2.1 (a) \$175,000 is to study the adequacy of  
2.2 current benefits available to disabled or injured  
2.3 police officers, firefighters, and state troopers.  
2.4 The study shall consider workers'  
2.5 compensation, disability, and pension benefits  
2.6 and the adequacy of these benefits for  
2.7 Minnesota police officers, firefighters, and  
2.8 state troopers. At least one public hearing shall  
2.9 be held. The Public Employees Retirement  
2.10 Association shall cooperate with the  
2.11 department in conducting this study. The  
2.12 department shall issue a report no later than  
2.13 January 15, 2023, to the chairs and ranking  
2.14 minority members of the standing committees  
2.15 of the house of representatives and the senate  
2.16 having jurisdiction over public safety and  
2.17 employment issues and to the chair of the  
2.18 Legislative Commission on Pensions and  
2.19 Retirement.

2.20 (b)(1) \$50,000 in fiscal year 2023 is  
2.21 appropriated from the workforce development  
2.22 fund to the commissioner of labor and industry  
2.23 for a grant to Abijah's on the Backside to  
2.24 provide equine experiential mental health  
2.25 therapy to first responders suffering from  
2.26 job-related trauma and post-traumatic stress  
2.27 disorder.

2.28 (2) For purposes of this section, a "first  
2.29 responder" is a peace officer as defined in  
2.30 Minnesota Statutes, section 626.84,  
2.31 subdivision 1, paragraph (c); a full-time  
2.32 firefighter as defined in Minnesota Statutes,  
2.33 section 299N.03, subdivision 5; or a volunteer  
2.34 firefighter as defined in Minnesota Statutes,  
2.35 section 299N.03, subdivision 7.

3.1 (3) Abijah's on the Backside must report to  
 3.2 the commissioner of labor and industry and  
 3.3 the chairs and ranking minority members of  
 3.4 the house of representatives and senate  
 3.5 committees overseeing labor and industry  
 3.6 policy and finance on the equine experiential  
 3.7 mental health therapy provided to first  
 3.8 responders under this section. The report must  
 3.9 include an overview of the program's budget,  
 3.10 a detailed explanation of program  
 3.11 expenditures, the number of first responders  
 3.12 served by the program, and a list and  
 3.13 explanation of the services provided to and  
 3.14 benefits received by program participants. An  
 3.15 initial report is due by January 15, 2023, and  
 3.16 a final report is due by January 15, 2024.

3.17 Sec. 3. Laws 2021, First Special Session chapter 10, article 1, section 5, is amended to  
 3.18 read:

3.19 Sec. 5. **BUREAU OF MEDIATION SERVICES** \$ 2,370,000 \$ 2,415,000

3.20 (a) \$125,000 each year is for purposes of the  
 3.21 Public Employment Relations Board under  
 3.22 Minnesota Statutes, section 179A.041. This  
 3.23 is a onetime appropriation.

3.24 ~~(b) \$68,000 each year is for grants to area~~  
 3.25 ~~labor management committees. Grants may~~  
 3.26 ~~be awarded for a 12-month period beginning~~  
 3.27 ~~July 1 each year. Any unencumbered balance~~  
 3.28 ~~remaining at the end of the first year does not~~  
 3.29 ~~cancel but is available for the second year.~~

3.30 (e) \$47,000 each year is for rulemaking,  
 3.31 staffing, and other costs associated with peace  
 3.32 officer grievance procedures.

4.1 Sec. 4. **MINNESOTA INVESTMENT FUND AND MINNESOTA JOB CREATION**  
 4.2 **FUND REQUIREMENTS EXTENSIONS.**

4.3 Notwithstanding any other law to the contrary, a recipient of a Minnesota Investment  
 4.4 Fund grant under Minnesota Statutes, section 116J.8731, or a recipient of a Minnesota Job  
 4.5 Creation Fund grant under Minnesota Statutes, section 116J.8748, who is unable to meet  
 4.6 the minimum capital investment requirements, wage, or minimum job creation goals or  
 4.7 requirements provided in a business subsidy agreement, as applicable, during or within the  
 4.8 12-month period following a peacetime emergency related to the COVID-19 pandemic shall  
 4.9 be granted an extension until December 31, 2023, to meet those capital investment, wage,  
 4.10 or job creation goals or requirements before the grant must be repaid.

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

4.12 **ARTICLE 2**  
 4.13 **DEED POLICY**

4.14 Section 1. Minnesota Statutes 2020, section 116J.035, is amended by adding a subdivision  
 4.15 to read:

4.16 Subd. 7a. **Competitive grants.** The commissioner shall, when awarding competitive  
 4.17 grants to organizations for the purpose of providing job training, give priority to programs  
 4.18 or organizations that focus job training in high-wage, high-demand careers. For purposes  
 4.19 of this subdivision, "high-wage, high-demand" has the meaning given in section 116L.99.

4.20 Sec. 2. Minnesota Statutes 2020, section 116J.55, subdivision 6, is amended to read:

4.21 **Subd. 6. Eligible expenditures.** (a) Money in the account established in subdivision 3  
 4.22 must be used only to:

4.23 (1) award grants to eligible communities under this section; and

4.24 (2) reimburse the department's reasonable costs to administer this section, up to a  
 4.25 maximum of five percent of the appropriation made to the commissioner under this section.  
 4.26 The commissioner may transfer part of the allowable administrative portion of this  
 4.27 appropriation to the Environmental Quality Board to assist communities with regulatory  
 4.28 coordination, and dedicated technical assistance on conversion for these communities.

4.29 (b) An eligible community awarded a grant under this section may use the grant to plan  
 4.30 for or address the economic and social impacts on the eligible community of the electric  
 4.31 generating plant's cessation of operations, including but not limited to land use studies,  
 4.32 economic planning, researching, planning, and implementing activities and impact studies

5.1 and other planning activities enabling communities to become shovel-ready and support  
5.2 the transition from power plants to other economic activities to minimize the negative  
5.3 impacts of power plant closures on tax revenues and jobs designed to:

5.4 (1) assist workers at the plant find new employment, including worker retraining and  
5.5 developing small business start-up skills;

5.6 (2) increase the eligible community's property tax base; and

5.7 (3) develop alternative economic development strategies to attract new employers to the  
5.8 eligible community.

5.9 Sec. 3. Minnesota Statutes 2020, section 116J.552, subdivision 6, is amended to read:

5.10 Subd. 6. **Municipality.** "Municipality" means the statutory or home rule charter city,  
5.11 town, federally recognized Tribe, or, in the case of unorganized territory, the county in  
5.12 which the site is located.

5.13 Sec. 4. Minnesota Statutes 2020, section 116J.8747, subdivision 2, is amended to read:

5.14 Subd. 2. **Qualified job training program.** To qualify for grants under this section, a  
5.15 job training program must satisfy the following requirements:

5.16 (1) the program must be operated by a nonprofit corporation that qualifies under section  
5.17 501(c)(3) of the Internal Revenue Code;

5.18 (2) the program may spend up to \$5,500 in total training per participant;

5.19 (3) the program must provide education and training in:

5.20 (i) basic skills, such as reading, writing, financial literacy, digital literacy, mathematics,  
5.21 and communications;

5.22 (ii) long-term plans for success including participant coaching for two years after  
5.23 placement;

5.24 (iii) soft skills, including skills critical to success on the job; and

5.25 (iv) access to internships, technology training, personal and emotional intelligence skill  
5.26 development, and other support services;

5.27 (4) the program may provide ~~income supplements not to exceed \$2,000 per participant~~  
5.28 support services, when needed, to participants for housing, counseling, tuition, and other  
5.29 basic needs;

6.1 (5) individuals served by the program must be 18 years of age or older as of the date of  
6.2 enrollment, and have household income in the six months immediately before entering the  
6.3 program that is 200 percent or less of the federal poverty guideline for Minnesota, based  
6.4 on family size; and

6.5 (6) the program must be certified by the commissioner of employment and economic  
6.6 development as meeting the requirements of this subdivision.

6.7 Sec. 5. Minnesota Statutes 2020, section 116J.8747, subdivision 3, is amended to read:

6.8 Subd. 3. **Graduation and retention grant requirements.** (a) For purposes of a placement  
6.9 grant under this section, a qualified graduate is a graduate of a job training program qualifying  
6.10 under subdivision 2 who is placed in a job in Minnesota that pays at least the current state  
6.11 minimum wage. To qualify for a retention grant under this section for a retention fee, a job  
6.12 in which the graduate is retained must pay at least the current state minimum wage.

6.13 (b) Programs are limited to one placement and one retention payment for a qualified  
6.14 graduate in a performance program.

6.15 Sec. 6. Minnesota Statutes 2020, section 116J.8747, subdivision 4, is amended to read:

6.16 Subd. 4. **Duties of program.** (a) A program certified by the commissioner under  
6.17 subdivision 2 must comply with the requirements of this subdivision.

6.18 (b) A program must maintain and provide upon request records for each qualified  
6.19 graduate. The records must include information sufficient to verify the graduate's eligibility  
6.20 under this section, identify the employer, and describe the job including its compensation  
6.21 rate ~~and~~, benefits, and average hours per week.

6.22 (c) A program is subject to the reporting requirements under section 116L.98.

6.23 Sec. 7. Minnesota Statutes 2020, section 116J.993, subdivision 3, is amended to read:

6.24 Subd. 3. **Business subsidy.** "Business subsidy" or "subsidy" means a state or local  
6.25 government agency grant, contribution of personal property, real property, infrastructure,  
6.26 the principal amount of a loan at rates below those commercially available to the recipient,  
6.27 any reduction or deferral of any tax or any fee, any guarantee of any payment under any  
6.28 loan, lease, or other obligation, or any preferential use of government facilities given to a  
6.29 business.

6.30 The following forms of financial assistance are not a business subsidy:

6.31 (1) a business subsidy of less than \$150,000;

- 7.1 (2) assistance that is generally available to all businesses or to a general class of similar  
7.2 businesses, such as a line of business, size, location, or similar general criteria;
- 7.3 (3) public improvements to buildings or lands owned by the state or local government  
7.4 that serve a public purpose and do not principally benefit a single business or defined group  
7.5 of businesses at the time the improvements are made;
- 7.6 (4) redevelopment property polluted by contaminants as defined in section 116J.552,  
7.7 subdivision 3;
- 7.8 (5) assistance provided for the sole purpose of renovating old or decaying building stock  
7.9 or bringing it up to code and assistance provided for designated historic preservation districts,  
7.10 provided that the assistance is equal to or less than 50 percent of the total cost;
- 7.11 (6) assistance to provide job readiness and training services if the sole purpose of the  
7.12 assistance is to provide those services;
- 7.13 (7) assistance for housing;
- 7.14 (8) assistance for pollution control or abatement, including assistance for a tax increment  
7.15 financing hazardous substance subdistrict as defined under section 469.174, subdivision  
7.16 23;
- 7.17 (9) assistance for energy conservation;
- 7.18 (10) tax reductions resulting from conformity with federal tax law;
- 7.19 (11) workers' compensation and unemployment insurance;
- 7.20 (12) benefits derived from regulation;
- 7.21 (13) indirect benefits derived from assistance to educational institutions;
- 7.22 (14) funds from bonds allocated under chapter 474A, bonds issued to refund outstanding  
7.23 bonds, and bonds issued for the benefit of an organization described in section 501(c)(3)  
7.24 of the Internal Revenue Code of 1986, as amended through December 31, 1999;
- 7.25 (15) assistance for a collaboration between a Minnesota higher education institution and  
7.26 a business;
- 7.27 (16) assistance for a tax increment financing soils condition district as defined under  
7.28 section 469.174, subdivision 19;
- 7.29 (17) redevelopment when the recipient's investment in the purchase of the site and in  
7.30 site preparation is 70 percent or more of the assessor's current year's estimated market value;

8.1 (18) general changes in tax increment financing law and other general tax law changes  
8.2 of a principally technical nature;

8.3 (19) federal assistance until the assistance has been repaid to, and reinvested by, the  
8.4 state or local government agency;

8.5 (20) funds from dock and wharf bonds issued by a seaway port authority;

8.6 (21) business loans and loan guarantees of \$150,000 or less;

8.7 (22) federal loan funds provided through the United States Department of Commerce,  
8.8 Economic Development Administration, Department of the Treasury; and

8.9 (23) property tax abatements granted under section 469.1813 to property that is subject  
8.10 to valuation under Minnesota Rules, chapter 8100.

8.11 Sec. 8. Minnesota Statutes 2020, section 116L.04, subdivision 1a, is amended to read:

8.12 Subd. 1a. **Pathways program.** The pathways program may provide grants-in-aid for  
8.13 developing programs which assist in the transition of persons from welfare to work and  
8.14 assist individuals at or below 200 percent of the federal poverty guidelines. The program  
8.15 is to be operated by the board. The board shall consult and coordinate with program  
8.16 administrators at the Department of Employment and Economic Development to design  
8.17 and provide services for temporary assistance for needy families recipients.

8.18 Pathways grants-in-aid may be awarded to educational or other nonprofit training  
8.19 institutions or to workforce development intermediaries for education and training programs  
8.20 and services supporting education and training programs that serve eligible recipients.

8.21 Preference shall be given to projects that:

8.22 (1) provide employment with benefits paid to employees;

8.23 (2) provide employment where there are defined career paths for trainees;

8.24 (3) pilot the development of an educational pathway that can be used on a continuing  
8.25 basis for transitioning persons from welfare to work; and

8.26 (4) demonstrate the active participation of Department of Employment and Economic  
8.27 Development workforce centers, Minnesota State College and University institutions and  
8.28 other educational institutions, and local welfare agencies.

8.29 Pathways projects must demonstrate the active involvement and financial commitment  
8.30 of participating private business businesses, Tribal-owned businesses, and municipal and  
8.31 county hospitals. Pathways projects must be matched with cash or in-kind contributions on



9.1 at least a one-half-to-one ratio by participating private ~~business~~ businesses, Tribal-owned  
9.2 businesses, and municipal or county hospitals.

9.3 A single grant to any one institution shall not exceed \$400,000. A portion of a grant may  
9.4 be used for preemployment training.

9.5 Sec. 9. Minnesota Statutes 2020, section 116L.17, subdivision 1, is amended to read:

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

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

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

9.11 (1) has been permanently separated or has received a notice of permanent separation  
9.12 from public or private sector employment and is eligible for or has exhausted entitlement  
9.13 to unemployment benefits, and is unlikely to return to the previous industry or occupation;

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

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

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

9.23 (5) is a veteran as defined by section 197.447, has been discharged or released from  
9.24 active duty under honorable conditions within the last 36 months, and (i) is unemployed or  
9.25 (ii) is employed in a job verified to be below the skill level and earning capacity of the  
9.26 veteran;

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

9.30 (7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent  
9.31 a substantial number of years in the home providing homemaking service and (i) has been  
9.32 dependent upon the financial support of another; and ~~now~~ due to divorce, separation, death,

10.1 or disability of that person, must now find employment to self support; or (ii) derived the  
 10.2 substantial share of support from public assistance on account of dependents in the home  
 10.3 and no longer receives such support. To be eligible under this clause, the support must have  
 10.4 ceased while the worker resided in Minnesota.

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

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

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

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

10.18 **Sec. 10. [116L.36] REQUIREMENTS FOR GRANTS TO NONPROFIT**  
 10.19 **ORGANIZATIONS.**

10.20 Subdivision 1. Purpose. In order to ensure that grants are awarded to mission-centered  
 10.21 and fiscally responsible grantees, a nonprofit organization that is a recipient of a future or  
 10.22 past grant or direct appropriation made by or through the department must provide  
 10.23 information to the commissioner as specified in this section.

10.24 Subd. 2. Definitions. (a) For the purposes of this section, the terms defined in this  
 10.25 subdivision have the meanings given them.

10.26 (b) "Compensation" means salary, bonuses, the present value of stock options, the value  
 10.27 of employee benefits, employer contributions to retirement or deferred compensation plans  
 10.28 on behalf of the officer or employee, and any other compensation or benefit of value.

10.29 (c) "Highly compensated employee" means an employee of a nonprofit organization  
 10.30 with estimated annual wages that:

10.31 (1) are greater than 80 percent of the governor's annual salary; and

11.1 (2) are equal to, or greater than, 80 percent of the estimated annual wages of the second  
 11.2 highest paid employee of the nonprofit organization.

11.3 (d) "Nonprofit organization" means an organization described in United States Code,  
 11.4 title 26, section 501(c)(3), and is exempt from income tax under United States Code, title  
 11.5 26, section 501(a).

11.6 Subd. 3. **Requirements.** (a) By September 1 of each year, a nonprofit organization that  
 11.7 is recipient of a future or past grant or direct appropriation made by or through the department  
 11.8 must provide the following to the commissioner:

11.9 (1) number of and compensation for any highly compensated employees of the nonprofit  
 11.10 organization;

11.11 (2) administrative expenses of the nonprofit organization for the previous three years as  
 11.12 evidenced by the nonprofit's Internal Revenue Service Form 990;

11.13 (3) total functional expenses, including the nonprofit's program expenses, administrative  
 11.14 expenses, and fundraising expenses, for the previous three years; and

11.15 (4) revenue for the previous three years.

11.16 (b) A nonprofit organization that has been in operation for fewer than three years shall  
 11.17 submit the data required under paragraph (a), clauses (2) to (4), for the time period since  
 11.18 the inception of the nonprofit organization.

11.19 Subd. 4. **Reporting to legislature.** Beginning February 15, 2023, and each year thereafter,  
 11.20 the commissioner must submit a combined report containing the information provided by  
 11.21 the grant recipients to the chairs and ranking minority members of the legislative committees  
 11.22 and budget divisions with jurisdiction over economic development. The commissioner shall  
 11.23 also include in the report a calculation of each nonprofit's percentage of expenses and a  
 11.24 revenue and expenses trend comparison over the previous three years.

11.25 Sec. 11. Minnesota Statutes 2020, section 116L.98, subdivision 2, is amended to read:

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

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

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

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

12.6 (e) "Pre-enrollment" means the period of time before an individual was enrolled in a  
12.7 workforce program.

12.8 Sec. 12. Minnesota Statutes 2020, section 116L.98, subdivision 3, is amended to read:

12.9 Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December  
12.10 31 of each even-numbered year, the commissioner must report to the chairs and ranking  
12.11 minority members of the committees of the house of representatives and the senate having  
12.12 jurisdiction over economic development and workforce policy and finance the following  
12.13 information separately for each of the previous two fiscal or calendar years, for each program  
12.14 subject to the requirements of subdivision 1:

12.15 (1) the total number of participants enrolled;

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

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

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

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

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

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

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

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

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

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

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

13.5 (13) the total cost of the program;

13.6 (14) the total cost of the program per participant;

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

13.8 (16) the administrative cost of the program.

13.9 (b) The report to the legislature must contain:

13.10 (1) participant information by education level, race and ethnicity, gender, and geography,  
 13.11 and a comparison of exited participants who completed training and those who did not; and

13.12 (2) a list of any grant recipients that did not satisfy all of the reporting requirements of  
 13.13 this section for the applicable reporting period.

13.14 (c) The requirements of this section apply to programs administered directly by the  
 13.15 commissioner or administered by other organizations under a grant made by the department.

13.16 Sec. 13. Minnesota Statutes 2020, section 181.032, is amended to read:

13.17 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE**  
 13.18 **TO EMPLOYEE.**

13.19 (a) At the end of each pay period, the employer shall provide each employee an earnings  
 13.20 statement, either in writing or by electronic means, covering that pay period. An employer  
 13.21 who chooses to provide an earnings statement by electronic means must provide employee  
 13.22 access to an employer-owned computer during an employee's regular working hours to  
 13.23 review and print earnings statements.

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

13.26 (1) the name of the employee;

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

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

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

- 14.1 (5) the total amount of gross pay earned by the employee during that period;
- 14.2 (6) a list of deductions made from the employee's pay;
- 14.3 (7) the net amount of pay after all deductions are made;
- 14.4 (8) the date on which the pay period ends;
- 14.5 (9) the legal name of the employer and the operating name of the employer if different
- 14.6 from the legal name;
- 14.7 (10) the physical address of the employer's main office or principal place of business,
- 14.8 and a mailing address if different; and
- 14.9 (11) the telephone number of the employer.
- 14.10 (c) An employer must provide earnings statements to an employee in writing, rather
- 14.11 than by electronic means, if the employer has received at least 24 hours notice from an
- 14.12 employee that the employee would like to receive earnings statements in written form. Once
- 14.13 an employer has received notice from an employee that the employee would like to receive
- 14.14 earnings statements in written form, the employer must comply with that request on an
- 14.15 ongoing basis.
- 14.16 (d) ~~At~~ Within seven days of the start of employment, an employer shall provide each
- 14.17 employee a ~~written~~ notice, either in writing or by electronic means, containing the following
- 14.18 information:
- 14.19 (1) the rate or rates of pay and basis thereof, including whether the employee is paid by
- 14.20 the hour, shift, day, week, salary, piece, commission, or other method, and the specific
- 14.21 application of any additional rates, as well as any pay schedule or range of pay for an
- 14.22 employee who is reasonably expected to move between job duties, classifications, and pay
- 14.23 or benefit structures in their day-to-day duties;
- 14.24 (2) allowances, if any, claimed pursuant to permitted meals and lodging;
- 14.25 (3) paid vacation, sick time, or other paid time-off accruals and terms of use;
- 14.26 (4) the employee's employment status and whether the employee is exempt from minimum
- 14.27 wage, overtime, and other provisions of chapter 177, and on what basis;
- 14.28 (5) a list of deductions that may be made from the employee's pay;
- 14.29 (6) the number of days in the pay period, the regularly scheduled pay day, and the pay
- 14.30 day on which the employee will receive the first payment of wages earned;

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

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

15.5 (9) the telephone number of the employer; and

15.6 (10) a checkbox to indicate whether a hiring employer is a staffing agency and space  
15.7 for a staffing agency to indicate the initial entity for which the employee will perform work.

15.8 (e) The employer must keep a copy of the notice under paragraph (d) signed by each  
15.9 employee acknowledging receipt of the notice. An employee's signature on the notice  
15.10 constitutes acknowledgment of receipt of the notice and does not create a contract. For the  
15.11 purposes of this paragraph, "signed" means a written signature or an electronic signature  
15.12 as defined in section 325L.02. The notice must be provided to each employee in English.  
15.13 The English version of the notice must include text provided by the commissioner that  
15.14 informs employees that they may request, by indicating on the form, the notice be provided  
15.15 in a particular language. If requested, the employer shall provide the notice in the language  
15.16 requested by the employee. The commissioner shall make available to employers the text  
15.17 to be included in the English version of the notice required by this section and assist  
15.18 employers with translation of the notice in the languages requested by their employees.

15.19 (f) The notice requirement under paragraph (d) is satisfied for an employee if the  
15.20 employee has received all of the information required in paragraph (d) specific to the  
15.21 employee through a collective bargaining agreement, employee handbook, offer letter, or  
15.22 a combination of those documents. In such an instance, the employer must retain a record  
15.23 or listing of the referenced documents that satisfied the notice requirement in paragraph (d).

15.24 (g) An employer must provide the employee any ~~written~~ changes to the information  
15.25 contained in the notice under paragraph (d) ~~prior to the~~, either in writing or by electronic  
15.26 means, by the date of the employee's next earnings statement following the date the changes  
15.27 take effect. The notice of changes to information under this paragraph does not require a  
15.28 signature by the employee acknowledging receipt. The requirements of this paragraph are  
15.29 satisfied if the changes to information are contained on the employee's next earnings  
15.30 statement.

15.31 (h) Notice is not required under paragraph (g) to an employee for discretionary pay. For  
15.32 the purposes of this section, "discretionary pay" means compensation paid by the employer  
15.33 for which the amount and timing are not disclosed in advance by the employer and are at  
15.34 the employer's sole discretion.

16.1 (i) Notice is not required under paragraph (g) to an employee employed by a staffing  
16.2 agency upon subsequent job placements following the initial placement by the staffing  
16.3 agency.

16.4 (j) The commissioner shall issue a written warning to an employer upon the first finding  
16.5 of a violation or violations of the notice requirements found in paragraphs (d) to (g). For  
16.6 purposes of this paragraph, discovery by the commissioner of more than one violation of  
16.7 the notice requirements under paragraphs (d) to (g) at the same employer during the same  
16.8 investigation shall be considered a single violation.

16.9 Sec. 14. Minnesota Statutes 2020, section 181.101, is amended to read:

16.10 **181.101 WAGES; HOW OFTEN PAID.**

16.11 (a) Except as provided in paragraph (b), every employer must pay all wages, including  
16.12 salary, earnings, and gratuities earned by an employee at least once every 31 days and all  
16.13 commissions earned by an employee at least once every three months, on a regular payday  
16.14 designated in advance by the employer regardless of whether the employee requests payment  
16.15 at longer intervals. Unless paid earlier, the wages earned during the first half of the first  
16.16 31-day pay period become due on the first regular payday following the first day of work.  
16.17 If wages or commissions earned are not paid, the commissioner of labor and industry or the  
16.18 commissioner's representative may serve a demand for payment on behalf of an employee.  
16.19 In addition to other remedies under section 177.27, if payment of wages is not made within  
16.20 ten days of service of the demand, the commissioner may charge and collect the wages  
16.21 earned at the employee's rate or rates of pay or at the rate or rates required by law, including  
16.22 any applicable statute, regulation, rule, ordinance, government resolution or policy, contract,  
16.23 or other legal authority, whichever rate of pay is greater, and a penalty in the amount of the  
16.24 employee's average daily earnings at the same rate or rates, not exceeding 20 days total,  
16.25 for each day beyond the ten-day limit following the demand. If payment of commissions is  
16.26 not made within ten days of service of the demand, the commissioner may charge and collect  
16.27 the commissions earned and a penalty equal to 1/15 of the commissions earned but unpaid,  
16.28 not exceeding 20 days total, for each day beyond the ten-day limit. Money collected by the  
16.29 commissioner must be paid to the employee concerned. This section does not prevent an  
16.30 employee from prosecuting a claim for wages. This section does not prevent a school district,  
16.31 other public school entity, or other school, as defined under section 120A.22, from paying  
16.32 any wages earned by its employees during a school year on regular paydays in the manner  
16.33 provided by an applicable contract or collective bargaining agreement, or a personnel policy  
16.34 adopted by the governing board. For purposes of this section, "employee" includes a person



17.1 who performs agricultural labor as defined in section 181.85, subdivision 2. For purposes  
17.2 of this section, wages are earned on the day an employee works. This section provides a  
17.3 substantive right for employees to the payment of wages, including salary, earnings, and  
17.4 gratuities, as well as commissions, in addition to the right to be paid at certain times.

17.5 (b) An employer of a volunteer firefighter, as defined in section 424A.001, subdivision  
17.6 10, a member of an organized first responder squad that is formally recognized by a political  
17.7 subdivision in the state, or a volunteer ambulance driver or attendant must pay all wages  
17.8 earned by the volunteer firefighter, first responder, or volunteer ambulance driver or attendant  
17.9 at least once every 31 days, unless the employer and the employee mutually agree upon  
17.10 payment at longer intervals.

17.11 Sec. 15. Minnesota Statutes 2020, section 268.18, is amended by adding a subdivision to  
17.12 read:

17.13 Subd. 7. Overpayments; report to legislature. Beginning January 15, 2023, and each  
17.14 January 15 thereafter, the commissioner must report to the chairs and ranking minority  
17.15 members of the committees of the house of representatives and the senate having jurisdiction  
17.16 over unemployment insurance for the previous calendar year, to the extent that the following  
17.17 information is not classified as not public under chapter 13 or 268:

17.18 (1) the number and total dollar amount of overpayments made by the department,  
17.19 regardless of whether the improper recipient of the overpayment was identified by the  
17.20 department;

17.21 (2) the number and total dollar amount of overpayments as a percentage of total claims  
17.22 paid over the same period;

17.23 (3) for each overpayment, the dollar amount of the overpayment and information as to  
17.24 whether the overpayment was made due to:

17.25 (i) misrepresentation by a legitimate applicant;

17.26 (ii) fraud attempt through identity theft; or

17.27 (iii) other fraud attempt by an unidentified imposter or hijacker;

17.28 (4) information regarding the number of suspected fraud attempts by imposters or  
17.29 hijackers that the department identified and stopped prior to issuing an overpayment; and

17.30 (5) the number of times the department referred fraud cases to law enforcement.

18.1 Sec. 16. **PAY FOR PERFORMANCE.**

18.2 Of the amounts appropriated in law from the workforce development fund for grants to  
18.3 pass-through entities, 25 percent in fiscal year 2024 and 50 percent in fiscal year 2025 are  
18.4 for performance grants under Minnesota Statutes, section 116J.8747.