A bill for an act
relating to jobs; appropriating money for the Departments of Employment and
Economic Development and Labor and Industry; the Bureau of Mediation Services;
Public Employment Relations Board and Workers' Compensation Court of Appeals;
making policy and technical changes; modifying fees; requiring reports; amending
Minnesota Statutes 2016, sections 116J.395, subdivision 7; 116J.8731, subdivision
2, by adding a subdivision; 116J.8748, subdivisions 1, 3, 4, 6; 116L.17, subdivision
1; 116L.665; 116M.14, subdivision 4; 116M.17, subdivision 4; 116M.18,
subdivisions 1a, 4, 4a, 8; 175.45; 326B.092, subdivision 7; 326B.153, subdivision
1; 326B.37, by adding subdivisions; 326B.435, subdivision 2; 326B.50, subdivision
3, by adding subdivisions; 326B.55, subdivisions 2, 4; 326B.89, subdivisions 1,
5; Laws 2015, First Special Session chapter 1, article 1, section 5, subdivision 2;
Laws 2016, chapter 189, article 7, section 2, subdivision 2; proposing coding for
new law in Minnesota Statutes, chapters 175; 326B; repealing Minnesota Statutes
2016, section 326B.89, subdivision 14; Minnesota Rules, parts 4355.0100;
4355.0200; 4355.0300; 4355.0400; 4355.0500.

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

ARTICLE 1

APPROPRIATIONS

Section 1. JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies
and for the purposes specified in this article. The appropriations are from the general fund,
or another named fund, and are available for the fiscal years indicated for each purpose.
The figures "2018" and "2019" used in this article mean that the appropriations listed under
them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.
"The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"
is fiscal years 2018 and 2019.

APPROPRIATIONS
2.1 Available for the Year

2.2 Ending June 30

2.3 2018 2019

2.4 Sec. 2. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

2.5

2.6 Subdivision 1. Total Appropriation $128,246,000 $125,175,000

2.7 Appropriations by Fund

2.8 2018 2019

2.9 General 93,004,000 90,680,000

2.10 Remediation 700,000 700,000

2.11 Workforce Development 34,542,000 33,795,000

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

2.13 Subd. 2. Business and Community Development

2.14 Appropriations by Fund

2.15 2018 2019

2.16 General 44,164,000 41,890,000

2.17 Remediation 700,000 700,000

2.18 Workforce Development 900,000 900,000

2.19 (a) $12,500,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, up to three percent is for administration and monitoring of the program. Of the amount appropriated in fiscal year 2018, $4,000,000 is for a loan to construct and equip a wholesale electronic component distribution center investing a minimum of $200,000,000 and constructing a facility at least 700,000 square feet in size.

2.20 Loan funds may be used for purchases of materials, supplies, and equipment for the construction of the facility and are available from July 1, 2017, to June 30, 2021. The

Article 1 Sec. 2. 2
commissioner of employment and economic development shall forgive the loan after verification that the project has satisfied performance goals and contractual obligations as required under Minnesota Statutes, section 116J.8731. This appropriation is available until spent. The base for this program is $13,500,000 in fiscal year 2020 and $13,500,000 in fiscal year 2021.

(b) $8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, up to three percent is for administration and monitoring of the program. This appropriation is available until spent. The base for this program is $8,000,000 in fiscal year 2020 and $8,000,000 in fiscal year 2021.

(c) $1,500,000 each year is for the redevelopment program under Minnesota Statutes, section 116J.571. The base for this program is $2,000,000 in fiscal year 2020 and $2,000,000 in fiscal year 2021.

(d) $3,000,000 each year is for the workforce housing grant program in Minnesota Statutes, section 116J.549. Of this amount, up to five percent is for administration and monitoring of the program. This appropriation is available until spent.

(e) $500,000 each year is for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Funds available under this paragraph are for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are
available until spent. Of this amount, up to five percent is for administration and monitoring of the program. The base for this appropriation is $1,000,000 in fiscal year 2020 and $1,000,000 in fiscal year 2021.

(f) $900,000 each year from the workforce development fund is for the job training incentive program under Minnesota Statutes, section 116L.42. Of this amount, up to five percent is for administration and monitoring of the program.

(g) $1,300,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. Of this amount, $800,000 each year is for a onetime grant to the city of Thief River Falls to support utility extensions, roads, and other public improvements related to the construction of a wholesale electronic component distribution center at least 700,000 square feet in size and investing a minimum of $200,000,000. Notwithstanding Minnesota Statutes, section 116J.431, a local match is not required for the grant. Grant funds provided to the city of Thief River Falls under this paragraph are available from July 1, 2017, to June 30, 2021. Except as otherwise specified in this paragraph, this appropriation is available until spent.

(h) $139,000 each year is for the Center for Rural Policy and Development.

(i) $1,272,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to
5.1 116J.558. This appropriation is available until spent.

5.2 (j) $700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until spent.

5.3 (k) $1,425,000 each year is for the business development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the business development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

5.4 (l) $4,848,000 in fiscal year 2018 and $4,849,000 in fiscal year 2019 is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until spent. The base amount for this program is $5,195,000 in fiscal year 2020 and $5,195,000 in fiscal year 2021.

5.5 (m) $25,000 each year is for the administration of state aid for the Destination Medical Center under Minnesota Statutes, sections 469.40 to 469.47.

5.6 (n) $750,000 each year is for a grant to the Neighborhood Development Center for small business programs, including, but not limited to:

5.7 (1) training, lending, and business services;
6.1 (2) model outreach and training in greater
Minnesota; and
6.3 (3) development of new business incubators.

This is a onetime appropriation.
6.5 (o) $1,175,000 each year is for a grant to the
Metropolitan Economic Development
Association (MEDA) for statewide business
development and assistance services, including
services to entrepreneurs with businesses that
have the potential to create job opportunities
for unemployed and underemployed people,
with an emphasis on minority-owned
businesses. This is a onetime appropriation.
6.14 (p) $125,000 each year is for a grant to the
White Earth Nation for the White Earth Nation
Integrated Business Development System to
provide business assistance with workforce
development, outreach, technical assistance,
infrastructure and operational support,
financing, and other business development
activities. This is a onetime appropriation.
6.22 (q) $875,000 each year is for a grant to
Enterprise Minnesota, Inc. for the small
business growth acceleration program under
Minnesota Statutes, section 116O.115. This
is a onetime appropriation.
6.27 (r) $12,000 each year is from the general fund
for a grant to the Upper Minnesota Film
Office.
6.30 (s) $325,000 each year is from the general
fund for the Minnesota Film and TV Board.
The appropriation in each year is available
only upon receipt by the board of $1 in
matching contributions of money or in-kind
contributions from nonstate sources for every $3 provided by this appropriation, except that each year up to $50,000 is available on July 1 even if the required matching contribution has not been received by that date.

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

(u) $275,000 in fiscal year 2018 is from the general fund to the commissioner of employment and economic development for a grant to Community and Economic Development Associates (CEDA) for an economic development study and analysis of the effects of current and projected economic growth in southeast Minnesota. CEDA shall report on the findings and recommendations of the study to the committees of the house of representatives and senate with jurisdiction over economic development and workforce issues by February 15, 2019. All results and information gathered from the study shall be made available for use by cities in southeast Minnesota by March 15, 2019. This is a onetime appropriation and is available until June 30, 2020.

(v) $2,000,000 the first year is for a grant to Pillsbury United Communities for construction and renovation of a building in north Minneapolis for use as the "North Market" grocery store and wellness center, focused on offering healthy food, increasing health care access, and providing job creation and
8.1 economic opportunities in one place for
children and families living in the area. To the
extent possible, Pillsbury United Communities
shall employ individuals who reside within a
five mile radius of the grocery store and
wellness center. This appropriation is not
available until at least an equal amount of
money is committed from nonstate sources.
This is a onetime appropriation and is
available until the project is completed or
abandoned, subject to Minnesota Statutes,
section 16A.642.

8.13 Subd. 3. Broadband Development
10,250,000 10,250,000

8.14 (a) $250,000 each year is for the Broadband
Development Office.

8.16 (b) $10,000,000 each year is for deposit in the
border-to-border broadband fund account
created under Minnesota Statutes, section
116J.396, and may be used for the purposes
provided in Minnesota Statutes, section
116J.395. This is a onetime appropriation.
This appropriation is available until spent. Of
this appropriation, up to three percent is for
costs incurred by the commissioner to
administer Minnesota Statutes, section
116J.395. Administrative costs may include
the following activities related to measuring
progress toward the state's broadband goals
established in Minnesota Statutes, section
237.012:

8.31 (1) collecting broadband deployment data from
Minnesota providers, verifying its accuracy
through on-the-ground testing, and creating
state and county maps available to the public
showing the availability of broadband service
at various upload and download speeds throughout Minnesota;

(2) analyzing the deployment data collected to help inform future investments in broadband infrastructure; and

(3) conducting business and residential surveys that measure broadband adoption and use in the state.

Data provided by a broadband provider under this paragraph is nonpublic data under Minnesota Statutes, section 13.02, subdivision 9. Maps produced under this paragraph are public data under Minnesota Statutes, section 13.03.

Subd. 4. Minnesota Trade Office

(a) $300,000 each year is for the STEP grants in Minnesota Statutes, section 116J.979.
(b) $180,000 each year is for the Invest Minnesota Marketing Initiative in Minnesota Statutes, section 116J.9781.
(c) $270,000 each year is for the Minnesota Trade Offices under Minnesota Statutes, section 116J.978.
(d) $50,000 each year is for the trade policy advisory group under Minnesota Statutes, section 116J.9661.

Subd. 5. Workforce Development

Appropriations by Fund

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
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<tbody>
<tr>
<td>General</td>
<td>5,939,000</td>
<td>5,889,000</td>
</tr>
<tr>
<td>Workforce</td>
<td>23,295,000</td>
<td>22,548,000</td>
</tr>
</tbody>
</table>

(a) $1,539,000 each year from the general fund and $3,104,000 each year from the workforce.
10.1 development fund are for the pathways to prosperity competitive grant program. Of this amount, up to five percent is for administration and monitoring of the program. The base amount for this program is $5,039,000 from the general fund and $3,104,000 from the workforce development fund in fiscal year 2020 and fiscal year 2021.

10.9 (b) $4,053,000 each year is from the workforce development fund for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561.

10.13 (c) $1,001,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

10.17 (d) $500,000 each year is from the general fund and $3,348,000 each year is from the workforce development fund for the youth at work competitive grant program under Minnesota Statutes, section 116L.562. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year. The base amount for this program is $3,348,000 in fiscal year 2020 and $3,348,000 in fiscal year 2021 from the workforce development fund, and $750,000 in fiscal year 2020 and $750,000 in fiscal year 2021 from the general fund.

10.33 (e) $500,000 each year from the general fund and $500,000 each year from the workforce development fund are for rural career
counseling coordinators in the workforce

service areas and for the purposes specified

in Minnesota Statutes, section 116L.667. Of

these amounts, up to five percent is for

administration and monitoring of the program.

(f) $250,000 each year is for the higher

education career advising program. Of this

amount, up to five percent is for administration

and monitoring of the program.

(g) $500,000 each year is for a competitive

grant program for grants to organizations

providing services to relieve economic

disparities in the Southeast Asian community

through workforce recruitment, development,

job creation, assistance of smaller

organizations to increase capacity, and

outreach. Of this amount, up to five percent

is for administration and monitoring of the

program.

(h) $750,000 each year is for a competitive

grant program to provide grants to

organizations that provide support services for

individuals, such as job training, employment

preparation, internships, job assistance to

fathers, financial literacy, academic and

behavioral interventions for low-performing

students, and youth intervention. Grants made

under this section must focus on low-income

communities, young adults from families with

a history of intergenerational poverty, and

communities of color. Of this amount, up to

five percent is for administration and

monitoring of the program. The base amount

for this program is $1,000,000 in fiscal year

2020 and $1,000,000 in fiscal year 2021.
(i) $500,000 each year is for the high-wage, high-demand, nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Of this amount, up to five percent is for administration and monitoring of the program. The base amount for this program is $750,000 in fiscal year 2020 and $750,000 in fiscal year 2021.

(j) $450,000 each year is from the workforce development fund for a grant to Minnesota Diversified Industries, Inc., to provide progressive development and employment opportunities for people with disabilities. This is a onetime appropriation.

(k) $500,000 each year is from the workforce development fund for the Opportunities Industrialization Center programs. This appropriation shall be divided equally among the eligible centers.

(l) $750,000 each year is from the workforce development fund for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills development. This project, which may have career guidance components, including health and life skills, is to encourage, train, and assist youth in job-seeking skills, workplace orientation, and job-site knowledge through coaching. This grant requires a 25 percent match from nonstate resources. This is a onetime appropriation.

(m) $250,000 each year is from the workforce development fund for a grant to YWCA St. Paul to provide job training services and workforce development programs and
services, including job skills training and
counseling. This is a onetime appropriation.

(n) $375,000 each year is from the workforce
development fund for a grant to the YWCA
of Minneapolis to provide economically
challenged individuals the job skills training,
career counseling, and job placement
assistance necessary to secure a child
development associate credential and to have
a career path in early childhood education.
This is a onetime appropriation.

(o) $1,000,000 each year is from the
workforce development fund for a grant to
EMERGE Community Development, in
collaboration with community partners, for
services targeting Minnesota communities
with the highest concentrations of African and
African-American joblessness, based on the
most recent census tract data, to provide
employment readiness training, credentialed
training placement, job placement and
retention services, supportive services for
hard-to-employ individuals, and a general
education development fast track and adult
diploma program. This is a onetime
appropriation.

(p) $1,000,000 each year is from the
workforce development fund for a grant to the
Minneapolis Foundation for a strategic
intervention program designed to target and
connect program participants to meaningful,
sustainable living-wage employment. This is
a onetime appropriation.

(q) $1,297,000 in fiscal year 2018 and
$800,000 in fiscal year 2019 are from the
workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide training to hard-to-train individuals. Of the amounts appropriated, $800,000 each year is for a grant to Twin Cities R!SE, in collaboration with Metro Transit and Hennepin Technical College for the Metro Transit technician training program. This is a onetime appropriation and is available until June 30, 2020.

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

(s) $250,000 each year is for transfer to the Department of Education for a grant to the American Indian Opportunities and Industrialization Center, in collaboration with the Northwest Indian Community Development Center, to reduce academic disparities for American Indian students and adults. This is a onetime appropriation. The grant funds may be used to provide:
(1) student tutoring and testing support services;

(2) training in information technology;

(3) assistance in obtaining a GED;

(4) remedial training leading to enrollment in a postsecondary higher education institution;

(5) real-time work experience in information technology fields; and

(6) contextualized adult basic education.

After notification to the legislature, the commissioner may transfer this appropriation to the commissioner of education.

(t) $600,000 each year is from the workforce development fund for a grant to Ujamaa Place for job training, employment preparation, internships, education, training in the construction trades, housing, and organizational capacity-building. This is a onetime appropriation.

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

(v) $1,100,000 each year from the workforce development fund is for a grant to the Minnesota High Tech Association to support SciTechsperience, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students and graduate students in their field of study. The internship
opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in Minnesota, having fewer than 250 employees worldwide. At least 200 students must be matched in the first year and at least 250 students must be matched in the second year. No more than 15 percent of the hires may be graduate students. Selected hiring companies shall receive from the grant 50 percent of the wages paid to the intern, capped at $2,500 per intern. The program must work toward increasing the participation among women or individuals with barriers to employment. This is a onetime appropriation.

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

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

2. increase the number of high schools in Minnesota offering construction classes during
the academic year that utilize a multicraft curriculum;

(3) increase the number of summer internship opportunities;

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

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

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

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

(x) $215,000 each year is from the workforce development fund for a grant to Big Brothers, Big Sisters of the Greater Twin Cities for workforce readiness, employment exploration, and skills development for youth ages 12 to 21. The grant must serve youth in the Twin Cities, Central Minnesota and Southern Minnesota Big Brothers, Big Sisters chapters. This is a onetime appropriation.

(y) $50,000 the first year is for a grant to Fighting Chance for behavioral intervention
programs for at-risk youth. This is a onetime appropriation.

(z) $250,000 each year is from the workforce development fund for a grant to Bridges to Healthcare to provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, non-native speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in one of Minnesota's most innovative industries. Funds may be used for program expenses, including, but not limited to, hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant funds may be used for Bridges to Healthcare's administrative costs. This is a onetime appropriation and is available until June 30, 2020.

(aa) $230,000 in fiscal year 2018 is from the workforce development fund for a grant to the Bois Forte Tribal Employment Rights Office (TERO) for an American Indian workforce development training pilot project. This is a onetime appropriation.

(bb) $500,000 each year is from the workforce development fund for a grant to the Nonprofits Assistance Fund to provide capacity-building grants to small, culturally specific organizations that primarily serve historically underserved cultural communities. Grants may
only be awarded to nonprofit organizations that (1) have an annual organizational budget of less than $500,000 and (2) are culturally specific organizations that primarily serve historically underserved cultural communities. Grant funds awarded must be used for:

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

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

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

(cc) $1,502,000 each year is from the workforce development fund for a grant to FastTRAC-Minnesota Adult Careers Pathways Program. Up to ten percent of this appropriation may be used to provide leadership, oversight, and technical assistance services for low-skilled, low-income adults.

(dd) $100,000 each year is for the "Getting to Work" grant program. This is a onetime
appropriation and is available until June 30, 2021.

(ee) $20,000 in fiscal year 2018 is from the workforce development fund for transfer to the Cook County Higher Education Board to provide educational programming and academic support services to remote regions in northeastern Minnesota. This appropriation is in addition to other funds previously appropriated for transfer to the board. This is a onetime appropriation.

Subd. 6. Vocational Rehabilitation

Appropriations by Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
<th>Amount</th>
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<tbody>
<tr>
<td>General</td>
<td>23,986,000</td>
<td>23,986,000</td>
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<tr>
<td>Workforce Development</td>
<td>7,830,000</td>
<td>7,830,000</td>
</tr>
</tbody>
</table>

(a) $8,300,000 each year from the general fund and $2,500,000 from the workforce development fund are for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A. The base for this program is $10,800,000 from the general fund in fiscal year 2020 and fiscal year 2021.

(b) $3,011,000 each year is from the general fund for grants to centers for independent living under Minnesota Statutes, section 268A.11.

(c) $6,830,000 each year from the workforce development fund and $6,495,000 each year from the general fund are for extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15. The base for this program is $7,620,000 from the general fund and
21.1 $6,830,000 from the workforce development fund in fiscal year 2020 and fiscal year 2021.

21.3 (d) $1,000,000 each year is from the workforce development fund for grants under Minnesota Statutes, section 268A.16, for employment services for persons, including transition-aged youth, who are deaf, deafblind, or hard-of-hearing. If the amount in the first year is insufficient, the amount in the second year is available in the first year. Of this amount, up to five percent is for administration and monitoring of the program.

21.13 (e) $2,555,000 each year is for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14.

21.18 Subd. 7. Services for the Blind

$6,425,000 each year is for state services for the blind. Of this amount, $500,000 each year is for senior citizens who are becoming blind. At least half of the funds appropriated must be used to provide training services for seniors who are becoming blind. Training services must provide independent living skills to seniors who are becoming blind to allow them to continue to live independently in their homes. The base for this program is $5,925,000 in fiscal year 2020 and $5,925,000 in fiscal year 2021.

21.31 Subd. 8. General Support Services

21.33 Appropriations by Fund

<table>
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<tr>
<th>Fund</th>
<th>2021</th>
<th>2022</th>
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<td>3,573,000</td>
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</tr>
<tr>
<td>Workforce Development</td>
<td>17,000</td>
<td>17,000</td>
</tr>
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</table>
22.1 (a) $250,000 each year is for the publication,
     dissemination, and use of labor market
     information under Minnesota Statutes, section
     116J.4011.
22.2 (b) $150,000 each year is for the cost-of-living
     study required under Minnesota Statutes,
     section 116J.013.
22.3 (c) $1,269,000 each year is for transfer to the
     Minnesota Housing Finance Agency for
     operating the Olmstead Compliance Office.
22.4 (d) $500,000 each year is for the
     capacity-building grant program to assist
     nonprofit organizations offering or seeking to
     offer workforce development and economic
     development programming. Of this amount,
     up to five percent is for administration and
     monitoring of the program.
22.5 Subd. 9. Reporting
22.6 (a) An entity receiving a direct appropriation
     in this article that received a direct
     appropriation in Laws 2016, chapter 189,
     article 12, is subject to the requirements for
     grants to individually specified recipients
     under Laws 2016, chapter 189, article 12,
     section 11.
22.7 (b) Any recipient of a direct appropriation
     from the workforce development fund for
     adult workforce-related programs under
     subdivision 5 not subject to the requirements
     of paragraph (a) is subject to the reporting
     requirements under Minnesota Statutes,
     section 116L.98.
22.8 Sec. 3. DEPARTMENT OF LABOR AND
22.9 INDUSTRY

Article 1 Sec. 3.  22
## Subdivision 1. Total Appropriation

<table>
<thead>
<tr>
<th>Fund</th>
<th>2018</th>
<th>2019</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>$28,184,000</td>
<td>$28,484,000</td>
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### Appropriations by Fund

- **General**
  - 2018: $1,202,000
  - 2019: $1,202,000

- **Workers' Compensation**
  - 2018: $2,307,000
  - 2019: $2,007,000

- **Workforce Development**
  - 2018: $2,007,000
  - 2019: $2,307,000

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

### Subd. 2. Workers' Compensation

- (a) This appropriation is from the workers' compensation fund.
- (b) $3,000,000 each year is for workers' compensation system upgrades. This appropriation is available until June 30, 2021.
- The base appropriation for fiscal year 2020 and beyond is $0.
- (c) This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing information technology costs must be incorporated into the service level agreement and must be paid to the Office of MN.IT Services by the commissioner of labor and industry under the rates and mechanism specified in that agreement.

### Subd. 3. Labor Standards and Apprenticeship

<table>
<thead>
<tr>
<th>Fund</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,507,000</td>
<td>$1,507,000</td>
</tr>
</tbody>
</table>

- **General**
  - 2018: $1,202,000
  - 2019: $1,202,000

- **Workforce Development**
(a) $1,202,000 in fiscal year 2018 and $1,202,000 in fiscal year 2019 are from the general fund for the labor standards and apprenticeship program.

(b) $1,057,000 in fiscal year 2018 and $1,057,000 in fiscal year 2019 are from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178.

(c) $150,000 each year from the workforce development fund is for prevailing wage enforcement.

(d) $100,000 in fiscal year 2018 is from the workforce development fund for labor education and advancement program grants under Minnesota Statutes, section 178.11, to expand and promote registered apprenticeship training for minorities and women.

(e) $200,000 each year is from the workforce development fund for a grant to the Construction Careers Foundation Inc. for the Helmets to Hardhats Minnesota Initiative. Grant funds must be used to recruit, retain, assist, and support National Guard, Reserve, active duty military members, and veteran's participation in apprenticeship programs registered with the Department of Labor and Industry and connect them with career training and employment in the building and construction industry. The recruitment, selection, employment, and training must be without discrimination due to race, color, creed, religion, national origin, sex, sexual orientation, marital status, physical or mental
disability, receipt of public assistance, or age.

This is a onetime appropriation.

Subd. 4. **Workplace Safety**

This appropriation is from the workers' compensation fund.

Subd. 5. **General Support**

Appropriations by Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers' Compensation</td>
<td>6,039,000</td>
<td>6,039,000</td>
</tr>
<tr>
<td>Workforce Development</td>
<td>500,000</td>
<td>800,000</td>
</tr>
</tbody>
</table>

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

(b) $200,000 in fiscal year 2018 is from the workforce development fund for the commissioner of labor and industry to convene and collaborate with stakeholders as provided under Minnesota Statutes, section 175.46, subdivision 3, and to develop youth skills training competencies for approved occupations. This is a onetime appropriation.

(c) $500,000 in fiscal year 2019 is from the workforce development fund to administer the youth skills training program under Minnesota Statutes, section 175.46. The commissioner shall award up to five grants each year to local partnerships located throughout the state, not to exceed $100,000 per local partnership grant. The commissioner may use a portion of this appropriation for administration of the grant program. The base amount for this program is $500,000 each year beginning in fiscal year 2020.

Sec. 4. **BUREAU OF MEDIATION SERVICES** $ 2,247,000 $ 2,247,000
(a) $68,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

(b) $394,000 each year is for the Office of Collaboration and Dispute Resolution under Minnesota Statutes, section 179.90.

Sec. 5. PUBLIC EMPLOYMENT RELATIONS BOARD

$125,000 $125,000

Sec. 6. WORKERS' COMPENSATION COURT OF APPEALS

$1,913,000 $1,913,000

This appropriation is from the workers' compensation fund.

Sec. 7. Laws 2015, First Special Session chapter 1, article 1, section 5, subdivision 2, is amended to read:

Subd. 2. Workers' Compensation

15,226,000 17,782,000

This appropriation is from the workers' compensation fund.

$4,000,000 in fiscal year 2016 and $6,000,000 in fiscal year 2017 are for workers' compensation system upgrades and are available through June 30, 2021. The base appropriation for this purpose is $3,000,000 in fiscal year 2018 and $3,000,000 in fiscal year 2019. The base appropriation for fiscal year 2020 and beyond is zero.

This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing information technology costs will be
incorporated into the service level agreement
and will be paid to the Office of MN.IT
Services by the commissioner of labor and
industry under the rates and mechanism
specified in that agreement.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2015.

**ARTICLE 2**

**DEPARTMENT OF LABOR AND INDUSTRY**

Section 1. Minnesota Statutes 2016, section 175.45, is amended to read:

175.45 COMPETENCY STANDARDS FOR DUAL TRAINING.

Subdivision 1. Duties; goal. The commissioner of labor and industry shall convene
industry representatives, identify occupational competency standards for dual training, and
provide technical assistance to develop dual-training programs. The goal of dual training
is to provide employees of an employer with training to acquire competencies that the
employer requires. The competency standards shall be identified for employment in
occupations in advanced manufacturing, health care services, information technology, and
agriculture. Competency standards are not rules and are exempt from the rulemaking
provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do
not apply.

Subd. 2. Definition; competency standards Definitions. For purposes of this section,
the following terms have the meanings given them:

(1) "competency standards" means the specific knowledge and skills necessary for a
particular occupation; and

(2) "dual-training program" means an employment-based earn-as-you-learn program
where the trainee is employed by a participating employer and receives structured on-the-job
training and technical instruction in accordance with the competency standards.

Subd. 3. Competency standards identification process. In identifying competency
standards, the commissioner shall consult with the commissioner of the Office of Higher
Education and the commissioner of employment and economic development and convene
recognized industry experts, representative employers, higher education institutions,
representatives of the disabled community, and representatives of labor to assist in identifying
credible competency standards. Competency standards must be consistent with, to the extent
available and practical, recognized international and national standards.

Subd. 4. Duties. The commissioner shall:

(1) convene industry representatives to identify, develop, and implement dual-training
programs;

(2) identify competency standards for entry-level and higher skill levels;

(3) verify the competency standards and skill levels and their transferability by subject
matter expert representatives of each respective industry;

(4) develop models for Minnesota educational institutions to engage in providing
education and training to meet the competency standards established;

(5) encourage participation by employers and labor in the competency standard
identification process for occupations in their industry; and

(6) align dual training competency standards with other workforce initiatives; and

(7) provide technical assistance to develop dual-training programs.

Subd. 5. Notification. The commissioner must communicate identified competency
standards to the commissioner of the Office of Higher Education for the purpose of the dual
training competency grant program under section 136A.246. The commissioner
of labor and industry shall maintain the competency standards on the department's Web
site.

Sec. 2. [175.46] YOUTH SKILLS TRAINING PROGRAM.

Subdivision 1. Program established; grants authorized. The commissioner shall
approve youth skills training programs established for the purpose of providing work-based
skills training for student learners ages 16 and older. The commissioner shall award grants
to local partnerships for the implementation and coordination of local youth skills training
programs as provided in this section.

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

(b) "School district" means a school district or charter school.

(c) "Local partnership" means a school district, nonpublic school, intermediate school
district, or postsecondary institution, in partnership with other school districts, nonpublic
schools, intermediate school districts, postsecondary institutions, workforce development
authorities, economic development authorities, nonprofit organizations, labor unions, or
individuals who have an agreement with one or more local employers to be responsible for
implementing and coordinating a local youth skills training program.

(d) "Student learner" means a student who is both enrolled in a course of study at a public
or nonpublic school to obtain related instruction for academic credit and is employed under
a written agreement to obtain on-the-job skills training under a youth skills training program
approved under this section.

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

(1) approve youth skills training programs in high-growth, high-demand occupations
that provide:

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

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

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

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

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

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

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

(3) issue requests for proposals for grants;

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

(5) develop model program guides;

(6) monitor youth skills training programs;

(7) provide technical assistance to local partnership grantees;

(8) work with providers to identify paths for receiving postsecondary credit for
participation in the youth skills training program; and
(9) approve other activities as necessary to implement the program.

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

Subd. 4. Training agreement. Each student learner shall sign a written training agreement on a form prescribed by the commissioner. Each agreement shall contain the name of the student learner, and be signed by the employer, the school coordinator or administrator, and the student learner, or if the student learner is a minor, by the student's parent or legal guardian. Copies of each agreement shall be kept on file by both the school and the employer.

Subd. 5. Program approval. The commissioner may grant exemptions from the provisions of chapter 181A for student learners participating in youth skills training programs approved by the commissioner under this section. The approval of a youth skills training program will be reviewed annually. The approval of a youth skills training program may be revoked at any time if the commissioner finds that:

1. all provisions of subdivision 3 have not been met in the previous year; or
2. reasonable precautions have not been observed for the safety of minors.

The commissioner shall maintain and annually update a list of occupations and tasks suitable for student learners in compliance with federal law.

Subd. 6. Interactions with education finance. (a) For the purpose of computing state aids for the enrolling school district, the hours a student learner participates in a youth skills training program under this section must be counted in the student's hours of average daily membership under section 126C.05.

(b) Educational expenses for a participating student learner must be included in the enrolling district's career and technical revenue as provided under section 124D.4531.

Subd. 7. Academic credit. A school district may grant academic credit to student learners participating in youth skills training programs under this section in accordance with local requirements.

Subd. 8. Postsecondary credit. A postsecondary institution may award postsecondary credit to a student learner who successfully completes a youth skills training program.
Subd. 9. **Work-based learning program.** A youth skills training program shall qualify as a work-based learning program if it meets requirements for a career and technical education program and is supervised by a qualified teacher with appropriate licensure for a work-based learning teacher-coordinator.

Subd. 10. **School coordinator.** Unless otherwise required for a work-based learning program, a youth skills training program may be supervised by a qualified teacher or by an administrator as determined by the school district.

Subd. 11. **Other apprenticeship programs.** (a) This section shall not affect programs under section 124D.47.

(b) A registered apprenticeship program governed by chapter 178 may grant credit toward the completion of a registered apprenticeship for the successful completion of a youth skills training program under this section.

Subd. 12. **Grant applications.** (a) Applications for grants must be made to the commissioner on a form provided by the commissioner.

(b) A local partnership may apply for a grant and shall include in its grant application:

1. the identity of each school district, public agency, nonprofit organization, or individual who is a participant in the local partnership;

2. the identity of each employer who is a participant in the local partnership and the amount of matching funds provided by each employer, if any;

3. a plan to accomplish the implementation and coordination of activities specified in this subdivision; and

4. the identity of a fiscal agent responsible for receiving, managing, and accounting for the grant.

Subd. 13. **Grant awards.** (a) A local partnership awarded a grant under this section must use the grant award for any of the following implementation and coordination activities:

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

2. recruiting students to participate in the local youth skills training program and monitoring the progress of student learners participating in the program and monitoring program outcomes;

3. coordinating youth skills training activities within participating school districts and among participating school districts, postsecondary institutions, and employers;
(4) coordinating academic, vocational and occupational learning, school-based and
work-based learning, and secondary and postsecondary education for participants in the
local youth skills training program;

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

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

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

Subd. 14. Outcomes. The following outcomes are expected of a local youth skills training
program:

(1) at least 80 percent of the student learners who participate in a youth skills training
program receive a high school diploma when eligible upon completion of the training
program; and

(2) at least 60 percent of the student learners who participate in a youth skills training
program receive a recognized credential upon completion of the training program.

Subd. 15. Reporting. (a) By February 1, 2019, and annually thereafter, the commissioner
shall report on the activity and outcomes of the program for the preceding fiscal year to the
chairs of the legislative committees with jurisdiction over jobs and economic growth policy
and finance. At a minimum, the report must include:

(1) the number of student learners who commenced the training program and the number
who completed the training program; and

(2) recommendations, if any, for changes to the program.

(b) The initial report shall include a detailed description of the differences between the
state and federal systems in child safety standards.

Sec. 3. Minnesota Statutes 2016, section 326B.092, subdivision 7, is amended to read:

Subd. 7. License fees and license renewal fees. (a) The license fee for each license is
the base license fee plus any applicable board fee, continuing education fee, and contractor
recovery fund fee and additional assessment, as set forth in this subdivision.
(b) For purposes of this section, "license duration" means the number of years for which the license is issued except that if the initial license is not issued for a whole number of years, the license duration shall be rounded up to the next whole number.

(c) The base license fee shall depend on whether the license is classified as an entry level, master, journeyman, or business license, and on the license duration. The base license fee shall be:

<table>
<thead>
<tr>
<th>License Classification</th>
<th>License Duration</th>
<th>1 year</th>
<th>2 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry level</td>
<td>$10</td>
<td>$20</td>
<td></td>
</tr>
<tr>
<td>Journeyworker</td>
<td>$20</td>
<td>$40</td>
<td></td>
</tr>
<tr>
<td>Master</td>
<td>$40</td>
<td>$80</td>
<td></td>
</tr>
<tr>
<td>Business</td>
<td>$180</td>
<td></td>
<td></td>
</tr>
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</table>

(d) If there is a continuing education requirement for renewal of the license, then a continuing education fee must be included in the renewal license fee. The continuing education fee for all license classifications shall be: $10 if the renewal license duration is one year; and $20 if the renewal license duration is two years.

(e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to 326B.925, then a board fee must be included in the license fee and the renewal license fee. The board fee for all license classifications shall be: $4 if the license duration is one year; and $8 if the license duration is two years.

(f) If the application is for the renewal of a license issued under sections 326B.802 to 326B.885, then the contractor recovery fund fee required under section 326B.89, subdivision 3, and any additional assessment required under section 326B.89, subdivision 16, must be included in the license renewal fee.

(g) Notwithstanding the fee amounts described in paragraphs (c) to (f), for the period July 1, 2015 to September 30, 2021, the following fees apply:

<table>
<thead>
<tr>
<th>License Classification</th>
<th>License Duration</th>
<th>1 year</th>
<th>2 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry level</td>
<td>$10</td>
<td>$20</td>
<td>$25</td>
</tr>
<tr>
<td>Journeyworker</td>
<td>$15</td>
<td>$30</td>
<td>$25</td>
</tr>
<tr>
<td>Master</td>
<td>$30</td>
<td>$60</td>
<td>$460</td>
</tr>
<tr>
<td>Business</td>
<td></td>
<td>$120</td>
<td></td>
</tr>
</tbody>
</table>
If there is a continuing education requirement for renewal of the license, then a continuing education fee must be included in the renewal license fee. The continuing education fee for all license classifications shall be $5.

Sec. 4. [326B.108] PLACES OF PUBLIC ACCOMMODATION SUBJECT TO CODE.

Subdivision 1. **Definition.** For purposes of this section, "place of public accommodation" means a publicly or privately owned facility that is designed for occupancy by 200 or more people and includes a sports or entertainment arena, stadium, theater, community or convention hall, special event center, indoor amusement facility or water park, or swimming pool.

Subd. 2. **Application.** Construction, additions, and alterations to a place of public accommodation must be designed and constructed to comply with the State Building Code.

Subd. 3. **Enforcement.** In a municipality that has not adopted the code by ordinance under section 326B.121, subdivision 2, the commissioner shall enforce this section in accordance with section 326B.107, subdivision 1.

Sec. 5. Minnesota Statutes 2016, section 326B.153, subdivision 1, is amended to read:

Subdivision 1. **Building permits.** (a) Fees for building permits submitted as required in section 326B.106 include:

(1) the fee as set forth in the fee schedule in paragraph (b) or as adopted by a municipality; and

(2) the surcharge required by section 326B.148.

(b) The total valuation and fee schedule is:

(1) $1 to $500, $29.50 $21;

(2) $501 to $2,000, $28 $21 for the first $500 plus $3.70 $2.75 for each additional $100 or fraction thereof, to and including $2,000;

(3) $2,001 to $25,000, $83.50 $62.25 for the first $2,000 plus $16.55 $12.50 for each additional $1,000 or fraction thereof, to and including $25,000;

(4) $25,001 to $50,000, $464.15 $349.75 for the first $25,000 plus $17 $9 for each additional $1,000 or fraction thereof, to and including $50,000;
(5) $50,001 to $100,000, $764.15 $574.75 for the first $50,000 plus $8.45 $6.25 for each additional $1,000 or fraction thereof, to and including $100,000;

(6) $100,001 to $500,000, $1,186.65 $887.25 for the first $100,000 plus $6.75 $5 for each additional $1,000 or fraction thereof, to and including $500,000;

(7) $500,001 to $1,000,000, $3,886.65 $2,887.25 for the first $500,000 plus $5.50 $4.25 for each additional $1,000 or fraction thereof, to and including $1,000,000; and

(8) $1,000,001 and up, $6,636.65 $5,012.25 for the first $1,000,000 plus $4.50 $2.75 for each additional $1,000 or fraction thereof.

(c) Other inspections and fees are:

(1) inspections outside of normal business hours (minimum charge two hours), $63.25 per hour;

(2) reinspection fees, $63.25 per hour;

(3) inspections for which no fee is specifically indicated (minimum charge one-half hour), $63.25 per hour; and

(4) additional plan review required by changes, additions, or revisions to approved plans (minimum charge one-half hour), $63.25 per hour.

(d) If the actual hourly cost to the jurisdiction under paragraph (c) is greater than $63.25, then the greater rate shall be paid. Hourly cost includes supervision, overhead, equipment, hourly wages, and fringe benefits of the employees involved.

EFFECTIVE DATE. Paragraph (a) is effective July 1, 2017. Paragraph (b) is effective July 1, 2017, and the amendments to it expire October 1, 2021.

Sec. 6. Minnesota Statutes 2016, section 326B.37, is amended by adding a subdivision to read:

Subd. 16. Wind electric systems. (a) The inspection fee for the installation of a wind turbine is:

(1) 0 watts to and including 100,000 watts, $80;

(2) 100,001 watts to and including 500,000 watts, $105;

(3) 500,001 watts to and including 1,000,000 watts, $120;

(4) 1,000,001 watts to and including 1,500,000 watts, $125;

(5) 1,500,001 watts to and including 2,000,000 watts, $130;
(6) 2,000,001 watts to and including 3,000,000 watts, $145; and

(7) 3,000,001 watts and larger, $160.

(b) For the purpose of paragraph (a), the watt rating is the total estimated alternating
current energy output of one individual wind turbine.

Sec. 7. Minnesota Statutes 2016, section 326B.37, is amended by adding a subdivision to
read:

Subd. 17. Solar photovoltaic systems. (a) The inspection fee for the installation of a
solar photovoltaic system is:

(1) 0 watts to and including 5,000 watts, $60;

(2) 5,001 watts to and including 10,000 watts, $100;

(3) 10,001 watts to and including 20,000 watts, $150;

(4) 20,001 watts to and including 30,000 watts, $200;

(5) 30,001 watts to and including 40,000 watts, $250;

(6) 40,001 watts to and including 1,000,000 watts, $250, and $25 for each additional
10,000 watts over 40,000 watts;

(7) 1,000,000 watts to 5,000,000 watts, $2,650, and $15 for each additional 10,000 watts
over 1,000,000 watts; and

(8) 5,000,000 watts and larger, $8,650, and $10 for each additional 10,000 watts over
5,000,000 watts.

(b) For the purpose of paragraph (a), the watt rating is the total estimated alternating
current energy output of the solar photovoltaic system.

Sec. 8. Minnesota Statutes 2016, section 326B.435, subdivision 2, is amended to read:

Subd. 2. Powers; duties; administrative support. (a) The board shall have the power
to:

(1) elect its chair, vice-chair, and secretary;

(2) adopt bylaws that specify the duties of its officers, the meeting dates of the board,
and containing such other provisions as may be useful and necessary for the efficient conduct
of the business of the board;
(3) adopt the Plumbing Code that must be followed in this state and any Plumbing Code amendments thereto. The Plumbing Code shall include the minimum standards described in sections 326B.43, subdivision 1, and 326B.52, subdivision 1. The board shall adopt the Plumbing Code and any amendments thereto pursuant to chapter 14 and as provided in subdivision 6, paragraphs (b), (c), and (d);

(4) review requests for final interpretations and issue final interpretations as provided in section 326B.127, subdivision 5;

(5) adopt rules that regulate the licensure, certification, or registration of plumbing contractors, journeymen, unlicensed individuals, master plumbers, restricted master plumbers, restricted journeymen, restricted plumbing contractors, backflow prevention rebuilders and testers, water conditioning contractors, and water conditioning installers, and other persons engaged in the design, installation, and alteration of plumbing systems or engaged in or working at the business of water conditioning installation or service, or engaged in or working at the business of medical gas system installation, maintenance, or repair, except for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e) and (f);

(6) adopt rules that regulate continuing education for individuals licensed as master plumbers, journeyman plumbers, restricted master plumbers, restricted journeyman plumbers, registered unlicensed individuals, water conditioning contractors, masters, and water conditioning installers, journeymen, and for individuals certified under sections 326B.437 and 326B.438. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e) and (f);

(7) refer complaints or other communications to the commissioner, whether oral or written, as provided in subdivision 8, that allege or imply a violation of a statute, rule, or order that the commissioner has the authority to enforce pertaining to code compliance, licensure, or an offering to perform or performance of unlicensed plumbing services;

(8) approve per diem and expenses deemed necessary for its members as provided in subdivision 3;

(9) approve license reciprocity agreements;

(10) select from its members individuals to serve on any other state advisory council, board, or committee; and

(11) recommend the fees for licenses, registrations, and certifications.
Except for the powers granted to the Plumbing Board, the Board of Electricity, and the Board of High Pressure Piping Systems, the commissioner of labor and industry shall administer and enforce the provisions of this chapter and any rules promulgated pursuant thereto.

(b) The board shall comply with section 15.0597, subdivisions 2 and 4.

(c) The commissioner shall coordinate the board's rulemaking and recommendations with the recommendations and rulemaking conducted by the other boards created pursuant to this chapter. The commissioner shall provide staff support to the board. The support includes professional, legal, technical, and clerical staff necessary to perform rulemaking and other duties assigned to the board. The commissioner of labor and industry shall supply necessary office space and supplies to assist the board in its duties.

Sec. 9. Minnesota Statutes 2016, section 326B.50, subdivision 3, is amended to read:

Subd. 3. Water conditioning installation. "Water conditioning installation" means the installation of appliances, appurtenances, and fixtures designed to treat water so as to alter, modify, add or remove mineral, chemical or bacterial content, said installation to be made in a water distribution system serving:

(1) a single family residential unit, which has been initially established by a licensed plumber, and does not involve a direct connection without an air gap to a soil or waste pipe;

or

(2) a multifamily or nonresidential building, where the plumbing installation has been initially established by a licensed plumber. Isolation valves shall be required for all water conditioning installations and shall be readily accessible. Water conditioning installation does not include:

(i) a valve that allows isolation of the water conditioning installation;

(ii) piping greater than two-inch nominal pipe size; or

(iii) a direct connection without an air gap to a soil or waste pipe.

Sec. 10. Minnesota Statutes 2016, section 326B.50, is amended by adding a subdivision to read:

Subd. 5. Direct supervision. The term "direct supervision," with respect to direct supervision of a registered unlicensed individual, means that:
(1) at all times while the registered unlicensed individual is performing water conditioning
installation work, a direct supervisor is present at the location where the registered unlicensed
individual is working;

(2) the direct supervisor is physically present and immediately available to the registered
unlicensed individual at all times for assistance and direction;

(3) any form of electronic supervision does not meet the requirement of being physically
present;

(4) the direct supervisor reviews the water conditioning installation work performed by
the registered unlicensed individual before the water conditioning installation is operated;

and

(5) the direct supervisor determines that all water conditioning installation work
performed by the registered unlicensed individual is performed in compliance with sections
326B.50 to 326B.59, all rules adopted under these sections, the Minnesota Plumbing Code,
and all orders issued under section 326B.082.

Sec. 11. Minnesota Statutes 2016, section 326B.50, is amended by adding a subdivision
to read:

Subd. 6. Direct supervisor. "Direct supervisor" means a master plumber, journeyman
plumber, restricted master plumber, restricted journeyman plumber, water conditioning
master, or water conditioning journeyman responsible for providing direct supervision of
a registered unlicensed individual.

Sec. 12. Minnesota Statutes 2016, section 326B.55, subdivision 2, is amended to read:

Subd. 2. Qualifications for licensing. (a) A water conditioning master license shall be
issued only to an individual who has demonstrated skill in planning, superintending, and
servicing, and installing water conditioning installations, and has successfully passed the
examination for water conditioning masters. A water conditioning journeyman license shall
only be issued to an individual other than a water conditioning master who has demonstrated
practical knowledge of water conditioning installation, and has successfully passed the
examination for water conditioning journeymen. A water conditioning journeyman must
successfully pass the examination for water conditioning masters before being licensed as
a water conditioning master.

(b) Each water conditioning contractor must designate a responsible licensed master
plumber or a responsible licensed water conditioning master, who shall be responsible for
the performance of all water conditioning installation and servicing in accordance with the
requirements of sections 326B.50 to 326B.59, all rules adopted under sections 326B.50 to
326B.59, the Minnesota Plumbing Code, and all orders issued under section 326B.082. If
the water conditioning contractor is an individual or sole proprietorship, the responsible
licensed master must be the individual, proprietor, or managing employee. If the water
conditioning contractor is a partnership, the responsible licensed master must be a general
partner or managing employee. If the water conditioning contractor is a limited liability
company, the responsible licensed master must be a chief manager or managing employee.
If the water conditioning contractor is a corporation, the responsible licensed master must
be an officer or managing employee. If the responsible licensed master is a managing
employee, the responsible licensed master must be actively engaged in performing water
conditioning work on behalf of the water conditioning contractor and cannot be employed
in any capacity as a water conditioning master or water conditioning journeyman for any
other water conditioning contractor. An individual must not be the responsible licensed
master for more than one water conditioning contractor.

(c) All applications and renewals for water conditioning contractor licenses shall include
a verified statement that the applicant or licensee has complied with paragraph (b).

(d) Each application and renewal for a water conditioning master license, water
conditioning journeyman license, or a water conditioning contractor license shall be
accompanied by all fees required by section 326B.092.

Sec. 13. Minnesota Statutes 2016, section 326B.55, subdivision 4, is amended to read:

Subd. 4. Plumber's apprentices. (a) A plumber's apprentice who is registered under
section 326B.47 is authorized to assist in water conditioning installation and water
conditioning servicing only while under the direct supervision of a master plumber,
journeyman plumber, restricted master plumber, restricted journeyman plumber, water
conditioning master, or water conditioning journeyman. The master or journeyman is
responsible for ensuring that all water conditioning work performed by the plumber's
apprentice complies with the plumbing code and rules adopted under sections 326B.50 to
326B.59. The supervising master or journeyman must be licensed and must be employed
by the same employer as the plumber's apprentice. Licensed individuals shall not permit
plumber's apprentices to perform water conditioning work except under the direct supervision
of an individual actually licensed to perform such work. Plumber's apprentices shall not
supervise the performance of plumbing work or make assignments of plumbing work to
unlicensed individuals.
(b) Water conditioning contractors employing plumber's apprentices to perform water conditioning work shall maintain records establishing compliance with this subdivision that shall identify all plumber's apprentices performing water conditioning work, and shall permit the department to examine and copy all such records.

Sec. 14. [326B.555] REGISTERED UNLICENSED INDIVIDUALS.

Subdivision 1. Registration; supervision; records. (a) All unlicensed individuals engaged in water conditioning installation must be registered under subdivision 3.

(b) A registered unlicensed individual is authorized to assist in water conditioning installations in a single family residential unit only when a master plumber, journeyman plumber, restricted master plumber, restricted journeyman plumber, water conditioning master, or water conditioning journeyman is available and responsible for ensuring that all water conditioning installation work performed by the unlicensed individual complies with the applicable provisions of the plumbing and water conditioning codes and rules adopted pursuant to such codes. For all other water conditioning installation work, the registered unlicensed individual must be under the direct supervision of a responsible licensed water conditioning master.

(c) Water conditioning contractors employing registered unlicensed individuals to perform water conditioning installation work shall maintain records establishing compliance with this subdivision that shall identify all unlicensed individuals performing water conditioning installations, and shall permit the department to examine and copy all such records.

Subd. 2. Journeyman exam. A registered unlicensed individual who has completed 875 hours of practical water conditioning installation, servicing, and training is eligible to take the water conditioning journeyman examination. Up to 100 hours of practical water conditioning installation and servicing experience prior to becoming a registered unlicensed individual may be applied to the practical experience requirement. However, none of this practical experience may be applied if the unlicensed individual did not have any practical experience in the 12-month period immediately prior to becoming a registered unlicensed individual.

Subd. 3. Registration, renewals, and fees. An unlicensed individual may register by completing and submitting to the commissioner an application form provided by the commissioner, with all fees required by section 326B.58. A completed application form must state the date, the individual's age, schooling, previous experience and employer, and other information required by the commissioner. The plumbing board may prescribe rules, not inconsistent with this section, for the registration of unlicensed individuals. Applications
for initial registration may be submitted at any time. Registration must be renewed annually
and shall be for the period from July 1 of each year to June 30 of the following year.

Sec. 15. Minnesota Statutes 2016, section 326B.89, subdivision 1, is amended to read:

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

(b) "Gross annual receipts" means the total amount derived from residential contracting
or residential remodeling activities, regardless of where the activities are performed, and
must not be reduced by costs of goods sold, expenses, losses, or any other amount.

(c) "Licensee" means a person licensed as a residential contractor or residential remodeler.

(d) "Residential real estate" means a new or existing building constructed for habitation
by one to four families, and includes detached garages intended for storage of vehicles
associated with the residential real estate.

(e) "Fund" means the contractor recovery fund.

(f) "Owner" when used in connection with real property, means a person who has any
legal or equitable interest in real property and includes a condominium or townhome
association that owns common property located in a condominium building or townhome
building or an associated detached garage. Owner does not include any real estate developer
or any owner using, or intending to use, the property for a business purpose and not as
owner-occupied residential real estate.

Sec. 16. Minnesota Statutes 2016, section 326B.89, subdivision 5, is amended to read:

Subd. 5. Payment limitations. The commissioner shall not pay compensation from the
fund to an owner or a lessee in an amount greater than $75,000 per licensee. The
commissioner shall not pay compensation from the fund to owners and lessees in an amount
that totals more than $150,000 $300,000 per licensee. The commissioner shall only pay
compensation from the fund for a final judgment that is based on a contract directly between
the licensee and the homeowner or lessee that was entered into prior to the cause of action
and that requires licensure as a residential building contractor or residential remodeler.

Sec. 17. REPEALER.

Minnesota Statutes 2016, section 326B.89, subdivision 14, is repealed.
ARTICLE 3

DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 2016, section 116J.395, subdivision 7, is amended to read:

Subd. 7. Limitation. (a) No grant awarded under this section may fund more than 50 percent of the total cost of a project in an underserved area.

(b) Grants awarded for projects in unserved areas require a 35 percent match.

(c) Grants awarded to a single project under this section must not exceed $5,000,000.

Sec. 2. Minnesota Statutes 2016, section 116J.8731, subdivision 2, is amended to read:

Subd. 2. Administration. (a) Except as otherwise provided in this section, the commissioner shall administer the fund as part of the Small Cities Development Block Grant Program and funds shall be made available to local communities and recognized Indian tribal governments in accordance with the rules adopted for economic development grants in the small cities community development block grant program. All units of general purpose local government are eligible applicants for Minnesota investment funds. The commissioner may provide forgivable loans directly to a private enterprise and not require a local community or recognized Indian tribal government application other than a resolution supporting the assistance.

(b) Eligible applicants for the state-funded portion of the fund also include development authorities as defined in section 116J.552, subdivision 4, provided that the governing body of the municipality approves, by resolution, the application of the development authority.

A local government entity may receive more than one award in a fiscal year. The commissioner may also make funds available within the department for eligible expenditures under subdivision 3, clause (2).

(c) A home rule charter or statutory city, county, or town may loan or grant money received from repayment of funds awarded under this section to a regional development commission, other regional entity, or statewide community capital fund as determined by the commissioner, to capitalize or to provide the local match required for capitalization of a regional or statewide revolving loan fund.
Sec. 3. Minnesota Statutes 2016, section 116J.8731, is amended by adding a subdivision to read:

Subd. 10. Transfer. The commissioner may transfer up to $2,000,000 of a fiscal year's appropriation between the Minnesota job creation fund program and Minnesota investment fund to meet business demand.

Sec. 4. Minnesota Statutes 2016, section 116J.8748, subdivision 1, is amended to read:

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

(b) "Agreement" or "business subsidy agreement" means a business subsidy agreement under section 116J.994 that must include, but is not limited to: specification of the duration of the agreement, job goals and a timeline for achieving those goals over the duration of the agreement, construction and other investment goals and a timeline for achieving those goals over the duration of the agreement, and the value of benefits the firm may receive following achievement of capital investment and employment goals. The local government and business must report to the commissioner on the business performance using the forms developed by the commissioner.

(c) "Business" means an individual, corporation, partnership, limited liability company, association, or other entity.

(d) "Capital investment" means money that is expended for the purpose of building or improving real fixed property where employees under paragraphs (g) and (h) are or will be employed and also includes construction materials, services, and supplies, and the purchase and installation of equipment and machinery as provided under subdivision 4, paragraph (b), clause (5).

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

(f) "Minnesota job creation fund business" means a business that is designated by the commissioner under subdivision 3.

(g) "Minority person" means a person belonging to a racial or ethnic minority as defined in Code of Federal Regulations, title 49, section 23.5.

(h) "New full-time employee" means an employee who:

(1) begins work at a Minnesota job creation fund business facility noted in a business subsidy agreement and following the designation as a job creation fund business; and

(2) has expected work hours of at least 2,080 hours annually.
(i) "Persons with disabilities" means an individual with a disability, as defined under the Americans with Disabilities Act, United States Code, title 42, section 12102.

(j) "Retained job" means a full-time position:

(1) that existed at the facility prior to the designation as a job creation fund business; and

(2) has expected work hours of at least 2,080 hours annually.

(k) "Veteran" means a veteran as defined in section 197.447.

(l) "Wages" has the meaning given in section 290.92, subdivision 1, clause (1).

Sec. 5. Minnesota Statutes 2016, section 116J.8748, subdivision 3, is amended to read:

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

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

(i) manufacturing;

(ii) warehousing;

(iii) distribution;

(iv) information technology;

(v) finance;

(vi) insurance; or

(vii) professional or technical services;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(8) financial contributions to the project made by local governments; and
(9) any other criteria the commissioner deems necessary.

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

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

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

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

Sec. 6. Minnesota Statutes 2016, section 116J.8748, subdivision 4, is amended to read:

Subd. 4. Certification; benefits. (a) The commissioner may certify a Minnesota job creation fund business as eligible to receive a specific value of benefit under paragraphs (b) and (c) when the business has achieved its job creation and capital investment goals noted in its agreement under subdivision 3.

(b) A qualified Minnesota job creation fund business may be certified eligible for the benefits in this paragraph for up to five years for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and seven years for projects located outside the metropolitan area, as determined by the commissioner when considering the best interests of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a), clause (3), or section 16B.98, subdivision 5, paragraph (b), grant agreements for projects located outside the metropolitan area may be for up to seven years in length. The eligibility for the following benefits begins the date the commissioner certifies the business as a qualified Minnesota job creation fund business under this subdivision:

(1) up to five percent rebate for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and 7.5 percent for projects located outside the metropolitan area, on capital investment on qualifying purchases as provided in subdivision 5 with the total rebate for a project not to exceed $500,000;
(2) an award of up to $500,000 based on full-time job creation and wages paid as provided in subdivision 6 with the total award not to exceed $500,000;

(3) up to $1,000,000 in capital investment rebates and $1,000,000 in job creation awards are allowable for projects that have at least $25,000,000 in capital investment and 200 new employees in the metropolitan area as defined in section 200.02, subdivision 24, and 75 new employees for projects located outside the metropolitan area;

(4) up to $1,000,000 in capital investment rebates are allowable for projects that have at least $25,000,000 in capital investment and 200 retained employees for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and 75 employees for projects located outside the metropolitan area; and

(5) for clauses (3) and (4) only, the capital investment expenditure requirements may include the installation and purchases of machinery and equipment. These expenditures are not eligible for the capital investment rebate provided under subdivision 5.

c) The job creation award may be provided in multiple years as long as the qualified Minnesota job creation fund business continues to meet the job creation goals provided for in its agreement under subdivision 3 and the total award does not exceed $500,000 except as provided under paragraph (b), clauses (3) and (4).

d) No rebates or award may be provided until the Minnesota job creation fund business or a third party constructing or managing the project has at least $500,000 in capital investment in the project and at least ten full-time jobs have been created and maintained for at least one year or the retained employees, as provided in paragraph (b), clause (4), remain for at least one year. The agreement may require additional performance outcomes that need to be achieved before rebates and awards are provided. If fewer retained jobs are maintained, but still above the minimum under this subdivision, the capital investment award shall be reduced on a proportionate basis.

e) The forms needed to be submitted to document performance by the Minnesota job creation fund business must be in the form and be made under the procedures specified by the commissioner. The forms shall include documentation and certification by the business that it is in compliance with the business subsidy agreement, sections 116J.871 and 116L.66, and other provisions as specified by the commissioner.

f) Minnesota job creation fund businesses must pay each new full-time employee added pursuant to the agreement total compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 110 percent of the federal poverty level for a family of four.
A Minnesota job creation fund business must demonstrate reasonable progress on its capital investment expenditures within six months following designation as a Minnesota job creation fund business to ensure that the capital investment goal in the agreement under subdivision 1 will be met. Businesses not making reasonable progress will not be eligible for benefits under the submitted application and will need to work with the local government unit to resubmit a new application and request to be a Minnesota job creation fund business. Notwithstanding the goals noted in its agreement under subdivision 1, this action shall not be considered a default of the business subsidy agreement.

Sec. 7. Minnesota Statutes 2016, section 116J.8748, subdivision 6, is amended to read:

Subd. 6. Job creation award. (a) A qualified Minnesota job creation fund business is eligible for an annual award for each new job created and maintained by the business using the following schedule: $1,000 for each job position paying annual wages at least $26,000 but less than $35,000; $2,000 for each job position paying at least $35,000 but less than $45,000; and $3,000 for each job position paying at least $45,000; and as noted in the goals under the agreement provided under subdivision 1. These awards are increased by $1,000 if the business is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability.

(b) The job creation award schedule must be adjusted annually using the percentage increase in the federal poverty level for a family of four.

(c) Minnesota job creation fund businesses seeking an award credit provided under subdivision 4 must submit forms and applications to the Department of Employment and Economic Development as prescribed by the commissioner.

Sec. 8. Minnesota Statutes 2016, section 116L.17, subdivision 1, is amended to read:

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

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

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

1) has been permanently separated or has received a notice of permanent separation from public or private sector employment and is eligible for or has exhausted entitlement to unemployment benefits, and is unlikely to return to the previous industry or occupation;
(2) has been long-term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides, including older individuals who may have substantial barriers to employment by reason of age;

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

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

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

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

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

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

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

(e) "Plant closing" means the announced or actual permanent shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment.
"Substantial layoff" means a permanent reduction in the workforce, which is not a result of a plant closing, and which results in an employment loss at a single site of employment during any 30-day period for at least 50 employees excluding those employees that work less than 20 hours per week.

Sec. 9. Minnesota Statutes 2016, section 116L.665, is amended to read:

116L.665 WORKFORCE DEVELOPMENT COUNCIL BOARD.

Subdivision 1. Creation. The governor's Workforce Development Council is created under the authority of the Workforce Investment Act, United States Code, title 29, section 2801, et seq. Local workforce development councils are authorized under the Workforce Investment Act. The governor's Workforce Development Council serves as Minnesota's Workforce Investment Board for the purposes of the federal Workforce Investment Act. Board serves as Minnesota's state workforce development board for the purposes of the federal Workforce Innovation and Opportunity Act, United States Code, title 29, section 3111, and must perform the duties under that act.

Subd. 2. Membership. (a) The governor's Workforce Development Council is composed of 31 members appointed by the governor. The members may be removed pursuant to section 15.059. In selecting the representatives of the council, the governor shall ensure that 50 percent of the members come from nominations provided by local workforce councils. Local education representatives shall come from nominations provided by local education to employment partnerships. The 31 members shall represent the following sectors: the private sector, pursuant to United States Code, title 29, section 3111. For the public members, membership terms, compensation of members, and removal of members are governed by section 15.059, subdivisions 2, 3, and 4. To the extent practicable, the membership should be balanced as to gender and ethnic diversity.

(a) State agencies: the following individuals shall serve on the council:

(1) commissioner of the Minnesota Department of Employment and Economic Development;

(2) commissioner of the Minnesota Department of Education; and

(3) commissioner of the Minnesota Department of Human Services.

(b) Business and industry: six individuals shall represent the business and industry sectors of Minnesota.

(c) Organized labor: six individuals shall represent labor organizations of Minnesota.
(d) Community-based organizations: four individuals shall represent community-based organizations of Minnesota. Community-based organizations are defined by the Workforce Investment Act as private nonprofit organizations that are representative of communities or significant segments of communities and that have demonstrated expertise and effectiveness in the field of workforce investment and may include entities that provide job training services, serve youth, serve individuals with disabilities, serve displaced homemakers, union-related organizations, employer-related nonprofit organizations, and organizations serving nonreservation Indians and tribal governments.

(e) Education: six individuals shall represent the education sector of Minnesota as follows:

(1) one individual shall represent local public secondary education;

(2) one individual shall have expertise in design and implementation of school-based service-learning;

(3) one individual shall represent leadership of the University of Minnesota;

(4) one individual shall represent secondary/postsecondary vocational institutions;

(5) the chancellor of the Board of Trustees of the Minnesota State Colleges and Universities; and

(6) one individual shall have expertise in agricultural education.

(f) Other: two individuals shall represent other constituencies including:

(1) units of local government; and

(2) applicable state or local programs.

The speaker and the minority leader of the house of representatives shall each appoint a representative to serve as an ex officio member of the council. The majority and minority leaders of the senate shall each appoint a senator to serve as an ex officio member of the council.

The governor shall appoint one individual representing public libraries, one individual with expertise in assisting women in obtaining employment in high-wage, high-demand, nontraditional occupations, and one individual representing adult basic education programs to serve as nonvoting advisors to the council.

(b) No person shall serve as a member of more than one category described in paragraph (a).

(c) Voting members shall consist of the following:
(1) the governor or the governor's designee;

(2) two members of the house of representatives, one appointed by the speaker of the
house and one appointed by the minority leader of the house of representatives;

(3) two members of the senate, one appointed by the senate majority leader and one
appointed by the senate minority leader;

(4) a majority of the members must be representatives of businesses in the state appointed
by the governor who:

(i) are owners of businesses, chief executives, or operating officers of businesses, or
other business executives or employers with optimum policy-making or hiring authority
and who, in addition, may be members of a local board under United States Code, title 29,
section 3122(b)(2)(A)(i);

(ii) represent businesses, including small businesses, or organizations representing
businesses that provide employment opportunities that, at a minimum, include high-quality,
work-relevant training and development in in-demand industry sectors or occupations in
the state; and

(iii) are appointed from individuals nominated by state business organizations and
business trade associations;

(5) six representatives of labor organizations appointed by the governor, including:

(i) representatives of labor organizations who have been nominated by state labor
federations; and

(ii) a member of a labor organization or a training director from a joint labor organization;

(6) commissioners of the state agencies with primary responsibility for core programs
identified within the state plan including:

(i) the Department of Employment and Economic Development;

(ii) the Department of Education; and

(iii) the Department of Human Services;

(7) two chief elected officials, appointed by the governor, collectively representing cities
and counties;

(8) two representatives who are people of color or people with disabilities, appointed
by the governor, of community-based organizations that have demonstrated experience and
expertise in addressing the employment, training, or education needs of individuals with
barriers to employment; and

(9) four officials responsible for education programs in the state, appointed by the
governor, including chief executive officers of community colleges and other institutions
of higher education, including:

(i) the chancellor of the Minnesota State Colleges and Universities;
(ii) the president of the University of Minnesota;
(iii) a president from a private postsecondary school; and
(iv) a representative of career and technical education.

(d) The nonvoting members of the board shall be appointed by the governor and consist
of one of each of the following:

(1) a representative of Adult Basic Education;
(2) a representative of public libraries;
(3) a person with expertise in women's economic security;
(4) the chair or executive director of the Minnesota Workforce Council Association;
(5) the commissioner of labor and industry;
(6) the commissioner of the Office of Higher Education;
(7) the commissioner of corrections;
(8) the commissioner of management and budget;
(9) two representatives of community-based organizations who are people of color or
people with disabilities who have demonstrated experience and expertise in addressing the
employment, training, and education needs of individuals with barriers to employment;
(10) a representative of secondary, postsecondary, or career-technical education;
(11) a representative of school-based service learning;
(12) a representative of the Council on Asian-Pacific Minnesotans;
(13) a representative of the Minnesota Council on Latino Affairs;
(14) a representative of the Council for Minnesotans of African Heritage;
(15) a representative of the Minnesota Indian Affairs Council;
(16) a representative of the Minnesota State Council on Disability; and

(g) Appointment. (c) Each member shall be appointed for a term of three years from the first day of January or July immediately following their appointment. Elected officials shall forfeit their appointment if they cease to serve in elected office.

(h) Members of the council are compensated as provided in section 15.059, subdivision 3.

Subd. 2a. Council Board meetings; chair. (a) If compliance with section 13D.02 is impractical, the Governor's Workforce Development Council may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the council participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the council can hear clearly all discussion and testimony and all votes of members of the council and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of the council is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(b) Each member of the council participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(c) If telephone or other electronic means is used to conduct a meeting, the council, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The council may require the person making such a connection to pay for documented marginal costs that the council incurs as a result of the additional connection.

(d) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the council shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and of the provisions of paragraph (c). The timing and method of providing notice is governed by section 12D.04.
The board shall hold regular in-person meetings at least quarterly and as often as necessary to perform the duties outlined in the statement of authority and the board's bylaws. Meetings shall be called by the chair. Special meetings may be called as needed. Notices of all meetings shall be made at least 48 hours before the meeting date.

The governor shall designate a chair from among the appointed business representative voting members. The chair shall approve an agenda for each meeting. Members shall submit a written request for consideration of an agenda item no less than 24 hours in advance of the meeting. Members of the public may submit a written request within 48 hours of a meeting to be considered for inclusion in the agenda. Members of the public attending a meeting of the board may address the board only with the approval or at the request of the chair.

All meeting notices must be posted on the board's Web site. All meetings of the board and committees must be open to the public. The board must make available to the public, on a regular basis through electronic means and open meetings, information regarding the activities of the board, information regarding membership, and, on request, minutes of formal meetings of the board.

For the purpose of conducting business before the board at a duly called meeting, a simple majority of the voting members, excluding any vacancies, constitutes a quorum.

Subd. 3. Purpose; duties. The governor's Workforce Development Council shall replace the governor's Job Training Council and assume all of its requirements, duties, and responsibilities under the Workforce Investment Act. Additionally, the Workforce Development Council shall assume the following duties and responsibilities:

Review the provision of services and the use of funds and resources under applicable federal human resource programs and advise the governor on methods of coordinating the provision of services and the use of funds and resources consistent with the laws and regulations governing the programs. For purposes of this section, applicable federal and state human resource programs mean the:

1. Workforce Investment Act, United States Code, title 29, section 2911, et seq.;
2. Carl D. Perkins Vocational and Applied Technology Education Act, United States Code, title 20, section 2301, et seq.;
3. Adult Education Act, United States Code, title 20, section 1201, et seq.;
4. Wagner-Peyser Act, United States Code, title 29, section 49;
5. Personal Responsibility and Work Opportunities Act of 1996 (TANF);
57.1 (6) Food Stamp Act of 1977, United States Code, title 7, section 6(d)(4), Food Stamp
Employment and Training Program, United States Code, title 7, section 2015(d)(4); and
(7) programs defined in section 116L.19, subdivision 5.

57.2 Additional federal and state programs and resources can be included within the scope
of the council's duties if recommended by the governor after consultation with the council.

57.3 (b) Review federal, state, and local education, postsecondary, job skills training, and
youth employment programs, and make recommendations to the governor and the legislature
for establishing an integrated seamless system for providing education and work skills
development services to learners and workers of all ages.

57.4 (c) Advise the governor on the development and implementation of statewide and local
performance standards and measures relating to applicable federal human resource programs
and the coordination of performance standards and measures among programs.

57.5 (d) Promote education and employment transitions programs and knowledge and skills
of entrepreneurship among employers, workers, youth, and educators, and encourage
employers to provide meaningful work-based learning opportunities.

57.6 (e) Evaluate and identify exemplary education and employment transitions programs
and provide technical assistance to local partnerships to replicate the programs throughout
the state.

57.7 (f) Advise the governor on methods to evaluate applicable federal human resource
programs.

57.8 (g) Sponsor appropriate studies to identify human investment needs in Minnesota and
recommend to the governor goals and methods for meeting those needs.

57.9 (h) Recommend to the governor goals and methods for the development and coordination
of a human resource system in Minnesota.

57.10 (i) Examine federal and state laws, rules, and regulations to assess whether they present
barriers to achieving the development of a coordinated human resource system.

57.11 (j) Recommend to the governor and to the federal government changes in state or federal
laws, rules, or regulations concerning employment and training programs that present barriers
to achieving the development of a coordinated human resource system.

57.12 (k) Recommend to the governor and to the federal government waivers of laws and
regulations to promote coordinated service delivery.
(l) Sponsor appropriate studies and prepare and recommend to the governor a strategic plan which details methods for meeting Minnesota's human investment needs and for developing and coordinating a state human resource system.

(m) Provide the commissioner of employment and economic development and the committees of the legislature with responsibility for economic development with recommendations provided to the governor under this subdivision.

(n) In consultation with local workforce councils and the Department of Employment and Economic Development, develop an ongoing process to identify and address local gaps in workforce services.

Subd. 4. Executive committee duties. The executive committee must, with advice and input of local workforce councils and other stakeholders as appropriate, develop performance standards for the state workforce centers. By January 15, 2002 and each odd-numbered year thereafter, the executive committee shall submit a report to the senate and house of representatives committees with jurisdiction over workforce development programs regarding the performance and outcomes of the workforce centers. The report must provide recommendations regarding workforce center funding levels and sources, program changes, and administrative changes.

Subd. 5. Subcommittees. The chair of the Workforce Development Council may establish subcommittees in order to carry out the duties and responsibilities of the council.

Subd. 6. Staffing. The Department of commissioner of employment and economic development must provide staff, including but not limited to professional, technical, and clerical staff to the board necessary to perform the duties assigned to the Minnesota Workforce Development Council. All staff report to the commissioner carry out the duties of the board. The council may ask for assistance from other units of At the request of the board, state government as departments and agencies must provide the board with the assistance it requires in order to fulfill its duties and responsibilities.

Subd. 7. Expiration. The council board expires if there is no federal funding for the human resource programs within the scope of the council's board's duties.

Subd. 8. Funding. The commissioner shall develop recommendations on a funding formula for allocating Workforce Investment Act funds to the council with a minimum allocation of employment and economic development must provide at least $350,000 per each fiscal year. The commissioner shall report the funding formula recommendations to

Article 3 Sec. 9.
the legislature by January 15, 2011 from existing agency resources to the board for staffing
and administrative expenses.

Sec. 10. Minnesota Statutes 2016, section 116M.14, subdivision 4, is amended to read:

Subd. 4. **Low-income area.** "Low-income area" means:

(1) Minneapolis, St. Paul;

(2) those cities in the metropolitan area as defined in section 473.121, subdivision 2, that have an average income a median income for a family of four that is below 80 percent of the median income for a four-person family as of the latest report by the United States Census Bureau; and

(3) the area outside the metropolitan area.

Sec. 11. Minnesota Statutes 2016, section 116M.17, subdivision 4, is amended to read:

Subd. 4. **Reports.** The board department shall submit an annual report to the legislature of an accounting of loans made under section 116M.18, including information on loans made, the number of jobs created by the program, the impact on low-income areas, and recommendations concerning minority business development and jobs for persons in low-income areas.

Sec. 12. Minnesota Statutes 2016, section 116M.18, subdivision 1a, is amended to read:

Subd. 1a. **Statewide loans.** To the extent there is sufficient eligible demand, loans shall be made so that an approximately equal dollar amount of loans are made to businesses in the metropolitan area as in the nonmetropolitan area. After September 30 March 31 of each calendar fiscal year, the department may allow loans to be made anywhere in the state without regard to geographic area.

Sec. 13. Minnesota Statutes 2016, section 116M.18, subdivision 4, is amended to read:

Subd. 4. **Business loan criteria.** (a) The criteria in this subdivision apply to loans made by nonprofit corporations under the program.

(b) Loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the program.

(c) A loan must be used to support a business owned by a minority or a low-income person, woman, veteran, or a person with disabilities. Priority must be given for loans to the lowest income areas.
(d) The minimum state contribution to a loan is $5,000 and the maximum is $150,000.

(e) The state contribution must be matched by at least an equal amount of new private investment.

(f) A loan may not be used for a retail development project.

(g) The business must agree to work with job referral networks that focus on minority and low-income applicants.

(h) Up to ten percent of a loan's principal amount may be forgiven if the department approves and the borrower has met lender criteria including being current with all payments.

Sec. 14. Minnesota Statutes 2016, section 116M.18, subdivision 4a, is amended to read:

Subd. 4a. Microenterprise loan. (a) Program grants may be used to make microenterprise loans to small, beginning businesses, including a sole proprietorship. Microenterprise loans are subject to this section except that:

(1) they may also be made to qualified retail businesses;

(2) they may be made for a minimum of $5,000 and a maximum of $35,000;

(3) in a low-income area, they may be made for a minimum of $5,000 and a maximum of $50,000; and

(4) they do not require a match.

(b) Up to ten percent of a loan's principal amount may be forgiven if the department approves and the borrower has met lender criteria including being current with all payments.

Sec. 15. Minnesota Statutes 2016, section 116M.18, subdivision 8, is amended to read:

Subd. 8. Reporting requirements. A nonprofit corporation that receives a program grant shall:

(1) submit an annual report to the board and department by March 30 February 15 of each year that includes a description of businesses supported by the grant program, an account of loans made during the calendar year, the program's impact on minority business enterprises and job creation for minority persons and low-income persons, the source and amount of money collected and distributed by the program, the program's assets and liabilities, and an explanation of administrative expenses; and

Article 3 Sec. 15.
(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the department.

Sec. 16. Laws 2016, chapter 189, article 7, section 2, subdivision 2, is amended to read:

Subd. 2. Business and Community Development Appropriations by Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>-0-</th>
<th>8,021,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>7,271,000</td>
<td></td>
</tr>
<tr>
<td>Workforce</td>
<td>750,000</td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>-0-</td>
<td></td>
</tr>
</tbody>
</table>

(a) $9,000,000 in fiscal year 2017 is a onetime reduction in the general fund appropriation for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. The base funding for this purpose is $11,000,000 in fiscal year 2018 and each fiscal year thereafter.

(b) $11,500,000 in fiscal year 2017 is a onetime reduction in the general fund appropriation for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. The base funding for this program is $6,500,000 in fiscal year 2018 and each fiscal year thereafter.

(c) $2,000,000 in fiscal year 2017 is for the redevelopment program under Minnesota Statutes, section 116J.571. This is a onetime appropriation.

(d) $1,220,000 in fiscal year 2017 is for a grant to the Duluth North Shore Sanitary District to retire debt of the district in order to bring the district's monthly wastewater rates in line with those of similarly situated facilities across the state. This is a onetime appropriation.
(e) $300,000 in fiscal year 2017 is from the workforce development fund for expansion of business assistance services provided by business development specialists located in the Northwest Region, Northeast Region, West Central Region, Southwest Region, Southeast Region, and Twin Cities Metro Region offices established throughout the state. Funds under this section may be used to provide services including, but not limited to, business start-ups; expansion; location or relocation; finance; regulatory and permitting assistance; and other services determined by the commissioner. The commissioner may also use funds under this section to increase the number of business development specialists in each region of the state, increase and expand the services provided through each regional office, and publicize the services available and provide outreach to communities in each region regarding services and assistance available through the business development specialist program. This is a onetime appropriation.

(f) $50,000 in fiscal year 2017 is from the workforce development fund to enhance the outreach and public awareness activities of the Bureau of Small Business under Minnesota Statutes, section 116J.68. This is a onetime appropriation.

(g) $100,000 in fiscal year 2017 is from the general fund for an easy-to-understand manual to instruct aspiring business owners in how to start a child care business. The commissioner shall work in consultation with relevant state
and local agencies and affected stakeholders
to produce the manual. The manual must be
made available electronically to interested
persons. This is a onetime appropriation and
is available until June 30, 2019.

(h) $2,500,000 in fiscal year 2017 is for grants
to initiative foundations to provide financing
for business startups, expansions, and
maintenance; and for business ownership
transition and succession. This is a onetime
appropriation. Of the amount appropriated:

(1) $357,000 is for a grant to the Southwest
Initiative Foundation;

(2) $357,000 is for a grant to the West Central
Initiative Foundation;

(3) $357,000 is for a grant to the Southern
Minnesota Initiative Foundation;

(4) $357,000 is for a grant to the Northwest
Minnesota Foundation;

(5) $357,000 is for a grant to the Initiative
Foundation;

(6) $357,000 is for a grant to the Northland
Foundation; and

(7) $357,000 is for a grant for the Minnesota
emerging entrepreneur program under
Minnesota Statutes, chapter 116M. Funds
available under this clause are for deposit in
the emerging entrepreneur program special
revenue fund account created under Minnesota
Statutes, chapter 116M, and are available until
spent and must be allocated as follows:
(i) 50 percent of the funds must be allocated for projects in the counties of Dakota, Ramsey, and Washington; and

(ii) 50 percent of the funds must be allocated for projects in the counties of Anoka, Carver, Hennepin, and Scott.

(i) $600,000 in fiscal year 2017 is for a grant to a city of the second class that is designated as an economically depressed area by the United States Department of Commerce for economic development, redevelopment, and job creation programs and projects. This is a onetime appropriation and is available until June 30, 2019.

(j) $4,500,000 in fiscal year 2017 is for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is in addition to the appropriation in Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 2. This is a onetime appropriation.

(k) $3,651,000 in fiscal year 2017 is from the general fund for a grant to Mille Lacs County to develop and operate the Lake Mille Lacs area economic relief program established in section 45. This is a onetime appropriation.

(l) $500,000 in fiscal year 2017 is from the general fund for grants to local communities outside of the metropolitan area as defined under Minnesota Statutes, section 473.121, subdivision 2, to increase the supply of quality child care providers in order to support regional economic development. Grant

Article 3 Sec. 16.
recipients must match state funds on a
dollar-for-dollar basis. Grant funds available
under this section must be used to implement
solutions to reduce the child care shortage in
the state, including but not limited to funding
for child care business start-up or expansion,
training, facility modifications or
improvements required for licensing, and
assistance with licensing and other regulatory
requirements. In awarding grants, the
commissioner must give priority to
communities in greater Minnesota that have
documented a shortage of child care providers
in the area. This is a onetime appropriation
and is available until June 30, 2019.

By September 30, 2017, grant recipients must
report to the commissioner on the outcomes
of the grant program, including but not limited
to the number of new providers, the number
of additional child care provider jobs created,
the number of additional child care slots, and
the amount of local funds invested.

By January 1, 2018, the commissioner must
report to the standing committees of the
legislature having jurisdiction over child care
and economic development on the outcomes
of the program to date.

(m) $100,000 in fiscal year 2017 is from the
general fund for a grant to the city of Madelia
to provide match funding for a federal
Economic Development Agency technical
assistance grant. This is a onetime
appropriation.
(n) $10,000,000 in fiscal year 2017 is for deposit in the Minnesota 21st century fund. This is a onetime appropriation.

(o) $400,000 in fiscal year 2017 is from the workforce development fund for grants to small business development centers under Minnesota Statutes, section 116J.68. Funds made available under this section may be used to match funds under the federal Small Business Development Center (SBDC) program under United States Code, title 15, section 648, provide consulting and technical services, or to build additional SBDC network capacity to serve entrepreneurs and small businesses. The commissioner shall allocate funds equally among the nine regional centers and lead center. This is a onetime appropriation.

(p) $2,600,000 in fiscal year 2017 is for a transfer to the Board of Regents of the University of Minnesota for academic and applied research through MnDRIVE at the Natural Resources Research Institute to develop new technologies that enhance the long-term viability of the Minnesota mining industry. The research must be done in consultation with the Mineral Coordinating Committee established by Minnesota Statutes, section 93.0015. This is a onetime transfer.

(q) Of the amount appropriated in fiscal year 2017 for the Minnesota Investment Fund in Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 2, paragraph (a), $450,000 is for a grant to the Lake Superior-Poplar River Water District to
acquire interests in real property, engineer,
design, permit, and construct infrastructure to
transport and treat water from Lake Superior
through the Poplar River Valley to serve
domestic, irrigation, commercial, stock
watering, and industrial water users. This grant
does not require a local match. This is a
onetime appropriation. This amount is
available until June 30, 2019.

(r) $500,000 is for the Minnesota emerging
entrepreneur program under Minnesota
Statutes, section 116M.18. Of this amount, up
to five percent is for administration and
monitoring of the program. For fiscal year
2018 and thereafter, the base amount is
$750,000 per year. Funds available under this
paragraph are for deposit in the emerging
entrepreneur program special revenue fund
account created under Minnesota Statutes,
chapter 116M, and are available until spent.

EFFECTIVE DATE. This section is effective retroactively to July 1, 2016.

Sec. 17. ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA
INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.

(a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or
statutory city, county, or town that has uncommitted money received from repayment of
funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20
percent of the balance of that money to the state general fund before June 30, 2018. Any
local entity that does so may then use the remaining 80 percent of the uncommitted money
as a general purpose aid for any lawful expenditure.

(b) By February 15, 2019, a home rule charter or statutory city, county, or town that
exercises the option under paragraph (a) shall submit to the chairs of the legislative
committees with jurisdiction over economic development policy and finance an accounting
and explanation of the use and distribution of the funds.
Sec. 18. GETTING TO WORK GRANT PROGRAM.

Subdivision 1. Creation. The commissioner of employment and economic development shall make grants to nonprofit organizations to establish and operate programs under this section that provide, repair, or maintain motor vehicles to assist eligible individuals to obtain or maintain employment.

Subd. 2. Qualified grantee. A grantee must:

(1) qualify under section 501(c)(3) of the Internal Revenue Code; and

(2) at the time of application offer, or have the demonstrated capacity to offer, a motor vehicle program that provides the services required under subdivision 3.

Subd. 3. Program requirements. (a) A program must offer one or more of the following services:

(1) provision of new or used motor vehicles by gift, sale, or lease;

(2) motor vehicle repair and maintenance services; or

(3) motor vehicle loans.

(b) In addition to the requirements of paragraph (a), a program must offer one or more of the following services:

(1) financial literacy education;

(2) education on budgeting for vehicle ownership;

(3) car maintenance and repair instruction;

(4) credit counseling; or

(5) job training related to motor vehicle maintenance and repair.

Subd. 4. Application. Applications for a grant must be on a form provided by the commissioner and on a schedule set by the commissioner. Applications must, in addition to any other information required by the commissioner, include the following:

(1) a detailed description of all services to be offered;

(2) the area to be served;

(3) the estimated number of program participants to be served by the grant; and

(4) a plan for leveraging resources from partners that may include, but are not limited to:
Subd. 5. Participant eligibility. (a) To be eligible to receive program services, a person must:

(1) have a household income at or below 200 percent of the federal poverty level;
(2) be at least 22 years of age;
(3) have a valid driver's license;
(4) provide the grantee with proof of motor vehicle insurance; and
(5) demonstrate to the grantee that a motor vehicle is required by the person to obtain or maintain employment.

(b) This subdivision does not preclude a grantee from imposing additional requirements, not inconsistent with paragraph (a), for the receipt of program services.

Subd. 6. Report to legislature. By February 15, 2019, the commissioner shall submit a report to the chairs of the house of representatives and senate committees with jurisdiction over workforce and economic development on program outcomes. At a minimum, the report must include:

(1) the total number of program participants;
(2) the number of program participants who received each of the following:
   (i) provision of a motor vehicle;
   (ii) motor vehicle repair services; and
   (iii) motor vehicle loans;
(3) the number of program participants who report that they or their children were able to increase their participation in community activities such as after school programs, other youth programs, church or civic groups, or library services as a result of participation in the program; and

(4) an analysis of the impact of the getting to work grant program on the employment rate and wages of program participants.

Sec. 19. **REPEALER.**

Minnesota Rules, parts 4355.0100; 4355.0200; 4355.0300; 4355.0400; and 4355.0500, are repealed.
APPENDIX
Article locations in S1937-1

ARTICLE 1  APPROPRIATIONS ............................................................... Page.Ln 1.18
ARTICLE 2  DEPARTMENT OF LABOR AND INDUSTRY .......................... Page.Ln 27.7
            DEPARTMENT OF EMPLOYMENT AND ECONOMIC
ARTICLE 3  DEVELOPMENT ................................................................. Page.Ln 43.1
326B.89 CONTRACTOR RECOVERY FUND.
Subd. 14. Accelerated compensation. (a) Payments made from the fund to compensate owners and lessees that do not exceed the jurisdiction limits for conciliation court matters as specified in section 491A.01 may be paid on an accelerated basis if all of the following requirements in paragraphs (b) and (c) have been satisfied.

(b) The owner or the lessee has served upon the commissioner a verified application for compensation that complies with the requirements set out in subdivision 6 and the commissioner determines based on review of the application that compensation should be paid from the fund. The commissioner shall calculate the actual and direct out-of-pocket loss in the transaction, minus attorney fees, litigation costs or fees, interest on the loss and on the judgment obtained as a result of the loss, and any satisfaction of the judgment, and make payment to the owner or the lessee up to the conciliation court jurisdiction limits within 45 days after the owner or lessee serves the verified application.

(c) The commissioner may pay compensation to owners or lessees that totals not more than $50,000 per licensee per fiscal year under this accelerated process. The commissioner may prorate the amount of compensation paid to owners or lessees under this subdivision if applications submitted by owners and lessees seek compensation in excess of $50,000 against a licensee. Any unpaid portion of a verified application that has been prorated under this subdivision shall be satisfied in the manner set forth in subdivision 9.
4355.0100 PURPOSE.

The purpose of this chapter is to establish:

A. procedures for use of the revolving loan fund under Minnesota Statutes, section 116M.18;

B. procedures for the Minnesota emerging entrepreneur program to certify and enter into agreements with nonprofit corporations; and

C. procedures for nonprofit corporations to make loans to eligible businesses.

4355.0200 DEFINITIONS.

Subpart 1. Scope. For the purposes of this chapter the terms in this part and in Minnesota Statutes, section 116M.14, have the meanings given.

Subp. 2. Grant agreements. "Grant agreements" means an agreement between the state and a nonprofit corporation through which the state provides funds to carry out specified programs, services, or activities.

Subp. 3. Nonprofit corporation. "Nonprofit corporation" means a not-for-profit organization operating in one or more eligible cities and certified by the board to receive grants and disburse these funds in the nature of loans to qualifying businesses.

Subp. 4. Nonprofit revolving loan fund. "Nonprofit revolving loan fund" means a board-certified revolving loan fund established by a nonprofit corporation to provide loans to new and expanding businesses in low-income areas.

Subp. 5. Urban revolving loan fund. "Urban revolving loan fund" means a fund established by the board to make grants to nonprofit corporations.

4355.0300 BUSINESS LOANS BY NONPROFIT CORPORATIONS.

Subpart 1. Generally. The board shall make available funds from the urban revolving loan fund for nonprofit corporations. The money awarded to each corporation shall be appropriated to its nonprofit revolving loan fund to be used to make loans to businesses in low-income areas. The funds are to be awarded on a project-by-project basis and must be matched by the corporation with an equal amount of money from sources other than government appropriations.

Subp. 2. Grant agreement required. A grant agreement must be established with each nonprofit corporation certified for funding by the board. Grant agreements shall be valid for a period of one year from the time they are fully executed. Agreements may be renewed by the board based on an evaluation of the corporation's lending activities, a finding that the corporation has complied with all the provisions of the agreement, and has made substantive progress in achieving the goals described in its application.

In the event that a grant agreement is not renewed, the corporation must continue to administer all loans it may have made under the provisions of the grant agreement and Minnesota Statutes, section 116M.18.

Subp. 3. Application by nonprofit corporation. Any nonprofit corporation wishing to be certified as a participant in the urban challenge grant program must apply in a form prescribed by the board. The application must include:

A. an assurance signed by the nonprofit corporation's chair that the applicant will comply with all applicable state and federal laws and requirements;

B. a resolution passed by the applicant's board of directors approving the submission of an application and authorizing execution of the grant agreement if funds are made available;

C. a plan demonstrating the applicant's eligibility pursuant to Minnesota Statutes, section 116M.18, the manner in which minority business enterprises will be assisted, the outcomes expected to result from the corporation's participation in the program; and

D. any additional information that the board finds is necessary to clarify the applicant's ability to achieve the program's objectives.

Subp. 4. Board review. The board shall certify the corporation if it has demonstrated that it fully meets the eligibility standards in Minnesota Statutes, section 116M.18, subdivision 2.

Subp. 5. Disapproval of applications. In cases where the corporation fails to demonstrate that it has met the requirements in Minnesota Statutes, section 116M.18, subdivision 2, the board must disapprove the application. The commissioner shall inform the corporation of the board's decision, in writing, stating the reasons for the denial.
Subp. 6. Contents of grant agreement. If certified, the board must enter into a grant agreement with the nonprofit corporation. The grant agreement must include provisions that:

A. the corporation has established or will establish a board-certified revolving loan fund to provide loans to new and expanding businesses in low-income areas;
B. the grant recipient will comply with all applicable state and federal laws, including the requirements of Minnesota Statutes, section 116M.18; and
C. no grant funds shall be used to finance activities not approved in either the grant agreement or each loan agreement.

Subp. 7. Other grant requirements. The following provisions apply to grants awarded:

A. if it is determined that an improper use of the funds has occurred, the board shall take whatever action is necessary to recover improperly spent funds;
B. grant recipients must return funds that are improperly expended;
C. the board shall suspend payment of funds to recipients that are not in compliance with applicable state and federal laws, rules, and regulations;
D. amendments to the grant agreement must be in writing; and
E. the grant agreement may authorize the nonprofit corporation to be paid for administrative expenses out of the interest earned on loans it originates.

Subp. 8. Corporation to make business loans. Any business may make an application to the nonprofit corporation for an urban challenge grant loan. The application must be in a form approved by the corporation and the board. The corporation must review the application and may give preliminary approval for the loan based on Minnesota Statutes, section 116M.18. The loan application must then be forwarded to the board for final approval.

4355.0400 BUSINESS LOANS BY THE BOARD.

If the board receives a grant, gift, or loan, authorizing or requiring it to make business loans directly to qualifying businesses, and the board determines that businesses do not have access through a certified corporation, the board may receive applications for an urban challenge grant loan on the forms it prescribes. The board shall review applications and, based on the provisions of Minnesota Statutes, section 116M.18, and the business loan criteria in part 4355.0500, may approve them. If an application is denied, the commissioner shall inform the applicant as to the reasons for the denial.

4355.0500 BUSINESS LOAN CRITERIA.

Subpart 1. Terms and conditions.

A. The interest rate on a loan shall be established by the corporation, but may be no less than two percent per annum, nor more than ten percent per annum or one percent per annum above the prime rate, as published in the Wall Street Journal at the time the loan is closed, whichever is greater.
B. The corporation may only charge the business all out-of-pocket administrative expenses connected with originating the loan at the time of closing.
C. The loan funds may be used for normal business expenses including, but not limited to, site acquisition, new construction, renovation, machinery and equipment, and working capital. Loans may not be used to refinance a business or personal existing debt.

Subp. 2. Loan repayment. For loans made by the board, all loan repayments must be deposited in the urban revolving loan fund for further distribution to businesses or nonprofit corporations pursuant to Minnesota Statutes, section 116M.18.

For loans made by a nonprofit corporation, amounts equal to one-half of the principal and interest must be deposited in the urban revolving loan fund. The principal payments shall be made available to the corporation originating the loan in order to make additional loans, as long as the corporation remains certified and the grant agreement with the board is in effect. The board may return interest payments to the corporation in order to pay for the corporation's administrative expenses.

The remaining amount of the loan repayment may be deposited in the nonprofit revolving loan fund created by the corporation which originated the loan for further distribution by the nonprofit corporation, or for other uses as may be determined by the corporation.