

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 1937

(SENATE AUTHORS: MILLER)

DATE	D-PG	OFFICIAL STATUS
03/08/2017	1187	Introduction and first reading
		Referred to Jobs and Economic Growth Finance and Policy
03/23/2017	1806a	Comm report: To pass as amended and re-refer to Finance
03/28/2017		Comm report: To pass
		Second reading

1.1 A bill for an act

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

1.3 Economic Development and Labor and Industry; the Bureau of Mediation Services;

1.4 Public Employment Relations Board and Workers' Compensation Court of Appeals;

1.5 making policy and technical changes; modifying fees; requiring reports; amending

1.6 Minnesota Statutes 2016, sections 116J.395, subdivision 7; 116J.8731, subdivision

1.7 2, by adding a subdivision; 116J.8748, subdivisions 1, 3, 4, 6; 116L.17, subdivision

1.8 1; 116L.665; 116M.14, subdivision 4; 116M.17, subdivision 4; 116M.18,

1.9 subdivisions 1a, 4, 4a, 8; 175.45; 326B.092, subdivision 7; 326B.153, subdivision

1.10 1; 326B.37, by adding subdivisions; 326B.435, subdivision 2; 326B.50, subdivision

1.11 3, by adding subdivisions; 326B.55, subdivisions 2, 4; 326B.89, subdivisions 1,

1.12 5; Laws 2015, First Special Session chapter 1, article 1, section 5, subdivision 2;

1.13 Laws 2016, chapter 189, article 7, section 2, subdivision 2; proposing coding for

1.14 new law in Minnesota Statutes, chapters 175; 326B; repealing Minnesota Statutes

1.15 2016, section 326B.89, subdivision 14; Minnesota Rules, parts 4355.0100;

1.16 4355.0200; 4355.0300; 4355.0400; 4355.0500.

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

1.18 **ARTICLE 1**

1.19 **APPROPRIATIONS**

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

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

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

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

1.24 The figures "2018" and "2019" used in this article mean that the appropriations listed under

1.25 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.

1.26 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"

1.27 is fiscal years 2018 and 2019.

1.28 **APPROPRIATIONS**

2.1	<u>Available for the Year</u>		
2.2	<u>Ending June 30</u>		
2.3	<u>2018</u>	<u>2019</u>	
2.4	Sec. 2. <u>DEPARTMENT OF EMPLOYMENT</u>		
2.5	<u>AND ECONOMIC DEVELOPMENT</u>		
2.6	<u>Subdivision 1. Total Appropriation</u>	\$ <u>128,246,000</u>	\$ <u>125,175,000</u>
2.7	<u>Appropriations by Fund</u>		
2.8	<u>2018</u>	<u>2019</u>	
2.9	<u>General</u>	<u>93,004,000</u>	<u>90,680,000</u>
2.10	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
2.11	<u>Workforce</u>		
2.12	<u>Development</u>	<u>34,542,000</u>	<u>33,795,000</u>
2.13	<u>The amounts that may be spent for each</u>		
2.14	<u>purpose are specified in the following</u>		
2.15	<u>subdivisions.</u>		
2.16	<u>Subd. 2. Business and Community Development</u>		
2.17	<u>Appropriations by Fund</u>		
2.18	<u>General</u>	<u>44,164,000</u>	<u>41,890,000</u>
2.19	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
2.20	<u>Workforce</u>		
2.21	<u>Development</u>	<u>900,000</u>	<u>900,000</u>
2.22	<u>(a) \$12,500,000 each year is for the Minnesota</u>		
2.23	<u>investment fund under Minnesota Statutes,</u>		
2.24	<u>section 116J.8731. Of this amount, up to three</u>		
2.25	<u>percent is for administration and monitoring</u>		
2.26	<u>of the program. Of the amount appropriated</u>		
2.27	<u>in fiscal year 2018, \$4,000,000 is for a loan</u>		
2.28	<u>to construct and equip a wholesale electronic</u>		
2.29	<u>component distribution center investing a</u>		
2.30	<u>minimum of \$200,000,000 and constructing</u>		
2.31	<u>a facility at least 700,000 square feet in size.</u>		
2.32	<u>Loan funds may be used for purchases of</u>		
2.33	<u>materials, supplies, and equipment for the</u>		
2.34	<u>construction of the facility and are available</u>		
2.35	<u>from July 1, 2017, to June 30, 2021. The</u>		

3.1 commissioner of employment and economic
3.2 development shall forgive the loan after
3.3 verification that the project has satisfied
3.4 performance goals and contractual obligations
3.5 as required under Minnesota Statutes, section
3.6 116J.8731. This appropriation is available until
3.7 spent. The base for this program is
3.8 \$13,500,000 in fiscal year 2020 and
3.9 \$13,500,000 in fiscal year 2021.

3.10 (b) \$8,000,000 each year is for the Minnesota
3.11 job creation fund under Minnesota Statutes,
3.12 section 116J.8748. Of this amount, up to three
3.13 percent is for administration and monitoring
3.14 of the program. This appropriation is available
3.15 until spent. The base for this program is
3.16 \$8,000,000 in fiscal year 2020 and \$8,000,000
3.17 in fiscal year 2021.

3.18 (c) \$1,500,000 each year is for the
3.19 redevelopment program under Minnesota
3.20 Statutes, section 116J.571. The base for this
3.21 program is \$2,000,000 in fiscal year 2020 and
3.22 \$2,000,000 in fiscal year 2021.

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

3.29 (e) \$500,000 each year is for the Minnesota
3.30 emerging entrepreneur loan program under
3.31 Minnesota Statutes, section 116M.18. Funds
3.32 available under this paragraph are for transfer
3.33 into the emerging entrepreneur program
3.34 special revenue fund account created under
3.35 Minnesota Statutes, chapter 116M, and are

4.1 available until spent. Of this amount, up to
4.2 five percent is for administration and
4.3 monitoring of the program. The base for this
4.4 appropriation is \$1,000,000 in fiscal year 2020
4.5 and \$1,000,000 in fiscal year 2021.

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

4.12 (g) \$1,300,000 each year is for the greater
4.13 Minnesota business development public
4.14 infrastructure grant program under Minnesota
4.15 Statutes, section 116J.431. Of this amount,
4.16 \$800,000 each year is for a onetime grant to
4.17 the city of Thief River Falls to support utility
4.18 extensions, roads, and other public
4.19 improvements related to the construction of a
4.20 wholesale electronic component distribution
4.21 center at least 700,000 square feet in size and
4.22 investing a minimum of \$200,000,000.

4.23 Notwithstanding Minnesota Statutes, section
4.24 116J.431, a local match is not required for the
4.25 grant. Grant funds provided to the city of Thief
4.26 River Falls under this paragraph are available
4.27 from July 1, 2017, to June 30, 2021. Except
4.28 as otherwise specified in this paragraph, this
4.29 appropriation is available until spent.

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

4.32 (i) \$1,272,000 each year is for contaminated
4.33 site cleanup and development grants under
4.34 Minnesota Statutes, sections 116J.551 to

5.1 116J.558. This appropriation is available until
5.2 spent.

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

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

5.15 (l) \$4,848,000 in fiscal year 2018 and
5.16 \$4,849,000 in fiscal year 2019 is for the
5.17 Minnesota job skills partnership program
5.18 under Minnesota Statutes, sections 116L.01
5.19 to 116L.17. If the appropriation for either year
5.20 is insufficient, the appropriation for the other
5.21 year is available. This appropriation is
5.22 available until spent. The base amount for this
5.23 program is \$5,195,000 in fiscal year 2020 and
5.24 \$5,195,000 in fiscal year 2021.

5.25 (m) \$25,000 each year is for the administration
5.26 of state aid for the Destination Medical Center
5.27 under Minnesota Statutes, sections 469.40 to
5.28 469.47.

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

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

- 6.1 (2) model outreach and training in greater
6.2 Minnesota; and
- 6.3 (3) development of new business incubators.
- 6.4 This is a onetime appropriation.
- 6.5 (o) \$1,175,000 each year is for a grant to the
6.6 Metropolitan Economic Development
6.7 Association (MEDA) for statewide business
6.8 development and assistance services, including
6.9 services to entrepreneurs with businesses that
6.10 have the potential to create job opportunities
6.11 for unemployed and underemployed people,
6.12 with an emphasis on minority-owned
6.13 businesses. This is a onetime appropriation.
- 6.14 (p) \$125,000 each year is for a grant to the
6.15 White Earth Nation for the White Earth Nation
6.16 Integrated Business Development System to
6.17 provide business assistance with workforce
6.18 development, outreach, technical assistance,
6.19 infrastructure and operational support,
6.20 financing, and other business development
6.21 activities. This is a onetime appropriation.
- 6.22 (q) \$875,000 each year is for a grant to
6.23 Enterprise Minnesota, Inc. for the small
6.24 business growth acceleration program under
6.25 Minnesota Statutes, section 116O.115. This
6.26 is a onetime appropriation.
- 6.27 (r) \$12,000 each year is from the general fund
6.28 for a grant to the Upper Minnesota Film
6.29 Office.
- 6.30 (s) \$325,000 each year is from the general
6.31 fund for the Minnesota Film and TV Board.
6.32 The appropriation in each year is available
6.33 only upon receipt by the board of \$1 in
6.34 matching contributions of money or in-kind

7.1 contributions from nonstate sources for every
7.2 \$3 provided by this appropriation, except that
7.3 each year up to \$50,000 is available on July
7.4 1 even if the required matching contribution
7.5 has not been received by that date.

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

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

7.29 (v) \$2,000,000 the first year is for a grant to
7.30 Pillsbury United Communities for construction
7.31 and renovation of a building in north
7.32 Minneapolis for use as the "North Market"
7.33 grocery store and wellness center, focused on
7.34 offering healthy food, increasing health care
7.35 access, and providing job creation and

8.1 economic opportunities in one place for
 8.2 children and families living in the area. To the
 8.3 extent possible, Pillsbury United Communities
 8.4 shall employ individuals who reside within a
 8.5 five mile radius of the grocery store and
 8.6 wellness center. This appropriation is not
 8.7 available until at least an equal amount of
 8.8 money is committed from nonstate sources.
 8.9 This is a onetime appropriation and is
 8.10 available until the project is completed or
 8.11 abandoned, subject to Minnesota Statutes,
 8.12 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
 8.15 Development Office.

8.16 (b) \$10,000,000 each year is for deposit in the
 8.17 border-to-border broadband fund account
 8.18 created under Minnesota Statutes, section
 8.19 116J.396, and may be used for the purposes
 8.20 provided in Minnesota Statutes, section
 8.21 116J.395. This is a onetime appropriation.
 8.22 This appropriation is available until spent. Of
 8.23 this appropriation, up to three percent is for
 8.24 costs incurred by the commissioner to
 8.25 administer Minnesota Statutes, section
 8.26 116J.395. Administrative costs may include
 8.27 the following activities related to measuring
 8.28 progress toward the state's broadband goals
 8.29 established in Minnesota Statutes, section
 8.30 237.012:

8.31 (1) collecting broadband deployment data from
 8.32 Minnesota providers, verifying its accuracy
 8.33 through on-the-ground testing, and creating
 8.34 state and county maps available to the public
 8.35 showing the availability of broadband service

9.1 at various upload and download speeds
 9.2 throughout Minnesota;
 9.3 (2) analyzing the deployment data collected
 9.4 to help inform future investments in broadband
 9.5 infrastructure; and
 9.6 (3) conducting business and residential surveys
 9.7 that measure broadband adoption and use in
 9.8 the state.

9.9 Data provided by a broadband provider under
 9.10 this paragraph is nonpublic data under
 9.11 Minnesota Statutes, section 13.02, subdivision
 9.12 9. Maps produced under this paragraph are
 9.13 public data under Minnesota Statutes, section
 9.14 13.03.

9.15 **Subd. 4. Minnesota Trade Office** 2,292,000 2,292,000

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

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

9.21 (c) \$270,000 each year is for the Minnesota
 9.22 Trade Offices under Minnesota Statutes,
 9.23 section 116J.978.

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

9.27 **Subd. 5. Workforce Development**

	<u>Appropriations by Fund</u>	
9.28		
9.29	<u>General</u>	<u>5,939,000</u> <u>5,889,000</u>
9.30	<u>Workforce</u>	
9.31	<u>Development</u>	<u>23,295,000</u> <u>22,548,000</u>

9.32 (a) \$1,539,000 each year from the general fund
 9.33 and \$3,104,000 each year from the workforce

10.1 development fund are for the pathways to
10.2 prosperity competitive grant program. Of this
10.3 amount, up to five percent is for administration
10.4 and monitoring of the program. The base
10.5 amount for this program is \$5,039,000 from
10.6 the general fund and \$3,104,000 from the
10.7 workforce development fund in fiscal year
10.8 2020 and fiscal year 2021.

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

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

10.17 (d) \$500,000 each year is from the general
10.18 fund and \$3,348,000 each year is from the
10.19 workforce development fund for the youth at
10.20 work competitive grant program under
10.21 Minnesota Statutes, section 116L.562. Of this
10.22 amount, up to five percent is for administration
10.23 and monitoring of the youth workforce
10.24 development competitive grant program. All
10.25 grant awards shall be for two consecutive
10.26 years. Grants shall be awarded in the first year.
10.27 The base amount for this program is
10.28 \$3,348,000 in fiscal year 2020 and \$3,348,000
10.29 in fiscal year 2021 from the workforce
10.30 development fund, and \$750,000 in fiscal year
10.31 2020 and \$750,000 in fiscal year 2021 from
10.32 the general fund.

10.33 (e) \$500,000 each year from the general fund
10.34 and \$500,000 each year from the workforce
10.35 development fund are for rural career

11.1 counseling coordinators in the workforce
11.2 service areas and for the purposes specified
11.3 in Minnesota Statutes, section 116L.667. Of
11.4 these amounts, up to five percent is for
11.5 administration and monitoring of the program.

11.6 (f) \$250,000 each year is for the higher
11.7 education career advising program. Of this
11.8 amount, up to five percent is for administration
11.9 and monitoring of the program.

11.10 (g) \$500,000 each year is for a competitive
11.11 grant program for grants to organizations
11.12 providing services to relieve economic
11.13 disparities in the Southeast Asian community
11.14 through workforce recruitment, development,
11.15 job creation, assistance of smaller
11.16 organizations to increase capacity, and
11.17 outreach. Of this amount, up to five percent
11.18 is for administration and monitoring of the
11.19 program.

11.20 (h) \$750,000 each year is for a competitive
11.21 grant program to provide grants to
11.22 organizations that provide support services for
11.23 individuals, such as job training, employment
11.24 preparation, internships, job assistance to
11.25 fathers, financial literacy, academic and
11.26 behavioral interventions for low-performing
11.27 students, and youth intervention. Grants made
11.28 under this section must focus on low-income
11.29 communities, young adults from families with
11.30 a history of intergenerational poverty, and
11.31 communities of color. Of this amount, up to
11.32 five percent is for administration and
11.33 monitoring of the program. The base amount
11.34 for this program is \$1,000,000 in fiscal year
11.35 2020 and \$1,000,000 in fiscal year 2021.

- 12.1 (i) \$500,000 each year is for the high-wage,
12.2 high-demand, nontraditional jobs grant
12.3 program under Minnesota Statutes, section
12.4 116L.99. Of this amount, up to five percent is
12.5 for administration and monitoring of the
12.6 program. The base amount for this program
12.7 is \$750,000 in fiscal year 2020 and \$750,000
12.8 in fiscal year 2021.
- 12.9 (j) \$450,000 each year is from the workforce
12.10 development fund for a grant to Minnesota
12.11 Diversified Industries, Inc., to provide
12.12 progressive development and employment
12.13 opportunities for people with disabilities. This
12.14 is a onetime appropriation.
- 12.15 (k) \$500,000 each year is from the workforce
12.16 development fund for the Opportunities
12.17 Industrialization Center programs. This
12.18 appropriation shall be divided equally among
12.19 the eligible centers.
- 12.20 (l) \$750,000 each year is from the workforce
12.21 development fund for a grant to the Minnesota
12.22 Alliance of Boys and Girls Clubs to administer
12.23 a statewide project of youth job skills
12.24 development. This project, which may have
12.25 career guidance components, including health
12.26 and life skills, is to encourage, train, and assist
12.27 youth in job-seeking skills, workplace
12.28 orientation, and job-site knowledge through
12.29 coaching. This grant requires a 25 percent
12.30 match from nonstate resources. This is a
12.31 onetime appropriation.
- 12.32 (m) \$250,000 each year is from the workforce
12.33 development fund for a grant to YWCA St.
12.34 Paul to provide job training services and
12.35 workforce development programs and

- 13.1 services, including job skills training and
13.2 counseling. This is a onetime appropriation.
- 13.3 (n) \$375,000 each year is from the workforce
13.4 development fund for a grant to the YWCA
13.5 of Minneapolis to provide economically
13.6 challenged individuals the job skills training,
13.7 career counseling, and job placement
13.8 assistance necessary to secure a child
13.9 development associate credential and to have
13.10 a career path in early childhood education.
13.11 This is a onetime appropriation.
- 13.12 (o) \$1,000,000 each year is from the
13.13 workforce development fund for a grant to
13.14 EMERGE Community Development, in
13.15 collaboration with community partners, for
13.16 services targeting Minnesota communities
13.17 with the highest concentrations of African and
13.18 African-American joblessness, based on the
13.19 most recent census tract data, to provide
13.20 employment readiness training, credentialed
13.21 training placement, job placement and
13.22 retention services, supportive services for
13.23 hard-to-employ individuals, and a general
13.24 education development fast track and adult
13.25 diploma program. This is a onetime
13.26 appropriation.
- 13.27 (p) \$1,000,000 each year is from the
13.28 workforce development fund for a grant to the
13.29 Minneapolis Foundation for a strategic
13.30 intervention program designed to target and
13.31 connect program participants to meaningful,
13.32 sustainable living-wage employment. This is
13.33 a onetime appropriation.
- 13.34 (q) \$1,297,000 in fiscal year 2018 and
13.35 \$800,000 in fiscal year 2019 are from the

14.1 workforce development fund for performance
14.2 grants under Minnesota Statutes, section
14.3 116J.8747, to Twin Cities R!SE to provide
14.4 training to hard-to-train individuals. Of the
14.5 amounts appropriated, \$800,000 each year is
14.6 for a grant to Twin Cities R!SE, in
14.7 collaboration with Metro Transit and Hennepin
14.8 Technical College for the Metro Transit
14.9 technician training program. This is a onetime
14.10 appropriation and is available until June 30,
14.11 2020.

14.12 (r) \$750,000 each year is from the workforce
14.13 development fund for a grant to Latino
14.14 Communities United in Service (CLUES) to
14.15 expand culturally tailored programs that
14.16 address employment and education skill gaps
14.17 for working parents and underserved youth by
14.18 providing new job skills training to stimulate
14.19 higher wages for low-income people, family
14.20 support systems designed to reduce
14.21 intergenerational poverty, and youth
14.22 programming to promote educational
14.23 advancement and career pathways. At least
14.24 50 percent of this amount must be used for
14.25 programming targeted at greater Minnesota.
14.26 This is a onetime appropriation.

14.27 (s) \$250,000 each year is for transfer to the
14.28 Department of Education for a grant to the
14.29 American Indian Opportunities and
14.30 Industrialization Center, in collaboration with
14.31 the Northwest Indian Community
14.32 Development Center, to reduce academic
14.33 disparities for American Indian students and
14.34 adults. This is a onetime appropriation. The
14.35 grant funds may be used to provide:

- 15.1 (1) student tutoring and testing support
15.2 services;
- 15.3 (2) training in information technology;
- 15.4 (3) assistance in obtaining a GED;
- 15.5 (4) remedial training leading to enrollment in
15.6 a postsecondary higher education institution;
- 15.7 (5) real-time work experience in information
15.8 technology fields; and
- 15.9 (6) contextualized adult basic education.
- 15.10 After notification to the legislature, the
15.11 commissioner may transfer this appropriation
15.12 to the commissioner of education.
- 15.13 (t) \$600,000 each year is from the workforce
15.14 development fund for a grant to Ujamaa Place
15.15 for job training, employment preparation,
15.16 internships, education, training in the
15.17 construction trades, housing, and
15.18 organizational capacity-building. This is a
15.19 onetime appropriation.
- 15.20 (u) \$500,000 each year from the workforce
15.21 development fund is for a grant to Resource,
15.22 Inc. to provide low-income individuals career
15.23 education and job skills training that are fully
15.24 integrated with chemical and mental health
15.25 services. This is a onetime appropriation.
- 15.26 (v) \$1,100,000 each year from the workforce
15.27 development fund is for a grant to the
15.28 Minnesota High Tech Association to support
15.29 SciTechsperience, a program that supports
15.30 science, technology, engineering, and math
15.31 (STEM) internship opportunities for two- and
15.32 four-year college students and graduate
15.33 students in their field of study. The internship

16.1 opportunities must match students with paid
16.2 internships within STEM disciplines at small,
16.3 for-profit companies located in Minnesota,
16.4 having fewer than 250 employees worldwide.
16.5 At least 200 students must be matched in the
16.6 first year and at least 250 students must be
16.7 matched in the second year. No more than 15
16.8 percent of the hires may be graduate students.
16.9 Selected hiring companies shall receive from
16.10 the grant 50 percent of the wages paid to the
16.11 intern, capped at \$2,500 per intern. The
16.12 program must work toward increasing the
16.13 participation among women or individuals
16.14 with barriers to employment. This is a onetime
16.15 appropriation.

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

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

16.33 (2) increase the number of high schools in
16.34 Minnesota offering construction classes during

- 17.1 the academic year that utilize a multicraft
17.2 curriculum;
- 17.3 (3) increase the number of summer internship
17.4 opportunities;
- 17.5 (4) enhance activities to support graduating
17.6 seniors in their efforts to obtain employment
17.7 in the construction industry;
- 17.8 (5) increase the number of young adults
17.9 employed in the construction industry and
17.10 ensure that they reflect Minnesota's diverse
17.11 workforce; and
- 17.12 (6) enhance an industrywide marketing
17.13 campaign targeted to youth and young adults
17.14 about the depth and breadth of careers within
17.15 the construction industry.
- 17.16 Programs and services supported by grant
17.17 funds must give priority to individuals and
17.18 groups that are economically disadvantaged
17.19 or historically underrepresented in the
17.20 construction industry, including but not limited
17.21 to women, veterans, and members of minority
17.22 and immigrant groups.
- 17.23 (x) \$215,000 each year is from the workforce
17.24 development fund for a grant to Big Brothers,
17.25 Big Sisters of the Greater Twin Cities for
17.26 workforce readiness, employment exploration,
17.27 and skills development for youth ages 12 to
17.28 21. The grant must serve youth in the Twin
17.29 Cities, Central Minnesota and Southern
17.30 Minnesota Big Brothers, Big Sisters chapters.
17.31 This is a onetime appropriation.
- 17.32 (y) \$50,000 the first year is for a grant to
17.33 Fighting Chance for behavioral intervention

18.1 programs for at-risk youth. This is a onetime
18.2 appropriation.

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

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

18.30 (bb) \$500,000 each year is from the workforce
18.31 development fund for a grant to the Nonprofits
18.32 Assistance Fund to provide capacity-building
18.33 grants to small, culturally specific
18.34 organizations that primarily serve historically
18.35 underserved cultural communities. Grants may

19.1 only be awarded to nonprofit organizations
19.2 that (1) have an annual organizational budget
19.3 of less than \$500,000 and (2) are culturally
19.4 specific organizations that primarily serve
19.5 historically underserved cultural communities.
19.6 Grant funds awarded must be used for:
19.7 (1) organizational infrastructure improvement,
19.8 including developing database management
19.9 systems and financial systems, or other
19.10 administrative needs that increase the
19.11 organization's ability to access new funding
19.12 sources;
19.13 (2) organizational workforce development,
19.14 including hiring culturally competent staff,
19.15 training and skills development, and other
19.16 methods of increasing staff capacity; or
19.17 (3) creation or expansion of partnerships with
19.18 existing organizations that have specialized
19.19 expertise in order to increase the capacity of
19.20 the grantee organization to improve services
19.21 for the community. Of this amount, up to five
19.22 percent may be used by the Nonprofits
19.23 Assistance Fund for administration costs and
19.24 providing technical assistance to potential
19.25 grantees. This is a onetime appropriation.
19.26 (cc) \$1,502,000 each year is from the
19.27 workforce development fund for a grant to
19.28 FastTRAC-Minnesota Adult Careers Pathways
19.29 Program. Up to ten percent of this
19.30 appropriation may be used to provide
19.31 leadership, oversight, and technical assistance
19.32 services for low-skilled, low-income adults.
19.33 (dd) \$100,000 each year is for the "Getting to
19.34 Work" grant program. This is a onetime

20.1 appropriation and is available until June 30,
 20.2 2021.

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

20.12 **Subd. 6. Vocational Rehabilitation**

	<u>Appropriations by Fund</u>	
20.13		
20.14	<u>General</u>	<u>23,986,000</u> <u>23,986,000</u>
20.15	<u>Workforce</u>	
20.16	<u>Development</u>	<u>7,830,000</u> <u>7,830,000</u>

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

20.24 (b) \$3,011,000 each year is from the general
 20.25 fund for grants to centers for independent
 20.26 living under Minnesota Statutes, section
 20.27 268A.11.

20.28 (c) \$6,830,000 each year from the workforce
 20.29 development fund and \$6,495,000 each year
 20.30 from the general fund are for extended
 20.31 employment services for persons with severe
 20.32 disabilities under Minnesota Statutes, section
 20.33 268A.15. The base for this program is
 20.34 \$7,620,000 from the general fund and

21.1 \$6,830,000 from the workforce development
 21.2 fund in fiscal year 2020 and fiscal year 2021.

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

21.13 (e) \$2,555,000 each year is for grants to
 21.14 programs that provide employment support
 21.15 services to persons with mental illness under
 21.16 Minnesota Statutes, sections 268A.13 and
 21.17 268A.14.

21.18 **Subd. 7. Services for the Blind** 6,425,000 6,425,000

21.19 \$6,425,000 each year is for state services for
 21.20 the blind. Of this amount, \$500,000 each year
 21.21 is for senior citizens who are becoming blind.
 21.22 At least half of the funds appropriated must
 21.23 be used to provide training services for seniors
 21.24 who are becoming blind. Training services
 21.25 must provide independent living skills to
 21.26 seniors who are becoming blind to allow them
 21.27 to continue to live independently in their
 21.28 homes. The base for this program is
 21.29 \$5,925,000 in fiscal year 2020 and \$5,925,000
 21.30 in fiscal year 2021.

21.31 **Subd. 8. General Support Services**

<u>Appropriations by Fund</u>		
21.33 <u>General</u>	<u>3,573,000</u>	<u>3,573,000</u>
21.34 <u>Workforce</u>		
21.35 <u>Development</u>	<u>17,000</u>	<u>17,000</u>

22.1 (a) \$250,000 each year is for the publication,
 22.2 dissemination, and use of labor market
 22.3 information under Minnesota Statutes, section
 22.4 116J.4011.

22.5 (b) \$150,000 each year is for the cost-of-living
 22.6 study required under Minnesota Statutes,
 22.7 section 116J.013.

22.8 (c) \$1,269,000 each year is for transfer to the
 22.9 Minnesota Housing Finance Agency for
 22.10 operating the Olmstead Compliance Office.

22.11 (d) \$500,000 each year is for the
 22.12 capacity-building grant program to assist
 22.13 nonprofit organizations offering or seeking to
 22.14 offer workforce development and economic
 22.15 development programming. Of this amount,
 22.16 up to five percent is for administration and
 22.17 monitoring of the program.

22.18 **Subd. 9. Reporting**

22.19 (a) An entity receiving a direct appropriation
 22.20 in this article that received a direct
 22.21 appropriation in Laws 2016, chapter 189,
 22.22 article 12, is subject to the requirements for
 22.23 grants to individually specified recipients
 22.24 under Laws 2016, chapter 189, article 12,
 22.25 section 11.

22.26 (b) Any recipient of a direct appropriation
 22.27 from the workforce development fund for
 22.28 adult workforce-related programs under
 22.29 subdivision 5 not subject to the requirements
 22.30 of paragraph (a) is subject to the reporting
 22.31 requirements under Minnesota Statutes,
 22.32 section 116L.98.

22.33 **Sec. 3. DEPARTMENT OF LABOR AND**
 22.34 **INDUSTRY**

23.1	<u>Subdivision 1. Total Appropriation</u>		<u>\$</u>	<u>28,184,000</u>	<u>\$</u>	<u>28,484,000</u>
23.2		<u>Appropriations by Fund</u>				
23.3		<u>2018</u>		<u>2019</u>		
23.4	<u>General</u>	<u>1,202,000</u>		<u>1,202,000</u>		
23.5	<u>Workers'</u>					
23.6	<u>Compensation</u>	<u>24,975,000</u>		<u>24,975,000</u>		
23.7	<u>Workforce</u>					
23.8	<u>Development</u>	<u>2,007,000</u>		<u>2,307,000</u>		
23.9	<u>The amounts that may be spent for each</u>					
23.10	<u>purpose are specified in the following</u>					
23.11	<u>subdivisions.</u>					
23.12	<u>Subd. 2. Workers' Compensation</u>			<u>14,782,000</u>		<u>14,782,000</u>
23.13	<u>(a) This appropriation is from the workers'</u>					
23.14	<u>compensation fund.</u>					
23.15	<u>(b) \$3,000,000 each year is for workers'</u>					
23.16	<u>compensation system upgrades. This</u>					
23.17	<u>appropriation is available until June 30, 2021.</u>					
23.18	<u>The base appropriation for fiscal year 2020</u>					
23.19	<u>and beyond is \$0.</u>					
23.20	<u>(c) This appropriation includes funds for</u>					
23.21	<u>information technology project services and</u>					
23.22	<u>support subject to the provisions of Minnesota</u>					
23.23	<u>Statutes, section 16E.0466. Any ongoing</u>					
23.24	<u>information technology costs must be</u>					
23.25	<u>incorporated into the service level agreement</u>					
23.26	<u>and must be paid to the Office of MN.IT</u>					
23.27	<u>Services by the commissioner of labor and</u>					
23.28	<u>industry under the rates and mechanism</u>					
23.29	<u>specified in that agreement.</u>					
23.30	<u>Subd. 3. Labor Standards and Apprenticeship</u>					
23.31		<u>Appropriations by Fund</u>				
23.32	<u>General</u>	<u>1,202,000</u>		<u>1,202,000</u>		
23.33	<u>Workforce</u>					
23.34	<u>Development</u>	<u>1,507,000</u>		<u>1,507,000</u>		

- 24.1 (a) \$1,202,000 in fiscal year 2018 and
24.2 \$1,202,000 in fiscal year 2019 are from the
24.3 general fund for the labor standards and
24.4 apprenticeship program.
- 24.5 (b) \$1,057,000 in fiscal year 2018 and
24.6 \$1,057,000 in fiscal year 2019 are from the
24.7 workforce development fund for the
24.8 apprenticeship program under Minnesota
24.9 Statutes, chapter 178.
- 24.10 (c) \$150,000 each year from the workforce
24.11 development fund is for prevailing wage
24.12 enforcement.
- 24.13 (d) \$100,000 in fiscal year 2018 is from the
24.14 workforce development fund for labor
24.15 education and advancement program grants
24.16 under Minnesota Statutes, section 178.11, to
24.17 expand and promote registered apprenticeship
24.18 training for minorities and women.
- 24.19 (e) \$200,000 each year is from the workforce
24.20 development fund for a grant to the
24.21 Construction Careers Foundation Inc. for the
24.22 Helmets to Hardhats Minnesota Initiative.
24.23 Grant funds must be used to recruit, retain,
24.24 assist, and support National Guard, Reserve,
24.25 active duty military members, and veteran's
24.26 participation in apprenticeship programs
24.27 registered with the Department of Labor and
24.28 Industry and connect them with career training
24.29 and employment in the building and
24.30 construction industry. The recruitment,
24.31 selection, employment, and training must be
24.32 without discrimination due to race, color,
24.33 creed, religion, national origin, sex, sexual
24.34 orientation, marital status, physical or mental

25.1 disability, receipt of public assistance, or age.

25.2 This is a onetime appropriation.

25.3 Subd. 4. **Workplace Safety**

4,154,000

4,154,000

25.4 This appropriation is from the workers'

25.5 compensation fund.

25.6 Subd. 5. **General Support**

25.7 Appropriations by Fund

25.8 Workers'

25.9 Compensation 6,039,000 6,039,000

25.10 Workforce

25.11 Development 500,000 800,000

25.12 (a) \$300,000 each year is from the workforce

25.13 development fund for the PIPELINE program.

25.14 (b) \$200,000 in fiscal year 2018 is from the

25.15 workforce development fund for the

25.16 commissioner of labor and industry to convene

25.17 and collaborate with stakeholders as provided

25.18 under Minnesota Statutes, section 175.46,

25.19 subdivision 3, and to develop youth skills

25.20 training competencies for approved

25.21 occupations. This is a onetime appropriation.

25.22 (c) \$500,000 in fiscal year 2019 is from the

25.23 workforce development fund to administer the

25.24 youth skills training program under Minnesota

25.25 Statutes, section 175.46. The commissioner

25.26 shall award up to five grants each year to local

25.27 partnerships located throughout the state, not

25.28 to exceed \$100,000 per local partnership grant.

25.29 The commissioner may use a portion of this

25.30 appropriation for administration of the grant

25.31 program. The base amount for this program

25.32 is \$500,000 each year beginning in fiscal year

25.33 2020.

25.34 Sec. 4. **BUREAU OF MEDIATION SERVICES** \$

2,247,000 \$

2,247,000

26.1 (a) \$68,000 each year is for grants to area
 26.2 labor management committees. Grants may
 26.3 be awarded for a 12-month period beginning
 26.4 July 1 each year. Any unencumbered balance
 26.5 remaining at the end of the first year does not
 26.6 cancel but is available for the second year.

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

26.10 **Sec. 5. PUBLIC EMPLOYMENT RELATIONS**

26.11 **BOARD** \$ 125,000 \$ 125,000

26.12 **Sec. 6. WORKERS' COMPENSATION COURT**

26.13 **OF APPEALS** \$ 1,913,000 \$ 1,913,000

26.14 This appropriation is from the workers'
 26.15 compensation fund.

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

26.18 **Subd. 2. Workers' Compensation** 15,226,000 17,782,000

26.19 This appropriation is from the workers'
 26.20 compensation fund.

26.21 \$4,000,000 in fiscal year 2016 and \$6,000,000
 26.22 in fiscal year 2017 are for workers'
 26.23 compensation system upgrades and are
 26.24 available through June 30, 2021. The base
 26.25 appropriation for this purpose is \$3,000,000
 26.26 in fiscal year 2018 and \$3,000,000 in fiscal
 26.27 year 2019. The base appropriation for fiscal
 26.28 year 2020 and beyond is zero.

26.29 This appropriation includes funds for
 26.30 information technology project services and
 26.31 support subject to the provisions of Minnesota
 26.32 Statutes, section 16E.0466. Any ongoing
 26.33 information technology costs will be

27.1 incorporated into the service level agreement
 27.2 and will be paid to the Office of MN.IT
 27.3 Services by the commissioner of labor and
 27.4 industry under the rates and mechanism
 27.5 specified in that agreement.

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

27.7 **ARTICLE 2**

27.8 **DEPARTMENT OF LABOR AND INDUSTRY**

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

27.10 **175.45 ~~COMPETENCY STANDARDS FOR DUAL TRAINING.~~**

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

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

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

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

27.27 Subd. 3. **Competency standards identification process.** In identifying competency
 27.28 standards, the commissioner shall consult with the commissioner of the Office of Higher
 27.29 Education and the commissioner of employment and economic development and convene
 27.30 recognized industry experts, representative employers, higher education institutions,
 27.31 representatives of the disabled community, and representatives of labor to assist in identifying

28.1 credible competency standards. Competency standards must be consistent with, to the extent
 28.2 available and practical, recognized international and national standards.

28.3 Subd. 4. **Duties.** The commissioner shall:

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

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

28.7 ~~(2)~~ (3) verify the competency standards and skill levels and their transferability by subject
 28.8 matter expert representatives of each respective industry;

28.9 ~~(3)~~ (4) develop models for Minnesota educational institutions to engage in providing
 28.10 education and training to meet the competency standards established;

28.11 ~~(4)~~ (5) encourage participation by employers and labor in the competency standard
 28.12 identification process for occupations in their industry; and

28.13 ~~(5)~~ (6) align ~~dual-training competency standards~~ dual-training programs with other
 28.14 workforce initiatives; and

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

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

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

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

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

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

28.30 (c) "Local partnership" means a school district, nonpublic school, intermediate school
 28.31 district, or postsecondary institution, in partnership with other school districts, nonpublic

29.1 schools, intermediate school districts, postsecondary institutions, workforce development
29.2 authorities, economic development authorities, nonprofit organizations, labor unions, or
29.3 individuals who have an agreement with one or more local employers to be responsible for
29.4 implementing and coordinating a local youth skills training program.

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

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

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

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

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

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

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

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

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

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

29.24 (3) issue requests for proposals for grants;

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

29.27 (5) develop model program guides;

29.28 (6) monitor youth skills training programs;

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

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

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

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

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

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

30.17 (1) all provisions of subdivision 3 have not been met in the previous year; or

30.18 (2) reasonable precautions have not been observed for the safety of minors.

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

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

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

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

30.30 Subd. 8. **Postsecondary credit.** A postsecondary institution may award postsecondary
30.31 credit to a student learner who successfully completes a youth skills training program.

31.1 Subd. 9. **Work-based learning program.** A youth skills training program shall qualify
31.2 as a work-based learning program if it meets requirements for a career and technical education
31.3 program and is supervised by a qualified teacher with appropriate licensure for a work-based
31.4 learning teacher-coordinator.

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

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

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

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

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

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

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

31.20 (3) a plan to accomplish the implementation and coordination of activities specified in
31.21 this subdivision; and

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

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

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

31.28 (2) recruiting students to participate in the local youth skills training program and
31.29 monitoring the progress of student learners participating in the program and monitoring
31.30 program outcomes;

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

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

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

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

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

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

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

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

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

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

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

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

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

32.27 **Subd. 7. License fees and license renewal fees.** (a) The license fee for each license is
 32.28 the base license fee plus any applicable board fee, continuing education fee, and contractor
 32.29 recovery fund fee and additional assessment, as set forth in this subdivision.

33.1 (b) For purposes of this section, "license duration" means the number of years for which
 33.2 the license is issued except that if the initial license is not issued for a whole number of
 33.3 years, the license duration shall be rounded up to the next whole number.

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

33.7	License Classification	License Duration	
33.8		1 year	2 years
33.9	Entry level	\$10	\$20
33.10	Journeyworker	\$20	\$40
33.11	Master	\$40	\$80
33.12	Business		\$180

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

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

33.21 (f) If the application is for the renewal of a license issued under sections 326B.802 to
 33.22 326B.885, then the contractor recovery fund fee required under section 326B.89, subdivision
 33.23 3, and any additional assessment required under section 326B.89, subdivision 16, must be
 33.24 included in the license renewal fee.

33.25 (g) Notwithstanding the fee amounts described in paragraphs (c) to (f), for the period
 33.26 July 1, ~~2015~~ 2017, through June 30, ~~2017~~ September 30, 2021, the following fees apply:

33.27	License Classification	License Duration	
33.28		1 year	2 years
33.29	Entry level	\$10	\$20
33.30			\$35
33.31	Journeyworker	\$15	<u>\$30</u>
33.32			\$75
33.33	Master	\$30	<u>\$60</u>
33.34			\$160
33.35	Business		<u>\$120</u>

34.1 If there is a continuing education requirement for renewal of the license, then a continuing
 34.2 education fee must be included in the renewal license fee. The continuing education fee for
 34.3 all license classifications shall be \$5.

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

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

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

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

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

34.17 Subdivision 1. **Building permits.** (a) Fees for building permits submitted as required
 34.18 in section ~~326B.106~~ 326B.107 include:

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

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

34.22 (b) The total valuation and fee schedule is:

34.23 (1) \$1 to \$500, ~~\$29.50~~ \$21;

34.24 (2) \$501 to \$2,000, ~~\$28~~ \$21 for the first \$500 plus ~~\$3.70~~ \$2.75 for each additional \$100
 34.25 or fraction thereof, to and including \$2,000;

34.26 (3) \$2,001 to \$25,000, ~~\$83.50~~ \$62.25 for the first \$2,000 plus ~~\$16.55~~ \$12.50 for each
 34.27 additional \$1,000 or fraction thereof, to and including \$25,000;

34.28 (4) \$25,001 to \$50,000, ~~\$464.15~~ \$349.75 for the first \$25,000 plus ~~\$12~~ \$9 for each
 34.29 additional \$1,000 or fraction thereof, to and including \$50,000;

35.1 (5) \$50,001 to \$100,000, ~~\$764.15~~ \$574.75 for the first \$50,000 plus ~~\$8.45~~ \$6.25 for
 35.2 each additional \$1,000 or fraction thereof, to and including \$100,000;

35.3 (6) \$100,001 to \$500,000, ~~\$1,186.65~~ \$887.25 for the first \$100,000 plus ~~\$6.75~~ \$5 for
 35.4 each additional \$1,000 or fraction thereof, to and including \$500,000;

35.5 (7) \$500,001 to \$1,000,000, ~~\$3,886.65~~ \$2,887.25 for the first \$500,000 plus ~~\$5.50~~ \$4.25
 35.6 for each additional \$1,000 or fraction thereof, to and including \$1,000,000; and

35.7 (8) \$1,000,001 and up, ~~\$6,636.65~~ \$5,012.25 for the first \$1,000,000 plus ~~\$4.50~~ \$2.75
 35.8 for each additional \$1,000 or fraction thereof.

35.9 (c) Other inspections and fees are:

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

35.12 (2) reinspection fees, \$63.25 per hour;

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

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

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

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

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

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

35.26 (1) 0 watts to and including 100,000 watts, \$80;

35.27 (2) 100,001 watts to and including 500,000 watts, \$105;

35.28 (3) 500,001 watts to and including 1,000,000 watts, \$120;

35.29 (4) 1,000,001 watts to and including 1,500,000 watts, \$125;

35.30 (5) 1,500,001 watts to and including 2,000,000 watts, \$130;

36.1 (6) 2,000,001 watts to and including 3,000,000 watts, \$145; and

36.2 (7) 3,000,001 watts and larger, \$160.

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

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

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

36.9 (1) 0 watts to and including 5,000 watts, \$60;

36.10 (2) 5,001 watts to and including 10,000 watts, \$100;

36.11 (3) 10,001 watts to and including 20,000 watts, \$150;

36.12 (4) 20,001 watts to and including 30,000 watts, \$200;

36.13 (5) 30,001 watts to and including 40,000 watts, \$250;

36.14 (6) 40,001 watts to and including 1,000,000 watts, \$250, and \$25 for each additional
36.15 10,000 watts over 40,000 watts;

36.16 (7) 1,000,000 watts to 5,000,000 watts, \$2,650, and \$15 for each additional 10,000 watts
36.17 over 1,000,000 watts; and

36.18 (8) 5,000,000 watts and larger, \$8,650, and \$10 for each additional 10,000 watts over
36.19 5,000,000 watts.

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

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

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

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

36.26 (2) adopt bylaws that specify the duties of its officers, the meeting dates of the board,
36.27 and containing such other provisions as may be useful and necessary for the efficient conduct
36.28 of the business of the board;

37.1 (3) adopt the Plumbing Code that must be followed in this state and any Plumbing Code
37.2 amendments thereto. The Plumbing Code shall include the minimum standards described
37.3 in sections 326B.43, subdivision 1, and 326B.52, subdivision 1. The board shall adopt the
37.4 Plumbing Code and any amendments thereto pursuant to chapter 14 and as provided in
37.5 subdivision 6, paragraphs (b), (c), and (d);

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

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

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

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

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

37.30 (9) approve license reciprocity agreements;

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

37.33 (11) recommend the fees for licenses, registrations, and certifications.

38.1 Except for the powers granted to the Plumbing Board, the Board of Electricity, and the
 38.2 Board of High Pressure Piping Systems, the commissioner of labor and industry shall
 38.3 administer and enforce the provisions of this chapter and any rules promulgated pursuant
 38.4 thereto.

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

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

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

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

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

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

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

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

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

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

38.29 Subd. 5. **Direct supervision.** The term "direct supervision," with respect to direct
 38.30 supervision of a registered unlicensed individual, means that:

39.1 (1) at all times while the registered unlicensed individual is performing water conditioning
 39.2 installation work, a direct supervisor is present at the location where the registered unlicensed
 39.3 individual is working;

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

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

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

39.11 (5) the direct supervisor determines that all water conditioning installation work
 39.12 performed by the registered unlicensed individual is performed in compliance with sections
 39.13 326B.50 to 326B.59, all rules adopted under these sections, the Minnesota Plumbing Code,
 39.14 and all orders issued under section 326B.082.

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

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

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

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

39.31 (b) Each water conditioning contractor must designate a responsible licensed master
 39.32 plumber or a responsible licensed water conditioning master, who shall be responsible for

40.1 the performance of all water conditioning installation and servicing in accordance with the
40.2 requirements of sections 326B.50 to 326B.59, all rules adopted under sections 326B.50 to
40.3 326B.59, the Minnesota Plumbing Code, and all orders issued under section 326B.082. If
40.4 the water conditioning contractor is an individual or sole proprietorship, the responsible
40.5 licensed master must be the individual, proprietor, or managing employee. If the water
40.6 conditioning contractor is a partnership, the responsible licensed master must be a general
40.7 partner or managing employee. If the water conditioning contractor is a limited liability
40.8 company, the responsible licensed master must be a chief manager or managing employee.
40.9 If the water conditioning contractor is a corporation, the responsible licensed master must
40.10 be an officer or managing employee. If the responsible licensed master is a managing
40.11 employee, the responsible licensed master must be actively engaged in performing water
40.12 conditioning work on behalf of the water conditioning contractor and cannot be employed
40.13 in any capacity as a water conditioning master or water conditioning journeyman for any
40.14 other water conditioning contractor. An individual must not be the responsible licensed
40.15 master for more than one water conditioning contractor.

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

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

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

40.22 Subd. 4. **Plumber's apprentices.** (a) A plumber's apprentice who is registered under
40.23 section 326B.47 is authorized to assist in water conditioning installation and water
40.24 conditioning servicing only while under the direct supervision of a master plumber,
40.25 journeyman plumber, restricted master plumber, restricted journeyman plumber, water
40.26 conditioning master, or water conditioning journeyman. The master or journeyman is
40.27 responsible for ensuring that all water conditioning work performed by the plumber's
40.28 apprentice complies with the plumbing code and rules adopted under sections 326B.50 to
40.29 326B.59. The supervising master or journeyman must be licensed and must be employed
40.30 by the same employer as the plumber's apprentice. Licensed individuals shall not permit
40.31 plumber's apprentices to perform water conditioning work except under the direct supervision
40.32 of an individual actually licensed to perform such work. Plumber's apprentices shall not
40.33 supervise the performance of plumbing work or make assignments of plumbing work to
40.34 unlicensed individuals.

41.1 (b) Water conditioning contractors employing plumber's apprentices to perform water
41.2 conditioning work shall maintain records establishing compliance with this subdivision that
41.3 shall identify all plumber's apprentices performing water conditioning work, and shall permit
41.4 the department to examine and copy all such records.

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

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

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

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

41.21 **Subd. 2. Journeyman exam.** A registered unlicensed individual who has completed
41.22 875 hours of practical water conditioning installation, servicing, and training is eligible to
41.23 take the water conditioning journeyman examination. Up to 100 hours of practical water
41.24 conditioning installation and servicing experience prior to becoming a registered unlicensed
41.25 individual may be applied to the practical experience requirement. However, none of this
41.26 practical experience may be applied if the unlicensed individual did not have any practical
41.27 experience in the 12-month period immediately prior to becoming a registered unlicensed
41.28 individual.

41.29 **Subd. 3. Registration, renewals, and fees.** An unlicensed individual may register by
41.30 completing and submitting to the commissioner an application form provided by the
41.31 commissioner, with all fees required by section 326B.58. A completed application form
41.32 must state the date, the individual's age, schooling, previous experience and employer, and
41.33 other information required by the commissioner. The plumbing board may prescribe rules,
41.34 not inconsistent with this section, for the registration of unlicensed individuals. Applications

42.1 for initial registration may be submitted at any time. Registration must be renewed annually
42.2 and shall be for the period from July 1 of each year to June 30 of the following year.

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

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

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

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

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

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

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

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

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

42.28 Sec. 17. **REPEALER.**

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

43.1 **ARTICLE 3**43.2 **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

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

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

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

43.7 (c) Grants awarded to a single project under this section must not exceed ~~\$5,000,000~~
43.8 \$3,000,000.

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

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

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

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

43.25 (c) A home rule charter or statutory city, county, or town may loan or grant money
43.26 received from repayment of funds awarded under this section to a regional development
43.27 commission, other regional entity, or statewide community capital fund as determined by
43.28 the commissioner, to capitalize or to provide the local match required for capitalization of
43.29 a regional or statewide revolving loan fund.

44.1 Sec. 3. Minnesota Statutes 2016, section 116J.8731, is amended by adding a subdivision
44.2 to read:

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

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

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

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

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

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

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

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

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

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

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

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

45.1 (i) "Persons with disabilities" means an individual with a disability, as defined under
 45.2 the Americans with Disabilities Act, United States Code, title 42, section 12102.

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

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

45.5 and

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

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

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

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

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

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

45.15 (i) manufacturing;

45.16 (ii) warehousing;

45.17 (iii) distribution;

45.18 (iv) information technology;

45.19 (v) finance;

45.20 (vi) insurance; or

45.21 (vii) professional or technical services;

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

45.27 (3) the business must enter into a binding construction and job creation business subsidy
 45.28 agreement with the commissioner to expend directly, or ensure expenditure by or in
 45.29 partnership with a third party constructing or managing the project, at least \$500,000 in
 45.30 capital investment in a capital investment project that includes a new, expanded, or remodeled

46.1 facility within one year following designation as a Minnesota job creation fund business or
46.2 \$250,000 if the project is located outside the metropolitan area as defined in section 200.02,
46.3 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
46.4 women, or persons with a disability; and:

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

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

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

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

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

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

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

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

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

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

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

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

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

47.1 (9) any other criteria the commissioner deems necessary.

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

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

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

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

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

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

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

47.29 (1) up to five percent rebate for projects located in the metropolitan area as defined in
47.30 section 200.02, subdivision 24, and 7.5 percent for projects located outside the metropolitan
47.31 area, on capital investment on qualifying purchases as provided in subdivision 5 with the
47.32 total rebate for a project not to exceed \$500,000;

48.1 (2) an award of up to \$500,000 based on full-time job creation and wages paid as provided
48.2 in subdivision 6 with the total award not to exceed \$500,000;

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

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

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

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

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

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

48.31 (f) Minnesota job creation fund businesses must pay each new full-time employee added
48.32 pursuant to the agreement total compensation, including benefits not mandated by law, that
48.33 on an annualized basis is equal to at least 110 percent of the federal poverty level for a
48.34 family of four.

49.1 (g) A Minnesota job creation fund business must demonstrate reasonable progress on
 49.2 ~~its~~ capital investment expenditures within six months following designation as a Minnesota
 49.3 job creation fund business to ensure that the capital investment goal in the agreement under
 49.4 subdivision 1 will be met. Businesses not making reasonable progress will not be eligible
 49.5 for benefits under the submitted application and will need to work with the local government
 49.6 unit to resubmit a new application and request to be a Minnesota job creation fund business.
 49.7 Notwithstanding the goals noted in its agreement under subdivision 1, this action shall not
 49.8 be considered a default of the business subsidy agreement.

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

49.10 Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is
 49.11 eligible for an annual award for each new job created and maintained by the business using
 49.12 the following schedule: \$1,000 for each job position paying annual wages at least \$26,000
 49.13 but less than \$35,000; \$2,000 for each job position paying at least \$35,000 but less than
 49.14 \$45,000; and \$3,000 for each job position paying at least \$45,000; and as noted in the goals
 49.15 under the agreement provided under subdivision 1. These awards are increased by \$1,000
 49.16 if the business is located outside the metropolitan area as defined in section 200.02,
 49.17 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
 49.18 women, or persons with a disability.

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

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

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

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

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

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

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

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

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

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

50.10 ~~(5) MS 2011 Supp [Expired, 2011 c 84 art 3 s 1]~~

50.11 ~~(6)~~ (5) is a veteran as defined by section 197.447, has been discharged or released from
 50.12 active duty under honorable conditions within the last 36 months, and (i) is unemployed or
 50.13 (ii) is employed in a job verified to be below the skill level and earning capacity of the
 50.14 veteran;

50.15 ~~(7)~~ (6) is an individual determined by the United States Department of Labor to be
 50.16 covered by trade adjustment assistance under United States Code, title 19, sections 2271 to
 50.17 2331, as amended; or

50.18 ~~(8)~~ (7) is a displaced homemaker. A "displaced homemaker" is an individual who has
 50.19 spent a substantial number of years in the home providing homemaking service and (i) has
 50.20 been dependent upon the financial support of another; and now due to divorce, separation,
 50.21 death, or disability of that person, must find employment to self support; or (ii) derived the
 50.22 substantial share of support from public assistance on account of dependents in the home
 50.23 and no longer receives such support. To be eligible under this clause, the support must have
 50.24 ceased while the worker resided in Minnesota.

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

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

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

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

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

51.6 **116L.665 WORKFORCE DEVELOPMENT COUNCIL BOARD.**

51.7 Subdivision 1. **Creation.** ~~The governor's Workforce Development Council is created~~
 51.8 ~~under the authority of the Workforce Investment Act, United States Code, title 29, section~~
 51.9 ~~2801, et seq. Local workforce development councils are authorized under the Workforce~~
 51.10 ~~Investment Act. The governor's Workforce Development Council serves as Minnesota's~~
 51.11 ~~Workforce Investment Board for the purposes of the federal Workforce Investment Act.~~
 51.12 Board serves as Minnesota's state workforce development board for the purposes of the
 51.13 federal Workforce Innovation and Opportunity Act, United States Code, title 29, section
 51.14 3111, and must perform the duties under that act.

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

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

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

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

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

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

51.32 ~~(c) Organized labor: six individuals shall represent labor organizations of Minnesota.~~

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

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

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

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

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

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

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

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

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

52.19 ~~(1) units of local government; and~~

52.20 ~~(2) applicable state or local programs.~~

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

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

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

52.30 ~~(a).~~

52.31 ~~(c) Voting members shall consist of the following:~~

- 53.1 (1) the governor or the governor's designee;
- 53.2 (2) two members of the house of representatives, one appointed by the speaker of the
53.3 house and one appointed by the minority leader of the house of representatives;
- 53.4 (3) two members of the senate, one appointed by the senate majority leader and one
53.5 appointed by the senate minority leader;
- 53.6 (4) a majority of the members must be representatives of businesses in the state appointed
53.7 by the governor who:
- 53.8 (i) are owners of businesses, chief executives, or operating officers of businesses, or
53.9 other business executives or employers with optimum policy-making or hiring authority
53.10 and who, in addition, may be members of a local board under United States Code, title 29,
53.11 section 3122(b)(2)(A)(i);
- 53.12 (ii) represent businesses, including small businesses, or organizations representing
53.13 businesses that provide employment opportunities that, at a minimum, include high-quality,
53.14 work-relevant training and development in in-demand industry sectors or occupations in
53.15 the state; and
- 53.16 (iii) are appointed from individuals nominated by state business organizations and
53.17 business trade associations;
- 53.18 (5) six representatives of labor organizations appointed by the governor, including:
- 53.19 (i) representatives of labor organizations who have been nominated by state labor
53.20 federations; and
- 53.21 (ii) a member of a labor organization or a training director from a joint labor organization;
- 53.22 (6) commissioners of the state agencies with primary responsibility for core programs
53.23 identified within the state plan including:
- 53.24 (i) the Department of Employment and Economic Development;
- 53.25 (ii) the Department of Education; and
- 53.26 (iii) the Department of Human Services;
- 53.27 (7) two chief elected officials, appointed by the governor, collectively representing cities
53.28 and counties;
- 53.29 (8) two representatives who are people of color or people with disabilities, appointed
53.30 by the governor, of community-based organizations that have demonstrated experience and

54.1 expertise in addressing the employment, training, or education needs of individuals with
54.2 barriers to employment; and

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

54.6 (i) the chancellor of the Minnesota State Colleges and Universities;

54.7 (ii) the president of the University of Minnesota;

54.8 (iii) a president from a private postsecondary school; and

54.9 (iv) a representative of career and technical education.

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

54.12 (1) a representative of Adult Basic Education;

54.13 (2) a representative of public libraries;

54.14 (3) a person with expertise in women's economic security;

54.15 (4) the chair or executive director of the Minnesota Workforce Council Association;

54.16 (5) the commissioner of labor and industry;

54.17 (6) the commissioner of the Office of Higher Education;

54.18 (7) the commissioner of corrections;

54.19 (8) the commissioner of management and budget;

54.20 (9) two representatives of community-based organizations who are people of color or
54.21 people with disabilities who have demonstrated experience and expertise in addressing the
54.22 employment, training, and education needs of individuals with barriers to employment;

54.23 (10) a representative of secondary, postsecondary, or career-technical education;

54.24 (11) a representative of school-based service learning;

54.25 (12) a representative of the Council on Asian-Pacific Minnesotans;

54.26 (13) a representative of the Minnesota Council on Latino Affairs;

54.27 (14) a representative of the Council for Minnesotans of African Heritage;

54.28 (15) a representative of the Minnesota Indian Affairs Council;

54.29 (16) a representative of the Minnesota State Council on Disability; and

55.1 (17) a representative of the Office on the Economic Status of Women.

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

55.5 ~~(h) Members of the council are compensated as provided in section 15.059, subdivision~~
55.6 ~~3.~~

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

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

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

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

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

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

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

55.27 ~~(d) If telephone or other electronic means is used to conduct a regular, special, or~~
55.28 ~~emergency meeting, the council shall provide notice of the regular meeting location, of the~~
55.29 ~~fact that some members may participate by telephone or other electronic means, and of the~~
55.30 ~~provisions of paragraph (c). The timing and method of providing notice is governed by~~
55.31 ~~section 13D.04.~~

56.1 (a) The board shall hold regular in-person meetings at least quarterly and as often as
 56.2 necessary to perform the duties outlined in the statement of authority and the board's bylaws.
 56.3 Meetings shall be called by the chair. Special meetings may be called as needed. Notices
 56.4 of all meetings shall be made at least 48 hours before the meeting date.

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

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

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

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

56.23 ~~(a) Review the provision of services and the use of funds and resources under applicable~~
 56.24 ~~federal human resource programs and advise the governor on methods of coordinating the~~
 56.25 ~~provision of services and the use of funds and resources consistent with the laws and~~
 56.26 ~~regulations governing the programs. For purposes of this section, applicable federal and~~
 56.27 ~~state human resource programs mean the:~~

56.28 ~~(1) Workforce Investment Act, United States Code, title 29, section 2911, et seq.;~~

56.29 ~~(2) Carl D. Perkins Vocational and Applied Technology Education Act, United States~~
 56.30 ~~Code, title 20, section 2301, et seq.;~~

56.31 ~~(3) Adult Education Act, United States Code, title 20, section 1201, et seq.;~~

56.32 ~~(4) Wagner-Peyser Act, United States Code, title 29, section 49;~~

56.33 ~~(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~~
57.2 ~~Employment and Training Program, United States Code, title 7, section 2015(d)(4); and~~
57.3 ~~(7) programs defined in section 116L.19, subdivision 5.~~

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

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

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

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

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

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

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

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

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

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

57.30 ~~(k) Recommend to the governor and to the federal government waivers of laws and~~
57.31 ~~regulations to promote coordinated service delivery.~~

58.1 ~~(l) Sponsor appropriate studies and prepare and recommend to the governor a strategic~~
 58.2 ~~plan which details methods for meeting Minnesota's human investment needs and for~~
 58.3 ~~developing and coordinating a state human resource system.~~

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

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

58.10 Subd. 4. **Executive committee duties.** The executive committee must, with advice and
 58.11 input of local workforce ~~councils~~ boards and other stakeholders as appropriate, develop
 58.12 performance standards for the state workforce centers. By January 15, ~~2002~~ 2019, and each
 58.13 odd-numbered year thereafter, the executive committee shall submit a report to the senate
 58.14 and house of representatives committees with jurisdiction over workforce development
 58.15 programs regarding the performance and outcomes of the workforce centers. The report
 58.16 must provide recommendations regarding workforce center funding levels and sources,
 58.17 program changes, and administrative changes.

58.18 Subd. 5. **Subcommittees.** The chair of the Workforce Development ~~Council~~ Board may
 58.19 establish subcommittees in order to carry out the duties and responsibilities of the ~~council~~
 58.20 board.

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

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

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

59.1 ~~the legislature by January 15, 2011~~ from existing agency resources to the board for staffing
59.2 and administrative expenses.

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

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

59.5 (1) Minneapolis, St. Paul;

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

59.10 (3) the area outside the metropolitan area.

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

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

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

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

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

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

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

59.28 (c) A loan must be used to support a business owned by a minority or a low-income
59.29 person, woman, veteran, or a person with disabilities. Priority must be given for loans to
59.30 the lowest income areas.

60.1 (d) The minimum state contribution to a loan is \$5,000 and the maximum is \$150,000.

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

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

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

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

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

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

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

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

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

60.17 (4) they do not require a match.

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

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

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

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

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

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

61.5 Subd. 2. **Business and Community Development** -0- 8,021,000

61.6 Appropriations by Fund

61.7 General -0- 7,271,000

61.8 Workforce
 61.9 Development -0- 750,000

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

61.17 (b) \$11,500,000 in fiscal year 2017 is a
 61.18 onetime reduction in the general fund
 61.19 appropriation for the Minnesota job creation
 61.20 fund under Minnesota Statutes, section
 61.21 116J.8748. The base funding for this program
 61.22 is \$6,500,000 in fiscal year 2018 and each
 61.23 fiscal year thereafter.

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

61.28 (d) \$1,220,000 in fiscal year 2017 is for a
 61.29 grant to the Duluth North Shore Sanitary
 61.30 District to retire debt of the district in order to
 61.31 bring the district's monthly wastewater rates
 61.32 in line with those of similarly situated facilities
 61.33 across the state. This is a onetime
 61.34 appropriation.

62.1 (e) \$300,000 in fiscal year 2017 is from the
62.2 workforce development fund for expansion of
62.3 business assistance services provided by
62.4 business development specialists located in
62.5 the Northwest Region, Northeast Region, West
62.6 Central Region, Southwest Region, Southeast
62.7 Region, and Twin Cities Metro Region offices
62.8 established throughout the state. Funds under
62.9 this section may be used to provide services
62.10 including, but not limited to, business
62.11 start-ups; expansion; location or relocation;
62.12 finance; regulatory and permitting assistance;
62.13 and other services determined by the
62.14 commissioner. The commissioner may also
62.15 use funds under this section to increase the
62.16 number of business development specialists
62.17 in each region of the state, increase and expand
62.18 the services provided through each regional
62.19 office, and publicize the services available and
62.20 provide outreach to communities in each
62.21 region regarding services and assistance
62.22 available through the business development
62.23 specialist program. This is a onetime
62.24 appropriation.

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

62.31 (g) \$100,000 in fiscal year 2017 is from the
62.32 general fund for an easy-to-understand manual
62.33 to instruct aspiring business owners in how to
62.34 start a child care business. The commissioner
62.35 shall work in consultation with relevant state

63.1 and local agencies and affected stakeholders
63.2 to produce the manual. The manual must be
63.3 made available electronically to interested
63.4 persons. This is a onetime appropriation and
63.5 is available until June 30, 2019.

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

63.12 (1) \$357,000 is for a grant to the Southwest
63.13 Initiative Foundation;

63.14 (2) \$357,000 is for a grant to the West Central
63.15 Initiative Foundation;

63.16 (3) \$357,000 is for a grant to the Southern
63.17 Minnesota Initiative Foundation;

63.18 (4) \$357,000 is for a grant to the Northwest
63.19 Minnesota Foundation;

63.20 (5) \$357,000 is for a grant to the Initiative
63.21 Foundation;

63.22 (6) \$357,000 is for a grant to the Northland
63.23 Foundation; and

63.24 (7) \$357,000 is for a grant for the Minnesota
63.25 emerging entrepreneur program under
63.26 Minnesota Statutes, chapter 116M. Funds
63.27 available under this clause are for deposit in
63.28 the emerging entrepreneur program special
63.29 revenue fund account created under Minnesota
63.30 Statutes, chapter 116M, and are available until
63.31 spent and must be allocated as follows:

64.1 (i) 50 percent of the funds must be allocated
64.2 for projects in the counties of Dakota, Ramsey,
64.3 and Washington; and

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

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

64.15 (j) \$4,500,000 in fiscal year 2017 is for a grant
64.16 to the Minnesota Film and TV Board for the
64.17 film production jobs program under Minnesota
64.18 Statutes, section 116U.26. This appropriation
64.19 is in addition to the appropriation in Laws
64.20 2015, First Special Session chapter 1, article
64.21 1, section 2, subdivision 2. This is a onetime
64.22 appropriation.

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

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

65.1 recipients must match state funds on a
65.2 dollar-for-dollar basis. Grant funds available
65.3 under this section must be used to implement
65.4 solutions to reduce the child care shortage in
65.5 the state, including but not limited to funding
65.6 for child care business start-up or expansion,
65.7 training, facility modifications or
65.8 improvements required for licensing, and
65.9 assistance with licensing and other regulatory
65.10 requirements. In awarding grants, the
65.11 commissioner must give priority to
65.12 communities in greater Minnesota that have
65.13 documented a shortage of child care providers
65.14 in the area. This is a onetime appropriation
65.15 and is available until June 30, 2019.

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

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

65.28 (m) \$100,000 in fiscal year 2017 is from the
65.29 general fund for a grant to the city of Madelia
65.30 to provide match funding for a federal
65.31 Economic Development Agency technical
65.32 assistance grant. This is a onetime
65.33 appropriation.

- 66.1 (n) \$10,000,000 in fiscal year 2017 is for
66.2 deposit in the Minnesota 21st century fund.
66.3 This is a onetime appropriation.
- 66.4 (o) \$400,000 in fiscal year 2017 is from the
66.5 workforce development fund for grants to
66.6 small business development centers under
66.7 Minnesota Statutes, section 116J.68. Funds
66.8 made available under this section may be used
66.9 to match funds under the federal Small
66.10 Business Development Center (SBDC)
66.11 program under United States Code, title 15,
66.12 section 648, provide consulting and technical
66.13 services, or to build additional SBDC network
66.14 capacity to serve entrepreneurs and small
66.15 businesses. The commissioner shall allocate
66.16 funds equally among the nine regional centers
66.17 and lead center. This is a onetime
66.18 appropriation.
- 66.19 (p) \$2,600,000 in fiscal year 2017 is for a
66.20 transfer to the Board of Regents of the
66.21 University of Minnesota for academic and
66.22 applied research through MnDRIVE at the
66.23 Natural Resources Research Institute to
66.24 develop new technologies that enhance the
66.25 long-term viability of the Minnesota mining
66.26 industry. The research must be done in
66.27 consultation with the Mineral Coordinating
66.28 Committee established by Minnesota Statutes,
66.29 section 93.0015. This is a onetime transfer.
- 66.30 (q) Of the amount appropriated in fiscal year
66.31 2017 for the Minnesota Investment Fund in
66.32 Laws 2015, First Special Session chapter 1,
66.33 article 1, section 2, subdivision 2, paragraph
66.34 (a), \$450,000 is for a grant to the Lake
66.35 Superior-Poplar River Water District to

67.1 acquire interests in real property, engineer,
 67.2 design, permit, and construct infrastructure to
 67.3 transport and treat water from Lake Superior
 67.4 through the Poplar River Valley to serve
 67.5 domestic, irrigation, commercial, stock
 67.6 watering, and industrial water users. This grant
 67.7 does not require a local match. This is a
 67.8 onetime appropriation. This amount is
 67.9 available until June 30, 2019.

67.10 (r) \$500,000 is for the Minnesota emerging
 67.11 entrepreneur program under Minnesota
 67.12 Statutes, section 116M.18. Of this amount, up
 67.13 to five percent is for administration and
 67.14 monitoring of the program. For fiscal year
 67.15 2018 and thereafter, the base amount is
 67.16 \$750,000 per year. Funds available under this
 67.17 paragraph are for deposit in the emerging
 67.18 entrepreneur program special revenue fund
 67.19 account created under Minnesota Statutes,
 67.20 chapter 116M, and are available until spent.

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

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

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

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

68.1 Sec. 18. GETTING TO WORK GRANT PROGRAM.

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

68.6 Subd. 2. Qualified grantee. A grantee must:

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

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

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

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

68.13 (2) motor vehicle repair and maintenance services; or

68.14 (3) motor vehicle loans.

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

68.17 (1) financial literacy education;

68.18 (2) education on budgeting for vehicle ownership;

68.19 (3) car maintenance and repair instruction;

68.20 (4) credit counseling; or

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

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

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

68.26 (2) the area to be served;

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

68.28 (4) a plan for leveraging resources from partners that may include, but are not limited
68.29 to:

- 69.1 (i) automobile dealers;
- 69.2 (ii) automobile parts dealers;
- 69.3 (iii) independent local mechanics and automobile repair facilities;
- 69.4 (iv) banks and credit unions;
- 69.5 (v) employers;
- 69.6 (vi) employment and training agencies;
- 69.7 (vii) insurance companies and agents;
- 69.8 (viii) local workforce centers; and
- 69.9 (ix) educational institutions including vocational institutions and jobs or skills training
- 69.10 programs.

69.11 Subd. 5. **Participant eligibility.** (a) To be eligible to receive program services, a person

69.12 must:

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

69.19 (b) This subdivision does not preclude a grantee from imposing additional requirements,

69.20 not inconsistent with paragraph (a), for the receipt of program services.

69.21 Subd. 6. **Report to legislature.** By February 15, 2019, the commissioner shall submit

69.22 a report to the chairs of the house of representatives and senate committees with jurisdiction

69.23 over workforce and economic development on program outcomes. At a minimum, the report

69.24 must include:

- 69.25 (1) the total number of program participants;
- 69.26 (2) the number of program participants who received each of the following:
- 69.27 (i) provision of a motor vehicle;
- 69.28 (ii) motor vehicle repair services; and
- 69.29 (iii) motor vehicle loans;

70.1 (3) the number of program participants who report that they or their children were able
70.2 to increase their participation in community activities such as after school programs, other
70.3 youth programs, church or civic groups, or library services as a result of participation in the
70.4 program; and

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

70.7 Sec. 19. **REPEALER.**

70.8 Minnesota Rules, parts 4355.0100; 4355.0200; 4355.0300; 4355.0400; and 4355.0500,
70.9 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.

APPENDIX
Repealed Minnesota Rule: S1937-1

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.