# CHAPTER 10--S.F.No. 9

*An act relating to state government; establishing a biennial budget for Department of Employment and Economic Development, Department of Labor and Industry, Bureau of Mediation Services, and Workers' Compensation Court of Appeals; modifying various provisions governing economic development, labor and industry, unemployment insurance, and higher education; establishing Main Street Economic Revitalization Loan Program; establishing Main Street COVID-19 Relief grants; modifying fees; classifying data; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 13.7905, by adding a subdivision; 116J.035, subdivision 6; 116J.431, subdivisions 2, 3, by adding a subdivision; 116L.40, subdivisions 5, 6, 9, 10, by adding a subdivision; 116L.41, subdivisions 1, 2, by adding subdivisions; 116L.42, subdivisions 1, 2; 178.012, subdivision 1; 181.939; 268.035, subdivision 21c; 268.085, subdivisions 2, 4a; 268.133; 268.136, subdivision 1; 326B.07, subdivision 1; 326B.092, subdivision 7; 326B.108, subdivisions 1, 3, by adding a subdivision; 326B.133, subdivision 8; 326B.42, by adding subdivisions; 326B.46, subdivision 1; 326B.89, subdivisions 1, 4, 5, 9; Laws 2014, chapter 211, section 13, as amended; Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended; Laws 2019, First Special Session chapter 7, article 1, sections 2, subdivision 2, as amended; 3, subdivision 4; article 2, section 8; proposing coding for new law in Minnesota Statutes, chapters 116J; 181A; 299F; repealing Minnesota Statutes 2020, sections 181.9414; 268.085, subdivision 4.*

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

## ARTICLE 1

## APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

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

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

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

Sec. 2. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

| | | | | |
|---|---|---|---|---|
| Subdivision 1. **Total Appropriation** | | $ 294,150,000 | $ | 130,939,000 |

| Appropriations by Fund | 2022 | 2023 |
|---|---|---|
| General | 253,701,000 | 90,740,000 |
| Remediation | 700,000 | 700,000 |
| Workforce Development | 39,749,000 | 39,499,000 |

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

| | | |
|---|---|---|
| Subd. 2. **Business and Community Development** | 208,015,000 | 44,741,000 |

| Appropriations by Fund | | |
|---|---|---|
| General | 205,215,000 | 41,941,000 |
| Remediation | 700,000 | 700,000 |
| Workforce Development | 2,100,000 | 2,100,000 |

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

(b) $8,425,000 in the first year and $1,425,000 in the second year are for the business development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the business development competitive grant program and $7,000,000 in the first year is for technical assistance to small businesses. Except for awards for technical assistance for small businesses, all grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

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

(d) $700,000 each year is from the remediation fund for contaminated site cleanup and development grants

under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.

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

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

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

(h)(1) $2,500,000 each year is for grants to local communities to increase the number of quality child care providers to support economic development. This appropriation is available through June 30, 2023. Fifty percent of grant funds must go to communities located outside the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2. In fiscal year 2024 and beyond, the base amount is $1,500,000.

(2) Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contribution, unless the commissioner waives the requirement. Grant funds available under this subdivision must be used to implement projects to reduce the child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications, direct subsidies or incentives to retain employees, or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have demonstrated a shortage of child care providers.

(3) Within one year of receiving grant funds, grant recipients must report to the commissioner on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of cash and in-kind local funds invested. Within one month of all grant recipients reporting on program outcomes, the commissioner must report the grant recipients' outcomes to the chairs and ranking members

of the legislative committees with jurisdiction over early learning and child care and economic development.

(i) $1,500,000 each year is for a grant to the Minnesota Initiative Foundations. This appropriation is available until June 30, 2025. In fiscal year 2024 and beyond, the base amount is $1,000,000. The Minnesota Initiative Foundations must use grant funds under this section to:

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

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

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

(4) recruit child care programs to participate in quality rating and improvement measurement programs. The Minnesota Initiative Foundations must work with local partners to provide low-cost training, professional development opportunities, and continuing education curricula. The Minnesota Initiative Foundations must fund, through local partners, an enhanced level of coaching to rural child care providers to obtain a quality rating through measurement programs.

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

(k) $10,029,000 the first year and $10,028,000 the second year are for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. In fiscal year 2024 and beyond, the base amount is $12,370,000. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8731, money appropriated to the commissioner for the Minnesota investment fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under this paragraph are not subject to the grant amount limitation under Minnesota Statutes, section 116J.8731.

(l) $0 each year is for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761. In fiscal year 2024 and beyond, the base amount is $2,246,000.

(m) $1,000,000 each year is for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Funds available under this paragraph are for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until expended. Of this amount, up to four percent is for administration and monitoring of the program.

(n) $325,000 each year is for the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of $1 in matching contributions of money or in-kind contributions from nonstate sources for every $3 provided by this appropriation, except that each year up to $50,000 is available on July 1 even if the required matching contribution has not been received by that date.

(o) $12,000 each year is for a grant to the Upper Minnesota Film Office.

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

(q) $4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until expended.

(r) $1,350,000 each year from the workforce development fund is for jobs training grants under Minnesota Statutes, section 116L.41.

(s) $2,500,000 each year is for Launch Minnesota. This appropriation is available until June 30, 2025. The base in fiscal year 2026 is $0. Of this amount:

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

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

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

(t) $1,148,000 the first year is for a grant to the Northeast Entrepreneur Fund, a small business administration microlender and community development financial institution operating in northern Minnesota. Grant funds must be used as capital for accessing additional federal lending for small businesses impacted by COVID-19 and must be returned to the commissioner for deposit in the general fund if the Northeast Entrepreneur Fund fails to secure such federal funds before January 1, 2022.

(u) $80,000,000 the first year is for the Main Street Economic Revitalization Loan Program. Of this amount, up to $300,000 is for the commissioner's administration and monitoring of the program. This appropriation is available until June 30, 2025.

(v) $70,000,000 the first year is for the Main Street COVID-19 Relief Grant Program. Of this amount, up to:

(1) $34,950,000 is for grants to the Minnesota Initiative Foundations to serve businesses outside of the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2;

(2) $34,950,000 is for grants to partner organizations to serve businesses inside the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2; and

(3) $100,000 is for the commissioner's administration and monitoring of the program.

(w) $250,000 each year is for the publication, dissemination, and use of labor market information under Minnesota Statutes, section 116J.401.

(x) $500,000 each year is for the airport infrastructure renewal (AIR) grant program under Minnesota Statutes, section 116J.439. In awarding grants with this appropriation, the commissioner must prioritize eligible applicants that did not receive a grant pursuant to the appropriation in Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 2, paragraph (q).

(y) $750,000 each year is from the workforce development fund for grants to the Neighborhood Development Center for small business programs, including:

(1) training, lending, and business services;

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

(3) development of new business incubators.

This is a onetime appropriation.

(z) $5,000,000 in the first year is for a grant to Lake of the Woods County for the forgivable loan program for remote recreational businesses. This appropriation is available until April 1, 2022.

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|---|---|---|
| Subd. 3. **Employment and Training Programs** | 37,185,000 | 36,935,000 |

| Appropriations by Fund | | |
|---|---|---|
| General | 7,421,000 | 7,421,000 |
| Workforce Development | 29,764,000 | 29,514,000 |

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

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

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

(c) $2,546,000 each year from the general fund and $4,604,000 each year from the workforce development fund are for the pathways to prosperity competitive grant program. Of this amount, up to five percent is for administration and monitoring of the program.

(d) $712,000 each year is from the workforce development fund for a grant to the American Indian Opportunities and Industrialization Center, in collaboration with the Northwest Indian Community Development Center, to reduce academic disparities for American Indian students and adults. This is a onetime appropriation. The grant funds may be used to provide:

(1) student tutoring and testing support services;

(2) training and employment placement in information technology;

(3) training and employment placement within trades;

(4) assistance in obtaining a GED;

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

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

(7) contextualized adult basic education;

(8) career and educational counseling for clients with significant and multiple barriers; and

(9) reentry services and counseling for adults and youth.

After notification to the chairs and minority leads of the legislative committees with jurisdiction over jobs and economic development, the commissioner may transfer this appropriation to the commissioner of education.

(e) $500,000 each year is from the workforce development fund for current Minnesota affiliates of OIC of America, Inc. This appropriation shall be divided equally among the eligible centers.

(f) $1,000,000 each year is for competitive grants to organizations providing services to relieve economic disparities in the Southeast Asian community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for administration and monitoring of the program.

(g) $1,000,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to parents, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to five percent is for administration and monitoring of the program.

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

(i) $875,000 each year is for a grant to the Minnesota Technology Association to support the SciTech Internship Program, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students and graduate students in their fields of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in Minnesota having fewer than 250 employees worldwide. At least 200 students must be matched each year. No more than 15 percent of the hires may be graduate students. Selected hiring companies shall receive from the grant 50 percent of

the wages paid to the intern, capped at $2,500 per intern. The program must work toward increasing the participation among women or other underserved populations. This is a onetime appropriation.

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

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

(l) $500,000 each year is from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Goodwill-Easter Seals Minnesota and its partners. The grant shall be used to continue the FATHER Project in Rochester, Park Rapids, St. Cloud, St. Paul, Minneapolis, and the surrounding areas to assist fathers in overcoming barriers that prevent fathers from supporting their children economically and emotionally. This is a onetime appropriation.

(m) $350,000 each year is from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to the International Institute of Minnesota for workforce training for New Americans in industries in need of a trained workforce. This is a onetime appropriation.

(n) $750,000 each year is from the workforce development fund for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills and career development. This project, which may have career guidance components including health and life skills, must be designed to encourage, train, and assist youth in: early access to education and job-seeking skills; work-based learning experience including career pathways in STEM learning, career exploration, and matching; and first job placement through local community partnerships and on-site job opportunities. This grant requires a 25 percent match from nonstate sources. This is a onetime appropriation.

(o) $250,000 each year is from the workforce development fund for grants to the Minnesota Grocers Association Foundation for Carts to Careers, a

statewide initiative to promote careers, conduct outreach, provide job skills training, and grant scholarships for careers in the retail food industry. This is a onetime appropriation.

(p) $250,000 the first year is from the workforce development fund for a grant to the ProStart and Hospitality Tourism Management Program for a well-established, proven, and successful education program that helps young people advance careers in the hospitality industry and addresses critical long-term workforce shortages in that industry.

(q) $375,000 each year is from the workforce development fund for a grant to the Construction Careers Foundation for the construction career pathway initiative to provide year-round educational and experiential learning opportunities for teens and young adults under the age of 21 that lead to careers in the construction industry. This is a onetime appropriation. Grant funds must be used to:

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

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

(3) increase the number of summer internship opportunities;

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

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

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

Programs and services supported by grant funds must give priority to individuals and groups that are

economically disadvantaged or historically underrepresented in the construction industry, including but not limited to women, veterans, and members of minority and immigrant groups.

(r) $700,000 each year is from the workforce development fund for a grant to Comunidades Latinas Unidas En Servicio-Latino Communities United in Service (CLUES) to expand culturally tailored programs that address employment and education skill gaps for working parents and underserved youth by providing new job skills training to stimulate higher wages for low-income people, family support systems designed to reduce intergenerational poverty, and youth programming to promote educational advancement and career pathways. At least 50 percent of this amount must be used for programming targeted at greater Minnesota. This is a onetime appropriation.

(s) $700,000 each year is from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide training to hard-to-train individuals. This is a onetime appropriation and funds are available until June 30, 2024.

(t) $475,000 each year is from the workforce development fund for a grant to Bridges to Healthcare to provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in one of Minnesota's most innovative industries. Funds may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant funds may be used for Bridges to Healthcare's administrative costs. This is a onetime appropriation.

(u) $650,000 each year is from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Avivo to provide low-income individuals with career education and job skills training that is integrated with chemical

and mental health services. This is a onetime appropriation.

(v) $300,000 each year is from the workforce development fund for a grant to the Hmong American Partnership, in collaboration with community partners, for services targeting Minnesota communities with the highest concentrations of Southeast Asian joblessness, based on the most recent census tract data, to provide employment readiness training, credentialed training placement, job placement and retention services, supportive services for hard-to-employ individuals, and a general education development fast track and adult diploma program. This is a onetime appropriation.

(w) $125,000 each year is from the workforce development fund for a grant to the Hmong Chamber of Commerce to train ethnically Southeast Asian business owners and operators in better business practices. Of this amount, up to $5,000 may be used for administrative costs. This is a onetime appropriation.

(x) $225,000 each year is from the workforce development fund for Minnesota Family Resiliency Partnership programs under Minnesota Statutes, section 116L.96. The commissioner, through the adult career pathways program, shall distribute the funds to existing nonprofit and Minnesota Family Resiliency Partnership programs. This is a onetime appropriation.

(y) $1,175,000 each year is from the workforce development fund for a grant to Summit Academy OIC to expand their contextualized GED and employment placement program and STEM program. This is a onetime appropriation.

(z) $250,000 each year is from the workforce development fund for a grant to Big Brothers Big Sisters of the Greater Twin Cities for workforce readiness, employment exploration, and skills development for youth ages 12 to 21. The grant must serve youth in the Big Brothers Big Sisters chapters in the Twin Cities, central Minnesota, and southern Minnesota. This is a onetime appropriation.

(aa) $400,000 each year is from the workforce development fund for a grant to Ujamaa Place for job training, employment preparation, internships,

education, training in vocational trades, housing, and organizational capacity building. This is a onetime appropriation.

(bb) $150,000 each year is from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to the YWCA of St. Paul to provide job training services and workforce development programs and services, including job skills training and counseling. This is a onetime appropriation.

(cc) $700,000 each year is from the workforce development fund for a grant to Youthprise to give grants through a competitive process to community organizations to provide economic development services designed to enhance long-term economic self-sufficiency in communities with concentrated East African populations. Such communities include but are not limited to Faribault, Rochester, St. Cloud, Moorhead, and Willmar. Youthprise must make at least 50 percent of these grants to organizations serving communities located outside the seven-county metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2. This is a onetime appropriation.

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

(ee) $150,000 each year is from the workforce development fund for a grant to the YWCA of Minneapolis to provide economically challenged individuals the job skills training, career counseling, and job placement assistance necessary to secure a child development associate credential and to have a career path in early childhood education. This is a onetime appropriation.

(ff) $250,000 each year is from the workforce development fund for a grant to EMERGE Community Development for the Cedar-Riverside Opportunity Center and its on-site partners to address employment and economic disparities for low-income unemployed or underemployed individuals who are primarily East African. Funds must be used for operations and administrative costs of the site in support of career

pathways and certified credentials, workforce readiness, financial readiness, and employment placement and retention services. This is a onetime appropriation.

(gg) $1,000,000 each year is from the workforce development fund for a grant to Propel Nonprofits to provide capacity-building grants and related technical assistance to small, culturally specific organizations that primarily serve historically underserved cultural communities. Propel Nonprofits may only award grants to nonprofit organizations that have an annual organizational budget of less than $500,000. These grants may be used for:

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

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

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

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

(hh) $300,000 each year is from the workforce development fund for a grant to Better Futures Minnesota to provide job skills training to individuals who have been released from incarceration for a felony-level offense and are no more than 12 months from the date of release. This is a onetime appropriation.

(ii) $250,000 each year is from the workforce development fund for a grant to the Juxtaposition Arts Center to provide job training and workforce development services for underserved communities. This is a onetime appropriation.

(jj) $275,000 each year is from the workforce development fund for a grant to Workforce

Development, Inc., to provide career education, wraparound support services, and job skills training in high-demand manufacturing fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in the Owatonna and Steele County area. Funds may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant funds may be used for Workforce Development, Inc.'s administrative costs. This is a onetime appropriation and is available until June 30, 2023.

(kk) $500,000 each year is from the workforce development fund for a grant to Pillsbury United Communities to provide job training and workforce development services for underserved communities. This is a onetime appropriation.

(ll) $250,000 each year is from the workforce development fund for a grant to 30,000 Feet, a nonprofit organization, to fund youth apprenticeship jobs, after-school programming, and summer learning loss prevention for African American youth. This is a onetime appropriation.

(mm) $250,000 each year is from the workforce development fund for the getting to work grant program. This is a onetime appropriation.

(nn) $500,000 each year is from the workforce development fund for a grant to Project for Pride in Living to provide job training and workforce development services for underserved communities. This is a onetime appropriation.

(oo) $1,000,000 each year is from the workforce development fund for competitive grants to organizations providing services to relieve economic disparities in the African immigrant community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for administration and monitoring of the program. This is a onetime appropriation.

(pp) $250,000 each year is from the workforce development fund for a grant to the Center for Economic Inclusion for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living-wage employment. This is a onetime appropriation.

(qq) $300,000 each year is from the workforce development fund for a grant to YMCA of the North to provide job training and workforce development services for underserved communities. This is a onetime appropriation.

(rr)(1) $1,000,000 each year is from the workforce development fund for grants to assist internationally trained professionals in earning the professional licenses required to do similar work in Minnesota. The commissioner shall work with local workforce development boards to award these grants and shall give preference to efforts to assist professionals in occupations where there is unmet local need for that profession's skills. This is a onetime appropriation.

(2) Eligible uses of grant funds may include but are not limited to:

(i) subsidizing the cost of training for or taking required licensing examinations;

(ii) providing instruction in English as a second language;

(iii) supportive services that increase the success rate of individuals seeking licensing; and

(iv) connecting newly licensed individuals with appropriate employment.

(3) By February 15, 2024, and each February 15 in an even-numbered year thereafter, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over workforce development on the use of grant funds and program outcomes. At a minimum, the report must include:

(i) the number of new professional licenses facilitated by the program;

(ii) information on the employment outcomes of individuals supported by the program; and

(iii) any other quantifiable measures of success.

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| Subd. 4. **General Support Services** | | | 3,692,000 | 4,005,000 |
| Appropriations by Fund | | | | |
| General Fund | 3,637,000 | 3,950,000 | | |
| Workforce Development | 55,000 | 55,000 | | |

$1,269,000 each year is for transfer to the Minnesota Housing Finance Agency for operating the Olmstead Compliance Office.

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|---|---|---|---|---|
| Subd. 5. **Minnesota Trade Office** | | | 2,142,000 | 2,142,000 |

(a) $200,000 each year is for the STEP grants in Minnesota Statutes, section 116J.979. The base for this purpose in fiscal year 2024 and beyond is $300,000.

(b) $180,000 each year is for the Invest Minnesota marketing initiative in Minnesota Statutes, section 116J.9781.

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

| | | | | |
|---|---|---|---|---|
| Subd. 6. **Vocational Rehabilitation** | | | 36,691,000 | 36,691,000 |
| Appropriations by Fund | | | | |
| General | 28,861,000 | 28,861,000 | | |
| Workforce Development | 7,830,000 | 7,830,000 | | |

(a) $14,300,000 each year is for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A.

(b) $8,995,000 each year from the general fund and $6,830,000 each year from the workforce development fund are for extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15. Of the amounts appropriated from the general fund, $2,000,000 each year is for maintaining prior rate increases to providers of extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15.

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

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

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

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

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

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

| | | |
|---|---|---|
| Subdivision 1. **Total Appropriation** | **$ 31,817,000** | **$ 30,717,000** |

Appropriations by Fund

| | 2022 | 2023 |
|---|---|---|
| General | 5,379,000 | 4,379,000 |
| Workers' Compensation | 22,991,000 | 22,991,000 |
| Workforce Development | 3,447,000 | 3,347,000 |

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

| | | |
|---|---|---|
| Subd. 2. **General Support** | 6,939,000 | 6,939,000 |

| Appropriations by Fund | | |
|---|---|---|
| General | 900,000 | 900,000 |
| Workers' Compensation | 6,039,000 | 6,039,000 |

$900,000 each year is for system upgrades. This appropriation is available until June 30, 2023, and is a onetime appropriation. This appropriation includes funds for information technology project services and support subject to Minnesota Statutes, section 16E.0466. Any ongoing information technology costs must be incorporated into the service level agreement and must be paid to the Office of MN.IT Services by the commissioner of labor and industry under the rates and mechanism specified in that agreement.

| | | |
|---|---|---|
| Subd. 3. **Labor Standards and Apprenticeship** | 6,226,000 | 5,226,000 |

| Appropriations by Fund | | |
|---|---|---|
| General | 4,479,000 | 3,479,000 |
| Workforce Development | 1,747,000 | 1,747,000 |

(a) $2,046,000 each year is for wage theft prevention.

(b) $1,271,000 each year is from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178.

(c) $151,000 each year is from the workforce development fund for prevailing wage enforcement.

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

(e) $225,000 each year is from the workforce development fund for grants to the Construction Careers Foundation for the Helmets to Hard Hats Minnesota initiative. Grant funds must be used to recruit, retain, assist, and support National Guard, reserve, and active duty military members' and veterans' participation into apprenticeship programs registered with the Department of Labor and Industry and connect them with career training and employment in the building and construction industry. The

recruitment, selection, employment, and training must be without discrimination due to race, color, creed, religion, national origin, sex, sexual orientation, marital status, physical or mental disability, receipt of public assistance, or age. This is a onetime appropriation.

(f) $84,000 the first year and $34,000 the second year are for outreach and enforcement efforts related to changes to the nursing mothers, lactating employees, and pregnancy accommodations law.

(g) $1,000,000 the first year is for the loggers safety grant program.

| | | |
|---|---|---|
| Subd. 4. **Workers' Compensation** | 11,882,000 | 11,882,000 |

This appropriation is from the workers' compensation fund.

| | | |
|---|---|---|
| Subd. 5. **Workplace Safety** | 5,070,000 | 5,070,000 |

This appropriation is from the workers' compensation fund.

| | | |
|---|---|---|
| Subd. 6. **Workforce Development Initiatives** | 1,700,000 | 1,600,000 |

(a) This appropriation is from the workforce development fund.

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

(c) $200,000 each year is from the workforce development fund for identification of competency standards under Minnesota Statutes, section 175.45.

(d) $1,100,000 each year is from the workforce development fund for youth skills training grants under Minnesota Statutes, section 175.46. Of this amount, $100,000 each year is for administration of the program.

(e)(1) $100,000 the first year is from the workforce development fund for a grant to Independent School District No. 294, Houston, for the Minnesota Virtual Academy's career pathway program with Operating Engineers Local 49. The program may include up to five semesters of courses, and must lead to eligibility into the Operating Engineers Local 49 apprenticeship program. The grant may be used to encourage and

support student participation in the career pathway program through additional academic, counseling, and other support services provided by the student's enrolling school district to provide these services. This appropriation is available until June 30, 2023; and

(2) by January 15, 2024, Independent School District No. 294, Houston, must submit a written report to the chairs and ranking minority members of the house of representatives and senate committees of the legislature having jurisdiction over education and workforce development describing students' experiences with the program. The report must document the program's spending, list the number of students participating in the program and entering the apprenticeship program, and make recommendations for improving support of career pathway programs statewide.

| | | | | |
|---|---|---|---|---|
| Sec. 4. **WORKERS' COMPENSATION COURT OF APPEALS** | **$** | **2,283,000** | **$** | **2,283,000** |

This appropriation is from the workers' compensation fund.

| | | | | |
|---|---|---|---|---|
| Sec. 5. **BUREAU OF MEDIATION SERVICES** | **$** | **2,370,000** | **$** | **2,415,000** |

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

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

(c) $47,000 each year is for rulemaking, staffing, and other costs associated with peace officer grievance procedures.

Sec. 6. **MINNESOTA STATE COLLEGES AND UNIVERSITIES.**

$400,000 in fiscal year 2022 and $0 in fiscal year 2023 are appropriated from the general fund to the Board of Trustees of the Minnesota State Colleges and Universities for the career and technical educator pilot project under article 2, section 23. Of this amount, $250,000 is for transfer to Winona State University and $150,000 is for transfer to Minnesota State College Southeast for the purposes listed in article 2, section

23. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this section do not cancel until July 1, 2025.

Sec. 7. **BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL FUNDING; APPROPRIATION.**

(a) The commissioner of employment and economic development must prepare and submit an application to the United States Department of the Treasury requesting that $70,000,000 of Minnesota's capital projects fund allocation under Public Law 117-2 be awarded to the state. The commissioner must submit the application required under this paragraph by the later of September 30, 2021, or 90 days after the date on which the United States Department of the Treasury begins accepting capital projects fund applications. The commissioner must specify in the application that the award will be used for grants and the purposes specified under Minnesota Statutes, section 116J.395.

(b) Of the amount awarded to the state of Minnesota pursuant to the application required in paragraph (a), notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, 50 percent in fiscal year 2022 and 50 percent in fiscal year 2023 are appropriated to the commissioner of employment and economic development. This is a onetime appropriation and must be used for grants and the purposes specified under Minnesota Statutes, section 116J.395.

(c) The commissioner of employment and economic development may temporarily modify program standards under Minnesota Statutes, section 116J.395, to the degree necessary to comply with federal standards for funding received under this section.

**EFFECTIVE DATE.** This section is effective the day following final enactment and is retroactive from May 17, 2021.

Sec. 8. **CANCELLATIONS; FISCAL YEAR 2021.**

(a) $18,265,000 of the fiscal year 2021 general fund appropriation in Laws 2020, Seventh Special Session chapter 2, article 1, section 1, subdivision 7, is canceled.

(b) $72,000 of the fiscal year 2021 general fund appropriation in Laws 2020, Seventh Special Session chapter 2, article 5, section 1, is canceled.

(c) $901,000 of the fiscal year 2021 general fund appropriation in Laws 2020, Seventh Special Session chapter 2, article 4, section 1, subdivision 1, is canceled.

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

(e) $205,000 of the fiscal year 2021 general fund appropriation in Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 5, paragraph (a), estimated to be $205,000, is canceled.

(f) $50,000 of the fiscal year 2021 general fund appropriation in Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 5, paragraph (d), is canceled.

(g) $125,000 of the fiscal year 2021 general fund appropriation in Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 2, paragraph (aa), is canceled.

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

(i) $203,000 of the fiscal year 2021 general fund appropriation in Laws 2019, First Special Session chapter 7, article 1, section 3, subdivision 2, is canceled.

(j) $102,000 of the fiscal year 2021 general fund appropriation in Laws 2019, First Special Session chapter 7, article 1, section 5, is canceled.

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

## ARTICLE 2

## ECONOMIC DEVELOPMENT

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

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

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

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

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

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

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

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

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

(1) manufacturing;

(2) technology;

(3) warehousing and distribution;

(4) research and development;

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

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

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

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

Sec. 3. Minnesota Statutes 2020, section 116J.431, subdivision 3, is amended to read:

Subd. 3. **Ineligible projects.** ~~The following~~ Projects, including but not limited to the following types, are ~~not eligible~~ ineligible for a grant under this section:

(1) retail development; or

(2) office space development, except as incidental to an eligible purpose.

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

Sec. 4. Minnesota Statutes 2020, section 116J.431, is amended by adding a subdivision to read:

Subd. 3a. **Development restrictions expiration.** After ten years from the date of the grant award under this section, if an eligible project for which the public infrastructure was intended has not been developed, any other lawful project may be developed and supported by the public infrastructure. The city or county must notify the commissioner of the project.

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

Sec. 5. **[116J.8749] MAIN STREET ECONOMIC REVITALIZATION PROGRAM.**

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

(b) "Borrower" means an eligible recipient receiving a loan guaranteed under this section.

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

(d) "Eligible project" means the development, redevelopment, demolition, site preparation, predesign, design, engineering, repair, or renovation of real property or capital improvements. Eligible projects must be designed to address the greatest economic development and redevelopment needs that have arisen in the community surrounding that real property since March 15, 2020. Eligible project includes but is not limited to the construction of buildings, infrastructure, and related site amenities, landscaping, or street-scaping. Eligible project does not include the purchase of real estate or business operations or business operating expenses, such as inventory, wages, or working capital.

(e) "Eligible recipient" means a:

(1) business;

(2) nonprofit organization; or

(3) developer

that is seeking funding to complete an eligible project. Eligible recipient does not include a partner organization or a local unit of government.

(f) "Guaranteed loan" means a loan guaranteed by the state for 80 percent of the loan amount for a maximum period of 15 years from the origination of the loan.

(g) "Leveraged grant" means a grant that is matched by the eligible recipient's commitment to the eligible project of nonstate funds at a level of 200 percent of the grant amount. The nonstate match may include but is not limited to funds contributed by a partner organization and insurance proceeds.

(h) "Loan guarantee trust fund" means a dedicated account established under this section for the purpose of compensation for defaulted loan guarantees.

(i) "Partner organizations" or "partners" means:

(1) foundations engaged in economic development;

(2) community development financial institutions; and

(3) community development corporations.

(j) "Program" means the Main Street Economic Revitalization Program under this section.

(k) "Subordinated loan" means a loan secured by a lien that is lower in priority than one or more specified other liens.

Subd. 2. **Establishment.** The commissioner shall establish the Main Street Economic Revitalization Program to make grants to partner organizations to fund leveraged grants and guaranteed loans to specific named eligible recipients for eligible projects that are designed to address the greatest economic development and redevelopment needs that have arisen in the surrounding community since March 15, 2020.

Subd. 3. **Grants to partner organizations.** (a) The commissioner shall make grants to partner organizations to provide leveraged grants and guaranteed loans to eligible recipients using criteria, forms, applications, and reporting requirements developed by the commissioner.

(b) To be eligible for a grant, a partner organization must:

(1) outline a plan to provide leveraged grants and guaranteed loans to eligible recipients for specific eligible projects that represent the greatest economic development and redevelopment needs in the surrounding community. This plan must include an analysis of the economic impact of the eligible projects the partner organization proposes to make these investments in;

(2) establish a process of ensuring there are no conflicts of interest in determining awards under the program; and

(3) demonstrate that the partner organization has raised funds for the specific purposes of this program to commit to the proposed eligible projects or will do so within the 15-month period following the encumbrance of funds. Existing assets and state or federal funds may not be used to meet this requirement.

(c) Grants shall be made in up to three rounds:

(1) a first round with an application date before September 1, 2021, during which no more than 50 percent of available funds will be granted;

(2) a second round with an application date after September 1, 2021, but before March 1, 2022; and

(3) a third round with an application date after June 30, 2023, if any funds remain after the first two rounds.

A partner may apply in multiple rounds for projects that were not funded in earlier rounds or for new projects.

(d) Up to four percent of a grant under this subdivision may be used by the partner organization for administration and monitoring of the program.

Subd. 4. **Award criteria.** In awarding grants under this section, the commissioner shall give funding preference to applications that:

(1) have the greatest regional economic impact under subdivision 3, paragraph (b), clause (1), particularly with regard to increasing the local tax base; and

(2) have the greatest portion of the estimated cost of the eligible projects met through nonstate funds.

Subd. 5. **Leveraged grants to eligible recipients.** (a) A leveraged grant to an eligible recipient shall be for no more than $750,000.

(b) A leveraged grant may be used to finance no more than 30 percent of an eligible project.

(c) An eligible project must have secured commitments for all required matching funds and all required development approvals before a leveraged grant may be distributed.

Subd. 6. **Guaranteed loans to eligible recipients.** (a) A guaranteed loan to an eligible recipient must:

(1) be for no more than $2,000,000;

(2) be for a term of no more than 15 years; and

(3) comply with the terms under subdivision 7.

(b) An eligible project must have all required development approvals before a guaranteed loan may be distributed.

(c) Upon origination of a guaranteed loan, the commissioner must reserve ten percent of the loan amount into the loan guarantee trust fund created under subdivision 8.

(d) No guaranteed loan may be made to an eligible recipient after December 31, 2024.

Subd. 7. **Required terms for guaranteed loans.** For a guaranteed loan under the program:

(1) principal and interest payments made by the borrower under the terms of the loan are to reduce the guaranteed and nonguaranteed portion of the loan on a proportionate basis. The nonguaranteed portion shall not receive preferential treatment over the guaranteed portion;

(2) the partner organization shall not accelerate repayment of the loan or exercise other remedies if the borrower defaults, unless:

(i) the borrower fails to make a required payment of principal or interest within 60 days of the due date; or

(ii) the commissioner consents in writing;

(3) in the event of a default, the partner organization may not make a demand for payment pursuant to the guarantee unless the commissioner agrees in writing that the default has materially affected the rights or security of the parties;

(4) the partner organization must timely prepare and deliver to the commissioner, annually by the date specified in the loan guarantee, an audited or reviewed financial statement for the loan, prepared by a certified public accountant according to generally accepted accounting principles, if available, and documentation that the borrower used the loan proceeds solely for an eligible project;

(5) the commissioner shall have access to loan documents at any time subsequent to the loan documents being submitted to the partner organization;

(6) the partner organization must maintain adequate records and documents concerning the loan so that the commissioner may determine the borrower's financial condition and compliance with program requirements;

(7) orderly liquidation of collateral securing the loan must be provided for in the event of default, pursuant to the loan guarantee; and

(8) the guaranteed portion of the loan may be subordinate to other loans made by lenders in the overall financing package.

Subd. 8. **Loan guarantee trust fund established.** A loan guarantee trust fund account in the special revenue fund is created in the state treasury to pay for defaulted loan guarantees. The commissioner shall administer this account. The day that this section expires, all remaining funds in the account are canceled to the general fund.

Subd. 9. **Statewide program.** In proportion to eligible demand, leveraged grants and guaranteed loans under this section shall be made so that an approximately equal dollar amount of leveraged grants and guaranteed loans are made to businesses in the metropolitan area as in the nonmetropolitan area, not to exceed 65 percent in any one area. After June 30, 2023, the department may allow leveraged grants and guaranteed loans to be made anywhere in the state without regard to geographic area.

Subd. 10. **Exemptions.** All grants and grant-making processes under this section are exempt from Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98, subdivisions 5, 7, and 8. The commissioner must audit the use of funds under this section in accordance with standard accounting practices. The exemptions under this subdivision expire on December 31, 2023.

Subd. 11. **Reports.** (a) By January 31, 2022, and annually until December 31, 2026, after which biennial reporting will be permitted after the commissioner consults with the legislature, partner organizations participating in the program must provide a report to the commissioner that includes descriptions of the eligible projects supported by the program, the type and amount of support provided, any economic development gains attributable to the support, and an explanation of administrative expenses.

(b) By February 15, 2022, and annually until December 31, 2026, after which biennial reporting will be permitted after the commissioner consults with the legislature, the commissioner must report to the legislative committees in the house of representatives and senate with jurisdiction over economic development about funding provided under this program based on the information received under paragraph (a) and about the performance of the loan guarantee trust fund.

Subd. 12. **Expiration.** This section expires December 31, 2036.

Sec. 6. Minnesota Statutes 2020, section 116L.40, is amended by adding a subdivision to read:

Subd. 2a. **Automation technology.** "Automation technology" means a process or procedure performed with minimal human assistance. Automation or automatic control is the use of various control systems for

operating equipment such as machinery, processes in factories, or other applications with minimal or reduced human intervention. Adoption, implementation, and utilization of any one of three types of automation in production are acceptable for consideration of this program, including fixed automation, programmable automation, and flexible automation.

Sec. 7. Minnesota Statutes 2020, section 116L.40, subdivision 5, is amended to read:

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

Sec. 8. Minnesota Statutes 2020, section 116L.40, subdivision 6, is amended to read:

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

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

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

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

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

Sec. 11. Minnesota Statutes 2020, section 116L.41, subdivision 1, is amended to read:

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

Sec. 12. Minnesota Statutes 2020, section 116L.41, is amended by adding a subdivision to read:

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

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

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

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

Sec. 13. Minnesota Statutes 2020, section 116L.41, is amended by adding a subdivision to read:

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

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

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

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

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

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

Sec. 14. Minnesota Statutes 2020, section 116L.41, subdivision 2, is amended to read:

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

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

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

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

(4) provides that each employee ~~must be paid wages at least equal to the median hourly wage for the county in which the job is located, as reported in the most recently available data from the United States Bureau of the Census, plus benefits, by the earlier of the end of the training period or 18 months of employment under the project~~ receiving training through the project must be paid wages of at least 120 percent of the federal poverty guidelines for a family of four, plus benefits; and

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

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

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

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

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

Sec. 15. Minnesota Statutes 2020, section 116L.42, subdivision 1, is amended to read:

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

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

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

Sec. 16. Minnesota Statutes 2020, section 116L.42, subdivision 2, is amended to read:

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

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

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

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

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

(5) any other information the commissioner determines appropriate.

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

Sec. 17. Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended by Laws 2017, First Special Session chapter 7, section 2, is amended to read:

| | | | | |
|---|---|---|---|---|
| Subd. 2. **Business and Community Development** | $ | 46,074,000 | $ | 40,935,000 |

| Appropriations by Fund | | |
|---|---|---|
| General | $43,363,000 | $38,424,000 |
| Remediation | $700,000 | $700,000 |
| Workforce Development | $1,861,000 | $1,811,000 |
| Special Revenue | $150,000 | -0- |

(a) $4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections

116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until spent.

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

(1) training, lending, and business services;

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

(3) development of new business incubators.

This is a onetime appropriation.

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

(d) $125,000 each year is for a grant to the White Earth Nation for the White Earth Nation Integrated Business Development System to provide business assistance with workforce development, outreach, technical assistance, infrastructure and operational support, financing, and other business development activities. This is a onetime appropriation.

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

(2) Of the amount appropriated in fiscal year 2018, $4,000,000 is for a loan to construct and equip a wholesale electronic component distribution center investing a minimum of $200,000,000 and constructing a facility at least 700,000 square feet in size. Loan funds may be used for purchases of materials, supplies, and equipment for the construction of the facility and are available from July 1, 2017, to June 30, 2021. The commissioner of employment and economic development shall forgive the loan after verification

that the project has satisfied performance goals and contractual obligations as required under Minnesota Statutes, section 116J.8731.

(3) Of the amount appropriated in fiscal year 2018, $700,000 is for a ~~loan to extend an effluent pipe that will deliver reclaimed water to an innovative waste-to-biofuel project investing a minimum of $150,000,000 and constructing a facility that is designed to process approximately 400,000 tons of waste annually. Loan~~ grant to the Metropolitan Council under Minnesota Statutes, section 116.195, for wastewater infrastructure to support industrial users in Rosemount that require significant water use. Grant funds are available until June 30, ~~2021~~ 2025.

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

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

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

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

(j) $500,000 each year is from the general fund for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2021.

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

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

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

(m) $876,000 the first year and $500,000 the second year are for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Funds available under this paragraph are for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until spent. Of this amount, up to four percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is $1,000,000.

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

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

(p) $275,000 in fiscal year 2018 is from the general fund to the commissioner of employment and economic development for a grant to Community and

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

(q) $2,000,000 in fiscal year 2018 is for a grant to Pillsbury United Communities for construction and renovation of a building in north Minneapolis for use as the "North Market" grocery store and wellness center, focused on offering healthy food, increasing health care access, and providing job creation and economic opportunities in one place for children and families living in the area. To the extent possible, Pillsbury United Communities shall employ individuals who reside within a five mile radius of the grocery store and wellness center. This appropriation is not available until at least an equal amount of money is committed from nonstate sources. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

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

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

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

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

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

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

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

(y)(1) $519,000 in fiscal year 2018 is for grants to local communities to increase the supply of quality child care providers in order to support economic development. At least 60 percent of grant funds must go to communities located outside of the seven-county metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2. Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contributions. Grant funds available under this paragraph must be used to implement solutions to reduce the child care shortage in the state including but not limited to funding for child care business start-ups or expansions, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have documented a shortage of child care providers in the area.

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

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

(z) $319,000 in fiscal year 2018 is from the general fund for a grant to the East Phillips Improvement Coalition to create the East Phillips Neighborhood Institute (EPNI) to expand culturally tailored resources

that address small business growth and create green jobs. The grant shall fund the collaborative work of Tamales y Bicicletas, Little Earth of the United Tribes, a nonprofit serving East Africans, and other coalition members ~~towards~~ toward developing EPNI as a community space to host activities including, but not limited to, creation and expansion of small businesses, culturally specific entrepreneurial activities, indoor urban farming, job training, education, and skills development for residents of this low-income, environmental justice designated neighborhood. Eligible uses for grant funds include, but are not limited to, planning and start-up costs, staff and consultant costs, building improvements, rent, supplies, utilities, vehicles, marketing, and program activities. The commissioner shall submit a report on grant activities and quantifiable outcomes to the committees of the house of representatives and the senate with jurisdiction over economic development by December 15, 2020. This appropriation is available until June 30, 2020.

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

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

(2) In fiscal year 2019 ESEC shall use funds to share its integrated service model and evolving collaboration principles with civic and economic development

leaders in greater Minnesota communities which have diverse populations similar to the East Side of St. Paul. ESEC shall submit a report of activities and program outcomes, including quantifiable measures of success annually to the house of representatives and senate committees with jurisdiction over economic development.

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

(dd)(1) $250,000 in fiscal year 2018 is for a grant to the Small Business Development Center hosted at Minnesota State University, Mankato, for a collaborative initiative with the Regional Center for Entrepreneurial Facilitation. Funds available under this section must be used to provide entrepreneur and small business development direct professional business assistance services in the following counties in Minnesota: Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Watonwan, and Waseca. For the purposes of this section, "direct professional business assistance services" must include, but is not limited to, pre-venture assistance for individuals considering starting a business. This appropriation is not available until the commissioner determines that an equal amount is committed from nonstate sources. Any balance in the first year does not cancel and is available for expenditure in the second year.

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

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

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

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

Sec. 18. Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 2, as amended by Laws 2019, First Special Session chapter 12, section 4, and Laws 2020, chapter 112, section 1, is amended to read:

| | | |
|---|---|---|
| Subd. 2. **Business and Community Development** | 44,931,000 | 42,381,000 |
| Appropriations by Fund | | |
| General | 40,756,000 | 38,206,000 |
| Remediation | 700,000 | 700,000 |
| Workforce Development | 3,475,000 | 3,475,000 |

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

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

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

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

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

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

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

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

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

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

(k) $400,000 each year is from the workforce development fund for a grant to the Metropolitan Economic Development Association (MEDA) for statewide business development and assistance services, including services to entrepreneurs with businesses that have the potential to create job opportunities for unemployed and underemployed people, with an emphasis on minority-owned businesses. This is a onetime appropriation.

(l) $750,000 in fiscal year 2020 is for grants to local communities to increase the supply of quality child care providers to support economic development. At least 60 percent of grant funds must go to communities located outside of the seven-county metropolitan area as defined under Minnesota Statutes, section 473.121, subdivision 2. Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contributions. Grant funds available under this section must be used to implement projects to reduce

the child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have demonstrated a shortage of child care providers in the area. This is a onetime appropriation. Within one year of receiving grant funds, grant recipients must report to the commissioner on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of cash and in-kind local funds invested.

(m) $750,000 in fiscal year 2020 is for a grant to the Minnesota Initiative Foundations. This is a onetime appropriation and is available until June 30, 2023. The Minnesota Initiative Foundations must use grant funds under this section to:

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

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

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

(4) recruit child care programs to participate in Parent Aware, Minnesota's quality and improvement rating system, and other high quality measurement programs. The Minnesota Initiative Foundations must work with local partners to provide low-cost training, professional development opportunities, and continuing education

curricula. The Minnesota Initiative Foundations must fund, through local partners, an enhanced level of coaching to rural child care providers to obtain a quality rating through Parent Aware or other high quality measurement programs.

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

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

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

(p)(1) $11,970,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. In fiscal year 2022 and beyond, the base amount is $12,370,000. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8731, funds appropriated to the commissioner for the Minnesota investment fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under this paragraph are not subject to the grant amount limitation under Minnesota Statutes, section 116J.8731.

(2) Of the amount appropriated in the first year, ~~$2,000,000~~ $3,000,000 is for a loan to a paper mill in Duluth for a retrofit project that will support the ~~operation and manufacture of packaging~~ conversion of the existing Duluth paper mill for the manufacture of new paper grades. The company that owns the paper mill must ~~spend $20,000,000 on~~ invest $25,000,000 in project activities by ~~December 31, 2020~~ May 1, 2023, in order to be eligible to receive this loan. Loan funds may be used for purchases of materials, supplies, and equipment for the project and are available from

~~July 1, 2019~~ April 1, 2021, to ~~July 30, 2021~~ May 1, 2023. The commissioner of employment and economic development shall forgive 25 percent of the loan each year after the second year during a five-year period if the mill has retained at least ~~150~~ 80 full-time equivalent employees and has satisfied other performance goals and contractual obligations as required under Minnesota Statutes, section 116J.8731.

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

(r) $100,000 in fiscal year 2020 is for a grant to FIRST in Upper Midwest to support competitive robotics teams. Funds must be used to make up to five awards of no more than $20,000 each to Minnesota-based public entities or private nonprofit organizations for the creation of competitive robotics hubs. Awards may be used for tools, equipment, and physical space to be utilized by robotics teams. At least 50 percent of grant funds must be used outside of the seven-county metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2. The grant recipient shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over jobs and economic growth by February 1, 2021, on the status of awards and include information on the number and amount of awards made, the number of customers served, and any outcomes resulting from the grant. The grant requires a 50 percent match from nonstate sources.

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

(t) $163,000 each year is for the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of $1 in matching contributions of money or in-kind contributions from nonstate sources for every $3 provided by this appropriation, except that each year up to $50,000 is

available on July 1 even if the required matching contribution has not been received by that date.

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

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

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

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

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

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

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

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

(z) $500,000 each year is from the workforce development fund for a grant to Youthprise to give grants through a competitive process to community organizations to provide economic development services designed to enhance long-term economic self-sufficiency in communities with concentrated East African populations. Such communities include but are not limited to Faribault, Rochester, St. Cloud, Moorhead, and Willmar. To the extent possible, Youthprise must make at least 50 percent of these grants to organizations serving communities located outside the seven-county metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision

2.This is a onetime appropriation and is available until June 30, 2022.

(aa) $125,000 each year is for a grant to the Hmong Chamber of Commerce to train ethnically Southeast Asian business owners and operators in better business practices. This is a onetime appropriation.

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

Sec. 19. Laws 2019, First Special Session chapter 7, article 2, section 8, is amended to read:

Sec. 8. **LAUNCH MINNESOTA.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) planned principal operations have not commenced; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The commissioner shall provide a grant of up to $35,000 to an eligible business or entrepreneur for research and development expenses, direct business expenses, and the purchase of technical assistance or services from public higher education institutions and nonprofit entities. Research and development expenditures may include but are not limited to proof of concept activities, intellectual property protection, prototype designs and production, and commercial feasibility. Expenditures funded under this subdivision are not eligible for the research and development tax credit under Minnesota Statutes, section 290.068. Direct business expenses may include rent, equipment purchases, and supplier invoices. Taxes imposed by federal, state, or local government entities may not be reimbursed under this paragraph. Technical assistance or services must be purchased to assist in the development or commercialization of a product or service to be eligible. Each business or entrepreneur may receive only one grant per biennium under this paragraph.

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

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

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

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

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

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

(1) development and delivery to ~~high~~ innovative technology businesses of industry specific or innovative product or process specific counseling on issues of business formation, market structure, market research and strategies, securing first mover advantage or overcoming barriers to entry, protecting intellectual property, and securing debt or equity capital. This counseling is to be delivered in a classroom setting or using distance media presentations;

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

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

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

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

(b) By December 31, 2024, Launch Minnesota shall provide a comprehensive transition plan to the chairs and ranking minority members of the committees of the house of representatives and senate having jurisdiction over economic development policy and finance. The transition plan shall include: (1) a detailed strategy for the transfer of Launch Minnesota activities to an entity outside of state government; (2) the projected date of the transfer; and (3) the role of the state, if any, in ongoing activities of Launch Minnesota or its successor entity.

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

(b) The advisory board shall consist of ten members and is governed by Minnesota Statutes, section 15.059. A minimum of seven members must be from the private sector representing business and at least two members but no more than three members must be from government and higher education. At least three of the members of the advisory board shall be from greater Minnesota and at least three members shall

be minority group members. Appointees shall represent a range of interests, including entrepreneurs, large businesses, industry organizations, investors, and both public and private small business service providers.

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

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

Subd. 10. **Expiration.** This section expires January 1, ~~2024~~ 2026.

Sec. 20. **ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

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

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

Sec. 21. **MINNESOTA INVESTMENT FUND AND MINNESOTA JOB CREATION FUND REQUIREMENTS EXTENSIONS.**

Notwithstanding any other law to the contrary, a recipient of a Minnesota Investment Fund grant under Minnesota Statutes, section 116J.8731, or a recipient of a Minnesota Job Creation Fund grant under Minnesota Statutes, section 116J.8748, who is unable to meet the minimum capital investment requirements, wage, or minimum job creation goals or requirements provided in a business subsidy agreement, as applicable, during or within the 12-month period following a peacetime emergency related to the COVID-19 pandemic shall be granted an extension until December 31, 2022, to meet those capital investment, wage, or job creation goals or requirements before the grant must be repaid.

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

Sec. 22. **MAIN STREET COVID-19 RELIEF GRANT PROGRAM.**

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

(b) "Business" means both for-profit businesses and nonprofit organizations that earn revenue in ways similar to businesses, including but not limited to ticket sales and membership fees.

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

(d) "Partner organization" or "Partner" means the Minnesota Initiative Foundations and nonprofit corporations on the certified lenders list that the commissioner determines to be qualified to provide grants to businesses under this section.

(e) "Program" means the Main Street COVID-19 relief grant program under this section.

Subd. 2. **Establishment.** The commissioner shall establish the Main Street COVID-19 relief grant program to make grants to partner organizations to make grants to businesses that have been directly or indirectly impacted by executive orders related to the COVID-19 pandemic.

Subd. 3. **Grants to partner organizations.** (a) The commissioner shall make grants to partner organizations to provide grants to businesses under subdivision 4 or 5 using criteria, forms, applications, and reporting requirements developed by the commissioner.

(b) Up to four percent of a grant under this subdivision may be used by the partner organization for administration and monitoring of the program.

(c) Any funds not spent by partner organizations by June 30, 2022, must be returned to the commissioner and canceled back to the general fund.

Subd. 4. **Grants to businesses.** (a) Partners shall make grants to businesses using criteria, forms, applications, and reporting requirements developed by the commissioner.

(b) To be eligible for a grant under this subdivision, a business must:

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

(2) be at least 50 percent owned by a resident of the state of Minnesota;

(3) employ the equivalent of 200 full-time workers or less;

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

(5) include as part of their application a business plan for continued operation.

(c) Preference shall be given to businesses that did not receive previous assistance from the state under:

(1) the governor's Executive Order No. 20-15;

(2) Laws 2020, First Special Session chapter 1, section 4; or

(3) Laws 2020, Seventh Special Session chapter 2, article 4 or 5.

(d) Grants under this subdivision shall be awarded by randomized selection process after applications are collected over a period of no more than ten calendar days.

(e) Grants under this subdivision shall be for the following amounts:

(1) for businesses employing the equivalent of six full-time employees or less, $10,000;

(2) for businesses employing the equivalent of more than six full-time employees, but less than 50, $15,000;

(3) for businesses employing the equivalent of 50 or more full-time employees, but less than 100, $20,000; and

(4) for businesses employing the equivalent of 100 or more full-time employees, $25,000.

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

(g) Grant funds must be used for working capital to support payroll expenses, rent or mortgage payments, utility bills, and other similar expenses that occur or have occurred since March 13, 2020, in the regular

course of business, but not to refinance debt that existed at the time of the governor's COVID-19 peacetime emergency declaration.

Subd. 5. **Grants to businesses renting space to other businesses.** (a) Partners shall make grants to businesses using criteria, forms, applications, and reporting requirements developed by the commissioner.

(b) To be eligible for a grant under this subdivision, a business must:

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

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

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

(4) employ the equivalent of 200 full-time workers or less;

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

(6) include as part of their application a business plan for continued operation.

(c) Grants under this subdivision shall be for no more than $300,000 and in an amount proportional to the number of tenants.

(d) Up to $25,000 of grant funds a business receives may be used for working capital to support payroll expenses, rent or mortgage payments, utility bills, and other similar expenses that occur or have occurred since March 13, 2020, in the regular course of business, but not to refinance debt that existed at the time of the governor's COVID-19 peacetime emergency declaration.

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

Subd. 6. **Distribution of awards.** (a) Of grant funds awarded under subdivision 4, a minimum of:

(1) $18,000,000 must be awarded to businesses that employ the equivalent of six full-time workers or less;

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

(3) $2,500,000 must be awarded to businesses that are majority owned and operated by veterans as defined in Minnesota Statutes, section 197.447; and

(4) $2,500,000 must be awarded to businesses that are majority owned and operated by women.

(b) $3,000,000 of available program funds must be awarded as grants under subdivision 5.

Subd. 7. **Exemptions.** All grants and grant making processes under this section are exempt from Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98, subdivisions 5, 7, and 8. The commissioner must audit the use of grant funds under this section in accordance with standard accounting practices. The exemptions under this subdivision expire on December 31, 2021.

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

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

Sec. 23. **CAREER AND TECHNICAL EDUCATOR PILOT PROJECT.**

By the 2024-2025 academic year, Winona State University must develop a teacher preparation program that leads to initial licensure in at least one license area under Minnesota Rules, parts 8710.8000 to 8710.8080. Winona State University must partner with Minnesota State College Southeast to provide the subject matter training necessary for license areas chosen. If practical, the partnership must result in a candidate earning an associate's degree from Minnesota State College Southeast and a bachelor's degree from Winona State University. Money appropriated for this project may be used for any of the following purposes:

(1) analyzing existing course offerings at both institutions to determine compliance with the requirements of Minnesota Rules, chapter 8705 and parts 8710.8000 to 8710.8080;

(2) determining any courses that need to be adjusted or created by each institution;

(3) designing and implementing any needed course; and

(4) providing administrative support for gaining approval of the program from the Professional Educator Licensing and Standards Board.

Sec. 24. **FORGIVABLE LOAN PROGRAM FOR REMOTE RECREATIONAL BUSINESSES.**

Subdivision 1. **Establishment.** Lake of the Woods County shall establish a loan program to make forgivable loans to eligible remote recreational businesses that experienced a loss in revenue that is greater than 30 percent during the period between March 15, 2020, and March 15, 2021, as compared with the previous year.

Subd. 2. **Definition.** For the purposes of this section, "remote recreational business" means a business in the contiguous United States that is:

(1) a small business concern as defined under section 3 of the Small Business Act, United States Code, title 15, section 632, operating in the recreational industry;

(2) located within 75 miles of the United States and Canadian border; and

(3) only accessible by land via Canada.

Subd. 3. **Eligibility.** To be eligible for a forgivable loan, a remote recreational business must:

(1) have been in operation on March 15, 2020;

(2) show that the closure of the United States and Canadian border restricted the ability of American customers to access the location of the remote recreational business; and

(3) not have received a grant under the Main Street COVID-19 relief grant program.

Subd. 4. **Application.** (a) Lake of the Woods County shall develop forms and procedures for soliciting and reviewing applications for loans under this section.

(b) Loans shall be made before April 1, 2022. Any funds not spent by April 1, 2022, must be returned to the state general fund.

Subd. 5. **Maximum loan amount.** The maximum loan amount shall be equal to 75 percent of the remote recreational business's gross annual receipts for fiscal year 2020, not to exceed $500,000 per eligible remote recreational business.

Subd. 6. **Forgiveness.** Loans are forgiven for a remote recreational business if the business remains in operation for at least one year after the date of the loan. Lake of the Woods County shall forgive 100 percent of the value of a loan received less the amount the borrower received from:

(1) any other loan forgiveness program, including any program established under the CARES Act, Public Law 116-136; and

(2) an advance received under section 1110 of the CARES Act, United States Code, title 15, section 9009.

Subd. 7. **Report to legislature.** By January 15, 2023, Lake of the Woods County shall report to the legislative committees with jurisdiction over economic development policy and finance on the loans provided to remote recreational businesses under this section.

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

## ARTICLE 3

## LABOR AND INDUSTRY

Section 1. Minnesota Statutes 2020, section 13.7905, is amended by adding a subdivision to read:

Subd. 8. **Data on individuals who are minors.** Disclosure of data on minors is governed by section 181A.112.

Sec. 2. Minnesota Statutes 2020, section 178.012, subdivision 1, is amended to read:

Subdivision 1. **Apprenticeship rules.** Federal regulations governing apprenticeship in effect on ~~July 1, 2013~~ January 18, 2017, as provided by Code of Federal Regulations, title 29, ~~part~~ parts 29, sections 29.1 to 29.6 and 29.11, and 30, are the apprenticeship rules in this state, subject to amendment by this chapter or by rule under section 178.041.

Sec. 3. Minnesota Statutes 2020, section 181.939, is amended to read:

**181.939 NURSING MOTHERS, LACTATING EMPLOYEES, AND PREGNANCY ACCOMMODATIONS.**

Subdivision 1. **Nursing mothers.** (a) An employer must provide reasonable ~~unpaid~~ break ~~time~~ times each day to an employee who needs to express breast milk for her infant child during the twelve months following the birth of the child. The break ~~time~~ times must, if possible, run concurrently with any break ~~time~~ times already provided to the employee. An employer is not required to provide break ~~time~~ times under this

section if to do so would unduly disrupt the operations of the employer. An employer shall not reduce an employee's compensation for time used for the purpose of expressing milk.

(b) The employer must make reasonable efforts to provide a room or other location, in close proximity to the work area, other than a bathroom or a toilet stall, that is shielded from view and free from intrusion from coworkers and the public and that includes access to an electrical outlet, where the employee can express ~~her~~ milk in privacy. The employer would be held harmless if reasonable effort has been made.

(c) For the purposes of this ~~section~~ subdivision, "employer" means a person or entity that employs one or more employees and includes the state and its political subdivisions.

(d) An employer ~~may~~ shall not retaliate against an employee for asserting rights or remedies under this ~~section~~ subdivision.

Subd. 2. **Pregnancy accommodations.** (a) An employer must provide reasonable accommodations to an employee for health conditions related to pregnancy or childbirth upon request, with the advice of a licensed health care provider or certified doula, unless the employer demonstrates that the accommodation would impose an undue hardship on the operation of the employer's business. A pregnant employee shall not be required to obtain the advice of a licensed health care provider or certified doula, nor may an employer claim undue hardship for the following accommodations: (1) more frequent restroom, food, and water breaks; (2) seating; and (3) limits on lifting over 20 pounds. The employee and employer shall engage in an interactive process with respect to an employee's request for a reasonable accommodation. "Reasonable accommodation" may include but is not limited to temporary transfer to a less strenuous or hazardous position, seating, frequent restroom breaks, and limits to heavy lifting. Notwithstanding any other provision of this subdivision, an employer shall not be required to create a new or additional position in order to accommodate an employee pursuant to this subdivision and shall not be required to discharge an employee, transfer another employee with greater seniority, or promote an employee.

(b) Nothing in this subdivision shall be construed to affect any other provision of law relating to sex discrimination or pregnancy or in any way diminish the coverage of pregnancy, childbirth, or health conditions related to pregnancy or childbirth under any other provisions of any other law.

(c) An employer shall not require an employee to take a leave or accept an accommodation.

(d) An employer shall not retaliate against an employee for asserting rights or remedies under this subdivision.

(e) For the purposes of this subdivision, "employer" means a person or entity that employs fifteen or more employees and includes the state and its political subdivisions.

**EFFECTIVE DATE.** This section is effective January 1, 2022.

Sec. 4. **[181A.112] DATA ON INDIVIDUALS WHO ARE MINORS.**

(a) When the commissioner collects, creates, receives, maintains, or disseminates the following data on individuals who the commissioner knows are minors, the data are considered private data on individuals, as defined in section 13.02, subdivision 12, except for data classified as public data according to section 13.43:

(1) name;

(2) date of birth;

(3) Social Security number;

(4) telephone number;

(5) e-mail address;

(6) physical or mailing address;

(7) location data;

(8) online account access information; and

(9) other data that would identify participants who have registered for events, programs, or classes sponsored by the Department of Labor and Industry.

(b) Data about minors classified under this section maintain their classification as private data on individuals after the individual is no longer a minor.

Sec. 5. **[299F.48] AUTOMATIC SPRINKLER SYSTEMS IN EXISTING PUBLIC HOUSING BUILDINGS.**

Subdivision 1. **Requirements.** (a) An automatic sprinkler system must be installed in those portions of an entire existing public housing building in which an automatic sprinkler system would be required if the building were constructed on the effective date of this section. The automatic sprinkler system must comply with standards in the State Fire Code and the State Building Code and must be fully operational by August 1, 2033.

(b) For the purposes of this section, "public housing building" means housing for low-income persons and households financed by the federal government and owned and operated by the public housing authorities and agencies formed by cities and counties in which at least one story used for human occupancy is 75 feet or more above the lowest level of fire department vehicle access.

Subd. 2. **Reporting.** By August 1, 2023, the owner of a building subject to subdivision 1 shall submit to the state fire marshal a letter stating the owner's intent to comply with this section and a plan for achieving compliance by the deadline in subdivision 1.

Subd. 3. **Extensions.** The commissioner of public safety, or the state fire marshal as the commissioner's designee, may grant extensions to the deadline for reporting under subdivision 2 or the deadline for compliance under subdivision 1. Any extension must observe the spirit and intent of this section and be tailored to ensure public welfare and safety. To be eligible for an extension, the building owner must apply to the commissioner of public safety and demonstrate a genuine inability to comply within the time prescribed despite appropriate effort to do so.

Subd. 4. **Effect on other laws.** This section does not supersede the State Building Code or State Fire Code.

Sec. 6. Minnesota Statutes 2020, section 326B.07, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) The Construction Codes Advisory Council consists of the following members:

(1) the commissioner or the commissioner's designee representing the department's Construction Codes and Licensing Division;

(2) the commissioner of public safety or the commissioner of public safety's designee representing the Department of Public Safety's State Fire Marshal Division;

(3) one member, appointed by the commissioner, with expertise in and engaged in each of the following occupations or industries:

(i) certified building officials;

(ii) fire chiefs or fire marshals;

(iii) licensed architects;

(iv) licensed professional engineers;

(v) commercial building owners and managers;

(vi) the licensed residential building industry;

(vii) the commercial building industry;

(viii) the heating and ventilation industry;

(ix) a member of the Plumbing Board;

(x) a member of the Board of Electricity;

(xi) a member of the Board of High Pressure Piping Systems;

(xii) the boiler industry;

(xiii) the manufactured housing industry;

(xiv) public utility suppliers;

(xv) the Minnesota Building and Construction Trades Council; ~~and~~

(xvi) local units of government~~.~~;

(xvii) the energy conservation industry; and

(xviii) building accessibility.

(b) The commissioner or the commissioner's designee representing the department's Construction Codes and Licensing Division shall serve as chair of the advisory council. For members who are not state officials or employees, compensation and removal of members of the advisory council are governed by section 15.059. The terms of the members of the advisory council shall be four years. The terms of eight of the appointed members shall be coterminous with the governor and the terms of the remaining nine appointed members shall end on the first Monday in January one year after the terms of the other appointed members expire. An appointed member may be reappointed. Each council member shall appoint an alternate to serve in their absence.

Sec. 7. Minnesota Statutes 2020, section 326B.092, subdivision 7, is amended to read:

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

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

(c) If there is a continuing education requirement for renewal of the license, then a continuing education fee must be included in the renewal license fee. The continuing education fee for all license classifications is $5.

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

| License Classification | License Duration | |
|---|---|---|
| | 1 year | 2 years |
| Entry level | $10 | $20 |
| Journeyworker | $20 | $40 |
| Master | $40 | $80 |
| Business | | $180 |

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

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

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

(g) Notwithstanding the fee amounts described in paragraphs ~~(c)~~ (d) to (f), for the period ~~July 1, 2017~~ October 1, 2021, through September 30, ~~2021~~ 2023, the following fees apply:

| License Classification | License Duration | |
|---|---|---|
| | 1 year | 2 years |
| Entry level | $10 | $20 |
| Journeyworker | $15 | $30 |

| | | |
|---|---|---|
| Master | $30 | $60 |
| Business | | $120 |

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

Sec. 8. Minnesota Statutes 2020, section 326B.108, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For purposes of this section, "place of public accommodation" means a publicly or privately owned facility that is designed for occupancy by ~~200~~ 100 or more people and is a sports or entertainment arena, stadium, theater, community or convention hall, special event center, indoor amusement facility or water park, or indoor swimming pool.

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

Sec. 9. Minnesota Statutes 2020, section 326B.108, subdivision 3, is amended to read:

Subd. 3. **Enforcement.** Effective July 1, 2017, in a municipality that has not adopted the code by ordinance under section 326B.121, subdivision 2, the commissioner shall enforce this section in accordance with section 326B.107, subdivision 1.

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

Sec. 10. Minnesota Statutes 2020, section 326B.108, is amended by adding a subdivision to read:

Subd. 5. **Fire sprinklers required.** Automatic sprinkler systems for fire protection purposes are required in a place of public accommodation if, on or after August 1, 2008:

(1) the facility was constructed, added to, or altered; and

(2) the facility has an occupant load of 300 or more.

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

Sec. 11. Minnesota Statutes 2020, section 326B.133, subdivision 8, is amended to read:

Subd. 8. **Continuing education requirements; extension of time.** (a) This subdivision establishes the number of continuing education hours required within each two-year certification period.

A certified building official shall accumulate ~~38~~ 35 hours of continuing education in any education program that is approved under Minnesota Rules, part 1301.1000.

A certified building official-limited shall accumulate ~~38~~ 35 hours of continuing education in any education program that is approved under Minnesota Rules, part 1301.1000.

An accessibility specialist must accumulate nine hours of approved continuing education hours in any of the education programs that are provided under Minnesota Rules, part 1301.1000, subpart 1 or 2. The nine hours must be in courses relating to building accessibility, plan review, field inspection, or building code administration.

Continuing education programs may be approved as established in rule.

(b) Subject to sections 326B.101 to 326B.194, the commissioner may by rule establish or approve continuing education programs for certified building officials dealing with matters of building code administration, inspection, and enforcement.

Each person certified as a building official for the state must satisfactorily complete applicable educational programs established or approved by the commissioner to renew certification.

(c) The state building official may grant an extension of time to comply with continuing education requirements if the certificate holder requesting the extension of time shows cause for the extension. The request for the extension must be in writing. For purposes of this section, the certificate holder's current certification effective dates shall remain the same. The extension does not relieve the certificate holder from complying with the continuing education requirements for the next two-year period.

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

Sec. 12. Minnesota Statutes 2020, section 326B.42, is amended by adding a subdivision to read:

Subd. 1d. **Commercial chemical dispensing system.** "Commercial chemical dispensing system" means a method of dispensing and diluting concentrated chemical solution in a commercial setting.

Sec. 13. Minnesota Statutes 2020, section 326B.42, is amended by adding a subdivision to read:

Subd. 1e. **Commercial dishwashing machine.** "Commercial dishwashing machine" means a machine designed for commercial use to clean and sanitize plates, glasses, cups, bowls, utensils, and trays by applying sprays of detergent solution, with or without blasting media granules, and a sanitizing final rinse and the backflow prevention installed complies with ANSI/ASSE 1004 or is certified to National Sanitization Foundation (NSF) 3.

Sec. 14. Minnesota Statutes 2020, section 326B.46, subdivision 1, is amended to read:

Subdivision 1. **License required.** (a) No individual shall engage in or work at the business of a master plumber, restricted master plumber, journeyworker plumber, and restricted journeyworker plumber unless licensed to do so by the commissioner. A license is not required for individuals performing building sewer or water service installation who have completed pipe laying training as prescribed by the commissioner. A license is not required for individuals servicing or installing a commercial chemical dispensing system or servicing or replacing a commercial dishwashing machine, including connecting a commercial chemical dispensing system or commercial dishwashing machine to a water line or drain line, provided that:

(1) the individual servicing or installing the commercial chemical dispensing system or servicing or replacing the commercial dishwashing machine is an employee of the manufacturer or distributor of the commercial chemical dispensing system or commercial dishwashing machine;

(2) the individual servicing or installing the commercial chemical dispensing system or servicing or replacing the commercial dishwashing machine has a minimum of 25 hours of classroom or laboratory training, a minimum of 20 hours of in-field training with a qualified technician on the types of systems being installed, followed by a minimum of 100 hours of supervised field experience. The training and experience curriculum required under this clause must be approved by the commissioner, in consultation with the manufacturer or distributor, but the commissioner shall not require training or experience hours in excess of the amounts specified in this clause;

(3) the manufacturer or distributor of the commercial chemical dispensing system or commercial dishwashing machine must meet the insurance requirements of section 326B.46, subdivision 2, paragraph (c);

(4) the connection is a push fit fitting, compression fitting, or threaded pipe fitting to an existing water line or drain, which has been initially installed by a licensed plumber; and

(5) the commercial chemical dispensing system complies with ASSE 1055 or contains code-approved integral backflow protection.

A master plumber may also work as a journeyworker plumber, a restricted journeyworker plumber, and a restricted master plumber. A journeyworker plumber may also work as a restricted journeyworker plumber. Anyone not so licensed may do plumbing work which complies with the provisions of the minimum standards prescribed by the Plumbing Board on premises or that part of premises owned and actually occupied by the worker as a residence, unless otherwise forbidden to do so by a local ordinance.

(b) No person shall engage in the business of planning, superintending, or installing plumbing or shall install plumbing in connection with the dealing in and selling of plumbing material and supplies unless at all times a licensed master plumber, or in cities and towns with a population of fewer than 5,000 according to the last federal census, a restricted master plumber, who shall be responsible for proper installation, is in charge of the plumbing work of the person.

(c) Except as provided in subdivision 1a, no person shall perform or offer to perform plumbing work with or without compensation unless the person obtains a contractor's license. A contractor's license does not of itself qualify its holder to perform the plumbing work authorized by holding a master, journeyworker, restricted master, or restricted journeyworker license.

Sec. 15. Minnesota Statutes 2020, section 326B.89, subdivision 1, is amended to read:

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

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

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

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

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

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

(g) "Cycle One" means the time period between July 1 and December 31.

(h) "Cycle Two" means the time period between January 1 and June 30.

Sec. 16. Minnesota Statutes 2020, section 326B.89, subdivision 4, is amended to read:

Subd. 4. **Purpose of fund.** (a) The purpose of this fund is to:

(1) compensate owners or lessees of residential real estate who meet the requirements of this section;

(2) reimburse the department for all legal and administrative expenses, disbursements, and costs, including staffing costs, incurred in administering and defending the fund;

(3) pay for educational or research projects in the field of residential contracting to further the purposes of sections 326B.801 to 326B.825; and

(4) provide information to the public on residential contracting issues.

(b) No money from this fund may be transferred or spent unless the commissioner determines that the money is being transferred or spent for one of the purposes in paragraph (a).

Sec. 17. Minnesota Statutes 2020, section 326B.89, subdivision 5, is amended to read:

Subd. 5. **Payment limitations.** The commissioner shall not pay compensation from the fund to an owner or a lessee in an amount greater than $75,000 per licensee. The commissioner shall not pay compensation from the fund to owners and lessees in an amount that totals more than ~~$300,000~~ $550,000 per licensee. The commissioner shall only pay compensation from the fund for a final judgment that is based on a contract directly between the licensee and the homeowner or lessee that was entered into prior to the cause of action and that requires licensure as a residential building contractor or residential remodeler.

Sec. 18. Minnesota Statutes 2020, section 326B.89, subdivision 9, is amended to read:

Subd. 9. **Satisfaction of applications for compensation.** The commissioner shall pay compensation from the fund to an owner or a lessee pursuant to the terms of an agreement that has been entered into under subdivision 7, clause (1), or pursuant to a final order that has been issued under subdivision 7, clause (2), or subdivision 8 by December ~~1 of the fiscal year following the fiscal year during which the agreement was entered into or during which the order became final, subject to the limitations of this section. At the end of each fiscal year the commissioner shall calculate the amount of compensation to be paid from the fund pursuant to agreements that have been entered into under subdivision 7, clause (1), and final orders that have been issued under subdivision 7, clause (2), or subdivision 8. If the calculated amount exceeds the amount available for payment, then the commissioner shall allocate the amount available among the owners and the lessees in the ratio that the amount agreed to or ordered to be paid to each owner or lessee bears to the amount calculated. The commissioner shall mail notice of the allocation to all owners and lessees not less than 45 days following the end of the fiscal year.~~ 31 for applications submitted by July 1 or June 30 for applications submitted by January 1 of the fiscal year. The commissioner shall not pay compensation to owners or lessees that totals more than $275,000 per licensee during Cycle One of a fiscal year nor shall the commissioner pay out during Cycle One if the payout will result in the exhaustion of a licensee's fund. If compensation paid to owners or lessees in Cycle One would total more than $275,000 or would result in exhaustion of a licensee's fund in Cycle One, the commissioner shall not make a final determination of compensation for claims against the licensee until the completion of Cycle Two. If the claims against a licensee for the fiscal year result in the exhaustion of a licensee's fund or the fund as a whole, the commissioner must prorate the amount available among the owners and lessees based on the amount agreed to or ordered to be paid to each owner or lessee. The commissioner shall mail notice of the proration to all owners and lessees no later than March 31 of the current fiscal year. Any compensation paid by the commissioner in accordance with this

subdivision shall be deemed to satisfy and extinguish any right to compensation from the fund based upon the verified application of the owner or lessee.

Sec. 19. Laws 2014, chapter 211, section 13, as amended by Laws 2015, First Special Session chapter 1, article 7, section 1, Laws 2016, chapter 189, article 7, section 42, and Laws 2017, chapter 94, article 12, section 1, is amended to read:

Sec. 13. **EFFECTIVE DATE.**

Sections 1 to 3 and 6 to 11 are effective July 1, 2020, to June 30, 2021, and on July 1, 2023. Sections 4, 5, and 12 are effective July 1, 2014.

**EFFECTIVE DATE.** The amendments to this section are effective retroactively from June 30, 2020, except that any investigation and proceedings related to an unfair labor practice charge currently pending before the Public Employee Relations Board as of the date of enactment of this section shall be conducted according to the process in place under Minnesota Statutes, sections 179A.052 and 179A.13, as of July 1, 2020, and the board shall retain jurisdiction over any pending charge. Following enactment of this section and until July 1, 2023, any employee, employer, employee or employer organization, exclusive representative, or any other person or organization aggrieved by an unfair labor practice as defined in Minnesota Statutes, section 179A.13, may bring an action for injunctive relief and for damages caused by the unfair labor practice in the district court of the county in which the practice is alleged to have occurred.

Sec. 20. Laws 2019, First Special Session chapter 7, article 1, section 3, subdivision 4, is amended to read:

| | | |
|---|---|---|
| Subd. 4. **Workers' Compensation** | 14,882,000 | 11,882,000 |
| $3,000,000 the first year is from the workers' compensation fund for workers' compensation system upgrades. This amount is available until June 30, ~~2021~~ 2023. This is a onetime appropriation. | | |

Sec. 21. **LOGGERS SAFETY GRANT PROGRAM.**

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

(b) "Commissioner" means the commissioner of labor and industry.

(c) "Program" means the loggers safety grant program under this section.

Subd. 2. **Establishment.** The commissioner shall establish a loggers safety grant program to provide matching funding for logging industry employers to make safety improvements recommended by an on-site safety survey.

Subd. 3. **Grant eligibility.** (a) To be eligible for a grant under this section, an employer must:

(1) be an employer in the logging industry, or a closely associated field, with at least one employee;

(2) have current workers' compensation insurance provided through the assigned risk plan, provided by an insurer subject to penalties under Minnesota Statutes, chapter 176, or as an approved self-insured employer; and

(3) have an on-site safety survey with results that recommend specific equipment or practices that will reduce the risk of injury or illness to employees. This survey must have been conducted by a Minnesota occupational safety and health compliance investigator or workplace safety consultation consultant, an in-house safety and health committee, a workers' compensation insurance underwriter, a private consultant, or a person under contract with the assigned risk plan.

(b) Grant funds may be used for all or part of the cost of the following:

(1) purchasing and installing recommended safety equipment;

(2) operating or maintaining recommended safety equipment;

(3) property, if the property is necessary to meet the recommendations of the on-site safety survey;

(4) training required to operate recommended safety equipment; and

(5) tuition reimbursement for educational costs related to the recommendations of the on-site safety survey.

Subd. 4. **Evaluation criteria.** The commissioner shall evaluate applications, submitted on forms developed by the commissioner, based on whether the proposed project:

(1) is technically and economically feasible;

(2) is consistent with the recommendations of the on-site safety survey and the objective of reducing risk of injury or illness to employees;

(3) was submitted by an applicant with sufficient experience, knowledge, and commitment for the project to be implemented in a timely manner;

(4) has the necessary financial commitments to cover all project costs;

(5) has the support of all public entities necessary for its completion; and

(6) complies with federal, state, and local regulations.

Subd. 5. **Awards.** (a) Grants under this section shall provide a match of up to $25,000 for private funds committed by the employer to implement the recommended safety equipment or practices.

(b) Grants will be awarded to all applicants that meet the eligibility and evaluation criteria under subdivisions 3 and 4. If there are more eligible requests than funding, awards will be prorated.

(c) Grant recipients are not eligible to apply for another grant under Minnesota Statutes, chapter 176, until two years after the date of the award.

Subd. 6. **Report.** By January 15, 2023, the commissioner must report to the legislative committees in the house of representatives and senate with jurisdiction over labor and industry about grants made under this program.

Sec. 22. **REPEALER.**

Minnesota Statutes 2020, section 181.9414, is repealed.

**EFFECTIVE DATE.** This section is effective January 1, 2022.

## ARTICLE 4

## UNEMPLOYMENT INSURANCE

Section 1. Minnesota Statutes 2020, section 268.035, subdivision 21c, is amended to read:

Subd. 21c. **Reemployment assistance training.** (a) An applicant is in "reemployment assistance training" when:

(1)(i) a reasonable opportunity for suitable employment for the applicant does not exist in the labor market area and additional training will assist the applicant in obtaining suitable employment;

~~(2)~~ (ii) the curriculum, facilities, staff, and other essentials are adequate to achieve the training objective;

~~(3)~~ (iii) the training is vocational or short term academic training directed to an occupation or skill that will substantially enhance the employment opportunities available to the applicant in the applicant's labor market area;

~~(4)~~ (iv) the training course is full time by the training provider; and

~~(5)~~ (v) the applicant is making satisfactory progress in the training~~.~~;

(2) the applicant can provide proof of enrollment in one or more programs offered by an adult basic education consortium under section 124D.518. Programs may include but are not limited to:

(i) general educational development diploma preparation;

(ii) local credit completion adult high school diploma preparation;

(iii) state competency-based adult high school diploma preparation;

(iv) basic skills enhancement training focused on math, functional literacy, reading, or writing;

(v) computer skills training; or

(vi) English as a second language instruction;

(3) the applicant can provide proof of enrollment in an English as a second language program taught by a licensed instructor;

(4) the applicant can provide proof of enrollment in an over-the-road truck driving training program offered by a college or university within the Minnesota state system; or

(5) the applicant can provide proof of enrollment in a program funded under section 116L.99.

(b) Full-time training provided through the dislocated worker program, the Trade Act of 1974, as amended, or the North American Free Trade Agreement is "reemployment assistance training," if that training course is in accordance with the requirements of that program.

(c) Apprenticeship training provided in order to meet the requirements of an apprenticeship program under chapter 178 is "reemployment assistance training."

(d) An applicant is in reemployment assistance training only if the training course has actually started or is scheduled to start within 30 calendar days.

**EFFECTIVE DATE.** This section is effective July 3, 2022.

Sec. 2. Minnesota Statutes 2020, section 268.085, subdivision 2, is amended to read:

Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for any week:

(1) that occurs before the effective date of a benefit account;

(2) that the applicant, at any time during the week, has an outstanding misrepresentation overpayment balance under section 268.18, subdivision 2, including any penalties and interest;

~~(3) that occurs in a period when the applicant is a student in attendance at, or on vacation from a secondary school including the period between academic years or terms;~~

~~(4)~~ (3) that the applicant is incarcerated or performing court-ordered community service. The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day the applicant is incarcerated or performing court-ordered community service;

~~(5)~~ (4) that the applicant fails or refuses to provide information on an issue of ineligibility required under section 268.101;

~~(6)~~ (5) that the applicant is performing services 32 hours or more, in employment, covered employment, noncovered employment, volunteer work, or self-employment regardless of the amount of any earnings; or

~~(7)~~ (6) with respect to which the applicant has filed an application for unemployment benefits under any federal law or the law of any other state. If the appropriate agency finally determines that the applicant is not entitled to establish a benefit account under federal law or the law of any other state, this clause does not apply.

**EFFECTIVE DATE.** This section is effective July 3, 2022.

Sec. 3. Minnesota Statutes 2020, section 268.085, subdivision 4a, is amended to read:

Subd. 4a. **Social Security disability benefits.** (a) An applicant who is receiving, has received, or has filed for primary Social Security disability benefits for any week is ineligible for unemployment benefits for that week, unless:

(1) the Social Security Administration approved the collecting of primary Social Security disability benefits each month the applicant was employed during the base period; or

(2) the applicant provides a statement from an appropriate health care professional who is aware of the applicant's Social Security disability claim and the basis for that claim, certifying that the applicant is available for suitable employment.

(b) If an applicant meets the requirements of paragraph (a), clause (1) or (2), there is no deduction from the applicant's weekly benefit amount for any Social Security disability benefits.

~~(c) If an applicant meets the requirements of paragraph (a), clause (2), there must be deducted from the applicant's weekly unemployment benefit amount 50 percent of the weekly equivalent of the primary Social Security disability benefits the applicant is receiving, has received, or has filed for, with respect to that week.~~

~~If the Social Security Administration determines that the applicant is not entitled to receive primary Social Security disability benefits for any week the applicant has applied for those benefits, then this paragraph does not apply to that week.~~

~~(d)~~ (c) Information from the Social Security Administration is conclusive, absent specific evidence showing that the information was erroneous.

~~(e)~~ (d) This subdivision does not apply to Social Security survivor benefits.

**EFFECTIVE DATE.** This section is effective July 3, 2022.

Sec. 4. Minnesota Statutes 2020, section 268.133, is amended to read:

**268.133 UNEMPLOYMENT BENEFITS WHILE IN ENTREPRENEURIAL TRAINING.**

Unemployment benefits are available to dislocated workers participating in the converting layoffs into Minnesota businesses (CLIMB) program under section 116L.17, subdivision 11. Applicants participating in CLIMB are considered in reemployment assistance training under section 268.035, subdivision 21c. All requirements under section 268.069, subdivision 1, must be met, except the commissioner may waive:

(1) the deductible earnings provisions in section 268.085, subdivision 5; and

(2) the 32 hours of work limitation in section 268.085, subdivision 2, clause ~~(6)~~ (5). A maximum of 500 applicants may receive a waiver at any given time.

**EFFECTIVE DATE.** This section is effective July 3, 2022.

Sec. 5. Minnesota Statutes 2020, section 268.136, subdivision 1, is amended to read:

Subdivision 1. **Shared work plan requirements.** An employer may submit a proposed shared work plan for an employee group to the commissioner for approval in a manner and format set by the commissioner. The proposed shared work plan must include:

(1) a certified statement that the normal weekly hours of work of all of the proposed participating employees were full time or regular part time but are now reduced, or will be reduced, with a corresponding reduction in pay, in order to prevent layoffs;

(2) the name and Social Security number of each participating employee;

(3) the number of layoffs that would have occurred absent the employer's ability to participate in a shared work plan;

(4) a certified statement that each participating employee was first hired by the employer at least ~~one year~~ three months before the proposed shared work plan is submitted and is not a seasonal, temporary, or intermittent worker;

(5) the hours of work each participating employee will work each week for the duration of the shared work plan, which must be at least 50 percent of the normal weekly hours but no more than 80 percent of the normal weekly hours, except that the plan may provide for a uniform vacation shutdown of up to two weeks;

(6) a certified statement that any health benefits and pension benefits provided by the employer to participating employees will continue to be provided under the same terms and conditions as though the participating employees' hours of work each week had not been reduced;

(7) a certified statement that the terms and implementation of the shared work plan is consistent with the employer's obligations under state and federal law;

(8) an acknowledgment that the employer understands that unemployment benefits paid under a shared work plan will be used in computing the future tax rate of a taxpaying employer or charged to the reimbursable account of a nonprofit or government employer;

(9) the proposed duration of the shared work plan, which must be at least two months and not more than one year, although a plan may be extended for up to an additional year upon approval of the commissioner;

(10) a starting date beginning on a Sunday at least 15 calendar days after the date the proposed shared work plan is submitted; and

(11) a signature of an owner or officer of the employer who is listed as an owner or officer on the employer's account under section 268.045.

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

Sec. 6. **CONTINUED SUSPENSION OF FIVE-WEEK BUSINESS OWNER BENEFIT LIMITATION.**

Notwithstanding Minnesota Statutes, section 268.085, subdivision 9, the five-week limitation for receipt of unemployment benefits for business owners is suspended for applicants for unemployment insurance benefit accounts established between December 27, 2020, and September 4, 2021.

**EFFECTIVE DATE.** This section is effective retroactively from December 27, 2020.

Sec. 7. **LEAVE OF ABSENCE DUE TO COVID-19.**

Notwithstanding Minnesota Statutes, section 268.085, subdivision 13a, for an applicant applying for an unemployment insurance benefit account established between December 27, 2020, and September 4, 2021, a leave of absence is presumed to be an involuntary leave of absence and not ineligible if:

(1) a determination has been made by health authorities or by a health care professional that the presence of the applicant in the workplace would jeopardize the health of others, whether or not the applicant has actually contracted a communicable disease;

(2) a quarantine or isolation order has been issued to the applicant pursuant to Minnesota Statutes, sections 144.419 to 144.4196;

(3) there is a recommendation from health authorities or from a health care professional that the applicant should self-isolate or self-quarantine due to elevated risk from COVID-19 due to being immunocompromised;

(4) the applicant has been instructed by the applicant's employer not to come to the employer's place of business due to an outbreak of a communicable disease; or

(5) the applicant has received a notification from a school district, day care, or other child care provider that either (i) classes are canceled, or (ii) the applicant's ordinary child care is unavailable, provided that the applicant made reasonable effort to obtain other child care and requested time off or other accommodation from the employer and no reasonable accommodation was available.

**EFFECTIVE DATE.** This section is effective retroactively from December 27, 2020.

Sec. 8. **REPORT ON IMPACT TO UNEMPLOYMENT INSURANCE TRUST FUND.**

By January 14, 2022, the commissioner of employment and economic development shall submit a report to chairs and ranking minority members of the legislative committees having jurisdiction over economic development detailing the impact to the Minnesota unemployment insurance trust fund of eligibility for secondary school students and removal of the Social Security offset.

Sec. 9. **REPEALER.**

Minnesota Statutes 2020, section 268.085, subdivision 4, is repealed.

**EFFECTIVE DATE.** This section is effective July 3, 2022.

Presented to the governor June 29, 2021

Signed by the governor June 30, 2021, 7:23 p.m.