

May 13, 2025

Dear Members of the Conference Committee on SF1832,

I am writing to provide the Department of Labor and Industry's comments on the labor provisions of the Omnibus Jobs, Labor, and Economic Development policy and appropriations bill, Senate File 1832.

First, I want to thank Senator McEwen, Representative Pinto and Representative Baker for including several of the Department's priorities in this bill. The Department appreciates and supports the following provisions which are included in both bills:

- Workers' Compensation operating adjustment, which will help combat inflationary costs and enable the Department to maintain the services Minnesotans expect.
- Extension of funding for the single-egress stairway apartment building report, which will allow sufficient time to complete the report.
- Temporary Restraining Orders, which will allow the Department to take swift action to help ensure workplace rights are provided.
- Worker misclassification report. While the Department supports analyzing the costs and impacts of worker misclassification, sufficient funding is necessary, especially to cover the upfront costs of producing the first report. We request that this be funded at \$460,000 in the first year and \$160,000 ongoing. It is also worth noting that the impact of investing in misclassification enforcement, as included in the Governor's budget and the House position, is the most essential investment in combating worker misclassification.

The Department supports the following provisions in the House bill:

- Funding misclassification enforcement, which will help protect workers' access to basic workplace protections such as overtime, minimum wage, workers' compensation, unemployment insurance, and more as well as level the playing field for law-abiding employers.
- Funding for teacher registered apprenticeship grants, which will create additional pathways into education and help address the teacher shortage. As drafted, with where the word "statewide" is placed on line 19.6, eligibility for a grant would be broad and extend to individual school districts to form registered teacher apprenticeship programs. DLI would prefer an approach that funds statewide or regional programs, specifically programs that have multiple participating school districts. We would prefer not to incentivize multiple, individual district by district programs.

The Department supports the following provisions in the Senate bill:

- General fund operating adjustment, which would help offset inflationary costs and enable the Department to maintain the services Minnesotans expect.
- Construction Codes and Licensing fee alignment proposal which would enable the Department to continue to provide timely and high-quality plan review and inspection services for electrical systems, elevators, plumbing, boilers, and manufactured structures. Including the Construction Codes and Licensing Fee Alignment proposal in the conference committee report is especially important. The Construction Codes and Licensing Division at DLI operates on a fee for service basis, and most units in the Department's proposal have not seen fee increases since 2007. Leaving fees at current levels would result in significant staffing cuts and increased wait times for

critical services like electrical inspections, plumbing inspections, plumbing plan review, boiler inspections, elevator inspections, and inspections of new manufactured homes upon installation. Some of the worst impacts would include:

- Plumbing plan review wait times would increase to a minimum of 15 weeks resulting in significant construction project delays across the state.
 - Electrical inspections are currently provided within two days of a request, but without these fee increases staffing cuts would result in delays of two weeks across much of the state and limited availability of virtual inspections.
 - Boiler installation and annual safety inspections for in-service boilers, pressure vessels, and boats for hire would face extended delays.
 - DLI's administration of HUD manufactured homes program would need to be turned back to the federal government.
- Strengthening mandatory break laws, which creates clear obligations for employers and rights for workers to 15 minutes of rest break time for every four hours worked and a 30-minute meal break for every six hours worked.

The Department has concerns with the following provision in the House bill—the inclusion of language on lines 105.22-105.27 exempting well contractors from plumbing plan review and inspections. The Plumbing Board discussed this language at their meeting on May 12 and voted to issue a letter opposing the language as currently written. The Plumbing Board also voted to include a note in their letter that they would support a version of this language that gave DLI and the Minnesota Department of Health (MDH) the authority to enter into a delegation agreement, wherein MDH would have clear responsibility for enforcing the plumbing code on this work. DLI is working on a version of this language that conforms to the Plumbing Board recommendation and looks forward to working toward acceptable language.

I would also like to note that, while the Department appreciates several priorities being included by either the House, the Senate, or both, we are concerned about the absence of funding for grants to certified worker organizations to help them carry out their duty to inform nursing home workers of their rights under the Nursing Home Workforce Standards Board law from both bills.

Thank you for the opportunity to comment on Senate File 1832. I look forward to working with members of the conference committee.

Sincerely,



Nicole Blissenbach
Commissioner