



S.F. No. 17 – Jobs and Labor Omnibus Budget Bill

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Date: June 9, 2025

ARTICLE 1 – APPROPRIATIONS; JOBS

Provides appropriations for the Department of Employment and Economic Development and Explore Minnesota.

ARTICLE 2 – APPROPRIATIONS; LABOR

Provides appropriations for the Department of Labor and Industry, Workers' Compensation Court of Appeals, and the Bureau of Mediation Services.

ARTICLE 3 – APPROPRIATIONS MODIFICATIONS

Section 1. Business and Community Development. Modifies Laws 2023, chapter 53, article 20, section 2, subdivision 2, to make technical changes to an appropriation rider to the Minnesota Expanding Opportunity Program and to an appropriation rider for the PROMISE Act.

Section 2. Employment and Training Programs. Modifies Laws 2023, chapter 53, article 20, section 2, subdivision 3, to make technical changes to an appropriation rider for a grant to Ramsey County to extend availability and to an appropriation rider to Youthprise.

Section 3. Appropriations. Modifies Laws 2023, chapter 53, article 21, section 7, to remove federal matching requirements from an appropriation from the Minnesota Forward Fund and to extend availability of an appropriation from the Forward Fund until June 30, 2030.

Section 4. Appropriation; City of Minneapolis; Grant. Modifies Law 2023, chapter 64, article 15, section 30, by extending the availability of the appropriation until June 30, 2027.

Section 5. Employment and Training Programs. Modifies Law 2024, chapter 120, article 1, subdivision 3, to modify an appropriation for a grant to Arrowhead Economic Opportunity Agency to create a revolving fund for acquiring and rehabilitating tax-forfeited properties for owner-occupied workforce housing.

Section 6. Explore Minnesota. Modifies Law 2024, chapter 120, article 1, section 4, to direct an appropriation to the Minnesota Humanities Center and to extend availability of the appropriation until June 30, 20206.

Section 7. Applicability of certain requirements to appropriation. Modifies an appropriation for hospitality training to exempt the program from certain inapplicable reporting requirements.

ARTICLE 4 – EMPLOYMENT AND ECONOMIC DEVELOPMENT POLICY

Section 1. Eligible projects. [116J.431, subd. 2] Modifies the economic development projects for which a county or city may be eligible to receive a grant under the greater Minnesota business development public infrastructure grant program to include plants and plant-based products that are part of agricultural processing.

Section 2. Loans to businesses. [116J.659, subd. 4] Increases the maximum state contribution to a CanStartup loan to \$75,000 from \$50,000 or \$200,000 from \$150,000 if state contributions are matched by an equal or greater amount at least 25 percent of a new private investment. The minimum state contribution to a loan remains at \$2,500. Requires the commissioner of DEED to make final approval decisions on loans within 30 days of receiving a loan application and provide notification of missing loan application information within 14 days.

Section 3. Revolving loan account administration. [116J.659, subd. 5] Clarifies that any fee charged in lieu of interest must not exceed the Wall Street Journal prime rate. Specifies that loan repayments may be retained by the nonprofit corporation originating the loan to help cover expenses for loan servicing and origination. Clarifies additional activities covered as administrative expenses including provision of technology, insurance, legal, audit and accounting, and reporting assistance. Requires average interest rates to be reported biannually and published publicly.

Section 4. Minnesota expanding opportunity account. [116J.8733, subd. 4] Creates a Minnesota expanding opportunity account in the special revenue fund in the state treasury previously established as a revolving loan fund for the program. Makes other conforming changes.

Section 5. Purpose; Minnesota Forward Fund. [116J.8752, subd. 2] Removes from the purpose of the Forward Fund the ability to leverage to meet matching requirements of federal funding.

Section 6. Office of Public Service. [116J. 9921] Establishes the Office of Public Service within the Department of Employment and Economic Development. Provides duties of the office,

including coordination with state agencies and with state and federal public service organizations such as ServeMinnesota to develop, recommend, and implement solutions to promote and expand existing public service opportunities. Requires reporting to the legislature every two years on activities of the office.

Section 7. Appointment. [116J.03, subd. 2] Allow the commissioner of DEED to have a designee represent the commissioner on the Minnesota Jobs Skills Partnership Board.

Section 8. Partnership program. [116L.04, subd. 1] Increases the maximum grant amount to educational institutions for the program from \$400,000 to \$500,000. Allows higher education institutions to charge up to a 30-percent increase on the direct project costs, not including equipment costs.

Section 9. Pathways program. [116L.04, subd. 1a] Increases the maximum grant amount to educational institutions for the program from \$400,000 to \$500,000. Allows higher education institutions to charge up to a 30-percent increase on the direct project costs, not including equipment costs.

Section 10. Use of workforce development funds. [116L.05, subd. 5] Requires county labor force participation rates to be included as a factor for the Jobs Skills Partnership Board to consider when making decisions about the use of workforce development funds.

Sections 11 and 12. Youth-at-work program. [116L.562] Expand the youth-at-work grant program to include preemployment services and mentoring.

Section 13. Membership. [116L.665, subd. 2] Reduces membership on the governor's Workforce Development Board.

Section 14. Cannabis industry training grants. [116L.90] Eliminates grants to individuals within the cannabis industry training grant program.

Section 15. Definitions. [116L.98, subd. 2] Modifies the definition of "credential" for purposes of workforce program outcomes by removing the requirement that a degree must be a "postsecondary" degree. Additionally, repeals the definition of "net impact" in conformity with the repeal of the net impact analysis report in section 39.

Section 16. Uniform outcome report card; reporting by commissioner. [116L.98, subd. 3] Modifies this reporting to require that grant recipients provide certain information on grant amounts and purposes to the commissioner of DEED.

Section 17. Limitations on future appropriations. [116L.98, subd. 6] Makes conforming changes consistent with section 16 and allows the commissioner of DEED to withhold grant disbursements from a grantee if the uniform outcome report card report information has not been provided by the grantee.

Section 18. Minnesota emerging entrepreneur program account. Creates an account in the special revenue fund instead of a revolving loan fund, for the emerging entrepreneur program. Appropriates money in the account to the DEED commissioner for revolving loans to make grants.

Section 19. Explore Minnesota; Establishment. [116U.05] Provides that Explore Minnesota Film is overseen by the director of Explore Minnesota.

Section 20. Explore Minnesota Tourism. [116U.06] Clarifies that Explore Minnesota Tourism is not a division of Explore Minnesota.

Section 21. Mission of Explore Minnesota. [116U.15] Expands the mission of Explore Minnesota to include support of the state's overall tourism, outdoor recreation, film, and other statewide promotion efforts in addition to promoting livability and economic opportunities in the state.

Section 22. Duties of the director. [116U.30] Modifies the responsibilities and makes conforming changes to the director's duties to align with the revised mission of Explore Minnesota.

Section 23. Promotional expenses. [116U.35] Specifies that the director may expend funds to promote programs that align with Explore Minnesota's mission.

Section 24. Blind, vending facilities on governmental property; liability limited. [248.07, subd. 7] Updates terminology to refer to "vending facilities" instead of "stands" and "machines" relating to State Services for the Blind.

Section 25. Use of revolving fund, licenses for operation of vending facilities. [248.07, subd. 8] Updates terminology to refer to "vending facilities" instead of "stands" and "machines" relating to State Services for the Blind.

Section 26. Misrepresentation; administrative penalties. [268.184, subd. 1] Raises the penalty percentage from 50% to 100% of the impacted unemployment benefit amounts overpaid or not paid.

Section 27. Premium rate adjustments. [268B.14, subd. 7] Reduces the cap on the annual premium rate under the Minnesota paid leave program from 1.2 to 1.1 percent of taxable wages.

Section 28. Credit for parking revenue. [469.54, subd. 4] Modifies the information the city of Duluth reports to the commissioner of employment and economic development regarding parking facilities within the regional exchange district to require information from the preceding year be reported instead of for the current year.

Section 29. Loans to community businesses. Lowers the minimum loan amount from \$50,000 to \$10,000 for the community wealth building program.

Section 30. Definitions. Adds definitions of “prior taxable year” and “taxpayer” to be applicable to the PROMISE grant program.

Section 31. Grants to businesses. Clarifies tax documentation and revenue preferences applicable to businesses qualifying for PROMISE grants.

Section 32. Definitions. Adds “equipment purchases” to the eligible projects for purposes of PROMISE loans. Increases revenue threshold from less than \$1 million to less than \$1,500,000 for the prior taxable year for PROMISE grants.

Section 33. Loans to eligible recipients. Increases the maximum PROMISE loan amount from \$1,000,000 to \$1,500,000 and increases the loan term from ten years to 20 years. Prohibits loans from being used to refinance debt.

Section 34. Revolving loan fund. Provides that funds repaid to the partner organization are not limited in their uses, except that funds repaid may not be used for loans for speculation or investment in rental real estate. Sections 30 to 34 are effective the day following final enactment.

Section 35. Iron ore mining additional unemployment benefits. Provides for an additional 26 weeks of unemployment benefits for certain applicants related to a layoff from the iron ore mining industry.

Section 36. Change Starts With Community Violence Prevention Program. Provides objectives of the program for year-round job training programs for at-risk youth and adults, partnership information, and reporting requirements.

Section 37. Task force on workforce development system reform. Establishes a task force on workforce development system reform to examine how the state develops strategies, sets goals, and allocates money to meet Minnesota's workforce development needs. Requires the task force to review workforce programs, funding mechanisms, and evaluation metrics. Requires the task force to submit to the legislature a preliminary written report and then by January 15, 2027, a final written report.

Section 38. Revisor instruction. Directs the Revisor to change the term "small business growth acceleration program" to "Made in Minnesota program" where it appears in Minnesota Statutes.

Section 39. Repealer. Repeals two reporting requirements for the Department of Employment and Economic Development: (1) inventory of economic development programs [116L.35]; and (2) workforce program net impact analysis. [116L.98, subd. 7]

ARTICLE 5 – DEPARTMENT OF LABOR AND INDUSTRY POLICY

Section 1. Rest breaks. [177.253, subdivision 1] Specifies fifteen minutes as the amount of time that an employee is entitled to take as a rest break every four hours. Currently, the rest break requirement is stated as “adequate time.”

Section 2. Remedies. [177.253] Provides remedies for a rest break violation.

Section 3. Meal break. [177.254, subd. 1] Specifies at least a 30-minute meal break be provided by employers for every six consecutive hours worked. Currently, the meal break requirement is stated as “sufficient time.”

Section 4. Payment not required. [177.254, subd. 2] Includes a cross reference to the exception that payment is not required during meal breaks.

Section 5. Remedies. [177.254] Provides remedies for a meal break violation. Provides an effective date for sections 1 to 5 of January 1, 2026.

Section 6. Civil actions. [177.27, subdivision 5] Allows the DLI commissioner to apply in district court for an order enjoining and restraining violations of statutes and rules over which the commissioner has compliance order authority.

Sections 7 and 8. Nursing home definitions. [181.211] Sections 7 and 8 modify the definitions of “nursing home” and “nursing home employer” for purposes of the Nursing Home Workforce Standards Board to clarify that Minnesota nursing homes that are licensed by the Minnesota Department of Health and reimbursed under medical assistance payment rates are included.

Section 9. Misclassification fraud impact report. [181.725, subd. 4b] Requires the commissioners of revenue, employment and economic development, and labor and industry to coordinate and report on their analysis of the costs of misclassification of workers and the impact of workers, government programs, and tax collections. Requires the commissioners to report this analysis to the legislature beginning January 15, 2027, and then every six years thereafter, subject to available appropriations.

Section 10. Notice. [181.9447, subd. 2] Allows employers to require notification of the need to use ESST by an employee that is unforeseeable as that is “reasonably required by the employer,” instead of the current “as soon as practicable” allowance for employees.

Section 11. Documentation. [181.9447, subd. 3] Allows an employer to request reasonable documentation of the need for an employee to use ESST after two consecutive scheduled work days of an employee’s use of ESST. The current law allows an employee to request this documentation after three consecutive scheduled work days.

Section 12. Replacement worker. [181.9447, subd. 4] Provides clarifying permissive language to allow an employee to voluntarily seek or trade shifts with a replacement worker to cover the hours the employee uses as earned sick and safe time.

Section 13. Effect on more generous leave policies. [181.9448, subd. 1] Adds new clarifying language regarding an employer's ability to advance ESST based on the number of hours an employee is anticipated to work. The new language also requires an employer to make up any difference in what would have been accrued based on the actual hours worked. This section has an effective date of January 1, 2026.

Section 14. Internet continuing education. [326B.0981, subdivision 4] Corrects a reference to the International Accreditors for Continuing Education and Training (IACET).

Sections 15 to 18. Definitions. [326B.103] Provide definitions for terms to be used in Ch. 326B related to manufactured housing. Terms include "closed construction," "industrialized or modular building," "manufactured home," "prefabricated building."

Section 19. Industrialized modular or prefabricated buildings plan review and inspection fees. [326B.154] Provides a structure for plan review and inspection fees, similar to other plan review and inspection activities under the jurisdiction of the Department of Labor and Industry (DLI), for industrialized modular or prefabricated buildings.

Section 20. Department permit and inspection fees. [326B.184, subdivision 1a] Provides a \$10 fee for each separate remote virtual inspection of a stairway chairlift installation or other authorized devices at private residences.

Section 21. Operating permits and fees; periodic inspections. [326B.184, subdivision 2] Increases the annual elevator operating permit fee to \$145 from \$100.

Section 22. Technology circuits or systems. [326B.31, subdivision 29] Makes technical changes related to the class of circuits or systems involved and references to the National Electrical Code for low-voltage lighting.

Section 23. Exemptions from licensing. [326B.33, subdivision 21] Adds a reference to class 4 circuits or systems to those planning, laying out, or installing activities that require licensing.

Sections 24 to 31. Electrical permit, inspection, reinspection, and supplemental fees. [326B.37] Provide a permit fee for electrical permits. Increase other existing electrical inspection fees and make conforming changes.

Section 32. Agreement with Department of Health. [326B.43, subd. 2a] Requires the commissioner of labor and industry to delegate plan and specification review and

inspections authority to the commissioner of health for work performed by a licensed and bonded well contractor or a limited well/boring contractor for the purposes of administering the State Plumbing Code for certain well contractor work.

Section 33. Fees for plan reviews and audits. [326B.49] Modifies the existing plumbing fee structure for plan reviews and audits.



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