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March 12, 2025

Chair Jennifer A. McEwen  
Committee on Labor  
Senate Office Building  
St. Paul, MN 55155

Re: SF 2373 - McEwen: Department of Labor and Industry, Workers Compensation Court of Appeals and Bureau of Mediation Services appropriations and provisions modifications

Chair McEwen and Committee Members:

Associated General Contractors of Minnesota (AGC of MN) is a construction industry trade association that promotes opportunity and excellence in the building and road construction industries. The legislature has taken significant action in the last six years in attempts to stop wage theft and, lately, improper misclassification of employees in the construction industry. We have had differing viewpoints from the Department of Labor and Industry at times, particularly on changes specific to construction contracting, on how to root out bad actors while mitigating unintended consequences on people and businesses who do the right thing and follow the law.

Despite these differing beliefs on some policy, AGC views ourselves as partners with DLI and have always supported their ability to enforce current law. It is not in the State nor the construction industry's interest to craft more laws without enforcing the laws we have, such as tax fraud or unemployment or workers' compensation fraud. We support DLI's request for base funding plus additional 2.5 FTEs for worker misclassification enforcement (line 3.19 of S.F. 2373) to follow through on enforcement. We understand the Legislature has a big task to balance the budget with the current fiscal outlook and appreciate your consideration as the budget setting process continues.

Sincerely,

Laura Ziegler  
Director of Highway/Heavy and Government Affairs