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Minnesota Department of Labor and Industry

Minnesota Department of Labor and Industry — Agency Profile

http://www.dli.mn.gov/

AT A GLANCE

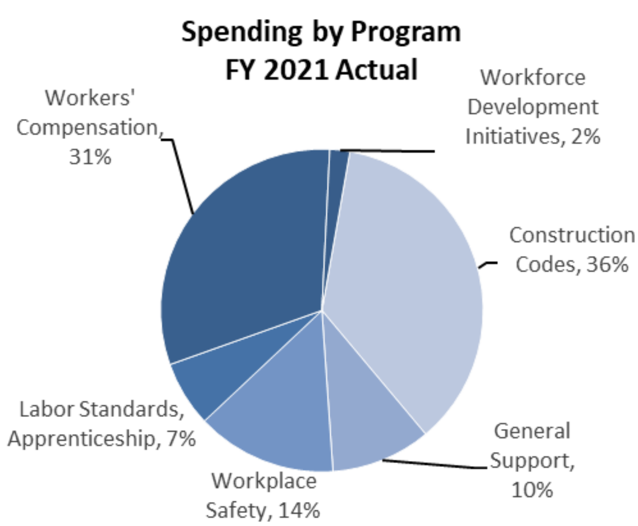
The Department of Labor and Industry (DLI):

- administers wage and safety laws affecting Minnesota's 2.9 million employees and 178,000 employers;
- is responsible for administrative oversight of the workers' compensation system, which handles approximately 90,000 new workplace injuries and illnesses annually;
- conducts more than 200,000 construction inspections each year;
- issues more than 72,000 personal and business licenses annually; and
- monitors more than 11,000 registered apprenticeships.

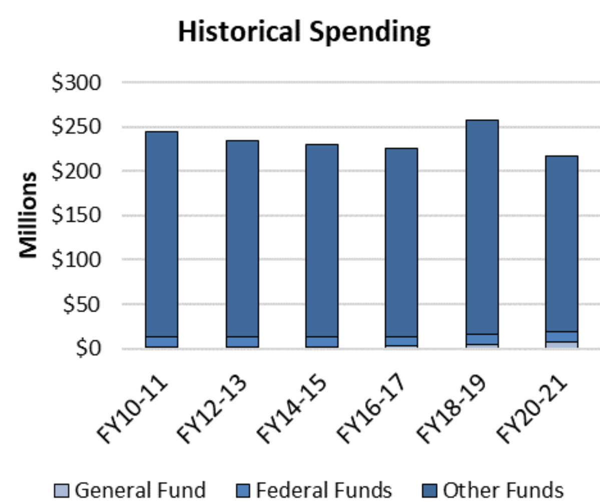
PURPOSE

The mission of the Department of Labor and Industry is to ensure Minnesota's work and living environments are healthy, safe and equitable. Our agency provides and enforces reasonable and uniform standards for Minnesota buildings and construction professionals. We also ensure workers' compensation benefits are provided to injured workers quickly and efficiently, and at a reasonable cost to employers. In addition, we ensure workers receive appropriate wages and work to promote employment-based career development through registered apprenticeships, Minnesota Dual-Training Pipeline and the Youth Skills Training program. Our agency also monitors combative sporting events in Minnesota so they are operated safely and fairly.

BUDGET



Source: Budget Planning & Analysis System (BPAS)



Source: Consolidated Fund Statement

The Workers' Compensation Division is funded through an appropriation from the workers' compensation fund. The revenues are collected through an insurer premium surcharge and self-insured assessment. Workers' compensation benefits are paid on behalf of employees of uninsured and bankrupt self-insured employers. Reimbursements to insurers and self-insured employers under the supplemental benefits and second-injury programs make up the bulk of benefit payments.

The Workplace Safety Program is funded with federal grants and state matching funds. The Occupational Safety and Health Administration (OSHA) Compliance activity receives a 50% federal funding level. There is a 90% federal funding level for Minnesota OSHA Workplace Safety Consultation activity. Matching funds are provided through an appropriation from the workers' compensation fund.

The Construction Codes and Licensing Division is funded through a special revenue fund, the construction code fund, which is part of the special revenue fund and operates on a fee-for-service basis. Fees are collected from industry stakeholders and deposited in the construction code fund established in the state treasury.

The Labor Standards unit is financed by an appropriation from the general fund. The unit also collects back wages owed to employees by employers, which are given to the employees; DLI does not retain these funds.

The Apprenticeship unit is funded by an appropriation from the workforce development fund.

The General Support Division is financed by an appropriation from the workers' compensation fund and by indirect cost revenue recovered from the agency's other programs.

Workforce Development Initiatives base budgets for the Pipeline and Youth Skills Training programs are funded through the workforce development fund.

STRATEGIES

DLI plays a significant role in ensuring that all Minnesotans share in the prosperity of the state's vibrant and diverse economy by making sure that economy is built on the **foundations of decent work** – work that pays a fair day's wage for a fair day's work, work that is safe and supports the health of all workers and, when work injuries and illnesses happen, work that provides needed medical treatment and benefits for injured workers and their families.

Minnesota's prosperity also depends on the development of a **skilled workforce.** Ensuring that all Minnesotans have the opportunity to obtain necessary education and training that prepares them for jobs that pay a family-sustaining income is key to not only meeting the current and future skilled workforce needs but also the prosperity of Minnesota's families and communities. The department, working alongside its many partners, is educating and training the next generation of skilled workers through **registered apprenticeship, dual-training and youth skills training programs.**

Today and in the years to come, prosperity for all Minnesotans will depend on the **safety, security and sustainability of the state's commercial and residential buildings.** DLI's development and implementation of progressive construction codes and licensure of skilled trades and residential contractors plays a critical role in achieving that outcome.

Communities cannot thrive without decent work, a skilled workforce and safe, secure structures. Systems are not equitable or inclusive unless employers pay a fair wage and ensure safe working environments. Minnesota's environment is at risk if buildings and structures are not constructed or maintained in a sustainable manner. Finally, children and families cannot lead their fullest lives in the absence of DLI's contributions to creating a vibrant and diverse economy.

DLI is committed to engaging and collaborating with all Minnesotans, regardless of geography. As workplaces and buildings exist throughout the entire state, it is imperative that DLI can carry out its mission for all Minnesotans. The agency plans to do this through more comprehensive use of data and technology, strategic selection for monitoring and consistent mindfulness that all deserve safe, healthy places to live and work.

The agency continues to build a culture dedicated to servant leadership. Staff members throughout the agency have expressed that they are aware of DLI's mission and how their role fits in with that mission. Agency leaders have established an expectation that all provide input and think creatively about how staff carry out their roles.

The Department of Labor and Industry's legal authority comes from Minnesota Statutes, chapters 175-178, 181-182, 184, 184B, 326B, 327 and 327B.

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Expenditures by Fund								
1000 - General	2,581	4,508	9,142	13,345	3,479	3,479	6,555	7,026
2000 - Restrict Misc Special Revenue	7,457	7,006	7,903	9,823	9,529	8,887	9,544	8,902
2020 - Construction Code	32,484	33,069	33,772	34,823	35,292	35,639	36,365	35,903
2390 - Workforce Development	2,888	3,088	3,332	3,464	3,122	3,122	9,386	6,540
2830 - Workers Compensation	66,694	45,780	44,549	54,717	52,359	50,739	58,630	58,132
3000 - Federal	6,215	5,979	6,438	6,561	5,719	5,719	5,719	5,719
3015 - ARP-State Fiscal Recovery			100					
4925 - Paid Family Medical Leave							601	480
Total	**118,319**	**99,429**	**105,236**	**122,733**	**109,500**	**107,585**	**126,800**	**122,702**
Biennial Change				10,220		(10,884)		21,533
Biennial % Change				5		(5)		9
Governor's Change from Base								32,417
Governor's % Change from Base								15

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Expenditures by Program								
Workers Compensation	52,917	30,983	29,848	40,372	38,030	36,484	41,338	40,327
Construction Codes and Licensing	34,796	35,846	35,753	36,787	37,310	37,658	38,383	37,922
General Support	11,444	10,415	13,237	15,511	13,566	12,881	16,292	15,948
Labor Standards and Apprenticeship	4,504	6,520	6,396	6,538	5,001	5,001	9,478	9,897
Office of Combative Sports	53	49	75	111	92	80	350	349
Workplace Safety	13,044	13,979	14,098	14,192	13,901	13,881	14,138	14,364
Workforce Development Initiatives	1,562	1,638	5,828	9,222	1,600	1,600	2,491	2,503
Apprenticeship							4,330	1,392
Total	**118,319**	**99,429**	**105,236**	**122,733**	**109,500**	**107,585**	**126,800**	**122,702**

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Expenditures by Category								
Compensation	44,720	46,614	47,126	49,195	50,587	50,758	56,041	57,864
Operating Expenses	35,798	33,928	34,227	40,055	28,004	27,593	35,350	34,104
Grants, Aids and Subsidies	37,713	18,759	23,811	33,152	30,895	29,220	35,395	30,720
Capital Outlay-Real Property	1	1	1					
Other Financial Transaction	87	128	71	331	14	14	14	14
Total	**118,319**	**99,429**	**105,236**	**122,733**	**109,500**	**107,585**	**126,800**	**122,702**

Agency Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Total Agency Expenditures	118,319	99,429	105,236	122,733	109,500	107,585	126,800	122,702
Internal Billing Expenditures	5,739	4,788	5,669	6,189	6,370	6,470	7,126	7,374
Expenditures Less Internal Billing	**112,580**	**94,641**	**99,567**	**116,544**	**103,130**	**101,115**	**119,674**	**115,328**
Full-Time Equivalents	**426.64**	**428.28**	**427.55**	**450.54**	**441.74**	**435.65**	**488.28**	**493.15**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In		1,595	953	8,841				
Direct Appropriation	3,844	3,844	17,029	4,504	3,479	3,479	6,555	7,026
Transfers In	325	428						
Transfers Out		203						
Cancellations		203						
Balance Forward Out	1,588	953	8,840					
Expenditures	**2,581**	**4,508**	**9,142**	**13,345**	**3,479**	**3,479**	**6,555**	**7,026**
Biennial Change in Expenditures				15,398		(15,529)		(8,906)
Biennial % Change in Expenditures				217		(69)		(40)
Governor's Change from Base								6,623
Governor's % Change from Base								95
Full-Time Equivalents	16.70	24.08	21.65	26.73	23.23	23.23	41.49	44.98
2000 - Restrict Misc Special Revenue								
Balance Forward In	11,069	11,830	11,709	11,838	10,375	9,796	10,375	9,795
Receipts	8,206	6,884	8,031	8,360	8,950	8,808	8,964	8,822
Internal Billing Receipts	5,739	4,788	5,669	6,067	6,370	6,470	6,370	6,470
Balance Forward Out	11,818	11,708	11,837	10,375	9,796	9,717	9,795	9,715
Expenditures	**7,457**	**7,006**	**7,903**	**9,823**	**9,529**	**8,887**	**9,544**	**8,902**
Biennial Change in Expenditures				3,263		690		720
Biennial % Change in Expenditures				23		4		4
Governor's Change from Base								30
Governor's % Change from Base								0
Full-Time Equivalents	6.24	8.80	9.12	12.39	12.52	10.04	12.70	10.22
2020 - Construction Code								
Balance Forward In	22,943	22,007	22,867	22,336	17,213	13,921	17,213	13,012
Receipts	31,336	33,823	33,316	29,700	32,000	32,000	32,164	32,263
Transfers Out			75					
Balance Forward Out	21,795	22,760	22,336	17,213	13,921	10,282	13,012	9,372
Expenditures	**32,484**	**33,069**	**33,772**	**34,823**	**35,292**	**35,639**	**36,365**	**35,903**
Biennial Change in Expenditures				3,042		2,336		3,673
Biennial % Change in Expenditures				5		3		5

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Governor's Change from Base								1,337
Governor's % Change from Base								2
Full-Time Equivalents	141.01	139.60	141.91	149.00	154.00	154.00	155.05	155.59

2390 - Workforce Development

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Balance Forward In	7	105	1	117				
Direct Appropriation	2,984	2,984	3,447	3,347	3,122	3,122	9,386	6,540
Balance Forward Out	103	1	117					
Expenditures	**2,888**	**3,088**	**3,332**	**3,464**	**3,122**	**3,122**	**9,386**	**6,540**
Biennial Change in Expenditures				821		(552)		9,130
Biennial % Change in Expenditures				14		(8)		134
Governor's Change from Base								9,682
Governor's % Change from Base								155
Full-Time Equivalents	11.67	11.35	13.51	14.62	14.44	14.18	24.77	24.96

2830 - Workers Compensation

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Balance Forward In	20,778	15,390	7,164	5,270	3,723	2,834	3,723	2,834
Direct Appropriation	25,088	22,088	22,991	22,991	22,991	22,991	29,262	30,384
Open Appropriation	32,450	12,796	17,378	27,930	26,230	24,630	26,230	24,630
Receipts	3,357	2,215	2,408	2,383	2,383	2,383	2,383	2,383
Transfers Out	65	79	121	134	134	134	134	134
Cancellations		0						
Balance Forward Out	14,914	6,630	5,271	3,723	2,834	1,965	2,834	1,965
Expenditures	**66,694**	**45,780**	**44,549**	**54,717**	**52,359**	**50,739**	**58,630**	**58,132**
Biennial Change in Expenditures				(13,208)		3,832		17,496
Biennial % Change in Expenditures				(12)		4		18
Governor's Change from Base								13,664
Governor's % Change from Base								13
Full-Time Equivalents	215.75	204.13	202.22	205.49	196.45	193.21	211.17	213.66

3000 - Federal

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Balance Forward In	104	55	31	28	30	30	30	30
Receipts	6,215	5,966	6,436	6,563	5,719	5,719	5,719	5,719

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Balance Forward Out	104	42	29	30	30	30	30	30
Expenditures	**6,215**	**5,979**	**6,438**	**6,561**	**5,719**	**5,719**	**5,719**	**5,719**
Biennial Change in Expenditures				804		(1,561)		(1,561)
Biennial % Change in Expenditures				7		(12)		(12)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	35.27	40.32	39.14	42.31	41.10	40.99	41.10	40.99

3015 - ARP-State Fiscal Recovery

	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Direct Appropriation			100					
Expenditures			**100**					
Biennial Change in Expenditures				100		(100)		(100)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

4925 - Paid Family Medical Leave

	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Direct Appropriation							601	480
Expenditures							**601**	**480**
Biennial Change in Expenditures				0		0		1,081
Biennial % Change in Expenditures								
Governor's Change from Base								1,081
Governor's % Change from Base								
Full-Time Equivalents							2.00	2.75

6000 - Miscellaneous Agency

	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Balance Forward In	47	103	124	129	129	129	129	129
Receipts	55	18	5					
Balance Forward Out	103	120	129	129	129	129	129	129

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Direct				
Fund: 1000 - General				
FY2023 Appropriations	**4,504**	**4,504**	**4,504**	**9,008**
Base Adjustments				
Current Law Base Change		(1,025)	(1,025)	(2,050)
Forecast Base	**4,504**	**3,479**	**3,479**	**6,958**
Change Items				
Maintain Current Service Levels		147	246	393
Earned Sick and Safe Time		1,445	2,209	3,654
WESA Outreach		234	242	476
Combative Sports Health and Safety Improvements		243	254	497
Improving the Safety and Wellbeing of Agricultural and Food Processing Workers		184	142	326
Safe and Skilled Worker Act		50		50
Legalizing Adult-Use Cannabis		132	132	264
Nursing Home Workforce Standards Board		641	322	963
Total Governor's Recommendations	**4,504**	**6,555**	**7,026**	**13,581**
Fund: 2390 - Workforce Development				
FY2023 Appropriations	**3,347**	**3,347**	**3,347**	**6,694**
Base Adjustments				
All Other One-Time Appropriations		(225)	(225)	(450)
Forecast Base	**3,347**	**3,122**	**3,122**	**6,244**
Change Items				
Prevailing Wage Education and Compliance		1,412	1,484	2,896
Maintain Current Service Levels		59	121	180
Expanding Equity In Apprenticeship		1,034	1,042	2,076
Growing Youth Skills Training Program		759	771	1,530
Growing Clean Economy Apprenticeships		3,000		3,000
Apprenticeship Division		0	0	0
Total Governor's Recommendations	**3,347**	**9,386**	**6,540**	**15,926**
Fund: 2830 - Workers Compensation				
FY2023 Appropriations	**22,991**	**22,991**	**22,991**	**45,982**
Forecast Base	**22,991**	**22,991**	**22,991**	**45,982**
Change Items				
Technology Services Reorganization		3,551	3,752	7,303
Maintain Current Service Levels		2,720	3,641	6,361
Total Governor's Recommendations	**22,991**	**29,262**	**30,384**	**59,646**
Fund: 4925 - Paid Family Medical Leave				

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Change Items				
Paid Family and Medical Leave Insurance		601	480	1,081
Total Governor's Recommendations		**601**	**480**	**1,081**
Open				
Fund: 2830 - Workers Compensation				
FY2023 Appropriations	**35,200**	**35,200**	**35,200**	**70,400**
Base Adjustments				
Forecast Open Appropriation Adjustment	(7,270)	(8,970)	(10,570)	(19,540)
Forecast Base	**27,930**	**26,230**	**24,630**	**50,860**
Total Governor's Recommendations	**27,930**	**26,230**	**24,630**	**50,860**
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	**9,823**	**9,529**	**8,887**	**18,416**
Forecast Base	**9,823**	**9,529**	**8,887**	**18,416**
Change Items				
Combative Sports Health and Safety Improvements		15	15	30
Total Governor's Recommendations	**9,823**	**9,544**	**8,902**	**18,446**
Fund: 2020 - Construction Code				
Planned Spending	**34,823**	**35,292**	**35,639**	**70,931**
Forecast Base	**34,823**	**35,292**	**35,639**	**70,931**
Change Items				
Climate Subcabinet: Commercial Energy Code Improvements		146		146
Electric Vehicle Charging Infrastructure		163		163
Existing Buildings Energy Efficiency		406		406
Safe Housing for the Elderly and Vulnerable Adults		165	264	429
Window Cleaning Safety		193		193
Total Governor's Recommendations	**34,823**	**36,365**	**35,903**	**72,268**
Fund: 2830 - Workers Compensation				
Planned Spending	**3,597**	**3,272**	**3,252**	**6,524**
Forecast Base	**3,597**	**3,272**	**3,252**	**6,524**
Total Governor's Recommendations	**3,597**	**3,272**	**3,252**	**6,524**
Fund: 3000 - Federal				
Planned Spending	**6,561**	**5,719**	**5,719**	**11,438**
Forecast Base	**6,561**	**5,719**	**5,719**	**11,438**
Total Governor's Recommendations	**6,561**	**5,719**	**5,719**	**11,438**

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	**8,360**	**8,950**	**8,808**	**17,758**
Change Items				
Combative Sports Health and Safety Improvements		15	15	30
Construction Code and License Fee Reimbursements and Reductions		(1)	(1)	(2)
Total Governor's Recommendations	**8,360**	**8,964**	**8,822**	**17,786**
Fund: 2020 - Construction Code				
Forecast Revenues	**29,700**	**32,000**	**32,000**	**64,000**
Change Items				
Safe Housing for the Elderly and Vulnerable Adults		165	264	429
Construction Code and License Fee Reimbursements and Reductions		(1)	(1)	(2)
Total Governor's Recommendations	**29,700**	**32,164**	**32,263**	**64,427**
Fund: 2830 - Workers Compensation				
Forecast Revenues	**2,383**	**2,383**	**2,383**	**4,766**
Total Governor's Recommendations	**2,383**	**2,383**	**2,383**	**4,766**
Fund: 3000 - Federal				
Forecast Revenues	**6,563**	**5,719**	**5,719**	**11,438**
Total Governor's Recommendations	**6,563**	**5,719**	**5,719**	**11,438**
Non-Dedicated				
Fund: 1000 - General				
Forecast Revenues	**51**	**51**	**51**	**102**
Change Items				
Prevailing Wage Education and Compliance		16	20	36
Earned Sick and Safe Time		104	207	311
Safe and Skilled Worker Act		10	10	20
Total Governor's Recommendations	**51**	**181**	**288**	**469**
Fund: 2830 - Workers Compensation				
Forecast Revenues	**57,700**	**54,700**	**51,700**	**106,400**
Change Items				
Minnesota OSHA Federal Maximum Penalty Conformity		124	127	251
Total Governor's Recommendations	**57,700**	**54,824**	**51,827**	**106,651**

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Minnesota OSHA Federal Maximum Penalty Conformity

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	124	127	129	132
Net Fiscal Impact = (Expenditures – Revenues)	(124)	(127)	(129)	(132)
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends legislation to raise maximum penalties for willful, repeat, serious, nonserious, failure to correct, and posting violations of workplace safety standards to conform to federal law. It also would tie future penalties to the Minneapolis-St. Paul-Bloomington, MN-WI, Consumer Price Index for All Urban Consumers (CPI-U). Penalties assessed by Minnesota Occupational Safety and Health Administration (MNOSHA) Compliance are deposited as nondedicated revenue in the Workers' Compensation Fund. The increase in total penalties will vary from year to year, but on average the change represents a 2% increase in MNOSHA Penalty revenue.

Rationale/Background:

MNOSHA is referred to as a "state plan," which means the Federal U.S. Department of Labor delegates authority to Minnesota to enforce workplace safety and health laws. As a state plan, MNOSHA receives half of its funding in the form of matching grants from the Federal U.S. Department of Labor. To meet the requirements of these grants, MNOSHA must be "at least as effective as" the Federal OSHA laws. Congress passed legislation that increased the maximum penalties for Federal OSHA in 2015. Since this time, MNOSHA has been below the acceptable range in all penalty categories and has been issued a finding for not being as effective as Federal OSHA in its most recent evaluation by Federal OSHA, https://www.osha.gov/sites/default/files/2022-06/minnesota-fy-2021-comprehensive-fame-report.pdf, page 14.

The most recent report of the AFL-CIO's "Death on the Job: The Toll of Neglect, 2021" documents that MNOSHA has the third lowest average penalty in the country. This proposal will make the state's penalty maximums comparable to federal and other state programs' penalty maximums. If Minnesota does not make the change, it may lose Federal OSHA funding. Losing federal funding would result in the state forfeiting MNOSHA administration to the Federal U.S. Department of Labor. Then, the higher federal penalties would go into effect without the mitigating factors MNOSHA applies. This change would also result in 750,000 state and local government employees not having OSHA coverage.

Proposal:

The MNOSHA program is administered by the Minnesota Department of Labor and Industry and was established by the Minnesota Legislature with the passage of the Occupational Safety and Health Act of 1973. MNOSHA receives $5,581,300 each year from the U.S. Department of Labor. According to data from the Minnesota Department of Employment and Economic Development, there are approximately 182,000 employers in the state of Minnesota. This proposal may result in higher penalties to employers when they are inspected by MNOSHA and violations are observed. The surrounding states of North Dakota, South Dakota, Iowa and Wisconsin are already subject to the higher penalties because they are under the authority of federal OSHA. MNOSHA penalties have not been adjusted in more than 20 years. Conforming the maximum penalties to federal law and tying future penalty changes to the CPI-U encourages employers to take workplace safety and health violations seriously. Without federal conformity the state would forfeit MNOSHA administration to the Federal U.S. Department of Labor. The new penalties would go into effect on July 1, 2023. Education and outreach to employer and safety organizations would start upon passage of the legislation.

The increase in maximum penalties will ensure federal conformity, continued federal funding, and would encourage employers to do more to keep workers safe.

Impact on Children and Families:

The mission of MNOSHA is to ensure that every employee has safe and healthful working conditions. When employees are exposed to hazards at work, they are at risk of experiencing a fatal accident or debilitating injury or illness. When work-related fatalities occur, it significantly impacts the family. If an employee is hurt and unable to work, they would experience a loss of income. Employees exposed to hazardous substances, such as lead or asbestos, can carry these hazards home to spouses or children. Minnesota's employers and employees, their children and families, benefit from a state OSHA program tailored to their needs. Conforming to federal penalty maximums maintains MNOSHA's program in its present structure.

By protecting employees at work, we help make the future better for our youth by ensuring that they have a safe and healthful working life. Many MNOSHA standards require some type of training. That training is often taken home and shared with family members, making homes safer places as well.

Equity and Inclusion:

The proposed change impacts only those Minnesota employers with willful, repeat, serious, nonserious, failure to correct, and posting violations of workplace safety standards. Increased penalties should increase workplace safety for all Minnesota employees.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

Results:

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Total Workplace Injuries/Illness Per 100 FTE	5.3	3.5	2004 2020
Quality	Total Fatal Occupation Injuries	80	67	2004 2020

Statutory Change(s):

Minnesota Statute 182.666

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Technology Services Reorganization

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Workers' Compensation Fund				
Expenditures	3,551	3,752	3,752	3,752
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3,551	3,752	3,752	3,752
FTEs	**8**	**8**	**8**	**8**

Recommendation:

The Governor recommends $3.55 million in FY 2024 and $3.75 million in FY 2025 and ongoing to reorganize the way technology services are provided, funded, and measured within the agency. MNIT is moving to a Project to Product (P2P) model that will require a dedicated team of business and IT staff to provide a collaborative and iterative approach that delivers business value more quickly and is measured using outcome-based metrics. In order to meet agency business objectives, the Department of Labor and Industry (DLI) must hire contemporaries to provide the business knowledge aspect of the work to the new cross-agency team.

Rationale/Background:

When MNIT was created, business staff who understood the technology used within the divisions were centralized into the MNIT @agency staff. Ten years later, the staff who built and maintained the now-outdated custom-built systems are retiring and the systems are being modernized.

MNIT @DLI staff have supported DLI modernization work, providing both business knowledge and technology requirements. But many of the MNIT @DLI staff with in-depth business knowledge have retired or are nearing retirement. The loss of dual knowledge/technology roles leaves a large gap for DLI.

As this staffing transition was occurring within state agencies, including DLI, Governor Walz created the IT Blue Ribbon Council to evaluate how the state used technology and operated IT services across the state. The Blue Ribbon Council identified best practices and made recommendations for the Governor, Legislature, and agencies to consider and adopt. Those recommendations included:

- Identification of shared modernization principles
- Creation of a modernization playbook
- Adaptation of business processes to align with standard software practices

MNIT has since adopted modernization principles and developed a playbook. One aspect of the playbook includes transitioning to a new Project to Product operation. Under this new organization, MNIT is focusing on hiring technology-based positions that can provide expertise in an agile approach, innovative solutions, and iterative development. That leaves DLI with the need to provide business staff within the agency that can articulate business needs to vendors and MNIT @DLI technology staff that provide on-going enhancements, maintenance, upgrades, and support to keep the systems online and secure. DLI will also require staff that can leverage the data available in the modernized technology systems and establish data-driven outcome measures that allow the agency to continue to improve how DLI meets the needs of Minnesotans.

DLI Modernization Projects:

Division System	Status	System Type
CCLD Licensing and Permitting, IMS	Completed	COTS
Workers' Compensation, Campus	Completed	Custom Built
Apprenticeship, RAPIDS	Completed	COTS
Labor Standards, OnBase	Completed	COTS
OSHA, MOOSE and IRIS	Started	COTS
Prevailing Wage	Not Yet Started	TBD
SWIFT Interface	Not Yet Started	Anticipated COTS
Labor Standards Permitting	Not Yet Started	COTS
Legal Case Mngt, PerfectLaw	Not Yet Started	COTS

In addition to adding business staff, DLI must realign how MNIT @DLI is funded. MNIT is currently funded equally across each division. As divisions modernize and select between custom build, Software as a Service (SaaS) or commercial off the shelf (COTS) solutions, the amount and mix of MNIT @agency resources the division utilizes changes drastically. In the Project to Product framework, custom applications require high-level MNIT @DLI support from system architects, data architects, cloud administrators, and security administrators. In addition to the MNIT @DLI support provided above, additional staff are needed such as business analysts, scrum masters, developers, and quality assurance testers to deliver upon the backlog of functionality and features. As the only custom-built system within DLI's portfolio, the Workers' Compensation division uses a much higher percentage of the over-all MNIT @DLI budget.

By adding business-based positions and realigning how MNIT @DLI is funded, DLI hopes to fill business-knowledge gaps and maximize technology funding for all divisions.

Proposal:
The Governor recommends additional funding and positions to support MNIT's Project to Product framework and to realign cost allocations within the agency.

The governor recommends a $599,000 increase the first year, and $634,000 each year after to the General Support appropriation in the Workers' Compensation Fund to hire 5 FTE to the Research and Statistics unit.

The Research and Statistics Unit will expand the services they provide to the agency to provide data analytics, reporting, metrics, and program evaluation support. The new staff will learn each unit's business processes, build expertise, and implement best practices to maximize current technology and optimize the use of data provided by DLI stakeholders. The new FTEs will:

- Understand how the 4 divisions with COTS solutions use technology and data
- Enhance program evaluation and analysis efforts
- Expand data and reports available to program staff on an ongoing basis to better monitor processes
- Use data to inform goals and objectives and measure outcomes

The governor recommends a $2.952 million increase the first year, and $3.118 million each year after to the Workers' Compensation appropriation to cover the costs of the 8.5 existing MNIT @DLI staff, 3 new MNIT @DLI FTE, and on-going operating costs associated with keeping the Workers' Compensation system operational. The additional funds allow Workers' Compensation to pay for the additional resources they spend on technology due to being a custom-built system and DLI's goal to continually evolve the system to meet stakeholders wants and unmet needs. The funds will be used to:

- Move 8.5 existing FTE from shared agency costs to Work Comp appropriation to align with allocated job duties
- Add 3 MNIT FTE to fill gaps and provide backup and redundancy
- Cover on-going hosting and system costs for Work Comp Technology
- Fund vendor support work for additional developers or routine system audits as needed. DLI would use these funds to cover increasing hosting costs with Azure or other software vendors if necessary. Microsoft software bundle, which includes Azure, increased 27% between FY 2023 and FY 2024.

The 3 additional MNIT @DLI FTE include a Scrum Master, a Business Analyst (BA) and a Quality Analyst (QA). These positions are needed by MNIT to transition to the Project to Product support model and assume functions formerly supported by an external vendor.

Other divisions will see their share of the MNIT @DLI expenses decrease, freeing up their funds to pay for their external software vendor's contract and license fees.

The funding for this proposal comes from the Workers' Compensation fund which is funded through the annual Insurer assessment. The assessment rate continues to decrease as injured worker benefit obligations decline. The increased appropriation from the Workers' Compensation fund will not result in an increase to the assessment rate.

By making these changes, units will be better able to meet on-going system changes and support their appropriate portion of technology spending. DLI and MNIT @DLI will monitor the reorganization and services provided by each agency to ensure intended benefits are realized.

Impact on Children and Families:

- The proposal aligns funding with services and therefore allows DLI to maximize appropriations as intended by the legislature. Maximizing programmatic funding benefits all Minnesotans.

Equity and Inclusion:

- The funding mechanism change will more closely align services with funding.
- No impact expected to external community.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

IT Costs

Category	*FY 2024*	*FY 2025*	*FY 2026*	*FY 2027*	*FY 2028*	*FY 2029*
Payroll	$2,302	$2,442	$2,442	$2,442	$2,442	$2,442
Professional/Technical Contracts	$500	$525	$525	$525	$525	$525
Infrastructure	$595	$625	$625	$625	$625	$625
Hardware						
Software	$128	$134	$134	$134	$134	$134
Training	$5	$5	$5	$5	$5	$5
Enterprise Services						
Staff costs (MNIT or agency)	$21	$21	$21	$21	$21	$21
Total	**$3,551**	**$3,752**	**$3,752**	**$3,752**	**$3,752**	**$3,752**
MNIT FTEs	11.5	11.5	11.5	11.5	11.5	11.5
Agency FTEs	5	5	5	5	5	5

Statutory Change(s):
N/A

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Prevailing Wage Education and Compliance

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	16	20	25	25
Workforce Development Fund				
Expenditures	1,412	1,484	1,484	1,484
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,396	1,464	1,459	1,459
FTEs	**7**	**7**	**7**	**7**

Recommendation:

The Governor recommends $1.396 million in FY 2024, $1.464 million in FY 2025, and $1.459 million ongoing from the workforce development fund to increase prevailing wage education, survey support, and compliance initiatives.

Rationale/Background:

Prevailing wage laws exist in Minnesota to ensure that projects funded with public money are constructed and maintained by the best means and with the highest quality of labor reasonably available and that persons working on public works be compensated according to the real value of the services they perform. The Minnesota Prevailing Wage Act provides pathways into the middle class and boosts the economy. Minnesota's prevailing wage law increases annual incomes, expands health insurance coverage, and improves pension coverage for construction workers. With this significant impact, it is imperative that the prevailing wage law be understood and enforced.

The Department's current prevailing wage budget is $151,000 per year. This funding level has not seen an increase since 2007. The current prevailing wage law requires the Department to employ at least three investigators to perform on-site project reviews, receive and investigate complaints of violations, and conduct training and outreach to contractors and contracting authorities. In addition to this staffing requirement, the Department is charged with conducting an annual prevailing wage survey and certifying prevailing wage rates for highway and heavy construction, commercial type construction, and residential type construction. The current prevailing wage budget is insufficient to fund the staffing required to meet these mandates and objectives.

Minnesota is estimated to net more than $7.4 billion in federal Infrastructure Investment and Jobs Act (IIJA) funding over the coming years, much of which will be used for public infrastructure projects covered by prevailing wage laws, including an estimated $4.5 billion for highways, $818 million to improve public transportation, $680 million for water infrastructure, $302 million for bridge replacement and repairs, and $100 million for broadband internet. In addition, the Inflation Reduction Act (IRA) is estimated to bring $8.5 billion of investment in clean power generation and storage, including a set of tax credits that include bonuses for businesses that pay a prevailing wage. With the increased investment of government funds into construction and clean power projects, it is critical for the Department to have the resources to provide education about prevailing wage requirements and enforce the prevailing wage laws that ensure that our tax dollars are not promoting exploitative practices.

Proposal:

There is a clear need to fully fund the current prevailing wage staff as well as the need for additional staff to meet the increased education and enforcement demands that will come from an influx of federal money to Minnesota. This need has also been identified by stakeholders including the building and construction trade unions, the Fair Contracting Foundation, and worker advocacy organizations.

The prevailing wage unit is currently made up of three prevailing wage investigators, one management analyst, and a supervisor. This proposal is to fully fund the current positions and add three additional prevailing wage investigators, two additional management analysts, one of whom will act in a supervisory capacity to the other two management analysts, one state program administrator and one office administrative support staff.

The intended result of this recommendation is to fully fund the current prevailing wage staff employed by the Department as well as additional staff necessary to meet the significant need for education and compliance initiatives that will come from the influx of federal funding devoted to infrastructure and other construction projects. By having three management analysts focused primarily on the survey, investigator and supervisor time will be freed up to focus predominantly on education and enforcement activities.

Revenue estimates were determined using base year data from calendar years 2016 through 2019. In that timeframe, a total of 200 prevailing wage investigations were completed. The total revenue collected was $45,158. Using these numbers, an average revenue of $226 was collected per investigation completed. To determine estimated additional revenue, we multiplied the average revenue by the estimated additional investigations completed. The estimated additional investigations completed are 73 in FY 2024, 88 in FY 2025, and 110 in FY 2026 and FY 2027, which leads to the estimated additional revenue of $16,498 in FY 2024, $19,888 in FY 2025, and $24,860 in FY 2026-2027

Prevailing Wage Budget Program	**A. Current Prevailing Wage Funding**	**B. Labor Standards Supplement Funding**	**C. Total Current Program Funding (A+B=C)**	**D. Additional Program Needs Identified**	**E. Total Requestd PW Funding Increase (B+D=E)**	**F. Total Proposed Budget (A+E=F)**
FTEs	1	4	5	7	11	12
Salary/Fringe/Indirect	$ 143	$ 484	$ 627	$ 796	$ 1,280	$ 1,423
MN.IT	$ 2	$ 8	$ 10	$ 14	$ 22	$ 24
Other Non-Payroll	$ 6	$ 52	$ 58	$ 58	$ 110	$ 116
Total	**$ 151**	**$ 544**	**$ 695**	**$ 868**	**$ 1,412**	**$ 1,563**

Increased resources for education and outreach related to prevailing wage will help agencies who distribute state money when prevailing wage requirements apply by increasing resources devoted to education and outreach.

Impact on Children and Families:

Prevailing wage requirements ensure that workers performing work on publicly funded projects are compensated according to the real value of the services they perform. There is a high level of worker exploitation in the construction industry primarily affecting workers who are in vulnerable situations and have fewer tools and options available to enforce their workplace rights. With the increased investment of government funds going into construction projects, it is critical for the Department to have the resources to provide education about prevailing wage requirements and to enforce the prevailing wage laws that ensure that our tax dollars are supporting family sustaining wages and are not promoting exploitative practices that will directly harm workers and their families.

Equity and Inclusion:

Prevailing wage requirements ensure that workers performing work on publicly funded projects are compensated according to the real value of the services they perform. There is a high level of worker exploitation in the construction industry primarily affecting workers who are in vulnerable situations and have fewer tools and options available to enforce their workplace rights, including non-English speaking immigrant workers. With the increased investment of government funds going into construction projects, it is critical for the Department to have the resources to provide education about prevailing wage requirements and enforce the prevailing wage laws that ensure that our tax dollars are not going towards wage theft or labor trafficking of workers in particularly vulnerable situations.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

IT Costs

N/A

Results:

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Projected Value (without)*	*Projected Value (with)*	*Date*
Quantity	Investigations completed	200	CY16-19	200	381	FY24-27
Quality/ Results	Back wages collected and paid to workers	$766,909	CY16-19	$766,909	$1,460,962	FY24-27

Statutory Change(s):

N/A

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Maintain Current Service Levels

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	147	246	246	246
Revenues	0	0	0	0
Workers' Compensation				
Expenditures	2,720	3,641	3,641	3,641
Revenues	0	0	0	0
Workforce Development				
Expenditures	59	121	121	121
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,926	4,008	4,008	4,008
FTEs	**1**	**1**	**1**	**1**

Recommendation:

The Governor recommends additional funding of $147,000 in FY 2024 and $246,000 in each subsequent year from the general fund, along with $2,720,000 in FY 2024 and $3,641,000 in each subsequent year from the Workers' Compensation fund, and $59,000 in FY 2024 and $121,000 in each subsequent year from the Workforce Development fund, to maintain the current level of service delivery at the Department of Labor and Industry.

Rationale/Background:

Each year, the cost of doing business rises—employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs increase. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year.

Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. For the Department of Labor and Industry, the following efficiencies have been implemented to help offset rising operating costs:

- Modernized IT systems to offer online transactions and payments for services and licenses
- Eliminated majority of paper and mailings to improve sustainability and reduce costs
- Developing alternative options for in-person inspections and reviews to reduce travel time and decrease wait times

However, cost growth typically outstrips efficiencies, and without additional resources added to agency budgets, service delivery erodes.

For the Department of Labor and Industry, operating cost pressures exist in multiple categories—increases in compensation and insurance costs at the agency, increasing costs to maintain our current staff compliment in a challenging labor market, and increasing IT costs. If an operational increase is not provided, the services Labor and Industry delivers to Minnesotans will be impacted. Some examples of potential impacts include:

- Reduction in staff to respond to labor law inquires, process license and permit requests, respond to workplace injuries and fatalities.

Proposal:

The Governor recommends increasing agency operating budgets to support maintaining the delivery of current services. For Labor and Industry, this funding will cover the following:

- MNIT rate and compensation cost increases
- Anticipated vendor contract increases (software, equipment)
- Two shared MNIT @agency FTE with the Department of Agriculture to meet current service levels
- MNIT vendor contract to support end of life platform
- Rent and lease agreement increases
- Inter-agency agreement increases with the Governor's Office and MN Management & Budget
- Compensation including benefit costs and agency-wide severance costs

Results:

This proposal is intended to allow Labor and Industry to continue to provide current levels of service and information to the public.

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Paid Family and Medical Leave Insurance

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures				
MMB Non-Operating	0	0	75	5,824
Transfer Out	668,321	0	0	0
GF Net Fiscal Impact =	**668,321**	**0**	**75**	**5,824**
Paid Family Medical Leave Fund				
Expenditures				
DEED	41,659	36,492	64,657	92,640
MMB	0	0	43	44
Commerce	367	316	128	128
DLI	601	480	646	646
DHS	0	0	3,635	0
Supreme Court	0	0	20	0
Legislature	0	0	11	0
Court of Appeals	0	0	0	5,600
Benefits	0	0	0	1,038,531
Transfer In	668,321	0	0	0
Revenues	0	0	0	1,219,808
All Funds Net Fiscal Impact = (Expenditures – Revenues)	**42,627**	**37,288**	**69,140**	**(76,395)**
FTEs	**39.5**	**65.5**	**241.75**	**410.5**

Recommendation:

The Governor recommends $668.321 million from the general fund in FY 2024-25 and $5.899 million in FY 2026-27. The Governor also recommends applying a 0.6% premium rate to employee wages beginning on July 1, 2026, to establish a Paid Family and Medical Leave Insurance program and that employee contributions comprise one-half of the premium rate.

The transfer of $668.321 million from the general fund provides funds necessary to cash flow the program to enable benefit payments to commence simultaneously with tax collections. It will also support the development of an IT system for collecting premiums and paying benefits, initial staffing and administrative resources required to implement and operate this program at the Department of Employment and Economic Development and other state agencies and branches of government.

Rationale/Background:

Most Minnesotans will need Paid Family and Medical Leave at some point in their lives – whether due to illness, a new child, or family caretaking. But today, approximately 26 percent of all family and medical leaves do not include any wage replacement. According to the "Paid Family & Medical Leave Insurance: Options for Designing and Implementing a Minnesota Program" released in February 2016, around 10% of Minnesota workers take a family or medical leave in any given year. Fifty-nine percent (59%) of current leaves in Minnesota are for own-health reasons (other than pregnancy), 17 percent are for bonding/parental leave (including pregnancy disability), and 24 percent of leaves are for caretaking a seriously ill family member.

Low-wage employees, certain minority groups, younger workers, and less educated populations are much more likely to lack access to paid leave. For many low-income Minnesotans, taking leave with little or no pay can create significant economic instability for their families, often during some of the most challenging times. Additionally, Minnesota workers are generally less likely to receive compensation during leave for their own serious health condition or family care than for pregnancy or parental (bonding/maternity/paternity) leave.

Without a comprehensive state paid family and medical leave program, Minnesotans are missing out on the economic stability and economy-boosting effects of keeping people employed while welcoming a new family member, caring for a sick loved one, or recovering from an illness or injury. Paid Family and Medical Leave is a critical tool towards enhancing Minnesota's economic competitiveness and building a more stable and resilient workforce.

Proposal:

The Governor recommends creating a new Minnesota Family and Medical Leave Program administered by DEED. This program will provide wage replacement for family and medical leaves and will provide job protections for recipients, so they are assured of continued employment with their employer upon their return. Premiums collected will fund program benefits and ongoing administrative costs.

Appropriations from the general fund will allocate:

- $519.266 million from the general fund in FY 2024-25 will fund a reserve balance in the Paid Family and Medical Leave (PFML) Fund. This will provide adequate cash flow to permit initiation of benefits simultaneously with the start of premium collections on July 1, 2026.
- An additional transfer of $149.055 million from the general fund in FY 2024-25 will fund start up costs for administration of the program to be appropriated from the PFML Fund.
- $5.855 million in FY 2026-27 will be provided to Minnesota Management and Budget Non-Operating to offset employer-paid premium costs in the general fund for state executive and judicial branch agencies and offset the costs to agencies for obtaining notice acknowledgments from employees.

Proposed appropriations from the new PFML Fund include:

- $78.151 million in FY 2024-25 and $157.297 million in FY 2026-27 for the Department of Employment and Economic Development will support the creation of business process design, a premium collection system, benefits payment system, user interface development, and program administration.
- $87 thousand in FY 2026-27 for Minnesota Management and Budget will fund state executive branch employee workplace notice costs as well as upgrades to the state's payroll system necessary for the collection of premiums.
- $683 thousand in FY 2024-25 and $256 thousand in FY 2026-27 for the Department of Commerce will fund development of private plan rules and approvals.
- $1.081 million in FY 2024-25 and $1.292 million in FY 2026-27 for the Department of Labor and Industry will fund oversight and compliance costs related to the program as well as IT systems upgrades.
- $20 thousand in FY 2022-23 for the Supreme Court will fund a onetime update to the existing case management system that would calculate interest on judgments against employers.

- Starting in FY 2027, $5.6 million per year would fund costs related to appeals filed with the Court of Appeals for denied benefit claims.
- $11 thousand in FY 2026-27 for the Legislature-LCC will support onetime payroll system updates.
- $20 thousand in FY 2026-27 for the Supreme Court will support onetime system updates.
- $3.635 million in FY 2026 for the Department of Human Services to make systems modifications necessary for the implementation of the program.

Impact on Children and Families:

Similar programs in other states have shown improvements in economic stability for families and positive impacts for children. Societal benefits include retaining more women in the labor force, reductions in the need and associated costs for nursing home and other institutional care, reductions in the need for public assistance when a new baby arrives, and less infant care shortages.

Equity and Inclusion:

According to the 2016 report, while almost three-quarters of Minnesota workers received at least some pay when they were out of work for family or medical reasons, low-wage (46%); black (42%); or Hispanic (39%); younger (39%); part-time (38%) or less educated (38%) workers are much more likely to manage leaves without any pay. This proposal is intended to help address that inequality and the economic impacts that that inequality has on these workers.

IT Related Proposals:

This recommendation includes funding for IT costs to create a system for collecting premiums from employers and paying program benefits to recipients. The development of the Paid Family and Medical Leave system will be a multi-year project. The total cost to build the system between FY 2024 and FY 2028 is anticipated to be approximately $80.4 million, plus approximately $6.0 million in staff costs.

Results:

Department of Employment and Economic Development will track the following:

- Amount of leave taken
- Amount of benefit payments made to recipients
- Employer opt-outs
- Employee opt-ins
- Program tax collections and balance
- Customer satisfaction

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Earned Sick and Safe Time

Fiscal Impact ($000s)	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**
General Fund				
DLI Expenditures	1,445	2,209	1,899	1,899
MMB Expenditures	20	3	3	3
Revenues	(104)	(207)	(207)	(207)
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,361	2,005	1,695	1,695
FTEs	**10.8**	**13.6**	**13.6**	**13.6**

Recommendation:

The Governor recommends requiring employers to provide employees one hour of earned sick and safe time for every 30 hours worked up to a required maximum of 48 hours per year. This earned sick and safe time could be used for the employee's own health condition or to care for an ill family member, or for certain absences due to domestic abuse, sexual assault, or stalking. The Governor recommends $1.361 million in FY 2024, $2.005 million in FY 2025, and $1.695 million each year after for enforcement and compliance activities as well as to fund outreach and engagement efforts. Enforcement actions may require the Department of Labor and Industry (DLI) to penalize employers that will not comply. DLI estimates penalty revenue at $104,000 the first year and $207,000 the following years.

The Labor Standards budget is currently $3,630,000, including budgets for Labor Standards, Wage Theft, Nursing Mothers and Prevailing Wage. $1,445,000 would be a 39.8% increase to the budget.

Rationale/Background:

Working Minnesotans need paid time off to care for themselves or a loved one when they get sick. In 2016, over 900,000 working Minnesotans did not have job-protected paid time off, nearly one third of working people in the state. Many workers can't afford to take unpaid time off work to care for themselves or a sick child and may feel forced to go to work sick, putting customers at risk of also falling ill. The COVID-19 pandemic has demonstrated now more than ever Minnesotans need paid time off.

Paid sick time laws have already passed in fourteen states, plus Washington D.C., and four Minnesota cities – Minneapolis, St. Paul, Duluth, and most recently, Bloomington – have passed ordinances requiring earned sick and safe time. A statewide law will ensure all Minnesota employees have the right to paid sick time regardless of where they live or work, supporting health and economic wellbeing. The proposal also benefits employers through improved employee recruitment and retention, improved employee morale, fewer workplace injuries, and a healthier workplace.

Proposal:

This proposal requires employers to enable covered employees to accrue a minimum of one hour of earned sick and safe time for every 30 hours worked. Sick time begins to accrue at the start of employment and may be used as soon as it is accrued. The proposal applies to employers with one or more employees and employees who work at least 80 hours in a year. Accrued paid time off may be used for:

- certain health conditions of the employee or the employee's family member(s);
- certain absences due to domestic abuse, sexual assault, or stalking of the employee or employee's family member;
- certain weather or public emergencies; or
- certain exposure to communicable disease.

As with all changes to labor laws, outreach and education of the new requirements is critical for implementation and compliance. The Department will communicate the new requirements through various social media and print efforts to inform employers of their responsibilities and employees of their rights. DLI anticipates an increase in the number of inquiries it currently receives from employers, workers and the public related specifically to this new right to paid sick time, and it assumes that it will receive complaints from workers alleging that their employers did not provide the paid time off, either by failing to allow employees to accrue the time, or by failing to allow employees to use the time off for the reasons stated above.

DLI will be responsible for investigating allegations of noncompliance which would require intake; complainant interviews; worker and witness interviews of those identified by the complainant; collection and review of documents provided by the complainant or workers and other witnesses identified by the complainant; preparation for onsite workplace investigation; interviews of employers and management employees and other workers at the workplace; review of payroll records and other relative documents; determination of violations; calculation of back wages owed; preparation of appropriate documentation and communications; and engagement in efforts to informally resolve the violations found. Penalties will be issued if non-compliance continues.

This 13.6 FTEs in this proposal include 9.6 investigators, 1 state program director, 1 state program administrator, and 2 office administrative support staff. The investigators will perform the investigatory actions outlined in the paragraph above, while the program director and state program administrator, and 2 office administrative support staff will be necessary to conduct outreach and lead and provide support to an investigative team of this size.

Impact on Children and Families:

Children and families would benefit from the proposal in multiple ways. Parents would be able to afford to take time off work to take care of themselves or their children when they are ill, to attend medical appointments, or obtain medical attention or services related to domestic abuse, sexual assault, or stalking. The proposal would also allow employees to use accrued paid time off to care for a child when school has been closed due to inclement weather, supporting child health and wellbeing. Public health would be improved by taking away a financial disincentive for ill employees to remain in the workplace or to send an ill child to daycare or school. Access to paid time off supports greater economic security for Minnesota families.

Equity and Inclusion:

Low-wage workers, workers of color, and workers in the service industry are more likely to lack paid sick time. Statewide earned sick and safe time improves equitable access to a basic workplace benefit so all Minnesotans can afford to take care of themselves and their family members when they are sick without risking losing their jobs.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

IT Costs

Category	*FY 2024*	*FY 2025*	*FY 2026*	*FY 2027*	*FY 2028*	*FY 2029*
Payroll						
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software	$21	$8	$8	$8	$8	$8
Training						
Enterprise Services						
Staff costs (MNIT or agency)						
Total						
MNIT FTEs						
Agency FTEs						

Results:

DLI will perform intake counts on type of calls/emails/stakeholder inquiries we receive will be communicated via our annual statistics summaries. Often these reports are shared with the legislature, the governor's office, and other interested parties. Outreach numbers will be communicated in our annual outreach report. Press releases will go out on notable successful compliance cases and outreach campaigns.

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Projected Value (without)*	*Projected Value (with)*	*Date*
Quantity	Employee Inquiries	N/A	N/A			
Quantity	Employer Inquiries	N/A	N/A			
Quantity	Outreach Activities	N/A	N/A			
Results	Number of employees with	N/A	N/A			

Statutory Change(s):

Minnesota Statutes 177.27, 181.942

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Expanding Equity In Apprenticeship

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Workforce Development Fund				
Expenditures	1,034	1,042	1,042	1,042
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,034	1,042	1,042	1,042
FTEs	**1.0**	**1.0**	**1.0**	**1.0**

Recommendation:

The Governor recommends a $1.034 million appropriation to the Minnesota Department of Labor and Industry to grow registered apprenticeship in Minnesota and train, reskill, and upskill the state's workforce. The recommendation includes a $900,000 grant increase to the Labor Education Advancement Program (LEAP) to better facilitate the participation and retention of women, people of color and Indigenous people in registered apprenticeship programs (RAPs) and employment in careers that pay a family-sustaining wage. The remaining $134,000 would fund a full-time grants coordinator to administer the LEAP grants and other apprenticeship grants funding including Helmets to Hardhats and the Minnesota Virtual Academy's career pathway program. The grants coordinator would also be responsible for identifying and applying for other apprenticeship funding opportunities including federal grants.

Rationale/Background:

Registered apprenticeship is a time-tested employment-based training model providing employers and industry a successful strategy to recruit, train and retain a highly skilled workforce while providing workers the opportunity to earn as they learn a valuable career and achieve a nationally recognized credential.

Registered apprenticeship can provide great career opportunities for all participants, yet people of color, Indigenous people and women continue to be underrepresented in registered apprenticeship programs. There are approximately 11,000 Minnesotans participating in registered apprenticeship programs; however, only approximately 22% are people of color and Indigenous people and 7% are women.

LEAP aims to increase participation and retention of these targeted groups in registered apprenticeship programs.

Proposal:

LEAP currently receives an annual appropriation of $100,000 which it grants out to on average five community-based organizations each year. Average awards recently have been $15,000 to $25,000 per organization per year. Grantees use the funds to support potential and enrolled apprentices who are primarily women and people of color through various means including outreach, education, assessment, preparation, support services, instruction, training, placement and retention activities.

Current grantees have indicated that available funding is insufficient to support clients. Additional funding would enable them to serve more individuals, provide more comprehensive training, deepen partnerships with employers/contractors, and increase recruitment and participant supports, such as stipends for transportation and childcare, soft skills, assessments, and training.

The governor recommends increasing the grant from $100,000 to $1 million and broadening eligibility from community-based organizations to include non-profits and Tribal Nations.

The grants coordinator would be responsible for developing requests for proposals (RFPs), outreach to potential applicants, reviewing grant proposals, meeting with grantees to provide technical assistance, processing quarterly invoices, monitoring grant performance, and ensuring metrics are achieved. The position would play a key role in identifying strategies to address barriers that inhibit participation and retention of women, people of color, and Indigenous people in registered apprenticeship programs. The grants coordinator would administer other apprenticeship grants and would have primary responsibility for identifying and applying for federal apprenticeship grant opportunities and administering federal grant awards. The position would also implement fraud prevention efforts and ensure all programs have sufficient controls in place to safeguard state and federal dollars.

Impact on Children and Families:

This proposal supports children and families by providing grant funding to organizations that address barriers to apprenticeship participation, retention, and completion for women, people of color, and Indigenous people. These groups are underrepresented in registered apprenticeship programs which lead to careers that pay a family-sustaining wage. Greater participation in registered apprenticeship will improve economic security for more Minnesota families.

Equity and Inclusion:

This proposal aims to address current inequities in registered apprenticeship and provide pathways to careers that pay a family-sustaining wage. People of color and women are underrepresented in registered apprenticeship programs and face barriers that inhibit participation, retention, and completion. Providing support services, soft skills training, mentorship, and stipends to offset the cost of childcare and transportation will remove some of these barriers.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☒Yes
☐No

This proposal broadens grant eligibility to include Tribal Nations. Experience has demonstrated that tribes would benefit from this funding opportunity. For example, Lower Sioux was awarded a federal Minnesota Registered Apprenticeship Expansion (MNRAE) grant in 2021 and used the funding to provide a plumbing career exploration program to tribal citizens. Providing a state grant opportunity will enable Minnesota tribes to support Indigenous people in registered apprenticeship programs. Consultation with Minnesota Tribal governments is ongoing.

IT Costs

N/A

Results:

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Projected Value (without)*	*Projected Value (with)*	*Date*
Quantity	Number of participants served	96	SFY21		400	SFY24
Quality	Services and supports provided to participants	Staff career navigation support; Tools, equipmen t, etc. to support retention in RAP.			Programming for career exploration Programming for career readiness Provision of additional supports such as childcare and transportation	
Results	Number of participants retained in an apprenticeship program after one year	NA			100	SFY25

Statutory Change(s):

178.11

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Growing Youth Skills Training Program

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Workforce Development Fund				
Expenditures	759	771	771	771
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	759	771	771	771
FTEs	**1.89**	**1.89**	**1.89**	**1.89**

Recommendation:

The Governor recommends an increase of $759,000 in FY 2024 and $771,000 in FY 2025 and ongoing for the Youth Skills Training (YST) program; $500,000 each year for grant funding and additional resources each year for staff needed to administer the program and provide ongoing support to both funded and unfunded partnerships across the state. The demand for YST program funding continues to exceed available resources. Further, the increasing popularity of the program stresses the importance of growing a program sustainably with capable staff to answer questions, provide training and technical assistance and fully support the development of these partnerships.

Funds would be used to support the development of partnerships between school districts, employers, local chambers of commerce, and other community organizations. These local partnerships provide 16- and 17-year-old student learners with related classroom instruction, safety training, industry-recognized credentials, and safe, healthy, and meaningful paid work experience.

Rationale/Background:

Youth Skills Training (YST) provides one approach to addressing the shortage of skilled workers in Minnesota. With a sustained low unemployment rate, employers continue to emphasize their difficulty in finding workers with the skills they need. YST is one solution to support the development of a first-class workforce of the future. YST does this by supporting the development and implementation of experiential learning opportunities for students 16 years of age and older through outreach, consultation, program approval, and grant administration. Locally developed programs are implemented in cooperation with employers, schools and other key stakeholders. YST programs include safety training, classroom instruction, credentials/certifications and paid employment and are approved and monitored by the Department of Labor and Industry (DLI). Eligible industries include advanced manufacturing, agriculture, automotive, health care, and information technology.

The legislature created the YST program in 2017, which included grant funding in the amount of $1 million per biennium, to provide local partnerships throughout the state with resources to create and implement YST programs. These grants were initially awarded to five partnerships per year and could not exceed $100,000 to each local partnership. Additionally, a one-time appropriation of $200,000 out of the Workforce Development Fund was provided for DLI to develop the program over fiscal years 2018 and 2019.

In 2019, the Legislature invested $2.2 million (FY 2020/2021) from the Workforce Development Fund to further support YST programs throughout the state. The increase in grant funding from $500,000 to $1 million each year allows the YST program to fund twice as many partnerships annually. However, when grant funding was doubled, the funds available for administrative support were not increased.

The demand for YST grant funding significantly exceeds the amount of funding available to local partnerships to develop and implement these programs, and it is important to emphasize that many employers seek to host YST student learners without a grant funding. In FY 2019, 25 partnerships throughout the state applied for a YST grant requesting a total of $2,388,094; five partnerships received a combined $500,000. In FY 2020, 33 partnerships throughout the state applied requesting a total of $3,160,290; eleven partnerships received a total of $1,000,000. In FY 2021, 24 partnerships throughout the state applied requesting a total of $2,340,476; eleven partnerships received a total of $1,000,000. In FY 2022, 25 partnerships throughout the state applied requesting a total of $2,223,120, with eleven partnerships receiving a total of $1,000,000. In FY 2023, 32 partnerships throughout the state applied requesting a total of $2,896,647, with eleven partnerships receiving a total of $1,000,000. This proposal would provide grant funding to at least five additional YST programs on an annual basis, helping to address the shortage of skilled workers in Minnesota.
In addition to offering technical assistance to interested YST partners, the current program manager:

- Assists employers through the approval process to host YST student learners in paid work experience, which requires a review of planned equipment, a safety walk-through, and a review of past employer practices and reports related to safety, injuries, and any child labor concerns;
- Consults with a diverse array of stakeholders who have a wide variety of questions related to working with student learners in sometimes limited or prohibited industry settings including advanced manufacturing and health care;
- Provides input on policy recommendations and other systemic means of advancing career and technical education pathways in the secondary school system;
- Reports in detail on the trends and participation in YST programs across the state; and
- Ensures DLI has sufficient controls in place to safeguard state dollars.

On top of providing support above and beyond grant funding *during* the dates of grant performance, the program manager offers continued support *following* the end date of the grant. Put another way, the number of partnerships is cumulative, even from the first round of grant-funded partnerships in 2018. This means that the program manager is supporting 50 partnerships with technical assistance and employer approval, only 22 of which are grant-funded.

Program stakeholders including industry representatives, employers, school district staff and other community organizations continue to seek funding to initiate and grow partnerships. The Children's Cabinet has also expressed interest in growing this program as it provides safe, healthy, meaningful work experience for student learners.

The intended results would be a program to meet additional need in the state of Minnesota to establish and grow programs. Additionally, providing funding for appropriate staffing would allow for sustainable growth of the program as administrative and operational needs have exceeded available resources.

Proposal:

An additional $500,000 per year will provide funding to an estimated five additional Youth Skills partnerships in Minnesota. Only partnerships that provide the quality and caliber of services that meets DLI standards will be awarded grant funding. This will bring the number of grantees awarded funding each year to a minimum of fifteen (from ten).

The additional $259,000 in FY 2024 and $271,000 each year after will fully fund one current and 1.5 additional staff to increase programmatic capacity and grant funding oversight. One program manager (a state program administrator principal (MAPE 14L)), one program consultant (a state program administrator senior (MAPE 10L)), and a half-time program specialist (state program administrator (MAPE 5L)) is necessary to operate the program seamlessly in Minnesota. This represents an increase of 1.89 FTE for the program. Additionally, the Governor recommends $25,000 for annual program operations which would provide funding for the client relationship management tool, planning and hosting small events, fund the costs of travel, and other ad campaigns.

The proposal would complement the work taking place in other parts of the agency including enforcement of child labor laws and OSHA consultation work encouraging employers to continue to go above and beyond in the provision of a safe work environment.

This proposal would meet the on-going demonstrated need from partnerships throughout the state.

The effective implementation date would be July 1, 2023. At that time, DLI would initiate the staff hiring process, onboard and train those staff, and would continue growing the YST program. Additional grant funding would be awarded through a competitive request for proposals, likely opened around that time.

Impact on Children and Families:

By exposing students to high-growth, in-demand industries and high-wage occupations, student learners better understand potential career opportunities and can hone their interests at an earlier point in their lives. High-wage jobs are one of the strongest tools we have for individuals to provide for themselves and their families. By offering student learners experiential learning opportunities through YST and getting them thinking about their futures, they will be able to better support for their future families. By growing Youth Skills Training, more student learners will be better equipped to enter the workforce and select a course of education to contribute to their career path.

Equity and Inclusion:

This proposal advances equity by offering a proven resource to all students regardless of race, ethnicity, background, etc. This proposed item will support in the reduction of inequities for people of color, Native Americans, people with disabilities, people in the LGBTQ community, other protected classes, but not as the primary motivator. Youth Skills Training does not discriminate against any individual, and as such, every student would be eligible to participate in the program. When awarding grant funding for partnerships, DLI incorporates equity and inclusion as a consideration in ranking proposals.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

This proposal does not have a substantial direct effect on tribal governments. However, Minnesota Tribal governments have indicated that proposals that make grant funding available are a priority. DLI has provided updates on this proposal at past tribal consultations and will continue to do so in upcoming and future tribal consultations.

IT Costs

N/A

Results:
This proposal would provide grant funding to at least five additional YST programs on an annual basis, helping to address the shortage of skilled workers in Minnesota. This represents a projected increase in the number of annual grant-funded partnerships of at least 50%, going from 10 to at least 15.

Type of Measure	***Name of Measure***	***Total Four grant rounds 7/1/2018 – 6/30/2022***
Quantity	Number of partnerships awarded grant funding	50
Quantity	Number of employers approved to host YST student learners	152
Results	Number of students provided with industry exposure opportunities	41,005
Results	Total number of students participating in industry-related classroom experience	23,498
Results	Total number of students earning industry-recognized credentials	1,410
Results	Total number of students placed into paid work experience opportunities	537

Statutory Change(s):
N/A

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: WESA Outreach

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	234	242	242	242
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	234	242	242	242
FTEs	**1.0**	**1.0**	**1.0**	**1.0**

Recommendation:

The Governor recommends $100,000 each year to continue outreach to employees and businesses on the requirements of the Women's Economic Security Act (WESA) and $134,000 for an Outreach and Education Coordinator.

Rationale/Background:

In 2021, the Governor recommended and the Legislature approved two improvements to the Women's Economic Security Act (WESA) aimed at supporting pregnant and new parents in the workplace. Thanks to these changes, more pregnant employees are now able to request and receive an accommodation in the workplace, and nursing parents can take needed breaks to express milk at work without losing pay. As part of these law changes, the Legislature appropriated $118,000 in FY22-23 for outreach and enforcement activities. The results of this outreach included more employers becoming aware of their responsibilities under WESA and more employees becoming award of their rights under the law.

Prior to the Department of Labor and Industry's (DLI's) accelerated outreach efforts on WESA with the 2021 appropriation, the agency found that few employees submitted complaints of violations of their rights under WESA. Since beginning outreach efforts in August 2021, DLI has experienced a 37.5% increase in the volume of complaints specific to WESA, and an over 250% increase in complaints related to nursing mothers' accommodations. More employers have since come into compliance with the laws and more pregnant, new parents, and women in the workplace have been afforded the workplace protections they are entitled to. This demonstrates that the agency's outreach efforts have been successful and should be continued in order to support pregnant people, new parents, and women so they can continue to work safely and have the economic security to support themselves and their families.

Proposal:

DLI is responsible for enforcing five provisions of the Women's Economic Security Act including wage disclosure protection, pregnancy accommodation, pregnancy and parenting leave, nursing mothers, and sick leave benefits. Between July 2014 through August 2022, the Department completed 125 investigations of alleged violations.

$100,000 would be used for outreach efforts to ensure employers understand their responsibilities under WESA and employees know their rights. Outreach costs include grants to community-based organizations, printing, distribution of materials, and marketing efforts.

The outreach and education coordinator would be responsible for organizing and hosting informational webinars, developing social media content, direct outreach to employers and local chambers of commerce, direct outreach to employees, partnering with other state agencies and the US Department of Labor, identifying community partners, and distributing brochures, among other activities.

The work of this proposal complements the work already being done in the Labor Standards Unit, including outreach efforts in the areas of wage and hour and child labor standards. This proposal will provide DLI with the funds necessary to do the additional outreach and investigation work required while maintaining the same level of service in the other areas of its outreach.

Impact on Children and Families:

This proposal supports children and families by ensuring employees are aware of their workplace rights. This means pregnant employees that need an accommodation will request and receive one so that they can continue to work safely and earn an income during their pregnancies. It also means lactating employees are aware of their right to express milk at work without losing pay. Supporting lactation at work supports a healthy start for Minnesota children.

Equity and Inclusion:

DLI has worked extensively to engage pregnant and parents whose primary language isn't English and work with organizations that serve people of color to educate pregnant and new parents on WESA. For example, DLI awarded grant funding to the African-American Babies Coalition with which they created a guide and training about workplace rights under WESA and hosted three mother and stakeholder events using the newly created guide. DLI partnered with Somali TV, Hmong TV and La Raza Radio to distribute social media messaging in Hmong, Spanish and Somali through these media companies' networks. DLI translated and distributed a new parents' brochure including 3,728 Spanish, 2,262 Somali and 917 Hmong. Equity and inclusion will continue to be a priority for ongoing outreach work.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

IT Costs

N/A

Results:

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Projected Value (without)*	*Projected Value (with)*	*Date*
Quantity	Number of nursing parents' complaints received	11	9/2021 - 8/2022	Same (11)	263% increase = 40	FY 2024
Quantity	Number of WESA brochures distributed	17,395 (10,488 English, 3,728 Spanish, 2,262 Somali and 917 Hmong)	8/2021-5/2022	DLI currently has 5,605 brochures left in stock (4,512 English, 272 Spanish, 738 Somali and 83 Hmong)	36,000	FY 2024
Results	Directly connect with employer and employee representatives to increase awareness of WESA and workplace rights and responsibilities	Reached 639 participants through nine informational webinars	8/2021-12/2021		1,000 participants through 12 informational webinars	8/2023-12/2023

Statutory Change:

N/A

Change Item Title: Combative Sports Health and Safety Improvements

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	243	254	254	254
Revenues	0	0	0	0
Special Revenue				
Expenditures	15	15	15	15
Revenues	15	15	15	15
Net Fiscal Impact = (Expenditures – Revenues)	243	254	254	254
FTEs	**1.55**	**1.55**	**1.55**	**1.55**

Recommendation:

The Governor recommends statutory changes related to the Office of Combative Sports (OCS) and its regulatory authority to better protect combatant health and safety. The proposed changes would improve OCS oversight of combative sports contests, clarify grievance procedures, address inconsistences in statutory language, and close regulatory loopholes that can put combatants' health and safety at risk.

Setting the maximum number of complimentary tickets allowed to bypass the 4% event fee would increase dedicated revenue deposited to the Special Revenue Fund by an estimated $8,800 annually.

While license and fee revenues are sufficient to cover the intermittent inspectors who assist with the regulation of combative sports contests, the governor recommends $243,000 in FY24 and $254,000 in FY25 from the general fund for the purposes of stabilizing the programmatic oversight needed to fulfill statutory obligations.

Rationale/Background:

Most of the current language in the OCS statute was written when the Boxing Commission was created in 2006. Since that time, the combative sports industry has evolved drastically, and Minnesota has not made the statutory changes necessary to reflect the changing landscape of the combative sports industry and remain in line with other state and tribal regulatory bodies. With these proposed changes, Minnesota will be able to provide the same high level of combative sports regulation as the rest of the Association of Boxing Commissions' membership.

The Governor recommends a general fund base appropriation for OCS because fees raise inadequate revenue to fully support the program. Increasing fees is not an option as this would decrease the number of combative sports contests in Minnesota which would decrease revenue. In 2013, the Department of Labor and Industry (DLI) and the Legislature increased combative sports licensing fees for promoters, combatants, and officials in an effort to raise revenue. Because of these fee increases, fewer promotors, combatants, and officials sought licenses, there were fewer events, and overall revenue decreased. In 2019, DLI and the Legislature lowered or eliminated licensing fees for combative sports officials (judges, managers, ring announcers, timekeepers, doctors and referees) to align with surrounding states, increase the number of licensed combative sports officials, and remove barriers to additional events being held in Minnesota. In order to be better aligned with fees in other states and attract additional events and combatants to Minnesota, the Governor recommends to similarly lower fees for promoters, trainers, and combatants as follows:

	Current Fee	**Proposed New Fee**
Promoters	$700	$500
Trainers and seconds	$80	$40
Professional combatants	$70	$55
Amateur combatants	$50	$35

The fee reductions would align Minnesota's combative sports fees with surrounding states, creating a more equitable playing field for the combative sports community. The revenue reduction is projected to be offset as the fee changes result in additional license purchases and additional events held in the state.

The combative sports contest fee will be $500, due at the time the event is scheduled, or 4% of the gross ticket sales, whichever is greater. The maximum number of complimentary tickets allowed to not be considered part of the combative sports contest fee is 5% of the total attendance. Currently, the contest fee is $1,500 or 4% of gross ticket sales, whichever is greater, and there is no limit to the number of complimentary tickets a promoter may issue, all of which are not subject to the gross ticket sale fee calculation.

Proposal:

Recommended changes to the OCS statute improve contest regulation and better protect the health and safety of combatants. Changes include:

- Improving event security by requiring all combative sports contests to have at least one uniformed security guard or off-duty law enforcement officer present to ensure the safety of staff, combatants, and spectators
- Protecting combatants' health by requiring that an ambulance and two emergency medical technicians are present at all combative sports contests
- Ensuring contest promoters pay a proportionate amount in fees relative to event size by limiting the number of complimentary tickets that can be issued without counting towards an event fee to 5% of total attendance

- Closing loopholes that allow individuals to avoid regulation and put combatants' health and safety at risk by requiring that combative sports not directly regulated by OCS be regulated by certain third parties to ensure basic health and safety protocols are in place
- Clarifying that professional and amateur kickboxing event regulation falls within the authority of OCS
- Restructuring the Advisory Council to meet current and future needs by decreasing the size of the Council and giving the Commissioner the ability to appoint individuals that have various areas of combative sports expertise not limited to boxing or mixed martial arts

Additional changes address licensing requirements, eliminate obsolete language, add clarifying language, and improve due process. These changes are needed to bring the Minnesota Office of Combative Sports in line with other regulatory bodies, attract additional and larger events, and add credibility to the program. Most importantly, the changes improve the health and safety of combatants by strengthening OCS and its regulatory authority. Upon passage, OCS will engage in education and outreach within the combative sports community to ensure that stakeholders are informed of the changes to ensure effective implementation.

The mild fluctuation in dedicated revenues from licenses and fees for OCS each year are sufficient to support the program's annual variable costs like intermittent event inspectors, legal costs, travel costs, supplies, education, training, and the board members' annual contracts. However, there is an existing gap in funding to support the compensation costs for the program's fixed operations made up of the state program administrator and state program manager. The recommended $254,000 base appropriation will support program operations and provide financial stability through an ongoing legislative base appropriation.

Impact on Children and Families:

Combative sports can have a significant positive impact on children and families, including at-risk youth. Boxing and martial arts gyms give individuals a place to learn discipline, respect, and leadership, while also teaching participants how to be role models and more productive individuals within their families and communities. Combative sports promote healthy social, emotional, and personal development while instilling self-esteem and confidence in youth who may have limited positive relationships with adults. Further, safer combative sports contests will better protect spectators including children and families who attend events and better protect combatants, so they are able to go home to their families after competing in a combative sports contest.

Equity and Inclusion:

The changes being proposed would align Minnesota's combative sports program with surrounding states, creating a more equitable playing field for the combative sports community. This proposal will have a positive impact on tribal communities that host combative sporting events that are regulated by OCS.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

The Office of Combative Sports (OCS) regulates many events on tribal land. Since 2013, OCS has regularly regulated mixed martial arts (MMA) events at Mystic Lake Casino in Prior Lake which is part of the Shakopee Mdewakanton Sioux Community. Additionally, over the years OCS has regulated events at Northern Lights Casino in Walker (Leech Lake Band of Ojibwe), Shooting Star Casino in Mahnomen (White Earth Nation), and Jackpot Junction Casino in Morton (Lower Sioux Indian Community). OCS has also worked closely with Red Lake Nation to help them form the Red Lake Nation Athletic Commission and gain acceptance into the Association of Boxing Commissions.

In addition to the Red Lake Nation Athletic Commission, there are also two other tribal combative sports commissions that exist in Minnesota, the Mille Lacs Band of Ojibwe Department of Athletic Regulation and the Fond du Lac Athletic Commission. OCS works alongside these tribal commissions to help ensure the health and safety of combative sports.

The changes being proposed by the governor would not have any substantial impact on any of the Tribes that we work with. The events regulated by OCS on tribal land are organized by promotions that are licensed by OCS who use the venues on tribal land to hold their events. The Tribes give OCS permission to use the state's combative sports rules and regulations while regulating events on tribal land. The main effect that the changes would have on Tribes is that OCS would be strengthening the ability to protect the health and safety of combatants that compete while on tribal land.

Results:

Requiring all combative sports to be regulated, that an ambulance and two EMTs be present at all contests, and that proper security measures are taken will ensure that combatants are not competing shortly after suffering repeated strikes to the head, will allow OCS to maintain and track medical suspensions, and will reduce the chances of combatants suffering a severe injury or death.

Type of Measure	***Name of Measure***	***Current Value***	***Date***	***Projected Value (without)***	***Projected Value (with)***	***Date***
Quantity	Number of Combative Sport Events	16	12/31/22	15	35	
Quality	Number of Licensed Individuals	847	12/31/22	850	1,500	

Statutory Change(s):

Minnesota Statutes, chapter 341

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Climate Subcabinet: Commercial Energy Code Improvements

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Construction Code Fund				
Expenditures	146	0	0	146
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	146	0	0	146
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends instituting an adoption framework for the statewide commercial building energy code that ensures that all new commercial and large multifamily construction is net-zero by 2036. The estimated cost impact is $146,000 **every three years** beginning in fiscal year 2023 to fund rulemaking costs and market and cost analysis to determine necessary energy efficiency performance requirements.

Rationale/Background:

The Climate Subcabinet considered various proposals to address climate change and put Minnesota back on track to meet statutory greenhouse gas reduction goals of 30% reduction from 2005 levels by 2025 and 80% reduction by 2050. Improved energy efficiency in the building sector is a key contributor to meeting these goals, as operating and maintaining buildings involves the consumption of large amounts of energy. In 2017, Minnesota's building sector consumed 40.6% of the total energy consumed in the state, 19.5% of which was from within the commercial buildings sector, including large multifamily buildings.

The Departments of Labor and Industry and Commerce convened a workgroup in the fall of 2019 and spring of 2020 that included stakeholders from the construction industry, local governments, environmental advocates, housing, business, labor, and legislature to evaluate policy options that would improve energy efficiency in commercial and multifamily buildings. Through the workgroup process, the Departments concluded that greater building energy efficiency could be achieved through improvements to the state commercial energy code. The Departments recommended the current statewide commercial energy code be advanced and accelerated such that it achieves net zero by 2036. This proposal is a priority action in the Climate Action Framework Goal 4 and falls within Initiative 4.2.2 to design and build climate-smart new buildings.

Proposal:

This proposal aligns with the DLI's statutory responsibility to adopt model commercial energy codes and consider amendments to the code to improve the efficiency of a building (MN Statutes 326B.106). The proposal recommends adoption of a new model commercial energy code when it is issued every three years beginning with adoption of international ASHRAE standard 90.1 - 2019. Because the model code alone would likely be insufficient to achieve net zero by 2036, subsequent code adoptions would include an adjusted minimum percent efficiency or an equivalent set of enhancements to meet that goal.

The agency anticipates this change to cost $146,000 every three years beginning in fiscal year 2024: $46,000 to conduct rulemaking and $100,000 to conduct a market and cost analysis to determine necessary energy efficiency performance enhancements.

Specific needs include:

1. **Market capacity analysis**: Research on the market's ability to design, build and operate more efficient buildings.
2. **Cost analysis** of energy code levels across different buildings in climate zone 6 & 7: A cost analysis for different building types would be needed for the two climate zones of Minnesota.

The agency is undergoing rulemaking in the current fiscal year to adopt ASHRAE 90.1-2019. The proposal will reduce energy use in commercial and large multifamily buildings, address climate change, and help Minnesota meet its greenhouse gas reduction goals.

Impact on Children and Families:
Addressing climate change will have a direct positive impact on future generations most likely to feel the negative effects of climate change. Creating more energy efficient multifamily buildings will result in lower energy costs and therefore lower energy bills, making housing more affordable. This will contribute to greater economic security for Minnesota children and families.

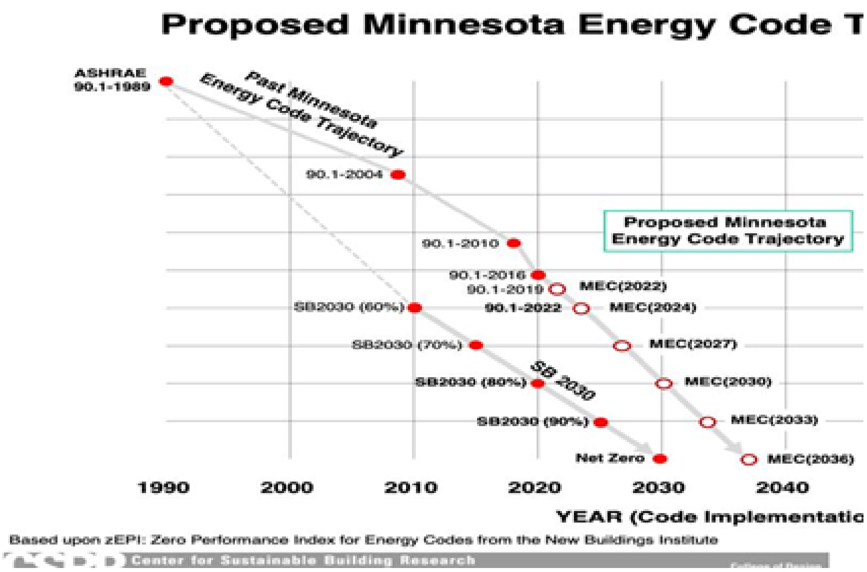
Equity and Inclusion:
The impacts of climate change are disproportionally borne by disadvantaged communities. More energy efficient buildings contribute to mitigating climate change and therefore addressing disparities. Increased energy efficiency in large multifamily buildings will reduce energy costs and cost-of-living for inhabitants, including lower-income Minnesotans and Minnesotans of color who are more likely to rent than own single-family homes.

Tribal Consultation:
Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

IT Costs:
N/A

Results:
This change will put Minnesota on an accelerated trajectory to make new commercial buildings net zero by 2036. This will be accomplished by (1) adopting a new model commercial energy code every three years beginning in the year 2022 and (2) including a modifier to ensure each new Minnesota Energy Code is at least 8% more efficient than the previous edition. Without this change, achieving net zero in new commercial buildings may take an additional 10-15 years.



Statutory Change(s):
326B.106

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Electric Vehicle Charging Infrastructure

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Construction Code Fund				
Expenditures	163	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	163	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends adding requirements to the Minnesota State Building Code for providing electric vehicle (EV) charging stations, electric vehicle ready spaces, and electric vehicle capable spaces within or adjacent to new commercial buildings and multi-family structures that provide on-site parking. Residential structures with fewer than four dwelling units would be exempt. The Governor recommends onetime $163,000 from the Construction Code Fund for rulemaking and stakeholder education.

Rationale/Background:

Transportation is the largest contributor of greenhouse gas emissions in the state of Minnesota. This is a major contributor to climate change, air pollution, and ecosystem degradation. Providing Minnesotans with more access to electric vehicle charging infrastructure in convenient locations will increase the feasibility of EV use for Minnesotans, lead to an expansion of EV use in the state and help decrease the greenhouse gas emissions associated with transportation in MN. This proposal falls within one of the recommendations in the Climate Action Framework Initiative 1.2 to accelerate the transition to Electric Vehicles and clean transportation and expand EV charging infrastructure.

Proposal:

This is a new scoping addition to the existing Minnesota Building Code. The proposal will fund new rulemaking to provide specific scoping for electric vehicle charging support infrastructure and expansion capability. It will also fund education for stakeholders which include building owners, architects, engineers, and code officials so that they can apply the new scoping correctly.

Funds will be used for initial rulemaking to add the new requirement, craft rule language, and engage stakeholders; funds will also be used for stakeholder education. Funding for plan review and inspections will be covered by plan review and permitting fees which are graduated to the specific scope of work. The initial rulemaking process will be medium because it involves adopting new scoping not included in model codes. Costs for rulemaking are estimated at $133,000. Costs for stakeholder education will include development and delivery of one live seminar delivered at eight locations and development of incremental online education estimated at $30,000.

Concern regarding the ability to access charging an electric vehicle is one of the most significant obstacles to people purchasing electric vehicles. Providing charging capability where people live and work addresses this obstacle. Providing Minnesotans with more access to electric vehicle charging infrastructure in convenient locations will increase the feasibility of EV use for Minnesotans, lead to an expansion of EV use in the state and help decrease the greenhouse gas emissions associated with transportation in MN. This proposal complements the Minnesota Department of Transportation's efforts to provide electric vehicle charging infrastructure along major transportation routes throughout the state.

Rulemaking will be incorporated into the periodic review and adoption of model building code updates with a scheduled implementation in the third quarter of FY 2026. EV charging stations will be installed in new multi-family residential construction and at places of employment in increasing quantities sufficient to provide adequate EV charging for up to 20% of the target groups by 2030 in order to coordinate with the Minnesota Climate Action Framework Transportation measure of progress.

Impact on Children and Families:

This proposal helps to address climate change which benefits all Minnesotans, but especially children and youth who will bear the brunt of climate change impacts.

Equity and Inclusion:

Positive impacts will include broader access to electric vehicle charging capability. Individuals and families with fewer resources tend to live in multi-family housing to save costs. Because the scoping includes multi-family housing facilities, those with access to fewer resources will still have access to electric vehicle charging and therefore the option to drive an electric vehicle.

Negative impacts will include increased construction costs to multi-family residential buildings and commercial buildings. These increased costs could potentially lead to minor housing cost increases.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

IT Costs

N/A

Results:

Pass/not pass for building code compliance. All buildings are required to pass compliance inspections prior to building occupancy.

Statutory Change(s):

Minnesota Statute 326B.106, Subpart 16

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Growing Clean Economy Apprenticeships

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Workforce Development Fund				
Expenditures	3,000	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3,000	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends $3 million in one-time funding from the workforce development fund to grow apprenticeship opportunities for clean economy occupations. This funding will enable registered apprenticeship programs to purchase equipment and provide training to grow apprentice skills and upskill incumbent workers in clean technologies. Up to 5 percent of the grant amount could be used by DLI for administering the grant program. DLI will consolidate grant management oversight to minimize the use of administrative dollars and maximize the amount of grant funding available.

Rationale/Background:

The Climate Action Framework sets out a vision to reduce greenhouse gas emissions and build a more resilient and equitable Minnesota. As the state seeks to grow clean economy jobs, providing people with training opportunities so they can acquire skills that will adapt to new, cleaner technologies as they develop will be critical. Registered apprenticeship programs provide earn-as-you learn opportunities in numerous clean economy occupations, including in the clean energy and utility sectors, as well as construction and manufacturing, leading to careers that pay a family-sustaining wage.

As described in the Minnesota Business Vitality Council's Business Growth and Family Sustaining Job Opportunities in a Changing, More Sustainable Economy working group September 2022 report: [T]he majority of jobs that contribute to a more sustainable economy are existing professional, technical, and blue-collar occupations. Industry knowledge and skills related to cleaner and more sustainable production are one component of a much broader occupational skill set. For example: autoworkers who manufacture electric vehicles are still autoworkers; electricians who install and connect solar farms are still electricians; carpenters who build more energy-efficient buildings to meet new energy standards are still carpenters. Accordingly, a state strategy to prepare and train workers for the growing clean economy – while also supporting industry advancements in these areas – should leverage the state's existing workforce training and education infrastructure, through programs across multiple agencies and systems, in order to prepare and train workers in these industries.

This grant proposal will help achieve Minnesota's climate and clean economy goals.

Proposal:

This proposal would provide grants to training programs to purchase new equipment and fund training to upskill apprentices and incumbent workers in clean technologies. For example, programs could provide tools, supplies, and materials to update solar labs for training in solar technologies and energy storage; train the trainer coursework could prepare instructors to educate apprentices and incumbent workers on new technologies; and training centers could purchase electric vehicle charging stations so trainees could learn how to install and service this equipment. As technology is constantly changing, training programs must similarly adapt to ensure a skilled workforce that is proficient in evolving technologies.

These grants would be available to existing and prospective registered apprenticeship programs statewide in a variety of clean economy sectors.

Impact on Children and Families:

This proposal will contribute to a clean economy by training workers in occupations that help build resiliency and mitigate climate change, directly benefitting the next generation. Registered apprenticeship programs lead to careers that pay a family-sustaining wage.

Equity and Inclusion:

People of color and women are significantly underrepresented in clean and sustainable jobs and are generally employed in lower-paying occupations compared to those dominated by men and white employees. In registered apprenticeship programs, 22 percent of participants are people of color and 7.5 percent are women. This represents a critical opportunity to diversify apprenticeship programs and clean economy occupations.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

IT Costs

N/A

Results:

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Projected Value (without)*	*Projected Value (with)*	*Date*
Quantity	# Registered apprenticeship programs (RAPs) expanded with grant funding				4	
Quality						
Results	# apprentices trained in new technologies (IBEW)				430	SFY24-26

Statutory Change(s):

N/A

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Existing Buildings Energy Efficiency

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Construction Code Fund				
Expenditures	406	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	406	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends adding requirements to the Minnesota State Building Code for energy conservation in existing buildings undergoing additions, alterations or changes in use to higher energy utilization. Requirements shall be based on a nationally recognized standard for energy efficiency in existing buildings and the application shall be limited to commercial and multi-family residential buildings. Manufacturing and industrial processes will be exempt.

Rationale/Background:

Energy consumption by buildings constitutes 40% of the total energy used in Minnesota, 19% of those buildings are commercial buildings. By 2035 the remaining existing buildings will comprise 50% of the total building stock making the need to address the energy efficiency of existing buildings of significant importance to curb overall energy consumption. Energy conservation is the single most cost-effective form of emissions mitigation.

This proposal aims to reduce energy consumption in existing commercial buildings 50% by 2035 in comparison to 2005 baseline energy consumption data. *(Measure of progress from Climate Action Framework)* It will incentivize retaining the most efficient existing buildings, upgrade existing buildings where cost effective, and phase out inefficient buildings that don't have historic significance so that most of the remaining existing buildings from our current era will be reasonably energy efficient and will not diminish the opportunities of future Minnesotans to enjoy health, security, and prosperity like our own. In addition, this proposal will lead to reduced carbon emissions, facilitate the transition to renewable energy with lower overall energy consumption, mitigate energy costs to commercial building operators, ease energy cost burden on residents of multi-family housing, and improve air quality within the state.

This proposal falls within one of the recommendations in the Climate Action Framework Initiative 4.2.1 Increase efficiency and reduce emissions in existing buildings: Improve codes and standards for all existing commercial and large multi-family projects to optimize energy efficiency, resilience, energy production and lower carbon outputs.

Proposal:
This initiative is an expansion of the existing Minnesota Energy Code to apply new energy performance standards to existing buildings that are being increased in size, altered, or where the use is changing to a higher energy intensity. The current energy code only addresses new work and makes no requirements on the existing building performance where work is not being done. The new initiative will require investments into energy efficiency within the existing building. Amendments will need to be considered for limiting scope on smaller projects.

The proposal will fund adoption of a new energy code performance standard for existing buildings undergoing change which previously has not existed. It will also fund education for stakeholders which include building owners, architects, engineers, and code officials so that they can apply the principals of the new standard correctly. Ultimately, the proposal will result in reduced energy consumption statewide, reduced carbon emissions, improved air quality, and greater economic security for Minnesota.

The proposal will require major rulemaking including introduction of a new standard that has not been implemented before, at a cost of $310,000. It will require $30,000 to provide stakeholder education, including the development of one seminar targeted to designers and building owners demonstrating the new requirements and how they are applied, four live presentations, two live webinars, and creation of an online learning module. It will require $30,000 for the development of one seminar targeted to building inspectors and third-party testing agencies demonstrating the new inspections and documentation requirements and how they are applied, four live presentations, two live webinars, and creation of an online learning module. Finally, it will require incorporating an entire new section into Minnesota Rule, including copyright contracts, editing, and publication of books at a cost of $36,000.

This work complements the Minnesota Department of Commerce Weatherization program which provides grants for energy conservation improvements to low resource households. The Department of Commerce Weatherization program typically targets single family homes and not commercial buildings or large multi-family buildings. The Minnesota Department of Commerce also currently supports building benchmarking through the Minnesota B3 online benchmarking tool which currently tracks new building energy use. The Minnesota B3 program is only required for buildings owned by the state or the University of Minnesota. Other participation is voluntary. The B3 program is a performance standard geared for new buildings and has a goal of net-zero new construction by 2030. he proposed is also a performance standard that complements the B3 program by addressing only existing buildings and setting Energy Utilization Targets specific to the building use and climate zone.

Taking affirmative steps to curb energy consumption in existing commercial and multi-family residential buildings will promote a more sustainable future for Minnesotans by:

- Reducing overall building operating costs to owners and tenants,
- Reducing carbon emissions and air pollution,
- Improving building occupant health by improving indoor air quality through reduction of uncontrolled air infiltration through gaps and cracks in buildings,
- Curbing construction of new power plants for state-wide increasing energy consumption as development continues,
- Easing the state transition to sustainable energy sources.

The next model energy code for Minnesota Rule 1323 would typically be the ANSI/ASHRAE 90.1-2021, which may be delayed due to COVID. The Department of Labor and Industry (DLI) anticipates release of the next ASHRAE 90.1 version in early 2023 and incorporation into Minnesota Rule in the first or second quarter of 2025. This ASHRAE 100 Standard which serves as the model standard for this initiative can be incorporated into the same rule at the same time.

If this proposal is adopted, Minnesota should expect a 2% reduction in overall state-wide energy consumption by 2035 due to energy conservation in existing buildings. Commercial buildings consume approximately 19% of the total energy in the state. It is anticipated that most of the buildings existing today will still be existing in 2035, and of those, 25% will be added onto, altered, or have their use changed to a higher energy consuming activity. Half of the existing building stock was constructed after 1976 when Minnesota first adopted an energy code. Efficiency gains for buildings already complying with an earlier energy code will be less expensive to implement but result in less efficiency gains.

Impact on Children and Families:

Implementing energy conservation in existing commercial and multi-family buildings will reduce building operating costs which often get passed on to building tenants. Buildings that are more energy efficient keep money in business owners' and families' pockets and help to hold costs down as energy costs increase over time. Providing cleaner, healthier homes and workplaces keeps children healthy and in school, parents working and Minnesota's economy growing.

Buildings that are more energy efficient contribute less to outdoor air pollution because they produce less carbon dioxide among other products of combustion. Buildings that are more energy efficient also have lower indoor air pollution because gaps and cracks are sealed to significantly reduce uncontrolled air infiltration. The gaps and cracks in inefficient buildings typically harbor microbial growth that gets spread through a building when air passes through the openings. Where buildings are more concentrated, such as in urban areas, the positive impact will be greater.

Several of the existing buildings upgraded by this proposal and used by the next generation will be reasonably energy efficient and reasonably affordable to heat, cool, and light. They will have improved indoor air quality, and they will be less polluting to the environment around them than buildings that have not been upgraded. All of these health benefits will be felt be children and families.

Equity and Inclusion:

Historically, governments and utilities have relied on voluntary incentive programs like Minnesota B3 and the Federal Weatherization programs to achieve better building performance and reduced emissions. However, national experience over the past 40 years makes it clear that the rate of action must increase to achieve the aggressive energy savings and emissions reductions needed to secure a healthy, sustainable future, and to do so equitably. The proposed takes a first step by addressing existing buildings already intended to undergo change and overlay efficiency as another upgrade consideration.

Positive impacts will be that urban areas will require less energy and therefore will have less air pollution associated with heating, cooling, and lighting buildings. Improved buildings will have a hedge against the rising cost of energy into the future. This initiative will have no impact on the cost of new housing or new construction.

Negative impacts may include disincentives to renovate existing buildings because of the additional first-cost to improve energy efficiency.

The public engagement workgroup associated with the Clean Energy and Efficient Buildings portion of the Minnesota Climate Action Framework discussed that energy efficiency in existing buildings would be an important issue to be addressed as a part of the initiative to achieve net-zero energy goals.

Tribal Consultation:
Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

IT Costs
N/A

Results:
DLI/CCLD will review and document required energy performance modifications incorporated into state owned buildings and state licensed facilities that are added onto, altered, or change use to a higher energy utilization intensity. Review and documentation will occur during the building plan review process for permitting. Success will be achieved if 80% of existing affected and monitored buildings demonstrate compliance with Energy Utilization Targets identified in the adopted standard.

There is no data currently being collected related to energy utilization.

Statutory Change(s):
326B.106, Subpart 1 (a)

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Improving the Safety and Wellbeing of Agricultural and Food Processing Workers

Fiscal Impact ($000s)	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**
General Fund				
Expenditures	184	142	142	142
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	184	142	142	142
FTEs	**1.0**	**1.0**	**1.0**	**1.0**

Recommendation:

The Governor recommends $184,000 in FY 2024 and $142,000 each year thereafter to strengthen workplace protections for agricultural and food processing workers. $50,000 in FY 2024 would fund outreach, education, and translation activities so workers are aware of their rights and employers understand their responsibilities under the proposed law changes. A base appropriation of $142,000 would fund 1.0 FTE for increased enforcement and compliance activities.

An increase of $184,000 in FY24 would result in an overall increase of five percent of the total Labor Standards Budget.

Rationale/Background:

The Committee for the Safety, Health, and Wellbeing of Agricultural and Food Processing Workers (also known as the Agricultural Worker Wellness Committee or AWWC), established by Executive Order 21-14, submitted a report to Governor Walz on December 1, 2021, containing 13 recommendations to improve housing, safety, and labor standards for agricultural and food processing workers in Minnesota. This recommendation relates to AWWC's recommendation to strengthen existing workplace protections for agricultural and food processing workers. It was originally proposed last legislative session. The AWWC members who were present for its September 2022 meeting expressed support for moving forward with this proposal again this legislative session.

Minnesota has a variety of laws that provide protections to agricultural and food processing workers; however, these laws have not been updated in recent years. The Migrant Labor Law (Minn. Stat. §§ 181.85 - 181.91) was enacted in 1981 and many of its provisions have never been updated; the most recent update, to Minn. Stat. § 181.89, happened in 2005. Another law that specifically addresses recruitment in the food processing industry (Minn. Stat. § 181.635) was enacted in 1995 and has never been updated. Similarly, the Packinghouse Workers Bill of Rights (Minn. Stat. § 179.86) has never been updated and was enacted in 2007. Updates are proposed to these laws to strengthen workplace protections for agricultural and food processing workers so that a greater number of these workers are protected and aware of their workplace rights.

Proposal:

This recommendation proposes to update and expand three existing laws that provide protections to agricultural and food processing workers: (1) the Migrant Labor Law (Minn. Stat. §§ 181.85 - 181.91); (2) Recruitment in Food Processing Employment (Minn. Stat. § 181.635); and (3) the Packinghouse Workers Bill of Rights (Minn. Stat. § 179.86). The Migrant Labor Law change proposes expanding the scope of workers covered by the law, increasing penalties, strengthening recordkeeping requirements, and broadening the information required in the employment statement as well as the languages in which it is available. Additionally, it is proposed that Minn. Stat. § 181.14 be updated so that migrant workers under that law would be paid final wages within the same time period as workers covered under the Migrant Labor Law. The Recruitment in Food Processing Employment law change proposes expanding the scope of workers covered by the law, increasing damages and fines, and requiring that the written disclosure be provided in the preferred language of the worker. The Packinghouse Workers Bill of Rights law change proposes expanding the scope of workers covered under the law, requiring written explanation of rights when employment begins, as well as broadening the scope of what must be provided in the explanation.

Of particular note, both the Migrant Labor Law and the Packinghouse Workers Bill of Rights proposed changes include expanding DLI's enforcement authority. Currently, DLI does not have enforcement authority under Minn. Stat. § 177.27(4) to issue compliance orders for violations of the Migrant Labor Law; this proposal would provide DLI with that authority. Additionally, under this proposal, DLI would have expanded enforcement authority, including issuance of fines, under the Packinghouse Workers Bill of Rights. Therefore, funding is recommended to support 1.0 FTE ($134K) for increased enforcement and compliance activities under these proposed law changes, as well as to provide $50,000 in FY24 to fund outreach, education, and translation activities so workers are aware of their rights and employers understand their responsibilities under the law changes.

Impact on Children and Families:

Updates to existing laws are proposed to strengthen workplace protections for agricultural and food processing workers so that a greater number of these workers are protected and aware of their workplace rights for the benefit of the safety and wellbeing of these workers and their families.

Equity and Inclusion:

These proposed law changes would provide greater protections to an expanded group of agricultural and food processing workers, many of whom are immigrants, non-English speaking, geographically isolated, and unfamiliar with their workplace rights. Proposed funding in FY 2024 would also support linguistically and culturally appropriate outreach and education to these workers who have been historically underinformed about their workplace rights. In developing this proposal, the AWWC membership, as well as the Minnesota Migrant Consortium, were part of the discussion, development, and approval; many AWWC members and all Minnesota Migrant Consortium members serve agricultural and/or food processing workers and their families.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

IT Costs

N/A

Results:

The Department of Labor and Industry (DLI) would use its case management system, OnBase, to collect the data described below and could create an annual report regarding the same, as it currently does for WESA-related activity.

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Workers provided education*	*Workers impacted by enforcement*	*Date*
Quantity	Expanded Migrant Labor Law education and enforcement	N/A	N/A	500	150	FY24
Quantity	Expanded Recruitment in Food Processing Employment education and enforcement	N/A	N/A	1000	250	FY24
Quantity	Expanded Packinghouse Workers Bill of Rights education and enforcement	N/A	N/A	1000	250	FY24

Statutory Change(s):

Minn. Stat. § 177.27, Minn. Stat. § 179.86, Minn. Stat. § 181.14, Minn. Stat. § 181.635, Minn. Stat. §§ 181.85 – 181.89

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Safe Housing for the Elderly and Vulnerable Adults

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Construction Code Fund				
Expenditures	165	264	514	514
Revenues	165	264	514	514
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**1.05**	**1.59**	**3.17**	**3.17**

Recommendation:

The Governor recommends adding assisted living facilities and assisted living with dementia care facilities licensed by the Minnesota Department of Health (MDH) to the list of State Licensed Facilities under the Department of Labor and Industry's (DLI) Construction Codes and Licensing Division (CCLD) jurisdiction. Assisted Living is the only remaining type of housing in Minnesota serving vulnerable adults not under DLI/CCLD jurisdiction. By adding assisted living facilities and assisted living facilities with dementia care, workload for the CCLD Building Plan Review Unit and CCLD Building Service Inspections Unit will grow from 5% of annual work to 9%, and workload for the CCLD Plumbing Plan Review Unit and Plumbing Inspections Unit will grow from 2% of annual work to 6%. The additional plan review and inspection work will require additional staff.

Rationale/Background:

Assisted Living is the only remaining type of housing in Minnesota serving vulnerable adults not under DLI/CCLD jurisdiction. Under the current structure, MDH has the authority to inspect after the building is already constructed, which means any changes to the building must be done retroactively. With DLI authority to provide building and plumbing plan review and inspection services during the construction phase, needed corrections can be made before construction is completed, which will save on costs of remediating issues and lead to a safer building being constructed.

Proposal:

This proposed change is an expansion of the existing DLI/CCLD jurisdiction over State Licensed Facilities defined in Minnesota Statute 326B.103 as buildings licensed by the state as a hospital, nursing home, supervised living facility, freestanding outpatient surgical center, correctional facility, boarding care home, or residential hospice. Each of these facility types provides care for individuals who are not capable of caring for themselves either due to infirmity, incarceration, or temporary medical condition. Adding assisted living and assisted living with dementia care to this list is a natural extension of these types of licensed care facilities.

Funding will be generated by fees assessed for building and plumbing plan review (building code analysis) and building and plumbing permitting (field inspections during construction.) Fee revenue will fund plan review, permitting, and inspection services, code research specific to assisted living, and consultation with design professionals regarding design and construction of assisted living facilities. MDH supports this proposal.

Impact on Children and Families:

The proposal aligns with goals to bridge opportunity gaps for children and families by ensuring safe, comfortable, energy efficient, and durable housing for frail elderly so that parents are not divided between caring for their children and caring for/dealing with problems housing their frail elderly parents. Ensuring that frail elderly can age in place reduces the cost of moving them from place to place and frees those financial resources for other family care such as childcare.

Equity and Inclusion:

All Minnesotans are entitled to reside in housing that meets or exceeds the minimum safety standards determined by the legislature as contained the Minnesota State Building Code. Ensuring that frail elderly have access to supportive housing that meets or exceeds those minimum standards provides peace of mind for all Minnesotans who will one day all face aging without regard to background or demographic.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☐No

Results:

DLI/CCLD Building Plan Review will monitor:

- The total number of projects and total number of dwelling units annually.
- The valuation of each project and associated cost per dwelling unit.
- Plan review time in terms of plan review fee valuation.
- Number of plan review comments in terms of plan review fee valuation.
- Types of plan review comments.

DLI/CCLD Building Inspection Services will monitor:

- The total number of projects and total number of dwelling units annually.
- Quantity of inspections in terms of permit review fee valuation.
- Number of inspection compliance notifications in terms of plan review fee valuation.
- Types of code compliance notifications.

DLI/CCLD Plumbing Plan Review will monitor:

- The total number of projects and total number of dwelling units/plumbing fixture units annually.
- The valuation of each project and associated cost per dwelling unit.
- Plan review time in terms of plan review fee valuation.
- Number of plan review comments in terms of plan review fee valuation.
- Types of plan review comments

DLI/CCLD Plumbing Inspection Services will monitor:

- The total number of projects and total number of dwelling units/plumbing fixture units annually.
- Quantity of inspections in terms of permit review fee valuation.
- Number of inspection compliance notifications in terms of plan review fee valuation.
- Types of code compliance notifications.

With these metrics we will be able to project trends in code compliance and effectiveness of our work. Permitting software will be configured to gather this data and generate reports at will. An annual report will be provided to the Director of Construction Codes and Licensing.

Statutory Change(s):

Minnesota Statutes 326B.103, Subpart 13

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Safe and Skilled Worker Act

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	50	0	0	0
Revenues	10	10	10	10
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	40	(10)	(10)	(10)
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends this proposal to improve safety at oil refineries by requiring a certain percentage of the contractor workforce to be participants in or graduates from a registered apprenticeship program. Registered apprenticeship training programs provide workers the skills needed to perform their work safely and effectively. The Department of Labor and Industry (DLI) would have enforcement authority under section 177.27 subd. 7 and would be required to fine contractors or subcontractors for violations a minimum of $5,000 and maximum of $10,000 for each violation. DLI would determine the amount of penalty giving due consideration to the size of the business and the gravity of the violation. The proposal also provides a private right of action.

The governor recommends $50,000 from the general fund in FY 2024 for Outreach and Education Support. DLI anticipates 20 complaints annually, however those complaint inquiries and communication efforts would be immaterial and absorbed by existing staff. The agency estimates $10,000 in penalty revenue annually, estimating 2 violations per year with an average penalty of $5,000.

An increase of $50,000 would equate to a 1.3 percent change in the Labor Standards Budget as a whole, but this funding is not ongoing.

Rationale/Background:

This proposal establishes minimum training standards for contractors performing work at oil refineries in Minnesota. This ensures a safe workplace for the permanent employees of the oil refinery as well as the contractors performing work therein.

The intended results of this proposal are that any contracted or subcontracted vendors performing construction, alteration, demolition, installation, repair, maintenance, or hazardous material handling work at the site of the oil refinery provides a workforce in which a minimum of 85 percent of the workforce meets at least 1 of 3 established training criteria:

(1) are currently registered as apprentices in a registered apprenticeship program in the applicable trade;
(2) have graduated from a registered apprenticeship program in the applicable trade; or
(3) have completed all of the classroom training and work hour requirements needed to graduate from the registered apprenticeship program their employer participates in.

This, combined with enforcement authority at DLI and the right to civil action in the case of violations under this section, would result in a safer workplace for refinery employees, contractors, and the surrounding community.

Proposal:

This proposal ensures a safe and skilled workforce is in place at oil refineries, a high hazard workplace. It expands the enforcement authority delegated to DLI under chapter 181.

The Governor recommends $50,000 in FY 2024 for Outreach and Education Support. The agency estimates $10,000 in penalty revenue annually, estimating 2 violations per year with an average penalty of $5,000. Estimates of complaints were derived from states operating similar programs, while estimates of violations resulting in penalties were estimated based on the ratio of complaints to penalties issued in areas where DLI has similar enforcement authority.

Impact on Children and Families:

Safer oil refineries will ensure workers can go home safe to their families at the end of the workday and will ensure safety for the communities surrounding oil refineries where children and families live, work, and play.

Equity and Inclusion:

Associated Builders and Contractors of MN/ND have characterized this proposal as harmful to minority-owned, non-apprenticeship aligned businesses. They have also characterized such apprenticeship requirements as bad for people of color overall due to low numbers of minority apprentices among the 49ers. DLI does not agree with these characterizations of the negative impact towards people of color.

Workers at oil refineries have testified in support of this policy, arguing that it will improve workplace safety.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

IT Costs

N/A

Results:

- **Quantity:** How much did we do?
  - Number of complaints
  - Number of inquiries
  - Number of investigations
  - Number of outreach actions
  - Fines assessed
  - Fines collected
- **Quality:** How well did we do it?
  - Employees assisted with knowledge of their rights via numerous avenues, including outreach events, public awareness campaigns, and social media
  - Employers brough into compliance
  - Timeliness of investigations
- **Result:** Is anyone better off?
  - DLI could track workplace injury and accident rates in the industry, although OSHA is not directly involved in administration of this act.
- How will you collect the performance data, and how will you communicate it?
  - Intake counts on type of calls/emails/stakeholder inquiries we receive will be communicated via our annual statistics summaries. Often these reports are shared with the legislature, the governor's office, and other interested parties.
  - Outreach numbers will include and be communicated by our annual outreach report.
  - Press releases on notable successful compliance cases, fines levied, and outreach campaigns.

Statutory Change(s):

177.27 subd 4, 181.987 (new)

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Window Cleaning Safety

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Construction Code Fund				
Expenditures	193	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	193	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends modifying the state building code requirements for window cleaning safety to incorporate all the safe window cleaning methods recognized by national standards. The modification will require a statutory change to Minnesota Statute 326B.106, Subpart 4(m) and be accomplished through rulemaking. The recommendation is estimated to cost approximately $193,000 one-time from the Construction Code Fund. Funding covers education to stakeholders regarding changes to building code requirements and rulemaking costs.

Rationale/Background:

The current building code creates unnecessary cost burdens by requiring window cleaning anchors on buildings that do not have a use for them. The building code currently mandates window cleaning anchors for *all* new buildings four stories and taller which have windows, and existing buildings four stories and taller when the roof structure is exposed. Window cleaning anchors are expensive to install and are only required when suspended window cleaning methods are used. There are several nationally recognized methods to safely clean windows and many do not require window cleaning anchors. The proposal seeks to allow any nationally recognized safe window cleaning method for every building window and avoid the expense of window cleaning anchors when they are not needed. This change will allow windows on all new construction and extensively remodeled buildings to be safely cleaned and the cost of construction for buildings four stories and taller to be reduced.

Proposal:

This proposal is a modification to an existing building code requirement. The proposal will finance the adoption of new rules which allow a variety of safe window cleaning methods in order to save on construction costs yet still provide window cleaners with safe working conditions. It will also finance education for stakeholders, which include building owners, architects, engineers, and code officials. Education will ensure that they can apply the principals of the new standard correctly. More detailed cost breakdowns are as follows:

- Medium rulemaking costs, including introduction of a new standard that has not been implemented before. **$133,000**
- Education to stakeholders. This includes the development of one seminar targeted to designers and building owners demonstrating the new requirements and how they are applied, a live presentation delivered 4 times, two live webinars, and the creation of an online learning module. **$30,000**

- Education to inspectors and enforcement. This includes the development of one seminar targeted to building inspectors and third-party testing agencies demonstrating the new inspections and documentation requirements and how they are applied, a live presentation delivered 4 times, two live webinars, and the creation of an online learning module. **$30,000**

This proposal will eliminate the mandate for window cleaning anchors for cleaning every window on a building four stories or taller in height. Eliminating this mandate will reduce construction costs. The proposal expands window cleaning safety to all windows, which will enhance worker safety beyond the current requirements, at no additional cost to construction. This aspect of the building code will result in new rules promoting the safety of window cleaning workers, so this proposal complements the work of Minnesota OSHA. Rulemaking would occur in FY 2023/2024 and implementation would occur by the end of FY 2025. If adopted, construction cost savings will be inevitable and immediate for all buildings four stories and taller in height that have windows.

Impact on Children and Families:

Reduced construction costs for multi-family housing four stories and taller in height may translate to reduced rent costs to tenants and reduced purchase prices for condominium buyers. Reduced construction costs may translate to reduced housing costs which will provide more resources to families with children. Providing safe working conditions for window cleaners working on all commercial buildings and reducing construction costs overall by right-sizing safe window cleaning methods to the specific conditions will ensure that workers are less likely to be injured on the job and building users won't be forced to pay for features they don't need.

Equity and Inclusion:

Lower housing costs will increase equity. Multiple safe window cleaning methods will ensure that workers who clean windows will be able to go home safely to their families at the end of the day.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒**No**

Results:

Window cleaning anchors installed into wood framed roof structures cost approximately $2,500 each. In a typical four-story apartment building, these will be required every 20 feet. Apartments are typically 30 feet in depth. Therefore, window cleaning anchors add approximately $1.04/square foot to the building cost. For a typical two-bedroom apartment, this adds $1,156 per unit to the construction cost. For buildings where these window cleaning anchors aren't required to safely clean the windows, this construction cost can be saved. CCLD will monitor impact to window cleaner safety statistics to measure any negative impact to this rule change.

Statutory Change(s):

326B.106, Subpart 4 (m)

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Construction Code and License Fee Reimbursements and Reductions

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Special Revenue Fund / Construction Code Fund				
Expenditures	0	0	0	0
Revenues	(2)	(2)	(2)	(2)
Net Fiscal Impact = (Expenditures – Revenues)	2	2	2	2
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends reimbursements and reductions of certain fees. This proposal has two parts: one that would reduce the fees paid by individuals and businesses in the construction industry when they need to reinstate a state license following a license revocation, suspension, or voluntary termination, and the other to refund Contractor Recovery Fund (CRF) fees when a residential building contractor or remodeler license application is not approved. Current statute allows for refund of the Contractor Recovery Fund (CRF) fee only if a residential building contractor or remodeler license is not renewed; if a license is not approved in the first place, the fee cannot be refunded.

Rationale/Background:

The proposals intend to align the fees the Department of Labor and Industry (DLI) charges more reasonably with services provided, and to refund CRF fees when a residential building contractor or remodeler license is not issued. It is only reasonable to retain CRF fees when the customers of the company paying the fees have access to the CRF. If a residential building contractor or remodeler license application is denied, their customers would not have access to the CRF, so it does not make sense for DLI to retain the CRF fee.

Proposal:

These proposals are adjustments to existing fees to make the fee amounts reflect more reasonable amounts compared to the service provided. In FY 2022, the agency collected $2,800 in license reinstatement fees, DLI anticipates this proposal would result in an annual reduction in licensing revenue to the Construction Code Fund of approximately $1,400 each year. It is anticipated that refunding CRF fees would reduce CRF revenue by approximately $1,000 annually to the special revenue fund.

Impact on Children and Families:

Aligning license costs with services provided supports families in the construction trade.

Equity and Inclusion:

Although this proposal is not directed to any single group other than individuals and businesses in the construction industry, it will benefit all equally.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

IT Costs

N/A

Results:

CCLD does not anticipate any changes to measure. The proposals would reduce license renewal costs.

Statutory Change(s):

Minn. Stat. § 326B.096, subd. 1 and Minn. Stat. § 326B.092, subd. 6.

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Apprenticeship Division

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends separating the Division of Labor Standards and Apprenticeship into two separate divisions. Presently, the labor standards and apprenticeship operations are distinct from each other with very little overlap, save for the Director of Labor Standards and Apprenticeship, who must carry out duties related to both divisions.

This change would result in moving $1.371 million of base funding from the existing Division of Labor Standards and Apprenticeship to the new Division of Apprenticeship. Base funding includes $1.271 million each year from the workforce development fund for the apprenticeship program under Minnesota Statutes chapter 178, and $100,000 each year from the workforce development fund for labor education and advancement program grants under Minnesota statute 178.11. The new Apprenticeship division would maintain approximately 9.0 FTE.

Rationale/Background:

Due to significant growth in both areas, each program maintains its own director to achieve statutory objectives. As such, this proposal establishes two separate divisions, a Division of Apprenticeship and a Division of Labor Standards. These programs operated separately until 2003 when they were merged by the Legislature due to budget constraints.

In 2019, the Legislature awarded significant funding to the Department of Labor and Industry (DLI) as part of the Wage Theft Prevention Act. With that funding, the wage and hour unit doubled in size, adding six staff including two strategic compliance leads and four senior labor investigators. The wage and hour, prevailing wage, and construction misclassification units that make up the Labor Standards portion of the existing division, have transitioned solely from a complaints-based investigation model to a strategic compliance model focused on education, enforcement, and systems intervention to improve employer compliance with the laws. The apprenticeship unit is comprised of one director, one administrative staff, and seven senior field representatives, and is poised for growth with increasing demand for construction occupations and new and proposed grant opportunities. DLI's apprenticeship budget initiatives for 2023 would further grow the program to address Minnesota's workforce, clean economy, and equity in apprenticeship goals. Creating two separate divisions will benefit employers, workers, and apprentices by enabling each program director to better lead each program and meet statutory requirements.

Proposal:
While DLI already has two separate unit directors, formally establishing a separate Division of Labor Standards and Division of Apprenticeship is good governance as the two units have little overlap. This change would allow the current Director of Labor Standards and Apprenticeship to transition to a role as the Director of Labor Standards, thus removing unnecessary job duties overseeing apprenticeship in this role. The proposal will give greater autonomy to the two directors and will contribute to the One Minnesota goals of Children and Families and Economic Recovery and Working Minnesotans, with stronger prominence to Apprenticeship which provides a debt-free, earn-as-you learn employment-based training pathway to a career that pays a family sustaining wage, and Labor Standards which ensures equitable workplaces and recovers wages for working Minnesotans.

Two distinct divisions will enable better focus and collaboration among workforce development and education state agencies, namely DLI, DEED, MDE, and OHE, and partners in labor standards work such as MDA, DEED, and DHS, along with the Attorney General's Office.

Impact on Children and Families:
Participation in registered apprenticeship improves economic security and delivers family-sustaining wages for families in Minnesota. Establishing a standalone Division of Apprenticeship will help the program deliver these benefits to Minnesota families more effectively.

Equity and Inclusion:
People of color and women are underrepresented in registered apprenticeship programs and face barriers that inhibit participation, retention, and completion. Establishing a separate Division of Apprenticeship will allow program leadership to spend more time focusing on issues like equity in apprenticeship rather than splitting duties with another program.

Tribal Consultation:
Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

Statutory Change(s):
Minnesota Statutes 2021, section 175.16 subd 1
Minnesota Statutes 2021, section 177.26
Minnesota Statutes 2021, section 178.01
Minnesota Statutes 2021 section 178.011 subd 7
Minnesota Statutes 2021 section 178.03

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Legalizing Adult-Use Cannabis

Fiscal Impact ($000s)	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**
General Fund				
Cannabis Management Office Expenditures	$15,430	$14,841	$13,980	$13,711
DEED Expenditures	$10,400	$6,700	$0	$0
Health Expenditures	$8,115	$8,115	$8,115	$8,115
Public Safety Expenditures	$4,175	$2,662	$2,662	$2,662
Revenue Expenditures	$3,673	$3,118	$3,138	$3,153
Human Services Expenditures	$2,260	$6,476	$6,476	$6,476
Cannabis Expungement Board Expenditures	$921	$844	$844	$844
Pollution Control Expenditures	$607	$496	$70	$70
Supreme Court Expenditures	$545	$545	$0	$0
Higher Education Expenditures	$500	$500	$500	$500
Agriculture Expenditures	$411	$411	$338	$338
Natural Resources Expenditures	$338	$0	$0	$0
Education Expenditures	$180	$120	$120	$120
Labor and Industry Expenditures	$132	$132	$132	$132
Commerce Expenditures	$75	$283	$569	$799
Corrections Expenditures	($177)	($345)	($407)	($458)
Tax Aids, Credits, and Refunds Revenues	$5,800	$31,000	$79,300	$130,800
Cannabis Management Office Revenues	$1,996	$3,330	$4,000	$6,000
State Government Special Revenue Fund				
Health Expenditures	($3,424)	($3,424)	($3,424)	($3,424)
Health Revenues	($7,411)	($10,879)	($12,973)	($19,223)
Trunk Highway Fund				
Public Safety Expenditures	$5,608	$1,668	$1,668	$1,668
Outdoor Heritage Fund				
Tax Aids, Credits, and Refunds Revenues	($3)	$96	$330	$594
Arts and Cultural Heritage Fund				
Tax Aids, Credits, and Refunds Revenues	($2)	$57	$198	$356
Clean Water Fund				
Tax Aids, Credits, and Refunds Revenues	($3)	$96	$330	$594
Parks and Trails Fund				
Tax Aids, Credits, and Refunds Revenues	($1)	$41	$142	$257
Net Fiscal Impact = (Expenditures – Revenues)	$49,393	$19,401	($36,546)	($84,672)
FTEs	**92**	**98**	**104**	**104**

Recommendation:

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota. A new Cannabis Management Office will be responsible for the implementation of the regulatory framework for adult-use cannabis, along with the medical cannabis program, and a program to regulate hemp and hemp-derived products. This recommendation also includes funding for grants to assist individuals entering the legal cannabis market, provides for expungement of non-violent offenses involving cannabis, and implements taxes on adult-use cannabis.

Rationale/Background:

Prohibiting the use of cannabis in Minnesota has not worked. Despite the current prohibition, marijuana is widely consumed across Minnesota. The most recent Minnesota Survey on Adult Substance Use conducted in 2014-2015 found that nearly half (44%) of Minnesota adults reported using marijuana at some point during their lives. The maturation of the market for hemp-derived cannabinoid products following the 2018 Farm Bill culminating in the 2022 legislation authorizing hemp-derived THC edible cannabinoids have created urgency for comprehensive regulation and reform at the state level.

Regulating cannabis for use by adults will replace the abundant illicit market with a tightly regulated system with controls similar to those currently accepted for the sale of alcohol. This proposal will allow for the monitoring and regulation of its cultivation, processing, transportation and sale, activities currently occurring to the profit of drug cartels and criminals and without consumer protection guardrails.

Importantly, this proposal will begin to address racial inequities our current system has created. Despite survey data suggesting that Black and white Minnesotans use cannabis at similar rates, in 2021 Black Minnesotans were over four times more likely than their white counterparts to be arrested for marijuana according to data from the Bureau of Criminal Apprehension.

Marijuana prohibition additionally leaves potential tax revenue uncollected and furthers an opportunity for economic growth in the underground market. This proposal will bolster amounts available the General Fund for policymakers to prioritize while grant programs administered by DEED and the Office of Cannabis Management will further ensure Minnesotan entrepreneurs have the best opportunity to become the new adult-use market.

Finally, this approach is now well-tested across the country. Nineteen states and the District of Columbia have passed laws to legalize and regulate cannabis for adults. In Colorado, the first state to adopt this approach, legal sales began in January 2014 so there is now nearly a decade of implementation experience in other states to help craft this proposal for Minnesota.

Proposal:

This proposal creates a new agency, the Cannabis Management Office, which would be responsible for the implementation of a new regulatory framework for adult-use cannabis. The Office of Medical Cannabis will also move from the Department of Health to join this new agency. The office will be headed by a director appointed by the Governor and receive advice from a Cannabis Advisory Council with representatives from experts, local governments, the cannabis industry and relevant state agencies. The core duties of the office will include:

- to develop, maintain, and enforce an organized system of regulation for the lawful cannabis industry
- to establish programming, services, and notification to protect, maintain, and improve the health of citizens.
- to prevent unauthorized access to cannabis by individuals under 21 years of age.
- to establish and regularly update standards for product testing, packaging, and labeling.
- to promote economic growth with an emphasis on growth in areas that experienced a disproportionate, negative impact from cannabis prohibition.
- to issue and renew licenses.
- to impose and collect civil and administrative penalties.
- to authorize research and studies on cannabis, cannabis products, and the cannabis industry.

Adult-use cannabis will be subject to a new 15% gross receipts tax and state sales tax with retail sales beginning January 1, 2025. A new 15% gross receipts tax would also be imposed on the retail sale of edible cannabinoid products with retail sales beginning October 1, 2023.

The proposal authorizes three grant programs to support the establishment of cannabis businesses in Minnesota. Cannabis grower grants administered by the Office of Cannabis Management will provide farmers with assistance navigating the new industry and regulations along with subsidized loans for expanding into legal cannabis. Administered by the Department of Employment and Economic Development industry navigation grants and industry training grants will assist individuals in setting up a legal cannabis business through technical assistance and navigation services while providing grants to organizations and individuals for training on cannabis jobs.

The proposal provides for automatic sealing of dismissals, exonerations, convictions, or stayed sentences of petty misdemeanor and misdemeanor marijuana offenses by the Bureau of Criminal Apprehension, which will provide notice of the expungement to local law enforcement agencies as well as the Judicial Branch for compliance purposes. It also provides for the establishment of a Cannabis Expungement Board to review other cannabis convictions to consider eligibility for expungement or resentencing.

The proposal authorizes the Governor to enter into compacts with Minnesota Tribal governments on issues related to medical cannabis and adult-use cannabis.

The proposal finally provides significant resources to address substance use disorders. The proposal includes initial funding for grants directed by the advice of a Substance Use Disorder Advisory Council convened by the Department of Human Services. Five percent of the revenue from the cannabis gross receipts tax would flow into this fund to support these grants into the future.

Appropriations necessary for its implementation include:

- $30,271,000 in FY2024/2025 and $27,691,000 in FY2026/2027 to establish and begin operations of a new Cannabis Management Office responsible for the implementation of the new regulatory framework.
- $822,000 in FY2024/2025 and $ 676,000 in FY2026/2027 to the Department of Agriculture for food safety and pesticide enforcement lab testing and rulemaking related to changes in cannabis laws.
- $1,765,000 in FY2024/2025 and $1,688,000 in FY2026/2027 for a newly created Cannabis Expungement Board for staffing and other expenses related to reviewing criminal convictions and issuing decisions related to expungement and resentencing.
- $358,000 in FY2024/2025 and $1,368,000 in FY2026/2027 for the Department of Commerce for staffing and other expenses to complete scale, and packaging inspections.
- A reduction of $522,000 in FY2024/2025 and $865,000 in FY2026/2027 to the Department of Corrections' base budget to account for an expected reduction in marijuana-related incarcerations.
- $300,000 in FY2024/2025 and $240,000 in FY2026/2027 for the Department of Education to support schools and districts in accessing resources on cannabis use and substance use.
- $17,100,000 in FY2024/2025 for the Department of Employment and Economic Development for cannabis industry navigator and startup grants.
- $16,230,000 in FY2024/2025 and $16,230,000 in FY2026/2027 for the Department of Health for education of women who are pregnant, breastfeeding, or who may become pregnant; data collection and reports; and youth education.
- $8,736,000 in FY2024/2025 and $12,952,000 in FY2026/2027 for the Department of Human Services to implement the substance use disorder treatment and prevention grant program and process background studies relevant to the work of the Cannabis Expungement Board.
- $264,000 in FY2024/2025 and $264,000 in FY2026/2027 for the Department of Labor and Industry to identify occupational competency standards and provide technical assistance for developing dual-training programs.
- $338,000 in FY2024/2025 for the Department of Natural Resources for training of DNR Conservation Officers relating to the new cannabis regulatory system and requirements, recognition of impairment, and for the enforcement of the purposed environmental standards adopted by the Cannabis Management Office.

- $1,000,000 in FY2024/2025 and $1,000,000 in FY2026/2027 for the Office of Higher Education for Dual Training Competency Grants to employers in the legal cannabis industry.
- $1,103,000 in FY2024/2025 and $140,000 in FY2026/2027 for the Pollution Control Agency for rulemaking to establish of water, energy, odor, and solid waste environmental standards for cannabis businesses and provide technical assistance for small businesses.
- $6,837,000 in FY2024/2025 and $5,324,000 in FY2026/2027 for the Department of Public Safety Bureau of Criminal Apprehension for identifying and sealing records, forensic science services, and investigations.
- $7,276,000 in FY2024/2025 and $3,336,000 in FY2026/2027 for the Department of Public Safety Minnesota State Patrol from the Trunk Highway Fund for additional Drug Recognition Expert (DRE) troopers, crash reconstruction specialist troopers, and replacement drug detection canines.
- $6,791,000 in FY2024/2025 and $6,291,000 in FY2026/2027 for the Department of Revenue to collect and administer the tax requirements.

Impact on Children and Families:

The current widespread underground market for marijuana provides no controls against the sale and access to children. This proposal provides age restrictions to prevent the sale of cannabis to those under 21. Additionally, the biannual Healthy Kids Colorado Survey found no increase in the use of marijuana from 2011 to 2015 in the period where legal sales initiated in the state, a finding that has been consistent in Washington, Oregon, Alaska, California, Massachusetts, Maine, and Nevada. The proposal additionally provides funding for MDH to conduct a long-term, coordinated education program to raise public awareness about and address adverse health effects associated with the use of cannabis or cannabis products by persons under age 21.

Equity and Inclusion:

This proposal seeks to begin to address the inequities the current system of marijuana prohibition has created, beginning with the expungement of nonviolent marijuana offenses. A Division of Social Equity at the Office of Cannabis Management will work to further promote the consideration of equity and inclusion in the development and implementation of cannabis regulatory systems. The proposal additionally requires the prioritization of social equity applicants in cannabis license selection along with the cannabis grower and industry training and navigation grant programs.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☒Yes
☐No

Minnesota tribal governments, in particular the Red Lake Nation and the White Earth Nation, have raised significant concerns about the current interactions between their medical cannabis programs and current restrictions in statute. This proposal will provide broad authority for the Governor or designated representatives to negotiate compacts with an American Indian tribe regulating cannabis and cannabis products including medical cannabis.

Results:

The proposal requires Department of Health to engage in research and data collection activities to measure the prevalence of cannabis use and the use of cannabis products in the state by persons under age 21 and persons age 21 or older.

Statutory Change(s):

13.411, by adding a subdivision; 13.871, by adding a subdivision; 152.02, subdivisions 2, 4; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 244.05, subdivision 2; 256.01, subdivision 18c; 256D.024, subdivision 1; 256J.26, subdivision 1; 273.13, subdivision 24; 275.025, subdivision 2; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.67, subdivisions 2, 7; 297A.99, by adding a subdivision; 297D.01, subdivision 2; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 609.135, subdivision 1; 609.531, subdivision 1; 609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609.5317, subdivision 1; 609A.01; 609A.03, subdivisions 5, 9; 624.712, by adding subdivisions; 624.713, subdivision 1; 624.714, subdivision 6; 624.7142, subdivision 1; 624.7151; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 28A; 34A; 116J; 116L; 120B; 144; 152; 289A; 295; 604; 609A; 624; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2020, sections 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, 1.38 subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37; 297D.01, subdivision 1; Minnesota Rules, parts 4770.0100; 4770.0200; 4770.0300; 4770.0400; 4770.0500; 4770.0600; 4770.0800; 4770.0900; 4770.1000; 4770.1100; 4770.1200; 4770.1300; 4770.1400; 4770.1460; 4770.1500; 4770.1600; 4770.1700; 4770.1800; 4770.1900; 4770.2000; 4770.2100; 4770.2200; 4770.2300; 4770.2400; 4770.2700; 4770.2800; 4770.4000; 4770.4002; 4770.4003; 4770.4004; 4770.4005; 4770.4007; 4770.4008; 4770.4009; 4770.4010; 4770.4012; 4770.4013; 4770.4014; 4770.4015; 4770.4016; 4770.4017; 4770.4018; 4770.4030.

Minnesota Department of Labor and Industry

FY 2024-25 Biennial Budget Change Item

Change Item Title: Nursing Home Workforce Standards Board

Fiscal Impact ($000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures				
DLI	641	322	369	369
DHS				69
Revenues				
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	641	322	369	438
FTEs	**2.0**	**2.0**	**2.0**	**2.0**

Recommendation:

The Governor proposes establishing a Nursing Home Workforce Standards Board responsible for setting minimum standards necessary and appropriate to protect the health and welfare of nursing home workers. The Department of Labor and Industry recommends $641,000 in FY24 and $322,000 in FY25 for leadership positions to perform work for the Nursing Home Workforce Standards Board and for rulemaking costs. A base appropriation of $369,000 would fund 2.0 FTE ongoing. This proposal also includes $69,000 in fiscal year 2027 at the Department of Human Services.

Rationale/Background:

Minnesota nursing facilities provide vital care for the some of the most vulnerable people in the state. Ensuring nursing home workers have a voice in their conditions of their employment through participation in a Nursing Home Workforce Standards Board alongside employers will improve job quality and better protect vulnerable Minnesotans.

Proposal:

The newly created Nursing Home Workforce Standards Board would include equal numbers of nursing home workers and employers appointed by the Governor, along with commissioners from MN Department of Human Services (DHS), MN Department of Health (MDH), and the MN Department of Labor & Industry (DLI) and would be responsible for investigating wage, benefit, and working conditions of nursing home workers for specific geographic areas of the state and specific nursing home occupations. The board would adopt rules establishing minimum standards that are necessary and appropriate to protect the health and welfare of nursing home workers, to properly train them and to fully inform them of their rights. The rules would include standards on compensation, working hours, and other working conditions for nursing home workers. The standards set in the rulemaking could be set statewide, to a specific nursing home occupation, to a specific geographic area in the state, or any combination thereof. The Board would certify worker organizations to train nursing home workers on their rights in languages in which the employees are proficient.

The Department of Labor and Industry would have the authority to investigate possible violations and enforce compliance with the minimum nursing home employment standards established by the board. A worker could also bring a civil action in district court.

Impact on Children and Families:
A nursing home standards board with equal representation between workers and employers will level standards, improve working conditions, and better serve the vulnerable Minnesotans being cared for in these facilities. Improved working conditions, wages, and benefits in this low-wage industry will reduce turnover and maintain continuity of care for nursing home residents. Employees will be able to better support themselves and their families.

Equity and Inclusion:
Level standards across the nursing home industry supports low-wage workers and can help close racial and gender pay gaps. Better wages and working conditions can reduce opportunities for discrimination. Empowering workers to better understand and exercise their rights and have a voice in their conditions of employment will promote compliance and support workers and the vulnerable Minnesotans in their care.

Tribal Consultation:
Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

IT Costs
N/A

Results:

Type of Measure	*Name of Measure*	*Current Value*	*Date*	*Impact*	*Date*
Quantity	Improved education and enforcement	N/A	N/A	100% of nursing home employees impacted by standards trained by a certified worker organization	FY25
Quantity	Improved employee retention	N/A	N/A	Turnover reduced by XX%	FY25
Quantity	Improved workplace safety	N/A	N/A	50% reduction in workplace injuries	FY25

Statutory Change(s):
Minn. Stat. § 177.27, Minn. Stat. § 181

Program: Workers' Compensation

https://dli.mn.gov/business/workers-compensation-businesses

AT A GLANCE

In fiscal year 2022, the Workers' Compensation Division:

- resolved more than 1,535 disputes involving insurers, employers, employees, vocational rehabilitation providers and health care providers;
- conducted 478 mandatory coverage investigations;
- proactively contacted 9,148 new businesses to educate them about workers' compensation laws;
- completed 14,169 assistance contacts including calls, log letters and walk-ins;
- maintained more than 2.2 million workers' compensation files;
- conducted 141 rehabilitation consultations to determine an injured worker's eligibility for statutory rehabilitation services; and
- continued to train and support stakeholders and staff on Work Comp Campus, the online workers' compensation claims portal, that launched in November 2020.

PURPOSE AND CONTEXT

The Workers' Compensation Division ensures proper benefits and services are delivered to injured workers quickly, efficiently and at a reasonable cost to employers. The division educates employers and employees about Minnesota's workers' compensation laws and enforces those laws. It administers the Special Compensation Fund, also known as the Workers' Compensation Fund, which provides benefits to injured workers whose employers failed to carry workers' compensation insurance. The division provides alternative dispute resolution to resolve workers' compensation disputes quickly and cost-effectively.

SERVICES PROVIDED

The Workers' Compensation Division provides services in four primary areas through its four work units:

1. Alternative Dispute Resolution unit;
2. Compliance, Records and Training;
3. Special Compensation Fund; and
4. Vocational Rehabilitation unit.

The division:

- educates employees and employers about their rights and responsibilities under workers' compensation laws;
- provides mediation, ombudsman assistance and other dispute-resolution services;
- provides workers' compensation benefits to injured workers whose employers did not carry workers' compensation insurance;
- collects and maintains records pertaining to all workers' compensation injuries in Minnesota with claimed wage-loss or permanency;
- reviews files for the accuracy of benefit payments and required filings, and issuing penalties when appropriate; and
- provides vocational rehabilitation services to injured workers.

The Workers' Compensation Division is funded through an appropriation from the Workers' Compensation Fund. The revenues are based on the forecasted funding liability and collected through both an insurer premium surcharge paid by insurers and a self-insured assessment paid by self-insured employers. Workers' compensation benefits are paid to employees on behalf of uninsured and bankrupt self-insured employers. Reimbursements to insurers and self-insured employers under the supplemental benefits and second-injury programs make up the bulk of benefit payments.

RESULTS

Type of measure	***Name of measure***	***Previous***	***Current***	***Fiscal year***
Quantity	Workers' compensation benefits paid*	$32.3M	$17.3M	2020, 2022
Quantity	Special compensation fund uninsured recoveries	$890,139	$700,706	2020, 2022
Quantity	Hours of training provided to stakeholders**	60	660	2019, 2022
Quantity	Number of mediations conducted	1076	891	2020, 2022
Result	Ratio of post- to pre-injury wages for Vocational Rehabilitation clients who returned to work	88%	93%	2014, 2022

* Benefits are declining as work comp cases are settled and final payments are made. DLI's Work Comp Campus was not programmed to accept or process annual claims for reimbursement of second injury or supplementary benefits until September 2021. Staffing shortages from 2020 also prevented processing of payments.

** The increase in training hours reflects the estimate of staff time spent educating and instructing stakeholders on the Campus system, in both scheduled and unscheduled meetings.

Minnesota Statutes, chapter 176, provides the legal authority for this program's activities.

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Expenditures by Fund								
1000 - General				125				
2000 - Restrict Misc Special Revenue	31	14	9	66	6	60	6	60
2830 - Workers Compensation	52,886	30,968	29,838	40,181	38,024	36,424	41,332	40,267
Total	**52,917**	**30,983**	**29,848**	**40,372**	**38,030**	**36,484**	**41,338**	**40,327**
Biennial Change				(13,680)		4,294		11,445
Biennial % Change				(16)		6		16
Governor's Change from Base								7,151
Governor's % Change from Base								10
Expenditures by Activity								
Workers Compensation	52,917	30,983	29,848	40,372	38,030	36,484	41,338	40,327
Total	**52,917**	**30,983**	**29,848**	**40,372**	**38,030**	**36,484**	**41,338**	**40,327**
Expenditures by Category								
Compensation	10,687	10,831	10,316	10,678	10,325	10,313	10,681	11,038
Operating Expenses	9,907	7,558	2,268	1,886	1,597	1,663	4,549	4,781
Grants, Aids and Subsidies	32,321	12,589	17,263	27,808	26,108	24,508	26,108	24,508
Other Financial Transaction	2	4	1					
Total	**52,917**	**30,983**	**29,848**	**40,372**	**38,030**	**36,484**	**41,338**	**40,327**
Total Agency Expenditures	52,917	30,983	29,848	40,372	38,030	36,484	41,338	40,327
Internal Billing Expenditures	41	29	49	52	4	4	4	4
Expenditures Less Internal Billing	**52,876**	**30,954**	**29,799**	**40,320**	**38,026**	**36,480**	**41,334**	**40,323**
Full-Time Equivalents	**112.96**	**108.47**	**102.05**	**107.10**	**99.31**	**97.27**	**105.74**	**107.11**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Direct Appropriation				125	0	0	0	0
Expenditures				**125**				
Biennial Change in Expenditures				125		(125)		(125)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
2000 - Restrict Misc Special Revenue								
Balance Forward In	31	2	9	6				
Receipts	2	22	6	60	6	60	6	60
Balance Forward Out	2	9	6					
Expenditures	**31**	**14**	**9**	**66**	**6**	**60**	**6**	**60**
Biennial Change in Expenditures				30		(9)		(9)
Biennial % Change in Expenditures				66		(13)		(13)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.26	0.09	0.07	0.14	0.02	0.09	0.02	0.09

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
2830 - Workers Compensation								
Balance Forward In	12,539	7,199	1,049	457				
Direct Appropriation	14,882	11,882	11,882	11,882	11,882	11,882	15,190	15,725
Open Appropriation	32,336	12,665	17,267	27,820	26,120	24,520	26,120	24,520
Receipts	325	271	98	22	22	22	22	22
Balance Forward Out	7,197	1,049	457					
Expenditures	**52,886**	**30,968**	**29,838**	**40,181**	**38,024**	**36,424**	**41,332**	**40,267**
Biennial Change in Expenditures				(13,835)		4,429		11,580
Biennial % Change in Expenditures				(17)		6		17
Governor's Change from Base								7,151
Governor's % Change from Base								10
Full-Time Equivalents	112.70	108.38	101.98	106.96	99.29	97.18	105.72	107.02

Program: Construction Codes and Licensing

https://dli.mn.gov/business/codes-and-laws

AT A GLANCE

In fiscal year 2022, the division:

- issued or renewed 72,323 personal and business licenses;
- administered 7,937 license exams;
- completed 3,255 plan reviews;
- issued 134,882 construction permits; and
- performed 211,641 inspections.

PURPOSE AND CONTEXT

The Construction Codes and Licensing Division (CCLD) works to protect the health, safety and welfare of the public by providing reasonable, uniform and balanced standards for Minnesota's buildings and construction professionals. This provides for the safety of the people of Minnesota and fosters a competitive construction economy that encourages business growth and employment opportunity.

SERVICES PROVIDED

CCLD performs the following services to protect the health, safety and welfare of the public.

- Code adoption and administration: Assures building safety through a comprehensive and effective process of code adoption and uniform statewide code administration.
- Licensing: Assesses the qualifications of construction professionals and protects consumers and workers through individual and business licensing.
- Plan review: Reviews construction plans for state-owned and state-licensed facilities, plumbing installations and manufactured structures in a timely manner to ensure safe, code-compliant buildings that result in value for the owner.
- Construction permitting: Expedites safe building construction through the efficient processing of permits.
- Inspection services: Provides for the competent inspection of all building construction work under the authority of the state and regularly ensures the safe and operational integrity of elevators, boilers and high-pressure piping.
- Enforcement: Provides fair and balanced enforcement to achieve compliance with licensure and code requirements.
- Outreach and education: Fosters and promotes safe, accessible and energy-efficient building design and construction through outreach and education to construction professionals and the public.
- Contractor Recovery Fund: Compensates owners or lessees of residential property in Minnesota who have suffered an actual and direct out-of-pocket loss due to a licensed contractor's fraudulent, deceptive or dishonest practices, conversion of funds or failure of performance.

RESULTS

Type of measure	*Name of measure*	*Previous*	*Current*	*Fiscal year*
Quality	Number and percent of plumbing plans reviewed within 21 days	2,432, 88%	2,667/53%	2020, 2022
Quality	Number and percent of building plans reviewed within 21 days	688, 85%	588/60%	2020, 2022
Quantity	Number of licenses issued	70,297	72,323	2020, 2022
Quantity	Number of permits issued	122,017	134,882	2020, 2022
Quantity	Number of boiler inspections	8,967	7,371	2020, 2022
Quantity	Number of elevator inspections	8,502	11,639	2020, 2022
Quantity	Number of plumbing inspections	5,280	5,490	2020, 2022
Quantity	Number of building inspections	3,407	4,334	2020, 2022
Quantity	Number of electrical inspections	162,942	181,049	2020, 2022
Quantity	Number of high-pressure-piping inspections	1,008	989	2020, 2022

Minnesota Statutes, chapter 326B, provides the legal authority for all programs within the Construction Codes and Licensing Division.

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Expenditures by Fund								
2000 - Restrict Misc Special Revenue	2,312	2,777	1,981	1,964	2,018	2,019	2,018	2,019
2020 - Construction Code	32,484	33,069	33,772	34,823	35,292	35,639	36,365	35,903
Total	**34,796**	**35,846**	**35,753**	**36,787**	**37,310**	**37,658**	**38,383**	**37,922**
Biennial Change				1,898		2,428		3,765
Biennial % Change				3		3		5
Governor's Change from Base								1,337
Governor's % Change from Base								2

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Expenditures by Activity								
Construction Codes and Licensing	34,796	35,846	35,753	36,787	37,310	37,658	38,383	37,922
Total	**34,796**	**35,846**	**35,753**	**36,787**	**37,310**	**37,658**	**38,383**	**37,922**
Expenditures by Category								
Compensation	16,052	16,552	17,030	17,777	19,178	19,455	19,302	19,653
Operating Expenses	16,672	16,592	16,827	16,810	15,832	15,903	16,781	15,969
Grants, Aids and Subsidies	2,056	2,636	1,893	2,190	2,290	2,290	2,290	2,290
Capital Outlay-Real Property			0					
Other Financial Transaction	15	66	3	10	10	10	10	10
Total	**34,796**	**35,846**	**35,753**	**36,787**	**37,310**	**37,658**	**38,383**	**37,922**
Total Agency Expenditures	34,796	35,846	35,753	36,787	37,310	37,658	38,383	37,922
Internal Billing Expenditures	3,725	3,049	3,594	3,923	4,213	4,273	4,240	4,317
Expenditures Less Internal Billing	**31,071**	**32,797**	**32,159**	**32,864**	**33,097**	**33,385**	**34,143**	**33,605**
Full-Time Equivalents	**142.82**	**141.81**	**144.09**	**149.95**	**154.65**	**154.65**	**155.70**	**156.24**

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
2000 - Restrict Misc Special Revenue								
Balance Forward In	9,938	9,997	9,273	9,564	9,545	9,772	9,545	9,771
Receipts	2,370	2,054	2,272	1,945	2,245	1,945	2,244	1,944
Balance Forward Out	9,997	9,273	9,564	9,545	9,772	9,698	9,771	9,696
Expenditures	**2,312**	**2,777**	**1,981**	**1,964**	**2,018**	**2,019**	**2,018**	**2,019**
Biennial Change in Expenditures				(1,144)		92		92
Biennial % Change in Expenditures				(22)		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.81	2.21	2.18	0.95	0.65	0.65	0.65	0.65

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
2020 - Construction Code	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Balance Forward In	22,943	22,007	22,867	22,336	17,213	13,921	17,213	13,012
Receipts	31,336	33,823	33,316	29,700	32,000	32,000	32,164	32,263
Transfers Out			75					
Balance Forward Out	21,795	22,760	22,336	17,213	13,921	10,282	13,012	9,372
Expenditures	**32,484**	**33,069**	**33,772**	**34,823**	**35,292**	**35,639**	**36,365**	**35,903**
Biennial Change in Expenditures				3,042		2,336		3,673
Biennial % Change in Expenditures				5		3		5
Governor's Change from Base								1,337
Governor's % Change from Base								2
Full-Time Equivalents	141.01	139.60	141.91	149.00	154.00	154.00	155.05	155.59

Program: General Support

https://dli.mn.gov/about-department/about-dli

AT A GLANCE

In fiscal year 2022, the unit:

- supported approximately 477 agency employees located statewide;
- administered a $132 million annual budget;
- facilitated more than 6.4 million web hits;
- Represented agency programs and/or authoritative boards in more than 300 administrative litigation appearances and 13 rulemakings;
- had more than 1.5 million subscribers to Minnesota Department of Labor and Industry (DLI) electronic publications; and
- responded to 87 requests for statistical data.

PURPOSE AND CONTEXT

The General Support Division provides leadership and support to agency programs so they can be successful. Activities are customized to meet the unique needs of each activity while assuring adherence to statewide and agency standards for performance, management and documentation of decisions. Critical goals are to:

- develop and adhere to operating policies and services that meet or exceed statewide standards and policies;
- offer support services within the agency to meet program goals as efficiently as possible while adhering to accepted audit standards;
- manage agency resources in as transparent a manner as possible to assure stakeholders our stewardship of their investments is sound; and
- create opportunities for electronic government transactions to better meet the needs of Minnesota's citizens.

This division serves agency programs that focus on the needs of workers, builders, building owners and employers in Minnesota.

SERVICES PROVIDED

The General Support Division strives to provide effective and efficient services and offer solutions to support agency programs. This is accomplished by each unit as follows.

- Communications: provides stakeholder outreach through the website and publications; promotes the work and services of the department.
- Financial Services: protects and ensures accountability for the financial resources entrusted to the department.
- Human Resources: recruits, assesses employee development needs and assists in retaining needed skill sets. Also provides services that promote a healthy, productive and respectful work environment and promotes diversity goals in all U.S. Equal Employment Opportunity Commission Job Groups for people with a disability.
- Office of General Counsel: renders legal advice to the department, provides legislative and rulemaking support and advocates for the agency in enforcement and other administrative proceedings.
- Research and Statistics: collects, analyzes and reports workplace safety, workers' compensation and workplace standards data to inform decision-makers and the public.

- Projects and Planning: provides organization development and continuous improvement support services, maintains and communicates the business continuity and emergency response plans for the agency.
- DLI maintains its information technology services through a service-level agreement with Minnesota IT Services.

These infrastructure services provide agency support that enables programs to focus on their mission and achieve agency goals.

RESULTS

Type of measure	*Name of measure*	*Previous*	*Current*	*Fiscal year*
Quality	Percentage of accounts payable paid promptly (30-day requirement)	99.04%	99.32%	2014, 2022
Quantity	Number of and dollars spent with targeted vendors	18/ $67,174	21/ 355,418	2015, 2022
Quantity	Percent of staff who self-identified as women, minorities or disabled.	65.1%	70.5%	2014, 2022
Quality	Percentage of performance appraisals that were timely completed (annual requirement)	100%	100%	2017, 2022

Minnesota Statutes, chapters 176, 16A, 43A and 341, provide authority for this program’s activities.

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Expenditures by Fund								
1000 - General	157	28	1,078	1,676				
2000 - Restrict Misc Special Revenue	5,061	4,166	5,837	7,682	7,413	6,728	7,413	6,728
2830 - Workers Compensation	6,088	6,091	6,029	6,015	6,015	6,015	8,741	9,082
3000 - Federal	138	130	293	138	138	138	138	138
Total	**11,444**	**10,415**	**13,237**	**15,511**	**13,566**	**12,881**	**16,292**	**15,948**
Biennial Change				6,889		(2,301)		3,492
Biennial % Change				32		(8)		12
Governor's Change from Base								5,793
Governor's % Change from Base								22
Expenditures by Activity								
General Support Division	11,444	10,415	13,237	15,511	13,566	12,881	16,292	15,948
Total	**11,444**	**10,415**	**13,237**	**15,511**	**13,566**	**12,881**	**16,292**	**15,948**
Expenditures by Category								
Compensation	6,515	6,892	7,022	7,489	7,580	7,306	8,765	8,756
Operating Expenses	4,904	3,515	6,209	7,900	5,982	5,571	7,523	7,188
Other Financial Transaction	25	8	5	122	4	4	4	4
Total	**11,444**	**10,415**	**13,237**	**15,511**	**13,566**	**12,881**	**16,292**	**15,948**
Total Agency Expenditures	11,444	10,415	13,237	15,511	13,566	12,881	16,292	15,948
Internal Billing Expenditures	26	22	23	25	25	25	25	25
Expenditures Less Internal Billing	**11,418**	**10,393**	**13,214**	**15,486**	**13,541**	**12,856**	**16,267**	**15,923**
Full-Time Equivalents	**58.66**	**59.29**	**58.76**	**64.00**	**63.70**	**60.25**	**69.70**	**66.25**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In		468	953	776				
Direct Appropriation	500	500	900	900	0	0	0	0
Transfers In	125	228						
Transfers Out		11						
Cancellations		203						
Balance Forward Out	468	953	776					
Expenditures	**157**	**28**	**1,078**	**1,676**				
Biennial Change in Expenditures				2,568		(2,754)		(2,754)
Biennial % Change in Expenditures				1,384		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.05	0.17						
2000 - Restrict Misc Special Revenue								
Balance Forward In	1,044	1,735	2,359	2,191	789		789	
Receipts	5,739	4,788	5,669	6,280	6,624	6,728	6,624	6,728
Internal Billing Receipts	5,739	4,788	5,669	6,067	6,370	6,470	6,370	6,470
Balance Forward Out	1,723	2,357	2,191	789				
Expenditures	**5,061**	**4,166**	**5,837**	**7,682**	**7,413**	**6,728**	**7,413**	**6,728**
Biennial Change in Expenditures				4,292		622		622
Biennial % Change in Expenditures				47		5		5
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	3.52	6.29	6.19	10.50	11.20	8.75	11.20	8.75
2830 - Workers Compensation								
Direct Appropriation	6,039	6,039	6,039	6,039	6,039	6,039	8,765	9,106
Open Appropriation	114	131	111	110	110	110	110	110
Transfers Out	65	79	121	134	134	134	134	134
Expenditures	**6,088**	**6,091**	**6,029**	**6,015**	**6,015**	**6,015**	**8,741**	**9,082**
Biennial Change in Expenditures				(135)		(14)		5,779
Biennial % Change in Expenditures				(1)		(0)		48
Governor's Change from Base								5,793

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Governor's % Change from Base								48
Full-Time Equivalents	53.60	51.43	51.06	52.00	51.00	50.00	57.00	56.00

3000 - Federal

	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Balance Forward In	6	6	6	6	6	6	6	6
Receipts	138	130	293	138	138	138	138	138
Balance Forward Out	6	6	6	6	6	6	6	6
Expenditures	**138**	**130**	**293**	**138**	**138**	**138**	**138**	**138**
Biennial Change in Expenditures				163		(155)		(155)
Biennial % Change in Expenditures				61		(36)		(36)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.49	1.40	1.51	1.50	1.50	1.50	1.50	1.50

Program: Labor Standards and Apprenticeship

https://dli.mn.gov/business/employment-practices; https://dli.mn.gov/business/workforce/apprenticeship

AT A GLANCE

In calendar year 2021, Labor Standards served:

- 119,115 stakeholders;
- 21,652 stakeholders through responding to phone/email inquiries and questions;
- 617 workers through the wage claim process, recovering $368,929; and
- 194 workers through investigations or the inform and educate process, recovering $972,946.

In calendar year 2021, Apprenticeship Minnesota:

- supported 11,042 active apprentices;
- supported 201 registered apprenticeship programs;
- registered 3,595 new apprentices, including 304 women, 821 people of color and 174 veterans; and
- conducted 124 program reviews.

PURPOSE AND CONTEXT

The Department of Labor and Industry's (DLI) Labor Standards unit protects Minnesota's economy by ensuring workers are paid correctly and workplace rights and responsibilities are enforced. It conducts outreach, worker and employer education and investigations to ensure compliance with Minnesota's labor and employment laws, including minimum wage, prevailing wage, pregnancy and parental leave, child labor and construction misclassification for the benefit of all Minnesotans.

Apprenticeship Minnesota supports Minnesota's economy as it fosters and promotes employment-based career development through registered apprenticeship programs that provide structured training and on-the-job learning to develop a skilled and diverse workforce.

SERVICES PROVIDED

Labor Standards:

- answers questions and provides education and orientation regarding the labor and employment laws it enforces.
- investigates violations of labor and employment laws, including minimum wage, overtime, child labor, the Women's Economic Security Act, prevailing wage and construction misclassification.
- resolves wage theft complaints to ensure employees are paid for their work and employers are competing fairly in the marketplace.
- performs on-site investigations to observe and address ongoing violations, interview workers and employers and gather employment-related documentation.
- provides outreach and education to workers, employers and other stakeholders on the following:
    - wage theft, including minimum wage and overtime violations as well as other payment of wage violations;
    - prevailing-wage requirements on publicly-funded construction projects;
    - child labor protections;
    - employment leave and accommodation protections including pregnancy and parenting leave, nursing mothers and pregnancy accommodations at work, as well as sick and safe leave; and
    - construction misclassification.

- conducts an annual prevailing-wage survey to identify and certify wage rates for workers on publicly-funded construction projects.

Apprenticeship Minnesota:
- engages with and assists employers and associations in developing registered apprenticeship programs to recruit, train and retain a highly skilled and diverse workforce.
- conducts ongoing technical assistance and compliance activities to ensure each program delivers the training, instruction and other requirements outlined in its standards registered with the department.
- collaborates with various community-based organizations, labor groups, employers and associations to foster and promote greater entrance and successful completion by underrepresented groups, including women, people of color and veterans, in registered apprenticeship programs.
- helps connect workers and apprentices with apprenticeship resources.
- fosters the expansion of registered apprenticeship programs into health care, manufacturing, agriculture, information technology and other in-demand industries.

RESULTS

Labor Standards

Type of measure	*Name of measure*	*Previous value*	*Date*	*Current value*	*Date*
Quantity	Number of wage claims	729	2020	617	2021
Quantity	Amount recovered from wage claims	$358,754	2020	$368,929	2021
Quantity	Amount recovered from investigations	$477,418	2020	$972,946	2021
Quantity	Number of phone calls/email inquiries	34,989	2020	21,652	2021

Apprenticeship Minnesota

Type of measure	*Name of measure*	*Previous value*	*Date*	*Current value*	*Date*
Quantity	Number of active apprentices	11,042	2020	10,933	2021
Quantity	Percentage of active apprentices by women/people of color/veterans	7.01%/20.75%/7.19%	2020	7.58%/21.17%/6.61%	2021
Quantity	Number of apprenticeship completions	1,529	2020	1,783	2021
Quantity	Number of registered apprenticeship programs	191	2020	201	2021

Minnesota Statutes, Chapters 177, 178, 181, 181A, and 326B provide authority for this program's activities. Minnesota Statutes §§ 177.21-.35 (Minnesota Fair Labor Standards Act), 177.41-.44 (Prevailing Wage Act), 178 (Apprenticeship Training Act, in accordance with 29 Code of Federal Regulations part 29 and part 30), 181.01-.171 (Payment of Wages Act), 181.939-.944 (Parenting Leave and Accommodations, Women's Economic Security Act), 181A (Child Labor Standards Act), and 326B (Construction Misclassification).

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
1000 - General	2,224	4,279	4,025	3,933	3,479	3,479	6,180	6,640
2390 - Workforce Development	1,526	1,650	1,643	1,853	1,522	1,522	2,697	2,777
3000 - Federal	754	591	728	752				
4925 - Paid Family Medical Leave							601	480
Total	**4,504**	**6,520**	**6,396**	**6,538**	**5,001**	**5,001**	**9,478**	**9,897**
Biennial Change				1,910		(2,932)		6,441
Biennial % Change				17		(23)		50
Governor's Change from Base								9,373
Governor's % Change from Base								94
Expenditures by Activity								
Labor Standards and Apprenticeship	4,504	6,520	6,396	6,538	5,001	5,001	9,478	9,897
Total	**4,504**	**6,520**	**6,396**	**6,538**	**5,001**	**5,001**	**9,478**	**9,897**
Expenditures by Category								
Compensation	2,733	3,464	3,444	3,484	3,674	3,730	5,753	6,440
Operating Expenses	1,350	2,628	1,188	2,420	1,227	1,171	2,625	2,357
Grants, Aids and Subsidies	381	408	1,763	634	100	100	1,100	1,100
Other Financial Transaction	39	20	0					
Total	**4,504**	**6,520**	**6,396**	**6,538**	**5,001**	**5,001**	**9,478**	**9,897**
Total Agency Expenditures	4,504	6,520	6,396	6,538	5,001	5,001	9,478	9,897
Internal Billing Expenditures	634	640	729	768	756	769	1,162	1,289
Expenditures Less Internal Billing	**3,870**	**5,880**	**5,667**	**5,770**	**4,245**	**4,232**	**8,316**	**8,608**
Full-Time Equivalents	**26.73**	**34.27**	**33.11**	**34.21**	**33.34**	**33.13**	**50.12**	**54.36**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In		1,127		454				
Direct Appropriation	3,344	3,344	4,479	3,479	3,479	3,479	6,180	6,640
Transfers Out		192						
Balance Forward Out	1,120		454					
Expenditures	**2,224**	**4,279**	**4,025**	**3,933**	**3,479**	**3,479**	**6,180**	**6,640**
Biennial Change in Expenditures				1,455		(1,000)		4,862
Biennial % Change in Expenditures				22		(13)		61
Governor's Change from Base								5,862
Governor's % Change from Base								84
Full-Time Equivalents	15.08	22.05	21.54	23.23	23.23	23.23	39.12	42.61
2390 - Workforce Development								
Balance Forward In	7	67	1	106				
Direct Appropriation	1,584	1,584	1,747	1,747	1,522	1,522	2,697	2,777
Balance Forward Out	65	1	106					
Expenditures	**1,526**	**1,650**	**1,643**	**1,853**	**1,522**	**1,522**	**2,697**	**2,777**
Biennial Change in Expenditures				320		(452)		1,978
Biennial % Change in Expenditures				10		(13)		57
Governor's Change from Base								2,430
Governor's % Change from Base								80
Full-Time Equivalents	8.97	9.32	9.44	10.11	10.11	9.90	9.00	9.00
3000 - Federal								
Balance Forward In		24						
Receipts	754	579	728	752				
Balance Forward Out		12						
Expenditures	**754**	**591**	**728**	**752**				
Biennial Change in Expenditures				135		(1,480)		(1,480)
Biennial % Change in Expenditures				10		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	2.68	2.90	2.13	0.87				

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
4925 - Paid Family Medical Leave								
Direct Appropriation							601	480
Expenditures							**601**	**480**
Biennial Change in Expenditures				0		0		1,081
Biennial % Change in Expenditures								
Governor's Change from Base								1,081
Governor's % Change from Base								
Full-Time Equivalents							2.00	2.75
6000 - Miscellaneous Agency								
Balance Forward In	47	103	124	129	129	129	129	129
Receipts	55	18	5					
Balance Forward Out	103	120	129	129	129	129	129	129

Program: Office of Combative Sports

https://dli.mn.gov/ocs

AT A GLANCE

In fiscal year 2022 the program:

- regulated 14 events; and
- issued 238 licenses.

PURPOSE AND CONTEXT

The Office of Combative Sports (OCS) ensures Minnesota's combative sporting events are conducted in a manner that minimizes injuries, protects the short-term and long-term health of fighters, and ensures fair competition. Combative sporting events include professional boxing and professional and amateur mixed martial arts.

SERVICES PROVIDED

OCS licenses combative sports promotions, combatants, officials and coaches of events held within Minnesota. Licenses are required for referees, judges, timekeepers, ringside physicians, promoters, combatants, trainers and seconds.

OCS staff members:

- review licensing data to ensure the health and fitness of combatants;
- review match-ups to ensure fair competition;
- ensure promoters meet financial obligations and have medical and life insurance on all fighters;
- train and assign fight inspectors and officials;
- collect licensing and event fees;
- attend combative sporting events to ensure event procedures are followed and compliance with all rules and regulations;
- ensure compliance with all federal laws;
- process and hear grievances;
- work with other national and international regulatory bodies to ensure uniformity; and
- investigate any illegal activities.

The Office of Combative Sports is funded from license and event revenue deposited into the Special Revenue account.

RESULTS

Type of measure	*Name of measure*	*Previous*	*Current*	*Fiscal year*
Quantity	Percentage of contests monitored for combatants' safety	100%	100%	2021, 2022
Quality	Professional combatant license issued	42	125	2021, 2022
Quality	Amateur combatant license issued	45	58	2021, 2022
Quantity	Number of combative sports events	1	14	2021, 2022
Quantity	Number of officials' licenses *(may be more than one license per individual)*	15	55	2021, 2022

Minnesota Statutes, chapter 341

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Expenditures by Fund								
1000 - General							243	254
2000 - Restrict Misc Special Revenue	53	49	75	111	92	80	107	95
Total	**53**	**49**	**75**	**111**	**92**	**80**	**350**	**349**
Biennial Change				85		(14)		513
Biennial % Change				83		(8)		275
Governor's Change from Base								527
Governor's % Change from Base								306
Expenditures by Activity								
Office of Combative Sports	53	49	75	111	92	80	350	349
Total	**53**	**49**	**75**	**111**	**92**	**80**	**350**	**349**
Expenditures by Category								
Compensation	32	21	43	70	56	46	220	219
Operating Expenses	21	28	32	41	36	34	130	130
Other Financial Transaction			0					
Total	**53**	**49**	**75**	**111**	**92**	**80**	**350**	**349**
Total Agency Expenditures	53	49	75	111	92	80	350	349
Internal Billing Expenditures	7	4	9	15	12	10	49	49
Expenditures Less Internal Billing	**45**	**45**	**66**	**96**	**80**	**70**	**301**	**300**
Full-Time Equivalents	**0.65**	**0.21**	**0.68**	**0.80**	**0.65**	**0.55**	**2.20**	**2.10**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Direct Appropriation							243	254
Expenditures							**243**	**254**
Biennial Change in Expenditures				0		0		497
Biennial % Change in Expenditures								
Governor's Change from Base								497
Governor's % Change from Base								
Full-Time Equivalents							1.37	1.37
2000 - Restrict Misc Special Revenue								
Balance Forward In	55	97	68	77	41	24	41	24
Receipts	94	20	85	75	75	75	90	90
Balance Forward Out	97	68	77	41	24	19	24	19
Expenditures	**53**	**49**	**75**	**111**	**92**	**80**	**107**	**95**
Biennial Change in Expenditures				85		(14)		16
Biennial % Change in Expenditures				83		(8)		8
Governor's Change from Base								30
Governor's % Change from Base								17
Full-Time Equivalents	0.65	0.21	0.68	0.80	0.65	0.55	0.83	0.73

Program: Workplace Safety

http://dli.mn.gov/business/safety-and-health-work

AT A GLANCE

In federal fiscal year 2021, the work units:

- conducted more than 1,200 compliance inspections;
- assisted employers through 881 consultation visits and 810 consultation interventions;
- responded to 1,415 employee complaints;
- investigated 35 workplace fatalities;
- provided safety grants for 289 employer safety projects;
- presented safety and health outreach to more than 21,000 compliance participants;
- worked with 86 cooperative programs and alliances with employers; and
- affected the safety and health of 2.7 million workers at 185,000 Minnesota worksites.

PURPOSE AND CONTEXT

The goal of the Minnesota Occupational Safety and Health Administration (MNOSHA) is that every employee returns home safe and healthy at the end of each working day. MNOSHA believes workplaces must share a commitment to workplace safety by employers, employees and their authorized representatives. MNOSHA focuses on regulation through its Compliance unit and on assistance through its Workplace Safety Consultation unit, helping industries with the highest injury and illness rates. MNOSHA is a state plan, one of 28 states and territories authorized by Congress to administer an occupational safety and health program “at least as effective as” the federal OSHA program.

SERVICES PROVIDED

MNOSHA keeps Minnesota employees and workplaces safe by:

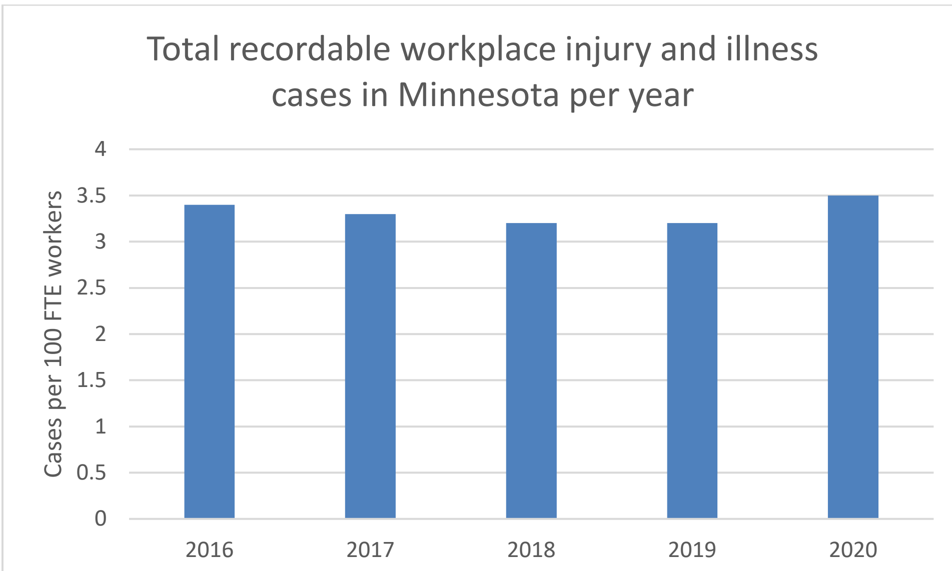
- conducting planned compliance inspections focused on high-hazard industries;
- investigating workplace fatalities, serious injuries and catastrophic events;
- responding to complaints by employees about unsafe conditions at their workplace;
- reviewing employee’s protected rights after alleged improper termination or other adverse action;
- providing training and outreach to employee, employer and citizen groups about safety and health topics;
- making consultation visits to employers that request assistance about how to make their workplaces safer;
- working cooperatively with employers through voluntary prevention programs and partnerships; and
- issuing safety grants to help employers boost their safety and health programs.

RESULTS

Fatal occupational injuries per 100,000 full-time-equivalent workers, 2020

State	***2016***	***2017***	***2018***	***2019***	***2020***
Minnesota	3.4	3.5	2.7	2.6	2.4
Wisconsin	3.6	3.5	3.8	3.8	4.1
Iowa	3.8	4.7	4.9	4.7	4.0
South Dakota	7.5	7.3	6.9	4.7	7.8
North Dakota	7.0	10.1	9.6	9.7	7.4

Source: Census of Fatal Occupational Injuries (CFOI), Bureau of Labor Statistics. The CFOI accounts for all fatalities resulting from a work injury. Minnesota has a lower percentage of employees dying from work-related injuries than neighboring states, demonstrating success of the MNOSHA program.



Source: Survey of Occupational Injuries and Illnesses (SOII), Bureau of Labor and Statistics (BLS). The SOII surveys a sample of employers to gather OSHA log data and estimates the number of work-related injuries and illnesses and the rate at which they occur.

Minnesota Statutes 182 provides the legal authority for this program's activities. As a state plan, Minnesota OSHA Compliance enforces: 29 CFR 1904, 1910, 1915, 1917, 1918, 1926 and 1928; and Minnesota Rules 5205 through 5208, 5210 and 5215.
MNOSHA Workplace Safety Consultation regulations are: 29 CFR 1908; 29 CFR 1910.266; Minn. Stat. 79.253, 90.145 and 176.130; and Minn. Rules 5203

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
Expenditures by Fund								
2830 - Workers Compensation	7,720	8,721	8,681	8,521	8,320	8,300	8,557	8,783
3000 - Federal	5,324	5,258	5,417	5,671	5,581	5,581	5,581	5,581
Total	**13,044**	**13,979**	**14,098**	**14,192**	**13,901**	**13,881**	**14,138**	**14,364**
Biennial Change				1,268		(508)		212
Biennial % Change				5		(2)		1
Governor's Change from Base								720
Governor's % Change from Base								3
Expenditures by Activity								
Workplace Safety	13,044	13,979	14,098	14,192	13,901	13,881	14,138	14,364
Total	**13,044**	**13,979**	**14,098**	**14,192**	**13,901**	**13,881**	**14,138**	**14,364**
Expenditures by Category								
Compensation	8,287	8,465	8,805	8,751	9,315	9,449	9,552	9,932
Operating Expenses	2,795	3,358	3,440	3,722	3,189	3,110	3,189	3,110
Grants, Aids and Subsidies	1,955	2,125	1,792	1,520	1,397	1,322	1,397	1,322
Capital Outlay-Real Property	1	1	0					
Other Financial Transaction	7	29	61	199				
Total	**13,044**	**13,979**	**14,098**	**14,192**	**13,901**	**13,881**	**14,138**	**14,364**
Total Agency Expenditures	13,044	13,979	14,098	14,192	13,901	13,881	14,138	14,364
Internal Billing Expenditures	1,210	973	1,166	1,196	1,258	1,288	1,258	1,288
Expenditures Less Internal Billing	**11,834**	**13,005**	**12,933**	**12,996**	**12,643**	**12,593**	**12,880**	**13,076**
Full-Time Equivalents	**80.55**	**80.34**	**84.68**	**86.47**	**85.76**	**85.52**	**88.05**	**90.13**

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
2830 - Workers Compensation								
Balance Forward In	8,239	8,191	6,115	4,813	3,723	2,834	3,723	2,834
Direct Appropriation	4,167	4,167	5,070	5,070	5,070	5,070	5,307	5,553
Receipts	3,032	1,944	2,310	2,361	2,361	2,361	2,361	2,361
Cancellations		0						
Balance Forward Out	7,717	5,581	4,813	3,723	2,834	1,965	2,834	1,965
Expenditures	**7,720**	**8,721**	**8,681**	**8,521**	**8,320**	**8,300**	**8,557**	**8,783**
Biennial Change in Expenditures				761		(582)		138
Biennial % Change in Expenditures				5		(3)		1
Governor's Change from Base								720
Governor's % Change from Base								4
Full-Time Equivalents	49.45	44.32	49.18	46.53	46.16	46.03	48.45	50.64

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
3000 - Federal	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Balance Forward In	97	24	24	22	24	24	24	24
Receipts	5,324	5,257	5,415	5,673	5,581	5,581	5,581	5,581
Balance Forward Out	97	24	22	24	24	24	24	24
Expenditures	**5,324**	**5,258**	**5,417**	**5,671**	**5,581**	**5,581**	**5,581**	**5,581**
Biennial Change in Expenditures				506		74		74
Biennial % Change in Expenditures				5		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	31.10	36.02	35.50	39.94	39.60	39.49	39.60	39.49

Program: Workforce Development Initiatives

http://dli.mn.gov/yst and http://dli.mn.gov/pipeline

AT A GLANCE

In fiscal year 2022, Minnesota Dual-Training Pipeline and Youth Skills Training successfully accomplished the following to further employment-based training.

Minnesota Dual-Training Pipeline:

- planned and hosted nine industry forums and 10 employer enrichment events;
- consulted with 190 unique employers to support their efforts with dual training; and
- developed and approved eight new occupational competency models and updated 13 information technology occupational competency models.

Youth Skills Training:

- provided grant funding to 11 additional Youth Skills Training partnerships throughout the state;
- provided 19,559 students with opportunities for industry exposure;
- supported 7,726 students in the completion of an industry-related class for high school credit;
- supported 267 student learners in the completion of paid work experiences in high-growth, in-demand industries;
- supported 673 student learners in obtaining industry-recognized credentials; and
- approved 43 additional employers to host Youth Skills Training student learners with paid work experiences.

PURPOSE AND CONTEXT

The Department of Labor and Industry's (DLI's) employment-based training programs – Minnesota Dual-Training Pipeline and Youth Skills Training – support employers striving for innovative ways to address current and future workforce needs in key industries, including advanced manufacturing, agriculture, automotive, health care services and information technology. DLI also works with K-12 educators, higher education, business and trade associations, nonprofits and community-based organizations to further efforts for workforce development and training. In addition, school districts, students and families with an interest in the industries identified work with DLI to create Youth Skills Training programs to help develop a workforce with the necessary skills for students and apprentices.

SERVICES PROVIDED

Workforce development programs at DLI are made up of two distinct initiatives.

Minnesota Dual-Training Pipeline ("Pipeline" stands for "Private Investment, Public Education, Labor and Industry Experience") supports the growth and development of employment-based dual-training programs in advanced manufacturing, agriculture, health care services and information technology. Dual-training programs combine related instruction, resulting in the completion of a degree, certificate or industry recognized credential, with competency based on-the-job training to benefit Minnesota workers and their employers. Objectives of Minnesota Dual-Training Pipeline include:

- engaging employers, higher education, labor, representatives of the disabled community, government, nonprofits and community-based organizations to support employment-based dual-training;

- enhancing Minnesota’s skilled workforce by bringing together leaders from industry to identify, define, create and validate occupational competencies for in-demand occupations;
- helping employers meet their workforce needs; and
- expanding earn-and-learn dual-training and registered apprenticeship across Minnesota.

Youth Skills Training (YST) encourages, promotes and supports the development of local partnerships between schools, employers and community organizations to benefit students and businesses statewide. These local partnerships provide students with:
- career exploration;
- industry exposure opportunities;
- related classroom instruction;
- safety training;
- industry-recognized credentials; and
- paid work experience in high-growth and in-demand industries.

Training occurs in the industries of advanced manufacturing, agriculture, automotive, health care and information technology. Successful YST programs demonstrate the ability to achieve the above objectives through various means, including outreach, education, training and supportive services for students and employers.

DLI’s workforce development initiatives are funded through appropriations from the Minnesota Workforce Development Fund.

RESULTS

Type of measure	*Name of measure*	*FY 2021*	*FY 2022*	*Total since program inception*
Quantity	Number of occupations with competency-based models	67	75	75
Quantity	Number of employers with dual-training programs	57	74	158*
Quantity	Number of dual trainees awarded funding through the dual-training grant and who were anticipated to receive dual training at the time of award	589	739	3,229
Quantity	YST: Number of students who have participated in industry exposure experiences (tours, speakers, job shadow, career fair, etc.)	11,173	19,559	41,019
Quantity	YST: Number of students who have completed an industry-related class for high school credit	10,036	7,726	23,498
Quantity	YST: Number of employers approved to provide paid work experience to student learners	46	43	146
Quantity	YST: Number of partnerships awarded grant funding	11	12	51
Quantity	YST: Percent of students in a paid work experience who graduated when eligible	94%	92%	93%
Quantity	YST: Percent of students in a paid work experience who earned an industry recognized credential	94%	94%	92%

**This is a unique count of employers; some employers offer ongoing[<-- one word, no hyphen] dual-training programs (every year); some employers offer multiple programs in multiple occupations. This total does not include new employers awarded round 11 dual-training grants (contracts begin August 2022) because those programs had not formally begun dual training at the time of this reporting.*

Minnesota Statutes, chapters 175.45 and 175.46, provide authority for this program's activities.

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Expenditures by Fund								
1000 - General	200	200	4,039	7,611			132	132
2390 - Workforce Development	1,362	1,438	1,689	1,611	1,600	1,600	2,359	2,371
3015 - ARP-State Fiscal Recovery			100					
Total	**1,562**	**1,638**	**5,828**	**9,222**	**1,600**	**1,600**	**2,491**	**2,503**
Biennial Change				11,850		(11,850)		(10,056)
Biennial % Change				370		(79)		(67)
Governor's Change from Base								1,794
Governor's % Change from Base								56
Expenditures by Activity								
Workforce Development	1,562	1,638	5,828	9,222	1,600	1,600	2,491	2,503
Total	**1,562**	**1,638**	**5,828**	**9,222**	**1,600**	**1,600**	**2,491**	**2,503**
Expenditures by Category								
Compensation	415	389	466	946	459	459	738	746
Operating Expenses	148	249	4,262	7,276	141	141	253	257
Grants, Aids and Subsidies	1,000	1,000	1,100	1,000	1,000	1,000	1,500	1,500
Total	**1,562**	**1,638**	**5,828**	**9,222**	**1,600**	**1,600**	**2,491**	**2,503**
Total Agency Expenditures	1,562	1,638	5,828	9,222	1,600	1,600	2,491	2,503
Internal Billing Expenditures	96	72	99	210	102	101	161	164
Expenditures Less Internal Billing	**1,466**	**1,566**	**5,730**	**9,012**	**1,498**	**1,499**	**2,330**	**2,339**
Full-Time Equivalents	**4.27**	**3.89**	**4.18**	**8.01**	**4.33**	**4.28**	**7.22**	**7.17**

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24	Forecast Base FY25	Governor's Recommendation FY24	Governor's Recommendation FY25
1000 - General								
Balance Forward In				7,611				
Direct Appropriation			11,650				132	132
Transfers In	200	200						
Balance Forward Out			7,611					
Expenditures	**200**	**200**	**4,039**	**7,611**			**132**	**132**
Biennial Change in Expenditures				11,250		(11,650)		(11,386)
Biennial % Change in Expenditures				2,813		(100)		(98)
Governor's Change from Base								264
Governor's % Change from Base								
Full-Time Equivalents	1.57	1.86	0.11	3.50			1.00	1.00
2390 - Workforce Development								
Balance Forward In		38		11				
Direct Appropriation	1,400	1,400	1,700	1,600	1,600	1,600	2,359	2,371
Balance Forward Out	38		11					
Expenditures	**1,362**	**1,438**	**1,689**	**1,611**	**1,600**	**1,600**	**2,359**	**2,371**
Biennial Change in Expenditures				500		(100)		1,430
Biennial % Change in Expenditures				18		(3)		43
Governor's Change from Base								1,530
Governor's % Change from Base								48
Full-Time Equivalents	2.70	2.03	4.07	4.51	4.33	4.28	6.22	6.17
3015 - ARP-State Fiscal Recovery								
Direct Appropriation			100					
Expenditures			**100**					
Biennial Change in Expenditures				100		(100)		(100)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
2390 - Workforce Development							4,330	1,392
Total							**4,330**	**1,392**
Biennial Change				0		0		5,722
Biennial % Change								
Governor's Change from Base								5,722
Governor's % Change from Base								
Apprenticeship							4,330	1,392
Total							**4,330**	**1,392**
Compensation							1,030	1,080
Operating Expenses							300	312
Grants, Aids and Subsidies							3,000	
Total							**4,330**	**1,392**
Full-Time Equivalents							**9.55**	**9.79**

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
2390 - Workforce Development								
Direct Appropriation							4,330	1,392
Expenditures							**4,330**	**1,392**
Biennial Change in Expenditures				0		0		5,722
Biennial % Change in Expenditures								
Governor's Change from Base								5,722
Governor's % Change from Base								
Full-Time Equivalents							9.55	9.79

Minnesota Department of Labor and Industry — Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actual	FY 2023 Budget	FY 2024 Base	FY 2025 Base	Required State Match or MOE?	FTEs
Department of Labor CFDA 17.503	**Occupational Safety and Health Administration (OSHA) Compliance Grant**: Partially funds agency activities that improve workplace safety and health through outreach, consultation, and enforcement.	$ 4,329	$ 4,583	$ 4,493	$ 4,493	Match 100%	31.25
Department of Labor CFDA 17.504	**Occupational Safety and Health Administration Consultation agreement grant:** Partially funds consultation services, on request, to help employers prevent accidents and diseases through several employer-assistance programs.	$ 1,088	$ 1,088	$ 1,088	$ 1,088	Match 10%	6.65
	Workplace Safety (B4260)	**$ 5,417**	**$ 5,671**	**$ 5,581**	**$ 5,581**		**37.90**
Department of Labor CFDA 17.005	**Bureau of Labor Standards, Occupational Safety and Health Statistics (BLS):** Partially funds agency activities that collect, compile, and analyze statistics for the census of fatal occupational injuries and the survey of occupational injuries and illnesses.	$ 135	$ 138	$ 138	$ 138	Match 100%	1.17
Department of Homeland Security CFDA 97.036	**Federal Emergency Management Activity (FEMA):** In response to the COVID-19 Public Health Emergency, the applicant utilized force account materials and contractual services in taking the Emergency Protective Measures	$ 158	$ -	$ -	$ -	No	-
	General Support (B4230)	**$ 293**	**$ 138**	**$ 138**	**$ 138**		**1.17**
Department of Labor CFDA 17.285	**Employment and Training Apprenticeship USA Expansion Grant:** Expand strategies for apprenticeship programs to additional high-growth industries. Addresses racial and economic disparities in registered apprenticeship.	$ 99	$ -	$ -	$ -	No	-
Department of Labor CFDA 17.285	**Employment and Training MN Registered Apprenticeship Expansion:** Supports the development and recruitment of a diverse pipeline of apprentices and the development of new programs,	$ 568	$ 415	$ -	$ -	No	1.00
Department of Labor CFDA 17.285	**Employment and Training MN Capacity to Expand Registered Apprenticeship**: address Minnesota workforce disparities in high-growth high-wage sectors like construction, manufacturing and healthcare.	$ 60	$ 337	$ -	$ -	No	0.20
	Apprenticeship (B4240)	**$ 728**	**$ 752**	**$ -**	**$ -**		**1.20**
	Federal Fund [3000 Fund] Total	**$ 6,438**	**$ 6,561**	**$ 5,719**	**$ 5,719**		**40.27**

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actual	FY 2023 Budget	FY 2024 Base	FY 2025 Base	Required State Match or MOE?	FTEs
Treasury Department - CFDA 21.027	**American Rescue Plan (ARP):** to scope an IT solution for the frontline worker pay program in advance of it being finalized by the legislature and signed into law by the Governor.	$ 100	$ -	$ -	$ -	No	-
	Workforce Development Initiatives (B4270)	**$ 100**	**$ -**	**$ -**	**$ -**		-
	ARP - State Fiscal Recovery Fund [3015 Fund] Total	**$ 100**	**$ -**	**$ -**	**$ -**		-
	Agency Federal Funds Total	**$ 6,538**	**$ 6,561**	**$ 5,719**	**$ 5,719**		**40.27**

Narrative

• US Dept. of Labor (USDOL) provides an annual grant for MN OSHA Compliance. The annual amountawarded from Federal Sources is not expected to change and is currently $4,493,000. MN Dept. of Labor &Industry (MN DLI) is required to match 100% of the grant amount provided. MN OSHA Complianceresponsibilities include reducing workplace injuries, illnesses and fatalities, reducing workplace hazards andexposures through inspections and consultative assistance, improving the effectiveness of investigations andconsultation assessments by analyzing collected data and educating employers and employees about their rightsand responsibilities and the resources available under OSHA laws.

• USDOL provides an annual grant for MN OSHA Consultation. The annual amount awarded from FederalSources is not expected to change and is currently $1,088,300. Minnesota is required to match 10% of the grantamount provided. MN OSHA Consultation responsibilities include reducing occupational hazards through on-siteconsultations and technical assistance, promoting a safety and health culture through consultation assistance,outreach, cooperative programs and strong leadership and strengthen and improve MN OSHA's infrastructure.

• USDOL Employment and Training Administration - Minnesota Registered Apprenticeship ExpansionGrant (MNRAE) is a one-time grant that was awarded to the State of Minnesota in the amount of $1,356,276and expires 06/30/2023. Once the funds are expired, the FTE's related to this grant will move back to theirrespective classified positions at DLI. There is no state match required for this grant. MNRAE funds numerousinitiatives including: 1) supporting the development and recruitment of a diverse pipeline of apprentices; 2)supporting the rapid development of new registered apprenticeship programs and the expansion of existingprograms; 3) fully integrating apprenticeship into state workforce development education and economicdevelopment strategies and programs; and 4) building state capacity to make it easier for industries to startregistered apprenticeship programs and for apprentices to access opportunities.

• US Department of Homeland Security (DHS) Federal Emergency Management Activity (FEMA) fundingwas utilized in SFY2022. These were one-time funds that were used for Emergency Protective Measures againstthe COVID-19 virus. Minnesota was not required to match funding and does not anticipate any additionalfunding.

(Dollars in Thousands)

• USDOL Employment and Training Administration - Building State Capacity to Expand Apprenticeshipthrough Innovation (MNCERA) is a one-time grant that was awarded to the State of Minnesota in the amountof$450,000 and expires 06/30/2023. There is no state match required for this grant. MNCERA will: 1.Strengthen Minnesota's Registered Apprenticeship System; 2. Support apprentices and sponsors; and 3. Builddemand for registered apprenticeship throughout the state. This initiative will achieve these goals throughstrategic grant projects that continue to address Minnesota workforce disparities and demographic changes,expand strategic investment in high-growth high-wage sectors like construction, manufacturing and healthcare.

• USDOL Bureau of Labor Statistics (BLS) provides an annual grant to MN DLI. The annual amountawarded from Federal Sources is expected to increase, currently DLI receives $138,100. Minnesota is requiredto match 100% of the grant amount provided. MN BLS is responsible for collecting summary information onoccupational injuries and illnesses from private-sector establishments.