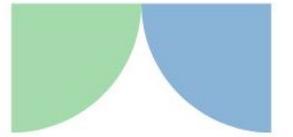
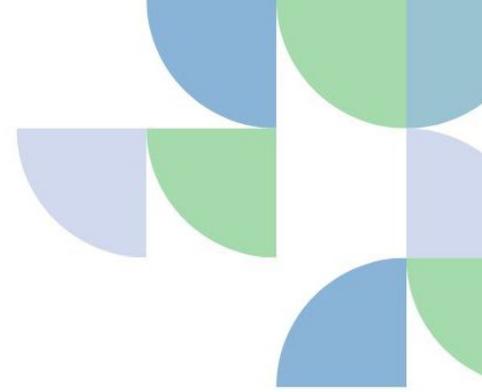




**MINNESOTA ASSOCIATION
OF WORKFORCE BOARDS**

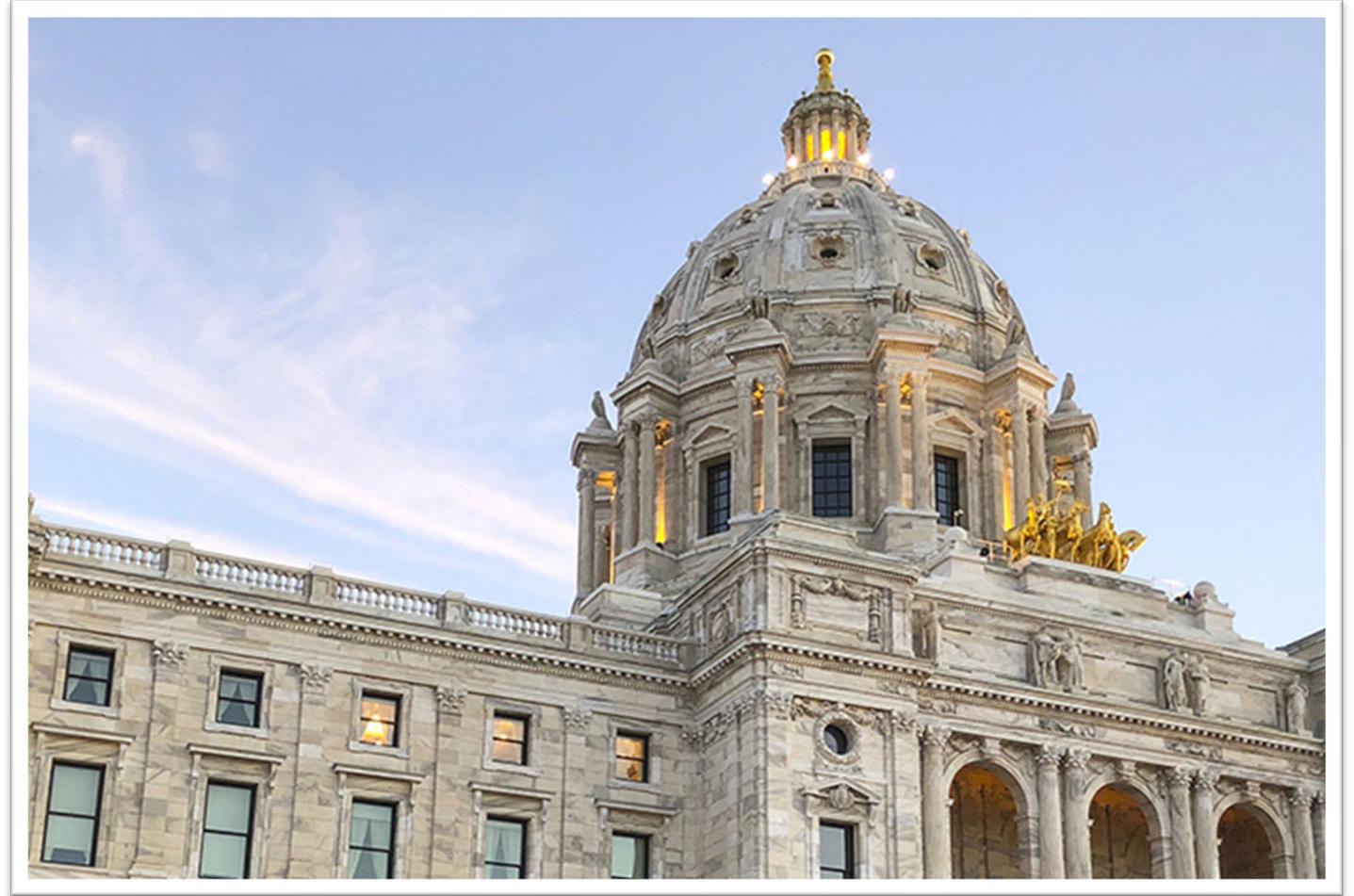
State Legislative Update

Reviewing the 2025 Legislative Session



Today, we'll cover:

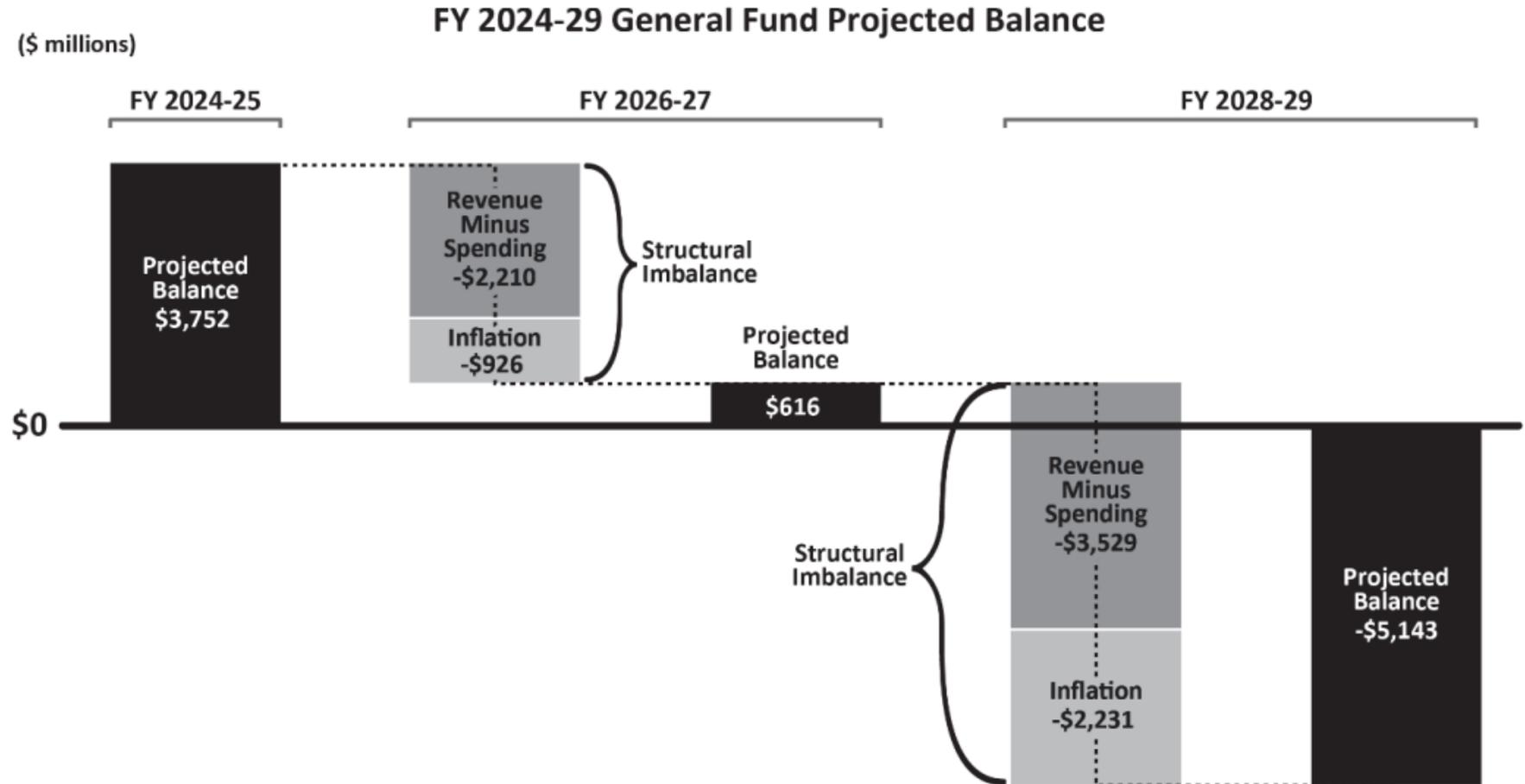
1. Big Picture of political context and environment
2. MAWB's advocacy
3. Workforce outcomes



A Tough Forecast

In November 2024, the forecast set the tone of a 2025 session that would be different than its predecessor.

*Feb Forecast –
\$6 billion in FY28-29*



A Session of Close Margins





**Nov.
Elections**

**Session
Begins;
House
Holdout**

**MN
Supreme
Court:
40B
Special**

**MN
Supreme
Court:
Quorum**

**Power-
sharing
Agmt.**

**Quorum
Sparring**

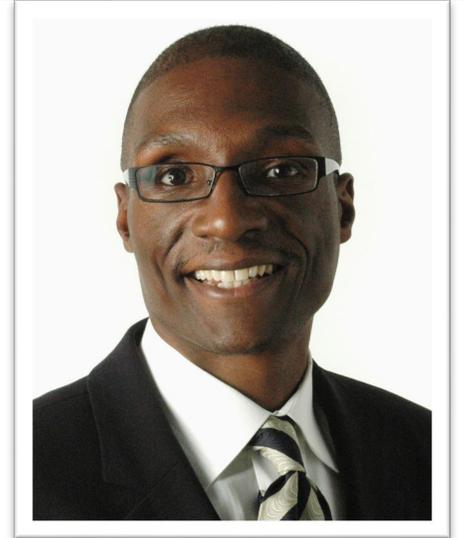
**Residency
Ruling:
40B**

**House
Convene
s;
New
Speaker**

Committees

Senate Jobs and Economic Development Committee

Chair – Senator Bobby Joe Champion (Minneapolis)



House Workforce, Labor, and Economic Development Committee

Co-Chairs – Representative Dave Baker (Kandiyohi) and Representative Dave Pinto (Ramsey)



Big Conversations

- Paid Family Leave and Earned Sick and Safe Time programs
- How is funding done?
Conversation around direct appropriations and competitive grant programs



Budget Work in Committee

Senate Jobs
Committee

Bill
Hearings



Committee
Deadlines
/
Committee Budget
Targets



Committee
Omnibus/Budget
Proposal

House
Workforce
Committee

Bill
Hearings

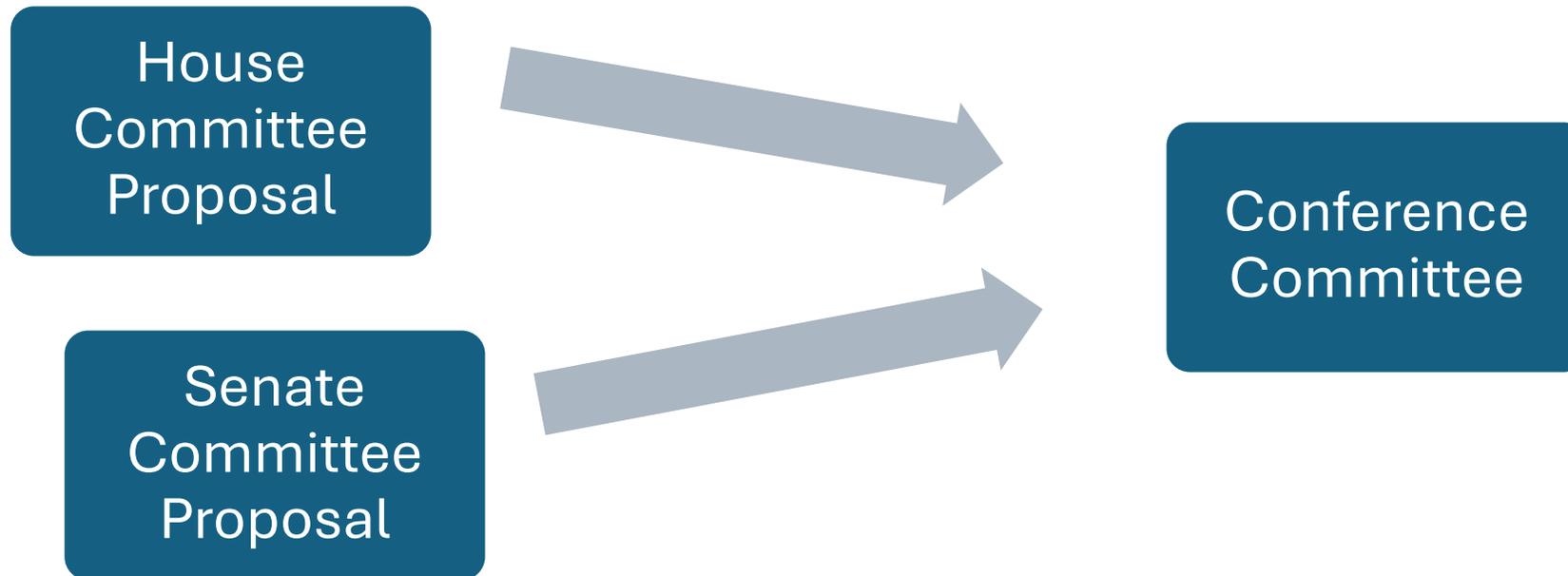


Committee
Deadlines
/
Committee Budget
Targets



Committee
Omnibus/Budget
Proposal

Budget Work in Committee





Universal Budget Targets

Released the Thursday before end of session.

Overall:

FY26-27 = \$283 million in cuts

FY28-29 = \$1.8 billion in cuts

Workforce/Labor, Economic Development:

- *FY26-27 \$30 million in cuts*
- *FY28-29 \$40 million in cuts*

Global Budget Agreement Committee Targets
General Fund Net Targets

Melanie Hartman
Ricky
Quinn Smith

5/14/2025

\$ in thousands

House/Sen/Gov Agreement

	FY 2025-27	FY2028-29
1 Net Targets		
2 Areas Within Omnibus Bills		
3 K-12 Education	-	(420,000)
4 Health and Human Services	(97,680)	(297,878)
5 Health	20,000	(70,000)
6 HCAF Balance Financing	(115,000)	(120,000)
7 Provider Tax Gross Revenue Definition & HCAF Financing	(23,900)	(30,100)
8 Other DHS	38,000	42,000
9 NEMT	(22,780)	(104,778)
10 Children and Families	6,000	(15,000)
11 Human Services	(270,000)	(820,000)
12 Higher Education	22,000	4,500
13 Agriculture, Broadband and Rural Development	9,000	3,000
14 Housing and Homelessness Prevention	15,000	3,800
15 Environment, Climate, and Legacy	(6,500)	2,500
16 Energy, Utilities, Environment & Climate	(4,000)	(4,000)
17 Commerce and Consumer Protection	(3,000)	(12,000)
18 Workforce, Labor, and Economic Development	(28,000)	(38,800)
19 Jobs and Economic Development	(30,000)	(40,000)
20 Labor	2,000	1,200
21 State Government	45,000	50,000
22 Veterans and Military Affairs	50,508	54,538
23 Elections	(1,064)	106
24 Transportation	(115,000)	(133,000)
25 Judiciary and Public Safety	107,423	112,079
26 Judiciary	19,163	54,822
27 Public Safety	88,260	57,257
28 Debt Service and Capital Projects	(10,907)	(168,028)
29 Taxes and Local Aids	(118,000)	(190,000)
30		
31 Other Items		
32 Pensions	80,000	80,000
33 Executive Branch Carryforward	30,000	15,000
34 Lead Lines	3,000	-
35 Other Items	9,164	(47,400)
36 Total GF Impact	(283,056)	(1,805,583)
37		
38 Remaining balance excluding inflation	1,884,138	(290,472)
39 Structural balance excluding inflation	-	(2,174,610)
40 Percent reduction in structural imbalance		45%

Working Groups

- May 20 – June 8 Working Groups met to continue the work of conference committees.
- Workforce, Labor, and Economic Development Working Group met twice.
- Focus on labor provisions – noncompetes.



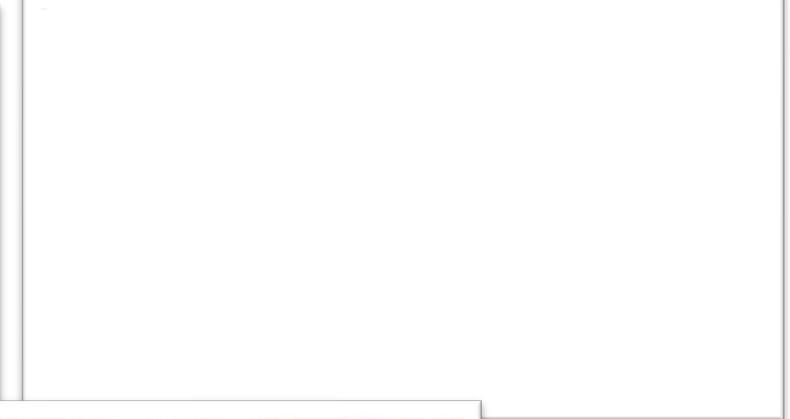
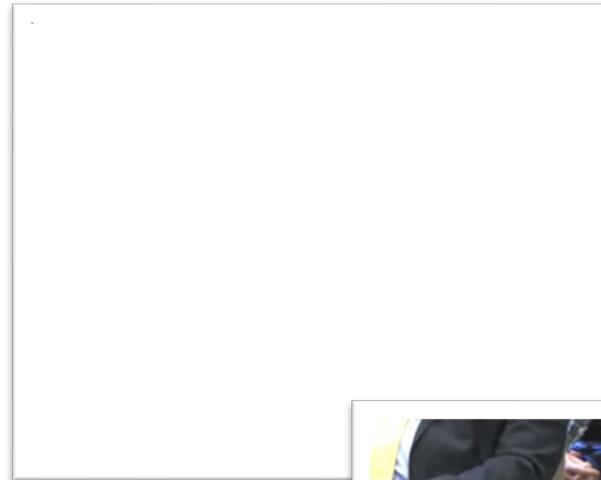
Special Session Conclusion

- One day special session on June 9.
- Passed remaining omnibus bills.
- Omnibus Jobs and Labor Bill (SF17) was passed 40-27 in Senate, 96-37 in the House



MAWB Advocacy

- Legislator Visits – Committee members
- Advocating for the Dislocated Worker Program and discussing how it is funded through the Workforce Development Fund
- Advocacy to continue one time funding increase for the Minnesota Youth Program (SF2432/HF2039)



MAWB Advocacy

- Presentation on Local Workforce Boards 101 to the Senate Jobs Committee
- Letters and weighing in regarding House and Senate budget proposals
- Advocacy to maintain base funding for Rural Career Counseling Coordinators Program



Thank you to MYP Bill Legislators!

House

- Chief Author
 - Rep. Samantha Sencer-Mura
- Co-Authors
 - Rep. Patricia Mueller
 - Rep. Samakab Hussein
 - Rep. Bernie Perryman
 - Rep. Natalie Zeleznikar
 - Rep. Isaac Schultz

Senate

- Chief Author
 - Senator Zaynab Mohamed
- Co-Author
 - Senator Rich Draheim



Thank you for your help!



SF2342 SUSTAIN THE MINNESOTA YOUTH PROGRAM



The Minnesota Association of Workforce Boards (MAWB) supports **making the 2024-25 one-time funding increase (\$4.511 million annually) to the Minnesota Youth Program ongoing.**

The Minnesota Youth Program is one of our state's core workforce programs. It serves at-risk, low income youth ages 14-24 in every part of the state who need support with academic and applied skills needed for the workplace. Youth earn a wage through work experience placements and access career exploration and advising through Outreach-to-Schools programming. Communities and local employers benefit when young people graduate with work readiness skills.

Increased Investment, Increased Results

The Legislature's one-time increase of funding made a difference. With this funding increase, local workforce boards and service providers were able to scale to serve over 44,500 youth in FY2024. Work experience for youth leads to improved performance in school, engagement in positive activities, and better wages after graduation.

		One on One, Work Experience Programming	Outreach to Schools / Career Advisor Programming	Total
Years with Base Funding (annually)	FY21	2,684	14,880	17,564
	FY22	3,278	19,975	23,253
Years with One-time Funding (\$4.511M annually)	FY23	3,766	32,038	35,804
	FY24	4,575	40,374	44,949

*Data from Minnesota Youth Program Annual Reports

Estimated ROI was \$6.80 for SFY24 through taxes paid and other public benefits saved.

Minnesota has only 6 jobseekers for every 10 job openings.




March 20, 2025

Re: Support for SF2342

Dear Chair Champion and Members of the Senate Jobs and Economic Development Committee,

On behalf of our collective organizations, we are writing in support of SF2342 (Senator Mohamed). SF2342 would make a crucial investment in Minnesota's future through the Minnesota Youth Program (MYP), a core workforce program that provides one-on-one intensive support to at-risk young people through paid work experience and in-school career counseling. This investment in youth leads to better outcomes for our youth and supports local employers by equipping young workers with the basic skills needed to enter the workforce before they start their first day on the job.

Minnesota Youth Program supports young people who are facing significant barriers and are at-risk with developing hands-on, work readiness skills. Research shows us that this leads young people to increased likelihood of staying engaged in school and positive activities in the short term, future success in the workforce and self-sufficiency, and increased wages in their 20s in the longer term. This upstream investment supports young people in making a strong entrance to the working world and helps provide ready-to-work staff for local employers.

Implemented at the local level to meet each community's needs, the Legislature's investment in the Minnesota Youth Program makes a real impact. Youth earn wages while building valuable job skills and their professional networks, increasing their opportunities for success. Students who dropped out of high school are able to get back on track by completing their GED and connecting to employment. Paid internship placements result in being hired on as direct employees. Youth are given the chance to explore high wage, high demand careers in the trades, technology, and more before making decisions



March 31, 2025

Re: Letter of Support for HF2039 and the Minnesota Youth Program

Dear Chair Pinto, Chair Baker, and Members of the House Workforce, Labor, and Economic Development Finance and Policy Committee,

On behalf of our collective businesses and organizations, we are writing in support of HF2039 (Representative Sencer-Mura). HF2039 would make a crucial investment in Minnesota's future through the Minnesota Youth Program (MYP), a workforce program that supports at-risk young people in getting ready for the workplace through paid work experience and outreach-to-schools programs.

As employers, access to a strong, well-trained workforce is crucial to our success. Recently, there has been a need for increased onboarding and support for entry level workers which has increased costs for businesses. This program is a foundational investment in supporting our communities' youth and helping employers by decreasing the amount of onboarding needed as we hire young people. By investing in youth now, we will see the benefits in our workforce for years to come.

We thank the Legislature for the increased funding this biennium. Your decision to invest in the Minnesota Youth Program made it possible for local workforce areas to enroll nearly double the annual number of youth in either paid work experience programs or outreach-to-schools programs across the state. HF2039, as it is to be amended, would make the investment from this biennium ongoing at a time

Session Outcomes

Workforce Omnibus Bill (-\$30m in FY26-27, -\$40m in FY 28-29)

Budget Items of Interest (FY26-27):

- Base funding maintained for Minnesota Youth Program
 - Decrease from \$8 million/year to \$4.05 million/year
- \$1 million cut to Rural Career Counseling Coordinators Program
 - Decrease from \$2 million/biennium to \$1 million/biennium.

Session Outcomes

Workforce Omnibus Bill (-\$30m in FY26-27, -\$40m in FY 28-29)

Budget Items of Interest (FY26-27):

- \$12 million for Drive for Five Program
 - An \$8 million decrease from FY24-25
 - Workforce Development Fund instead of General Fund
- \$4 million in additional funding for the Pathways to Prosperity Program
 - \$14.3 million in FY24-25. Now, \$18.3 million for FY26-27
- \$2 million in additional funding for Youth at Work Program
 - \$14.9 million in FY24-25. Now, \$10.2 million FY26-27.
- \$2 million in funding for the Service to Success Initiative, \$1 million ongoing from General Fund

Session Outcomes

Workforce Omnibus Bill (-\$30m in FY26-27, -\$40m in FY 28-29)

Budget Items of Interest (FY26-27):

- Additional spending out of the Workforce Development Fund (~\$73 million)
 - Impact to State Dislocated Worker Program – 53% cut to local area allocation

Policy Provisions:

- Local Workforce Boards added as voting member on Governor's Workforce Development Board.
- Task Force on Workforce Development System Reform
 - “To examine and improve how the state forms strategies, sets goals, and allocates funds to meet Minnesota's workforce development needs.
 - Must include a review of programs, funding mechanisms, and evaluation metrics.”

Policy Provisions:

- WDF county labor force participation rate change - includes county labor force participation rates in what is considered before using workforce development funds.
- Changed definition of “credential” to allow for non-postsecondary credentials.
 - Certificates offered from private training providers, such as welding and Commercial Driver’s License training, coding boot camps, provide accessible pathways to high wage, in-demand careers do not get counted as credentials under the current definition.
- Paid Family Leave – total premium cap for PFML was slightly reduced from 1.2% to 1.1% of taxable wages

Next Steps

Legislative Committee is working on areas of focus for the 2026 Legislative Session.

Update will be provided at MAWB/GWDB Joint Meeting in November.

Opportunity to provide feedback to Task Force later today.

