

By Hanna Zinn • May 02, 2025

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Happy Friday. With just 17 days left in the legislative session, budget bills are moving fast and furious! This week I'm breaking down various modification proposals to PFML and ESST, calls to action for our members, and other omnibus bills we're watching as session ramps up and prepares for the final three weeks.

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## **Session Snapshot**



The big picture: Hospitality Minnesota has been busy this session discussing our member's requested changes to the Paid Family Leave law and Earned Sick and Safe Time. In the last week, we've finally seen some movement start to happen in these policy areas.

In the Senate: On Tuesday, the Senate heard the Jobs, Economic Development, and Labor omnibus bill on the floor. Many amendments were proposed relating to Paid Family Medical Leave and Earned Sick and Safe Time. Unfortunately, all were ruled out of order and were not adopted. Amendments included:

- Requiring the department to have a call center operational on day 1 of PFML beginning
- Including agriculture workers as an exempt employee to ESST law
- Including incarcerated persons as an exempt employee to ESST law
- Allowing employers to prorate ESST at the beginning of employment
- Allowing employers to require documentation for ESST
- Allowing employees to trade shifts when taking ESST is unforeseeable
- Exempting new businesses from ESST law for the first year of operations

Yes, and: Legislators also attempted to make amendments to the labor portion of the bill. Particularly a troubling section of the bill which would require employers to allow employees to take 15-minute breaks for every 4 hours of work, and a 30-minute meal break for every 6 hours of work.

- **By the numbers:** Under the provision as written, an employer in violation of this section would be liable for wages owed to the employee during this break AND a possible \$1,000 fine.
- What they're saying: Author of the Labor provisions Sen. McEwen (DFL – Duluth) stated the Department of Labor and Industry only anticipates 40 violations over a biennium to occur where fines would be issued. During the floor debate, Sen. Draheim (R – Madison Lake) proposed an amendment to remove the employer fines and questioned why a fine would be issued if so few violations were anticipated with the law. The amendment was not adopted.

In the House: The companion Jobs and Labor bill was finally released late last night. The House version of the bill does not include any direct appropriations to non-profit organizations providing workforce training, including HM's Education Foundation.

• Go deeper: The House has been in gridlock over the Department of Employment and Economic Development's funding bill since the beginning of session. Some House Democrats want the grant process to be more competitive and only give funding to high-wage, highdemand training programs, and some Senate Republicans want to avoid another Feeding our Futures fraud.

**By the numbers:** Here's how the House jobs and labor bill shakes out:

- \$45 Million for Paid Family Medical Leave benefit insurance account
- \$34.064 Million for Explore Minnesota
- Modifications to the non-compete law passed in 2024, including exemptions for employees making \$200,000 or more in research and development fields

**The bottom line:** Here's an updated version of all the omnibus bills currently moving through the legislature.

Senate – awaiting floor vote:

- Human Services
- <u>Health</u>
- Education Finance

Senate – passed to House:

- Jobs and Economic Development and Labor Includes ProStart funding
- <u>Liquor</u> Includes Statewide Social Districts policy
- <u>Energy, Utilities, Environment and Climate</u>
- <u>Cannabis</u>
- <u>Education Policy</u>

House – awaiting floor vote:

- <u>Cannabis</u>
- <u>Human Services</u>
- <u>Energy</u>
- **Education Policy**
- Environment and Natural Resources
- Labor and Industry Policy
- Education Finance

House – passed to Senate:

Children and Families

Bills awaiting conference committee appointments:

- <u>Transportation</u>
- Higher Education
- <u>State and Local Government</u>
- <u>Legacy</u>

Bills moved to conference committee:

- <u>Veterans</u>
- Commerce and Consumer Protection
- <u>Housing and Homelessness Prevention</u>
- Judiciary and Public Safety
- <u>Agriculture and Broadband Development</u>

What's next: These bills need to be heard in both chambers before a conference committee can be established. Once a conference committee is created and members are assigned to it, more negotiations to align the Senate and House positions will take place to pass the budget. All bills heard on the House floor need to have bipartisan support for a bill to pass.

• **One fun thing:** For those interested in the legislative process, check out the Minnesota Legislature's website <u>here</u> for more information on how a bill becomes law. Based on that page, the MN Legislature is right in between "Committee" and "Conference".

## **ACTION ALERT: Join Our Advocacy** Work, Share Your Voice!



**Call to Actions:** Hospitality Minnesota is asking our members to participate in our Phone2Action campaigns for a Junk Fees Fix and modifications to the Paid Family Medical Law.

- How you can help: Highlight your business model, how your employees benefit or would be harmed by these policies, and what changes you want to see made. Use the links below to contact your legislators!
  - Junk Fees Fix
  - Paid Family Medical Leave modifications

Thank you reading! Check out past <u>GR Updates</u> here.

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