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State of Minnesota HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. **3028**

03/20/2023 Authored by Hassan and Xiong

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration

03/22/2023 Adoption of Report: Re-referred to the Committee on Economic Development Finance and Policy

1.1 A bill for an act

1.2 relating to state government; establishing a biennial budget for Department of

1.3 Employment and Economic Development, Public Utilities Commission, and

1.4 Explore Minnesota; modifying various provisions governing economic

1.5 development, unemployment insurance, and Explore Minnesota; requiring reports;

1.6 appropriating money; amending Minnesota Statutes 2022, sections 116J.5492,

1.7 subdivisions 8, 10; 116J.8748, subdivisions 3, 4, 6, by adding a subdivision;

1.8 116J.8749, subdivisions 1, 3, 5, 10; 116L.361, subdivision 7; 116L.362, subdivision

1.9 1; 116L.364, subdivision 3; 116L.56, subdivision 2; 116L.561, subdivision 5;

1.10 116L.562, subdivision 2; 116U.05; 116U.10; 116U.15; 116U.20; 116U.25;

1.11 116U.30; 116U.35; 126C.43, subdivision 2; 127A.45, subdivision 12; 268.085,

1.12 subdivisions 7, 8; proposing coding for new law in Minnesota Statutes, chapters

1.13 116J; 116L; 116U; 124D.

1.14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.15 ARTICLE 1

1.16 APPROPRIATIONS

1.17 Section 1. APPROPRIATIONS.

1.18 (a) The sums shown in the columns marked "Appropriations" are appropriated to the

1.19 agencies and for the purposes specified in this article. The appropriations are from the

1.20 general fund, or another named fund, and are available for the fiscal years indicated for

1.21 each purpose. The figures "2024" and "2025" used in this article mean that the appropriations

1.22 listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025,

1.23 respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The

1.24 biennium" is fiscal years 2024 and 2025.

1.25 (b) If an appropriation in this article is enacted more than once in the 2023 regular or

1.26 special legislative session, the appropriation must be given effect only once.

2.1	<u>APPROPRIATIONS</u>		
2.2	<u>Available for the Year</u>		
2.3	<u>Ending June 30</u>		
2.4		<u>2024</u>	<u>2025</u>
2.5	<u>Sec. 2. DEPARTMENT OF EMPLOYMENT</u>		
2.6	<u>AND ECONOMIC DEVELOPMENT</u>		
2.7	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 453,892,000</u>	<u>\$ 254,886,000</u>
2.8	<u>Appropriations by Fund</u>		
2.9		<u>2024</u>	<u>2025</u>
2.10	<u>General</u>	<u>402,429,000</u>	<u>203,395,000</u>
2.11	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
2.12	<u>Workforce</u>		
2.13	<u>Development</u>	<u>50,763,000</u>	<u>50,791,000</u>
2.14	<u>The amounts that may be spent for each</u>		
2.15	<u>purpose are specified in the following</u>		
2.16	<u>subdivisions.</u>		
2.17	<u>Subd. 2. Business and Community Development</u>	<u>304,474,000</u>	<u>114,474,000</u>
2.18	<u>Appropriations by Fund</u>		
2.19	<u>General</u>	<u>302,424,000</u>	<u>112,424,000</u>
2.20	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
2.21	<u>Workforce</u>		
2.22	<u>Development</u>	<u>1,350,000</u>	<u>1,350,000</u>
2.23	<u>(a) \$1,787,000 each year is for the greater</u>		
2.24	<u>Minnesota business development public</u>		
2.25	<u>infrastructure grant program under Minnesota</u>		
2.26	<u>Statutes, section 116J.431. This appropriation</u>		
2.27	<u>is available until June 30, 2027.</u>		
2.28	<u>(b) \$500,000 each year is for grants to small</u>		
2.29	<u>business development centers under Minnesota</u>		
2.30	<u>Statutes, section 116J.68. Money made</u>		
2.31	<u>available under this paragraph may be used to</u>		
2.32	<u>match funds under the federal Small Business</u>		
2.33	<u>Development Center (SBDC) program under</u>		
2.34	<u>United States Code, title 15, section 648, to</u>		
2.35	<u>provide consulting and technical services or</u>		

3.1 to build additional SBDC network capacity to
3.2 serve entrepreneurs and small businesses.

3.3 (c) \$1,250,000 each year is to hire, train, and
3.4 deploy small business navigators in
3.5 communities and locations throughout the state
3.6 to assist small businesses and entrepreneurs,
3.7 especially historically underserved small
3.8 businesses and entrepreneurs, in accessing
3.9 state, federal, local, and private small business
3.10 assistance programs. The base funding for this
3.11 program is \$1,000,000 each year starting in
3.12 fiscal year 2026. Of this amount, \$500,000
3.13 must be used to improve the agency's digital
3.14 navigation and information services for small
3.15 businesses and entrepreneurs.

3.16 (d) \$5,000,000 each year is for Launch
3.17 Minnesota. Of this amount: (1) \$2,750,000
3.18 each year is for innovation grants to eligible
3.19 Minnesota entrepreneurs or start-up businesses
3.20 to assist with their operating needs; (2)
3.21 \$750,000 each year is for administration of
3.22 Launch Minnesota; (3) \$750,000 each year is
3.23 for grantee activities at Launch Minnesota;
3.24 and (4) \$750,000 each year is for the Higher
3.25 Education Technology Commercialization
3.26 Hub. The base beginning in fiscal year 2026
3.27 is \$2,500,000.

3.28 (e) \$40,000,000 in fiscal year 2024 is for the
3.29 Minnesota Expanding Opportunity Fund
3.30 Program under Minnesota Statutes, section
3.31 116J.8733. This appropriation is onetime and
3.32 is available until June 30, 2025.

3.33 (f) \$150,000,000 in fiscal year 2024 is for the
3.34 Minnesota forward fund under Minnesota
3.35 Statutes, section 116J.8752. Money awarded

4.1 under this program is made retroactive for
4.2 applications and projects to February 1, 2023.
4.3 This appropriation is onetime and is available
4.4 until spent.

4.5 (g) \$8,925,000 each year is for the small
4.6 business assistance partnerships program
4.7 under Minnesota Statutes, section 116J.682.
4.8 All grant awards shall be for two consecutive
4.9 years. Grants shall be awarded in the first year.
4.10 The department may use up to five percent of
4.11 the appropriation for administrative purposes.
4.12 The base in fiscal year 2026 and beyond is
4.13 \$1,425,000.

4.14 (h) \$5,000,000 each year is transferred from
4.15 the general fund to the community energy
4.16 transition account for grants under Minnesota
4.17 Statutes, section 116J.55. These transfers are
4.18 onetime.

4.19 (i) \$350,000 each year is for administration
4.20 of the community energy transition office.

4.21 (j) \$1,772,000 each year is for contaminated
4.22 site cleanup and development grants under
4.23 Minnesota Statutes, sections 116J.551 to
4.24 116J.558. This appropriation is available until
4.25 expended.

4.26 (k) \$700,000 each year is from the remediation
4.27 fund for contaminated site cleanup and
4.28 development grants under Minnesota Statutes,
4.29 sections 116J.551 to 116J.558. This
4.30 appropriation is available until expended.

4.31 (l) \$139,000 each year is for the Center for
4.32 Rural Policy and Development.

4.33 (m) \$25,000 each year is for the administration
4.34 of state aid for the Destination Medical Center

5.1 under Minnesota Statutes, sections 469.40 to
5.2 469.47.

5.3 (n) \$875,000 each year is for the host
5.4 community economic development program
5.5 established in Minnesota Statutes, section
5.6 116J.548.

5.7 (o) \$6,500,000 each year is for the child care
5.8 economic development grant program. The
5.9 base in fiscal year 2026 and beyond is
5.10 \$3,000,000.

5.11 (p) \$500,000 each year is for the Office of
5.12 Child Care Community Partnerships. Of this
5.13 amount:

5.14 (1) \$450,000 each year is for administration
5.15 of the Office of Child Care Community
5.16 Partnerships; and

5.17 (2) \$50,000 each year is for the Labor Market
5.18 Information Office to conduct research and
5.19 analysis related to the child care industry.

5.20 (q) \$3,500,000 each year is for a grant to the
5.21 Minnesota Initiative Foundations. This
5.22 appropriation is available until June 30, 2027.
5.23 In fiscal year 2026 and beyond, the base
5.24 amount is \$1,000,000. The Minnesota
5.25 Initiative Foundations must use grant funds
5.26 under this section to:

5.27 (1) facilitate planning processes for rural
5.28 communities resulting in a community solution
5.29 action plan that guides decision making to
5.30 sustain and increase the supply of quality child
5.31 care in the region to support economic
5.32 development;

6.1 (2) engage the private sector to invest local
6.2 resources to support the community solution
6.3 action plan and ensure quality child care is a
6.4 vital component of additional regional
6.5 economic development planning processes;

6.6 (3) provide locally based training and technical
6.7 assistance to rural business owners
6.8 individually or through a learning cohort.

6.9 Access to financial and business development
6.10 assistance must prepare child care businesses
6.11 for quality engagement and improvement by
6.12 stabilizing operations, leveraging funding from
6.13 other sources, and fostering business acumen
6.14 that allows child care businesses to plan for
6.15 and afford the cost of providing quality child
6.16 care; and

6.17 (4) recruit child care programs to participate
6.18 in quality rating and improvement
6.19 measurement programs. The Minnesota
6.20 Initiative Foundations must work with local
6.21 partners to provide low-cost training,
6.22 professional development opportunities, and
6.23 continuing education curricula. The Minnesota
6.24 Initiative Foundations must fund, through local
6.25 partners, an enhanced level of coaching to
6.26 rural child care providers to obtain a quality
6.27 rating through measurement programs.

6.28 (r) \$8,000,000 each year is for the Minnesota
6.29 job creation fund under Minnesota Statutes,
6.30 section 116J.8748. Of this amount, the
6.31 commissioner of employment and economic
6.32 development may use up to three percent for
6.33 administrative expenses. This appropriation
6.34 is available until expended. Notwithstanding
6.35 Minnesota Statutes, section 116J.8748, money

7.1 appropriated for the job creation fund may be
7.2 used for redevelopment under Minnesota
7.3 Statutes, sections 116J.575 and 116J.5761, at
7.4 the discretion of the commissioner.

7.5 (s) \$12,370,000 the first year and \$12,370,000
7.6 the second year are for the Minnesota
7.7 investment fund under Minnesota Statutes,
7.8 section 116J.8731. Of this amount, the
7.9 commissioner of employment and economic
7.10 development may use up to three percent for
7.11 administration and monitoring of the program.

7.12 In fiscal year 2026 and beyond, the base
7.13 amount is \$12,370,000. This appropriation is
7.14 available until expended. Notwithstanding
7.15 Minnesota Statutes, section 116J.8731, money
7.16 appropriated to the commissioner for the
7.17 Minnesota investment fund may be used for
7.18 the redevelopment program under Minnesota
7.19 Statutes, sections 116J.575 and 116J.5761, at
7.20 the discretion of the commissioner. Grants
7.21 under this paragraph are not subject to the
7.22 grant amount limitation under Minnesota
7.23 Statutes, section 116J.8731.

7.24 (t) \$2,246,000 each year is for the
7.25 redevelopment program under Minnesota
7.26 Statutes, sections 116J.575 and 116J.5761. In
7.27 fiscal year 2026 and beyond, the base amount
7.28 is \$2,246,000. This appropriation is available
7.29 until expended.

7.30 (u) \$1,000,000 each year is for the Minnesota
7.31 emerging entrepreneur loan program under
7.32 Minnesota Statutes, section 116M.18. Funds
7.33 available under this paragraph are for transfer
7.34 into the emerging entrepreneur program
7.35 special revenue fund account created under

8.1 Minnesota Statutes, chapter 116M, and are
8.2 available until expended. Of this amount, up
8.3 to four percent is for administration and
8.4 monitoring of the program.

8.5 (v) \$325,000 each year is for the Minnesota
8.6 Film and TV Board. The appropriation in each
8.7 year is available only upon receipt by the
8.8 board of \$1 in matching contributions of
8.9 money or in-kind contributions from nonstate
8.10 sources for every \$3 provided by this
8.11 appropriation, except that each year up to
8.12 \$50,000 is available on July 1 even if the
8.13 required matching contribution has not been
8.14 received by that date.

8.15 (w) \$12,000 each year is for a grant to the
8.16 Upper Minnesota Film Office.

8.17 (x) \$500,000 each year is for a grant to the
8.18 Minnesota Film and TV Board for the film
8.19 production jobs program under Minnesota
8.20 Statutes, section 116U.26. This appropriation
8.21 is available until June 30, 2025.

8.22 (y) \$4,195,000 each year is for the Minnesota
8.23 job skills partnership program under
8.24 Minnesota Statutes, sections 116L.01 to
8.25 116L.17. If the appropriation for either year
8.26 is insufficient, the appropriation for the other
8.27 year is available. This appropriation is
8.28 available until expended.

8.29 (z) \$1,350,000 each year from the workforce
8.30 development fund is for jobs training grants
8.31 under Minnesota Statutes, section 116L.41.

8.32 (aa) \$42,295,000 each year is for the Main
8.33 Street Economic Revitalization Program under
8.34 Minnesota Statutes, section 116J.8749. Of

9.1 these amounts, up to \$300,000 is for the
 9.2 commissioner's administration and monitoring
 9.3 of the program. These appropriations are
 9.4 onetime and are available until June 30, 2027.

9.5 (bb) \$250,000 each year is for the publication,
 9.6 dissemination, and use of labor market
 9.7 information under Minnesota Statutes, section
 9.8 116J.401.

9.9 (cc) \$500,000 each year is for the airport
 9.10 infrastructure renewal (AIR) grant program
 9.11 under Minnesota Statutes, section 116J.439.
 9.12 In awarding grants with this appropriation, the
 9.13 commissioner must prioritize eligible
 9.14 applicants that did not receive a grant pursuant
 9.15 to the appropriation in Laws 2019, First
 9.16 Special Session chapter 7, article 1, section 2,
 9.17 subdivision 2, paragraph (q).

9.18	<u>Subd. 3. Employment and Training Programs</u>	<u>81,298,000</u>	<u>81,298,000</u>
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9.19	<u>Appropriations by Fund</u>		
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9.20	<u>General</u>	<u>39,796,000</u>	<u>39,796,000</u>
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9.21	<u>Workforce</u>		
9.22	<u>Development</u>	<u>41,502,000</u>	<u>41,502,000</u>

9.23 (a) \$500,000 each year from the general fund
 9.24 and \$500,000 each year from the workforce
 9.25 development fund are for rural career
 9.26 counseling coordinators in the workforce
 9.27 service areas and for the purposes specified
 9.28 under Minnesota Statutes, section 116L.667.

9.29 (b) \$5,000,000 in fiscal year 2024 and
 9.30 \$5,000,000 in fiscal year 2025 are for
 9.31 competitive grants to organizations providing
 9.32 services to Minnesota's older workers. Grant
 9.33 awards must be used to support older
 9.34 individuals to re-enter the labor force through
 9.35 workforce recruitment and development,

10.1 outreach, paid essential training and upskilling,
10.2 on-the-job training through community service
10.3 assignments, and assistance for smaller
10.4 organizations to increase capacity. Of this
10.5 amount, up to five percent is for administration
10.6 and monitoring of the program. These are
10.7 onetime appropriations.

10.8 (c) \$15,000,000 each year from the general
10.9 fund and \$15,000,000 each year from the
10.10 workforce development fund are for the
10.11 targeted population workforce grants under
10.12 Minnesota Statutes, section 116L.43. The
10.13 department may use up to ten percent of this
10.14 appropriation for administration, monitoring,
10.15 and oversight of the program. Of this amount:

10.16 (1) \$22,000,000 is for job and entrepreneurial
10.17 skills training grants under Minnesota Statutes,
10.18 section 116L.43, subdivision 2;

10.19 (2) \$2,000,000 is for diversity and inclusion
10.20 training for small and mid-size employers
10.21 under Minnesota Statutes, section 116L.43,
10.22 subdivision 3; and

10.23 (3) \$6,000,000 is for capacity building grants
10.24 under Minnesota Statutes, section 116L.43,
10.25 subdivision 4.

10.26 The base funding for this program is
10.27 \$5,000,000 from the general fund and
10.28 \$5,000,000 from the workforce development
10.29 fund in fiscal years 2026 and 2027.

10.30 (d) \$750,000 each year is for the women and
10.31 high-wage, high-demand, nontraditional jobs
10.32 grant program under Minnesota Statutes,
10.33 section 116L.99. Of this amount, up to five

11.1 percent is for administration and monitoring
11.2 of the program.

11.3 (e) \$7,500,000 each year from the general fund
11.4 and \$7,500,000 each year from the workforce
11.5 development fund are for the Drive for Five
11.6 Initiative to conduct outreach and provide job
11.7 skills training, career counseling, case
11.8 management, and supportive services for
11.9 careers in (1) technology, (2) labor, (3) the
11.10 caring professions, (4) manufacturing, and (5)
11.11 educational and professional services. These
11.12 are onetime appropriations.

11.13 **(f) Competitive Grants for Workforce**
11.14 **Development Organizations.** Of the amounts
11.15 appropriated in paragraph (e), the
11.16 commissioner must make \$10,000,000 each
11.17 year available through a competitive request
11.18 for proposal process. The grant awards must
11.19 be used to provide education and training in
11.20 the five industries identified in paragraph (e).

11.21 Education and training may include:

11.22 (1) student tutoring and testing support
11.23 services;

11.24 (2) training and employment placement in high
11.25 wage and high growth employment;

11.26 (3) assistance in obtaining industry-specific
11.27 certifications;

11.28 (4) remedial training leading to enrollment;

11.29 (5) real-time work experience in information;

11.30 (6) career and educational counseling;

11.31 (7) work experience and internships; and

11.32 (8) supportive services.

12.1 **(g) Competitive Grants for Trade**
12.2 **Associations for Job Placement.** Of the
12.3 amount appropriated in paragraph (e),
12.4 \$3,250,000 each year must be awarded
12.5 through competitive grants made to trade
12.6 associations or chambers of commerce for job
12.7 placement services. Grant awards must be used
12.8 to encourage workforce training efforts to
12.9 ensure that efforts are aligned with employer
12.10 demands and that graduates are connected with
12.11 employers looking to hire. Trade associations
12.12 or chambers must partner with employers with
12.13 current or anticipated employment
12.14 opportunities and nonprofit workforce training
12.15 partners participating in this program. The
12.16 trade associations or chambers must work
12.17 closely with the industry sector training
12.18 providers in the five industries identified in
12.19 paragraph (e). Grant awards may be used for:

12.20 (1) employer engagement strategies to align
12.21 employment opportunities for individuals
12.22 exiting workforce development training
12.23 programs. These strategies may include
12.24 business recruitment, job opening
12.25 development, employee recruitment, and job
12.26 matching. Trade associations must utilize the
12.27 state's labor exchange system;

12.28 (2) diversity, inclusion, and retention training
12.29 to their members to increase the business
12.30 understanding of welcoming and retaining a
12.31 diverse workforce; and

12.32 (3) industry-specific training.

12.33 **(h) Business Services Representatives.** Of
12.34 the amount appropriated in paragraph (e),
12.35 \$1,750,000 each year is to hire, train, and

13.1 deploy business services representatives in
13.2 local workforce development areas throughout
13.3 the state. Business services representatives
13.4 must work with an assigned local workforce
13.5 development area to address the hiring needs
13.6 of Minnesota's businesses by connecting job
13.7 seekers and program participants in the
13.8 CareerForce system. Business services
13.9 representatives serve in the classified service
13.10 of the state and operate as part of the agency's
13.11 Employment and Training Office. The
13.12 commissioner shall develop and implement
13.13 training materials and reporting and evaluation
13.14 procedures for the activities of the business
13.15 services representatives. The business services
13.16 representatives must:

13.17 (1) serve as the primary contact for businesses
13.18 in that area;

13.19 (2) actively engage employers by assisting
13.20 with matching employers to job seekers
13.21 through referring candidates, convening job
13.22 fairs, and assisting with job announcements;
13.23 and

13.24 (3) work with the local area board and its
13.25 partners to identify candidates for openings in
13.26 small and mid-size companies in the local
13.27 area.

13.28 (i) \$2,546,000 each year from the general fund
13.29 and \$4,604,000 each year from the workforce
13.30 development fund are for the pathways to
13.31 prosperity competitive grant program. Of this
13.32 amount, up to five percent is for administration
13.33 and monitoring of the program.

- 14.1 (j) \$500,000 each year is from the workforce
14.2 development fund for current Minnesota
14.3 affiliates of OIC of America, Inc. This
14.4 appropriation shall be divided equally among
14.5 the eligible centers.
- 14.6 (k) \$1,000,000 each year is for competitive
14.7 grants to organizations providing services to
14.8 relieve economic disparities in the Southeast
14.9 Asian community through workforce
14.10 recruitment, development, job creation,
14.11 assistance of smaller organizations to increase
14.12 capacity, and outreach. Of this amount, up to
14.13 five percent is for administration and
14.14 monitoring of the program.
- 14.15 (l) \$1,000,000 each year is for a competitive
14.16 grant program to provide grants to
14.17 organizations that provide support services for
14.18 individuals, such as job training, employment
14.19 preparation, internships, job assistance to
14.20 parents, financial literacy, academic and
14.21 behavioral interventions for low-performing
14.22 students, and youth intervention. Grants made
14.23 under this section must focus on low-income
14.24 communities, young adults from families with
14.25 a history of intergenerational poverty, and
14.26 communities of color. Of this amount, up to
14.27 five percent is for administration and
14.28 monitoring of the program.
- 14.29 (m) \$5,230,000 each year from the general
14.30 fund and \$3,348,000 each year from the
14.31 workforce development fund are for the
14.32 youth-at-work competitive grant program
14.33 under Minnesota Statutes, section 116L.562.
14.34 Of this amount, up to five percent is for
14.35 administration and monitoring of the youth

15.1 workforce development competitive grant
 15.2 program. All grant awards shall be for two
 15.3 consecutive years. Grants shall be awarded in
 15.4 the first year. The base funding for this
 15.5 program is \$750,000 each year from the
 15.6 general fund and \$3,348,000 each year from
 15.7 the workforce development fund beginning in
 15.8 fiscal year 2026.

15.9 (n) \$2,093,000 each year is from the
 15.10 workforce development fund for the
 15.11 Minnesota Youthbuild program under
 15.12 Minnesota Statutes, sections 116L.361 and
 15.13 116L.336. The base funding for this program
 15.14 is \$1,000,000 per year from the workforce
 15.15 development fund beginning in fiscal year
 15.16 2026.

15.17 (o) \$520,000 each year from the general fund
 15.18 and \$7,957,000 each year from the workforce
 15.19 development fund are for the Minnesota youth
 15.20 program under Minnesota Statutes, sections
 15.21 116L.56 and 116L.561. Beginning in fiscal
 15.22 year 2026, the base funding for this program
 15.23 is \$0 from the general fund and \$4,050,000
 15.24 from the workforce development fund.

15.25 (p) \$750,000 each year is to establish an Office
 15.26 of New Americans.

15.27 Subd. 4. **General Support Services** 16,817,000 7,811,000

15.28 Appropriations by Fund
 15.29 General Fund 16,736,000 7,702,000
 15.30 Workforce
 15.31 Development 81,000 109,000

15.32 (a) \$1,269,000 each year is for transfer to the
 15.33 Minnesota Housing Finance Agency for
 15.34 operating the Olmstead Compliance Office.

16.1 (b) \$10,000,000 in fiscal year 2024 is for the
16.2 workforce digital transformation projects. This
16.3 appropriation is onetime and is available until
16.4 June 30, 2027.

16.5 Subd. 5. **Minnesota Trade Office** 2,242,000 2,242,000

16.6 (a) \$300,000 each year is for the STEP grants
16.7 in Minnesota Statutes, section 116J.979. The
16.8 base for this purpose in fiscal year 2024 and
16.9 beyond is \$300,000.

16.10 (b) \$180,000 each year is for the Invest
16.11 Minnesota marketing initiative in Minnesota
16.12 Statutes, section 116J.9781.

16.13 (c) \$270,000 each year is for the Minnesota
16.14 Trade Offices under Minnesota Statutes,
16.15 section 116J.978.

16.16 Subd. 6. **Vocational Rehabilitation** 38,636,000 38,636,000

16.17 Appropriations by Fund

16.18 General 30,806,000 30,806,000

16.19 Workforce

16.20 Development 7,830,000 7,830,000

16.21 (a) \$14,300,000 each year is for the state's
16.22 vocational rehabilitation program under
16.23 Minnesota Statutes, chapter 268A.

16.24 (b) \$8,995,000 each year from the general fund
16.25 and \$6,830,000 each year from the workforce
16.26 development fund are for extended
16.27 employment services for persons with severe
16.28 disabilities under Minnesota Statutes, section
16.29 268A.15. Of the amounts appropriated from
16.30 the general fund, \$2,000,000 each year is for
16.31 maintaining prior rate increases to providers
16.32 of extended employment services for persons
16.33 with severe disabilities under Minnesota
16.34 Statutes, section 268A.15.

17.1 (c) \$4,500,000 each year is for grants to
 17.2 programs that provide employment support
 17.3 services to persons with mental illness under
 17.4 Minnesota Statutes, sections 268A.13 and
 17.5 268A.14.

17.6 (d) \$3,011,000 each year is for grants to
 17.7 centers for independent living under
 17.8 Minnesota Statutes, section 268A.11.

17.9 (e) \$1,000,000 each year is from the workforce
 17.10 development fund for grants under Minnesota
 17.11 Statutes, section 268A.16, for employment
 17.12 services for persons, including transition-age
 17.13 youth, who are deaf, deafblind, or
 17.14 hard-of-hearing. If the amount in the first year
 17.15 is insufficient, the amount in the second year
 17.16 is available in the first year.

17.17	<u>Subd. 7. Services for the Blind</u>	<u>10,425,000</u>	<u>10,425,000</u>
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17.18 (a) \$500,000 each year is for senior citizens
 17.19 who are becoming blind. At least one-half of
 17.20 the funds for this purpose must be used to
 17.21 provide training services for seniors who are
 17.22 becoming blind. Training services must
 17.23 provide independent living skills to seniors
 17.24 who are becoming blind to allow them to
 17.25 continue to live independently in their homes.

17.26 (b) \$2,000,000 each year is for the employer
 17.27 reasonable accommodation fund. This is a
 17.28 onetime appropriation.

17.29	<u>Sec. 3. EXPLORE MINNESOTA</u>	<u>\$</u>	<u>36,307,000</u>	<u>\$</u>	<u>21,169,000</u>
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17.30 (a) \$500,000 the first year and \$500,000 the
 17.31 second year must be matched from nonstate
 17.32 sources to develop maximum private sector
 17.33 involvement in tourism. Each \$1 of state
 17.34 incentive must be matched with \$6 of private

18.1 sector money. "Matched" means revenue to
18.2 the state or documented cash expenditures
18.3 directly expended to support Explore
18.4 Minnesota Tourism under section 116U.05.
18.5 The incentive in fiscal year 2024 is based on
18.6 fiscal year 2023 private sector contributions.
18.7 The incentive in fiscal year 2025 is based on
18.8 fiscal year 2024 private sector contributions.
18.9 This incentive is ongoing.

18.10 (b) \$5,900,000 the first year and \$5,900,000
18.11 the second year are for the development of
18.12 new initiatives for Explore Minnesota
18.13 Tourism. Of this amount, \$3,000,000 the first
18.14 year and \$3,000,000 the second year are for
18.15 competitive grants for large-scale sporting and
18.16 other major events; \$1,100,000 the first year
18.17 and \$1,100,000 the second year are for grants
18.18 to Minnesota's 11 Tribal Nations to promote
18.19 and support new tourism opportunities for
18.20 Tribal Nations; \$1,000,000 the first year and
18.21 \$1,000,000 the second year are to expand
18.22 diversity, equity, inclusion, and accessibility
18.23 through tourism marketing; \$625,000 the first
18.24 year and \$625,000 the second year are for the
18.25 tourism and hospitality industry and the
18.26 Governor's Opener events; \$88,000 the first
18.27 year and \$88,000 the second year are to
18.28 develop new resources and increase
18.29 engagement for the tourism industry; and
18.30 \$87,000 the first year and \$87,000 the second
18.31 year must be used to develop a long-term
18.32 sustainability plan for tourism.

18.33 (c) \$12,000,000 the first year is for the
18.34 development of Explore Minnesota for
18.35 Business under section 116U.07 to market the

19.1 overall livability and economic opportunities
 19.2 of Minnesota. This is a onetime appropriation.
 19.3 (d) Money for marketing grants is available
 19.4 either year of the biennium. Unexpended grant
 19.5 money from the first year is available in the
 19.6 second year.

19.7 Sec. 4. **PUBLIC UTILITIES COMMISSION** \$ **9,836,000** \$ **10,105,000**

19.8 Sec. 5. **DEPARTMENT OF EDUCATION** \$ **-0-** \$ **200,000**

19.9 Subdivision 1. **Amounts**

19.10 The amounts that may be spent for each
 19.11 purpose are specified in the following
 19.12 subdivisions.

19.13 Subd. 2. **Unemployment Insurance Aid**
 19.14 **Administration**

19.15 \$200,000 in fiscal year 2025 is for
 19.16 administration of unemployment insurance
 19.17 aid under Minnesota Statutes, section
 19.18 124D.995. The base for fiscal year 2026 and
 19.19 thereafter is \$175,000.

19.20 Subd. 3. **Unemployment Insurance Aid**

19.21 \$161,755,000 in fiscal year 2026 and
 19.22 thereafter are base amounts to the Department
 19.23 of Education for unemployment insurance aid
 19.24 under Minnesota Statutes, section 124D.995.
 19.25 If the appropriation is insufficient, the
 19.26 commissioner must proportionately reduce the
 19.27 aid payment to each recipient pursuant to
 19.28 Minnesota Statutes, section 124D.995,
 19.29 paragraph (c).

19.30 Sec. 6. **MINNESOTA STATE ACADEMIES** \$ **-0-** \$ **217,000**

19.31 This amount is for unemployment insurance
 19.32 costs.

20.1 **Sec. 7. PERPICH CENTER FOR ARTS**
 20.2 **EDUCATION** \$ -0- \$ 66,000

20.3 This amount is for unemployment insurance
 20.4 costs.

20.5 **Sec. 8. MINNESOTA MANAGEMENT AND**
 20.6 **BUDGET** \$ 20,000 \$ 3,000

20.7 This amount is for system programming and
 20.8 notification costs associated with earned sick
 20.9 and safe time.

20.10 **ARTICLE 2**
 20.11 **EXPLORE MINNESOTA**

20.12 Section 1. Minnesota Statutes 2022, section 116U.05, is amended to read:

20.13 **116U.05 EXPLORE MINNESOTA TOURISM.**

20.14 Explore Minnesota ~~Tourism~~ is ~~created~~ as an office in the executive branch with a director
 20.15 appointed by the governor. The director is under the supervision of the commissioner of
 20.16 employment and economic development and oversees Explore Minnesota Tourism and
 20.17 Explore Minnesota for Business divisions. The director serves in the unclassified service
 20.18 and must be qualified by experience and training in ~~travel and tourism~~ related fields.

20.19 Sec. 2. **[116U.06] EXPLORE MINNESOTA TOURISM.**

20.20 Explore Minnesota Tourism is a division of Explore Minnesota and exists to support
 20.21 Minnesota's economy through promotion and facilitation of travel to and within the state
 20.22 of Minnesota.

20.23 Sec. 3. **[116U.07] EXPLORE MINNESOTA FOR BUSINESS.**

20.24 Explore Minnesota for Business is a division of Explore Minnesota. Its mission is to
 20.25 promote overall livability and workforce and economic opportunity in Minnesota. Explore
 20.26 Minnesota for Business works in conjunction with the department of employment and
 20.27 economic development to establish and meet statewide goals in these areas.

21.1 Sec. 4. Minnesota Statutes 2022, section 116U.10, is amended to read:

21.2 **116U.10 DEFINITIONS.**

21.3 Subdivision 1. **Scope.** ~~As used in~~ For the purposes of this chapter, the terms defined in
21.4 this section have the meanings given them.

21.5 Subd. 2. **Director.** "Director" means the executive director of Explore Minnesota
21.6 ~~Tourism.~~

21.7 Subd. 3. **Office.** "Office" means Explore Minnesota ~~Tourism.~~

21.8 Sec. 5. Minnesota Statutes 2022, section 116U.15, is amended to read:

21.9 **116U.15 MISSION.**

21.10 (a) The mission of Explore Minnesota ~~Tourism~~ is to promote and facilitate increased
21.11 travel to and within the state of Minnesota, promote overall livability, and promote workforce
21.12 and economic opportunity in Minnesota. To further the mission of Explore Minnesota, the
21.13 office is advised by councils focused on tourism and talent attraction and business marketing.
21.14 Its goals are to:

21.15 (1) expand public and private partnerships through increased interagency efforts and
21.16 increased tourism and business industry participation;

21.17 (2) increase productivity through enhanced flexibility and options; and

21.18 (3) use innovative fiscal and human resource practices to manage the state's resources
21.19 and operate the office as efficiently as possible.

21.20 (b) The director shall report to the legislature on the performance of the office's operations
21.21 and the accomplishment of its goals in the office's biennial budget according to section
21.22 16A.10, subdivision 1.

21.23 Sec. 6. Minnesota Statutes 2022, section 116U.20, is amended to read:

21.24 **116U.20 ORGANIZATION.**

21.25 The director shall:

21.26 (1) employ assistants and other officers, employees, and agents that the director considers
21.27 necessary to discharge the functions of the office; ~~and~~

21.28 (2) define the duties of the officers, employees, and agents, and delegate to them any of
21.29 the director's powers, duties, and responsibilities, subject to the director's control and under
21.30 conditions prescribed by the director;₂

- 22.1 (3) oversee the overall strategy and budgets of the Tourism and Business divisions; and
22.2 (4) chair or cochair and oversee the Tourism and Business councils.

22.3 Sec. 7. **[116U.24] EXPLORE MINNESOTA COUNCILS.**

22.4 (a) The director shall be advised by the Explore Minnesota Tourism Council and Explore
22.5 Minnesota for Business Council each consisting of voting members appointed by the governor
22.6 for four-year terms. The director of Explore Minnesota serves as the chair or cochair of
22.7 each council. The director may assign employees of the office to participate in oversight of
22.8 council operations.

22.9 (b) Each council shall act to serve the broader interests of the council's divisions by
22.10 promoting activities and programs of the office that support, maintain, and expand the state's
22.11 domestic and international travel and trade markets, thereby generating increased visitor
22.12 expenditures, revenue, and employment.

22.13 (c) Filling of membership vacancies is as provided in section 15.059. The terms of
22.14 one-half of the members shall be coterminous with the governor and the terms of the
22.15 remaining one-half of the members shall end on the first Monday in January one year after
22.16 the terms of the other members. Members may serve until their successors are appointed
22.17 and qualify. Members are not compensated. A member may be reappointed.

22.18 (d) The council shall meet at least four times per year and at other times determined by
22.19 each council.

22.20 (e) If compliance with section 13D.02 is impractical, the Explore Minnesota councils
22.21 may conduct a meeting of their members by telephone or other electronic means so long as
22.22 the following conditions are met:

22.23 (1) all members of each council participating in the meeting, wherever their physical
22.24 location, can hear one another and can hear all discussion and testimony;

22.25 (2) members of the public present at the regular meeting location of the council can hear
22.26 clearly all discussion and testimony and all votes of members of each council and, if needed,
22.27 receive those services required by sections 15.44 and 15.441;

22.28 (3) at least one member of each council is physically present at the regular meeting
22.29 location; and

22.30 (4) all votes are conducted by roll call, so each member's vote on each issue can be
22.31 identified and recorded.

23.1 (f) Each member of each council participating in a meeting by telephone or other
23.2 electronic means is considered present at the meeting for purposes of determining a quorum
23.3 and participating in all proceedings.

23.4 (g) If telephone or other electronic means is used to conduct a meeting, each council, to
23.5 the extent practicable, shall allow a person to monitor the meeting electronically from a
23.6 remote location. Each council may require the person making such a connection to pay for
23.7 documented marginal costs that each council incurs as a result of the additional connection.

23.8 (h) If telephone or other electronic means is used to conduct a regular, special, or
23.9 emergency meeting, the council shall provide notice of the regular meeting location, of the
23.10 fact that some members may participate by telephone or other electronic means, and whether
23.11 a cost will be incurred under paragraph (f). The timing and method of providing notice is
23.12 governed by section 13D.04.

23.13 Sec. 8. Minnesota Statutes 2022, section 116U.25, is amended to read:

23.14 **116U.25 EXPLORE MINNESOTA TOURISM COUNCIL.**

23.15 (a) The director shall be advised by the Explore Minnesota Tourism Council consisting
23.16 of up to ~~28~~ 35 voting members appointed by the governor for four-year terms, including:

23.17 (1) the director of Explore Minnesota Tourism who serves as the chair;

23.18 (2) ~~eleven~~ fourteen representatives of statewide associations representing bed and
23.19 breakfast establishments, golf, festivals and events, counties, convention and visitor bureaus,
23.20 lodging, resorts, trails, campgrounds, restaurants, ~~and~~ craft beverage establishments, chambers
23.21 of commerce, chambers of commerce for underrepresented communities, and Tribal nations;

23.22 (3) one representative from each of the tourism marketing regions of the state as
23.23 designated by the office;

23.24 (4) ~~six~~ ten representatives of the tourism business representing transportation, retail,
23.25 travel agencies, tour operators, travel media, ~~and~~ convention facilities, arts and culture,
23.26 sports, outdoor recreation, and tourism business owners from underrepresented communities;

23.27 (5) one or more ex officio nonvoting members including at least one from the University
23.28 of Minnesota Tourism Center;

23.29 (6) four legislators, two from each house, one each from the two largest political party
23.30 caucuses in each house, appointed according to the rules of the respective houses; and

23.31 (7) other persons, if any, as designated from time to time by the governor.

24.1 (b) The council shall act to serve the broader interests of tourism in Minnesota by
24.2 promoting activities that support, maintain, and expand the state's domestic and international
24.3 travel market, thereby generating increased visitor expenditures, tax revenue, and
24.4 employment.

24.5 (c) Filling of membership vacancies is as provided in section 15.059. The terms of
24.6 one-half of the members shall be coterminous with the governor and the terms of the
24.7 remaining one-half of the members shall end on the first Monday in January one year after
24.8 the terms of the other members. Members may serve until their successors are appointed
24.9 and qualify. Members are not compensated. A member may be reappointed.

24.10 (d) The council shall meet at least four times per year and at other times determined by
24.11 the council.

24.12 (e) If compliance with section 13D.02 is impractical, the Explore Minnesota Tourism
24.13 Council may conduct a meeting of its members by telephone or other electronic means so
24.14 long as the following conditions are met:

24.15 (1) all members of the council participating in the meeting, wherever their physical
24.16 location, can hear one another and can hear all discussion and testimony;

24.17 (2) members of the public present at the regular meeting location of the council can hear
24.18 clearly all discussion and testimony and all votes of members of the council and, if needed,
24.19 receive those services required by sections 15.44 and 15.441;

24.20 (3) at least one member of the council is physically present at the regular meeting location;
24.21 and

24.22 (4) all votes are conducted by roll call, so each member's vote on each issue can be
24.23 identified and recorded.

24.24 (f) Each member of the council participating in a meeting by telephone or other electronic
24.25 means is considered present at the meeting for purposes of determining a quorum and
24.26 participating in all proceedings.

24.27 (g) If telephone or other electronic means is used to conduct a meeting, the council, to
24.28 the extent practical, shall allow a person to monitor the meeting electronically from a remote
24.29 location. The council may require the person making such a connection to pay for
24.30 documented marginal costs that the council incurs as a result of the additional connection.

24.31 (h) If telephone or other electronic means is used to conduct a regular, special, or
24.32 emergency meeting, the council shall provide notice of the regular meeting location, of the
24.33 fact that some members may participate by telephone or other electronic means, and of the

25.1 provisions of paragraph (g). The timing and method of providing notice is governed by
25.2 section 13D.04.

25.3 Sec. 9. [116U.242] EXPLORE MINNESOTA FOR BUSINESS COUNCIL.

25.4 (a) The director shall be advised by the Explore Minnesota for Business Council
25.5 consisting of up to 28 voting members appointed by the governor for four-year terms,
25.6 including:

25.7 (1) the director of Explore Minnesota and the commissioner of employment and economic
25.8 development who serve as cochairs;

25.9 (2) three representatives in marketing, human resources, or executive leadership from
25.10 Minnesota-based companies with more than 100 employees representing Minnesota's key
25.11 industries, including health care, technology, food and agriculture, manufacturing, retail,
25.12 energy, and support services;

25.13 (3) two representatives from statewide or regional marketing or business association
25.14 leadership, the Iron Range, and nonprofits focused on economic development or human
25.15 resource management;

25.16 (4) one representative from a Minnesota college or university staff, faculty, leadership,
25.17 student leadership, or alumni association;

25.18 (5) one member representing Minnesota's start-up and entrepreneurial industry who has
25.19 started at least one Minnesota-based business in the last five years and has at least 20
25.20 employees;

25.21 (6) two representatives from the Minnesota Indian Affairs Council and Minnesota Tribal
25.22 leadership, including casino management;

25.23 (7) two representatives from Minnesota's Ethnic Chambers of Commerce Leadership
25.24 and the Minnesota Chamber of Commerce; and

25.25 (8) one at-large representative in the field of general marketing, talent attraction, or
25.26 economic development.

25.27 (b) The council shall act to serve the broader interest of promoting overall livability and
25.28 workforce and economic opportunity in Minnesota. Members shall advise Explore Minnesota
25.29 for Business's marketing efforts by emphasizing and prioritizing diversity, equity, inclusion,
25.30 and accessibility and providing professional marketing insights.

26.1 Sec. 10. Minnesota Statutes 2022, section 116U.30, is amended to read:

26.2 **116U.30 DUTIES OF DIRECTOR.**

26.3 (a) The director shall:

26.4 (1) publish, disseminate, and distribute informational and promotional materials;

26.5 (2) promote and encourage the coordination of Minnesota travel, tourism, overall
26.6 livability, and workforce and economic opportunity promotion efforts with other state
26.7 agencies and develop multiagency marketing strategies when appropriate;

26.8 (3) promote and encourage the expansion and development of international tourism,
26.9 trade, and Minnesota livability marketing;

26.10 (4) advertise and disseminate information about Minnesota travel, tourism, and workforce
26.11 and economic development opportunities;

26.12 (5) aid various local communities to improve their travel, tourism, and overall livability
26.13 marketing programs;

26.14 (6) coordinate and implement a comprehensive state travel, tourism, workforce and
26.15 economic development, and overall livability marketing ~~program~~ programs that ~~takes~~ take
26.16 into consideration public and private businesses and attractions;

26.17 (7) contract, in accordance with section 16C.08, for professional services if the work or
26.18 services cannot be satisfactorily performed by employees of the agency or by any other
26.19 state agency;

26.20 (8) provide local, regional, and statewide ~~tourism~~ organizations with information,
26.21 technical assistance, training, and advice on using state tourism and livability information
26.22 and programs; and

26.23 (9) generally gather, compile, and make available statistical information relating to
26.24 Minnesota travel, tourism, workforce and economic development, overall livability, and
26.25 related areas in this state, ~~with~~. The director has the authority to call upon other state agencies
26.26 for statistical data and results obtained by them and to arrange and compile that statistical
26.27 information.

26.28 (b) The director may:

26.29 (1) apply for, receive, and spend money for travel, tourism, workforce and economic
26.30 development, and overall livability development and marketing from other agencies ~~and~~
26.31 ~~tourism,~~ organizations, and businesses;

(2) apply for, accept, and disburse grants and other aids for tourism development and marketing from the federal government and other sources;

(3) enter into joint powers or cooperative agreements with agencies of the federal government, local governmental units, regional development commissions, other state agencies, the University of Minnesota and other educational institutions, other states, Canadian provinces, and local, statewide, and regional ~~tourism~~ organizations as necessary to perform the director's duties;

(4) enter into interagency agreements and agree to share net revenues with the contributing agencies;

(5) make grants;

(6) conduct market research and analysis to improve marketing techniques in the area of travel, tourism, workforce and economic development, and overall livability;

(7) monitor and study trends in the ~~tourism industry~~ related industries and provide resources and training to address change;

(8) annually convene conferences of Minnesota ~~tourism~~ providers for the purposes of exchanging information on tourism development, coordinating marketing activities, and formulating tourism, overall livability, and workforce and economic opportunity promotion development strategies; and

(9) enter into ~~tourism~~ promotion contracts or other agreements with private persons and public entities, including agreements to establish and maintain offices and other types of representation in foreign countries; to promote international travel and to implement this chapter.

(c) Contracts for goods and nonprofessional technical services made under paragraph (b), clauses (3) and (9), are not subject to the provisions of sections 16C.03, subdivision 3, and 16C.06 concerning competitive bidding and section 16C.055 concerning barter arrangements. ~~Unless otherwise determined by the commissioner of administration, all other provisions of chapter 16C apply to this section, including section 16C.08, relating to professional and technical services.~~ Contracts may be negotiated and are not subject to the provisions of chapter 16C relating to competitive bidding.

28.1 Sec. 11. Minnesota Statutes 2022, section 116U.35, is amended to read:

28.2 **116U.35 PROMOTIONAL EXPENSES.**

28.3 To promote travel, tourism, workforce and economic development, and overall livability
28.4 of the state, the director may expend money appropriated by the legislature for these purposes
28.5 in the same manner as private persons, firms, corporations, and associations make
28.6 expenditures for these purposes. Policies on promotional expenses must be approved by ~~the~~
28.7 ~~Explore Minnesota Tourism Council~~ and the commissioner of administration. A policy for
28.8 expenditures on food, lodging, and travel must be approved by the commissioner of
28.9 management and budget. No money may be expended for the appearance in radio or
28.10 television broadcasts by an elected public official.

28.11 **ARTICLE 3**

28.12 **PAID FAMILY AND MEDICAL BENEFITS; APPROPRIATIONS**

28.13 Section 1. **DEPARTMENT OF EMPLOYMENT**
28.14 **AND ECONOMIC DEVELOPMENT**

\$ 41,659,000 \$ 36,492,000

28.15 This amount is for the paid family and medical
28.16 leave fund in Minnesota Statutes, chapter
28.17 268A. The base for the paid family and
28.18 medical leave fund is \$64,657,000 in fiscal
28.19 year 2026 and \$92,640,000 in fiscal year 2027.

28.20 Sec. 2. **DEPARTMENT OF LABOR AND**
28.21 **INDUSTRY**

\$ 601,000 \$ 480,000

28.22 This amount is from the paid family and
28.23 medical leave fund.

28.24 The base from the paid family and medical
28.25 leave fund for fiscal year 2026 is \$646,000.

28.26 Sec. 3. **DEPARTMENT OF COMMERCE**

\$ 367,000 \$ 316,000

28.27 This amount is from the paid family and
28.28 medical leave fund.

28.29 The base from the paid family and medical
28.30 leave fund for fiscal year 2026 is \$128,000.

29.1 Sec. 4. **TRANSFER.**

29.2 The Commissioner of Minnesota Management and Budget shall transfer \$668,321,000
29.3 in fiscal year 2024 from the general fund to the Paid Family and Medical Leave Fund.

29.4 Sec. 5. **ENTERPRISE COSTS BASE ESTABLISHMENT.**

29.5 A general fund appropriation base of \$75,000 in fiscal year 2026 and \$5,824,000 in
29.6 fiscal year 2027 are established to fund enterprise requirements imposed by Minnesota
29.7 Statutes, chapter 268A, employee notification, and the costs incurred by state agencies due
29.8 to employer-paid premiums established in Minnesota Statutes, chapter 268A. The
29.9 commissioner of management and budget shall allocate these amounts to agency base
29.10 budgets based on the expected costs incurred by those agencies.

29.11 Sec. 6. **MINNESOTA MANAGEMENT AND BUDGET.**

29.12 The base from the Paid Family and Medical Leave Fund for fiscal year 2026 is \$43,000
29.13 and in fiscal year 2027 is \$44,000.

29.14 Sec. 7. **DEPARTMENT OF HUMAN SERVICES.**

29.15 The base from the Paid Family and Medical Leave fund for fiscal year 2026 is \$3,635,000
29.16 and for fiscal year 2027 is \$0.

29.17 Sec. 8. **SUPREME COURT.**

29.18 The base from the Paid Family and Medical Leave fund for fiscal year 2026 is \$20,000
29.19 and for fiscal year 2027 is \$0.

29.20 Sec. 9. **MINNESOTA STATE LEGISLATURE.**

29.21 The base from the Paid Family and Medical Leave fund for fiscal year 2026 is \$11,000
29.22 and for fiscal year 2027 is \$0.

29.23 Sec. 10. **COURT OF APPEALS.**

29.24 The base from the Paid Family and Medical Leave fund for fiscal year 2026 is \$0 and
29.25 for fiscal year 2027 is \$5,600,000.

ARTICLE 4

DEED POLICY

Section 1. [116J.418] OFFICE OF CHILD CARE COMMUNITY PARTNERSHIPS.

Subdivision 1. Definitions. (a) For the purposes of this section, the terms in this subdivision have the meanings given them.

(b) "Child care" means the care of children while parents or guardians are at work or absent for another reason.

(c) "Local unit of government" has the meaning given in section 116G.03, subdivision 3.

(d) "Office" means the Office of Child Care Community Partnerships established in subdivision 2, paragraph (a).

Subd. 2. Office established; purpose. (a) An Office of Child Care Community Partnerships is established within the Department of Employment and Economic Development. The department may employ a director and staff necessary to carry out the office's duties under subdivision 4.

(b) The purpose of the office is to support child care businesses within the state in order to:

(1) increase the quantity of quality child care available; and

(2) improve accessibility to child care for underserved communities and populations.

Subd. 3. Organization. The office shall consist of a director of the Office of Child Care Community Partnerships, as well as any staff necessary to carry out the office's duties under subdivision 4.

Subd. 4. Duties. The office shall have the power and duty to:

(1) coordinate with state, regional, local, and private entities to promote investment in increasing the quantity of quality child care in Minnesota;

(2) coordinate with other agencies including but not limited to Minnesota Management and Budget, the Department of Human Services, and the Department of Education to develop, recommend, and implement solutions to increase the quantity of quality child care openings;

(3) administer the child care economic development grant program and other appropriations to the department for this purpose;

(4) monitor the child care business development efforts of other states and countries;

31.1 (5) provide support to the governor's Children's Cabinet;

31.2 (6) provide an annual report, as required by subdivision 5; and

31.3 (7) perform any other activities consistent with the office's purpose.

31.4 Subd. 5. **Reporting.** (a) Beginning January 15, 2024, and each year thereafter, the Office
 31.5 of Child Care Community Partnerships shall report to the legislative committees with
 31.6 jurisdiction over child care policy and finance on the office's activities during the previous
 31.7 year.

31.8 (b) The report shall contain, at a minimum:

31.9 (1) an analysis of the current access to child care within the state;

31.10 (2) an analysis of the current shortage of child care workers within the state;

31.11 (3) a summary of the office's activities;

31.12 (4) any proposed legislative and policy initiatives; and

31.13 (5) any other information requested by the legislative committees with jurisdiction over
 31.14 child care, or that the office deems necessary.

31.15 (c) The report may be submitted electronically and is subject to section 3.195, subdivision
 31.16 1.

31.17 Sec. 2. Minnesota Statutes 2022, section 116J.5492, subdivision 8, is amended to read:

31.18 Subd. 8. **Meetings.** The advisory committee must meet ~~monthly until the energy transition~~
 31.19 ~~plan is submitted~~ quarterly and submit an updated energy transition plan annually to the
 31.20 governor and the legislature. Once submitted, the committee shall develop a regular meeting
 31.21 schedule as needed. The chair may call additional meetings as necessary.

31.22 Sec. 3. Minnesota Statutes 2022, section 116J.5492, subdivision 10, is amended to read:

31.23 Subd. 10. **Expiration.** This section expires ~~the day after the Minnesota energy transition~~
 31.24 ~~plan required under section 116J.5493 is submitted to the legislature and the governor on~~
 31.25 June 30, 2027.

31.26 Sec. 4. **[116J.659] OFFICE OF NEW AMERICANS.**

31.27 Subdivision 1. **Office established; purpose.** (a) The Office of New Americans is
 31.28 established within the Department of Employment and Economic Development. The governor
 31.29 must appoint an assistant commissioner who serves in the unclassified service. The assistant

32.1 commissioner must hire a program manager and an office assistant, as well as any staff
32.2 necessary to carry out the office's duties under subdivision 2.

32.3 (b) The purpose of the office is to serve immigrants and refugees in Minnesota by:

32.4 (1) addressing challenges that face immigrants and refugees in Minnesota, and creating
32.5 access in economic development and workforce programs and services; and

32.6 (2) providing interstate agency coordination, policy reviews, and guidance that assist in
32.7 creating access to immigrants and refugees.

32.8 Subd. 2. **Duties.** (a) The office has the duty to:

32.9 (1) create and implement a statewide strategy to support immigrant and refugee integration
32.10 into Minnesota communities;

32.11 (2) address the state's workforce needs by connecting employers and job seekers within
32.12 the immigrant and refugee community;

32.13 (3) identify strategies to reduce employment barriers, including the creation of alternative
32.14 pathways for immigrants and refugees;

32.15 (4) support programs and activities designed to ensure equitable access to the workforce
32.16 for immigrants and refugees, including those who are disabled;

32.17 (5) support equitable opportunities for immigrants and refugees to access state government
32.18 services and grants;

32.19 (6) work with state agencies and community and foundation partners to undertake studies
32.20 and research and analyze economic and demographic trends to better understand and serve
32.21 the state's immigrant and refugee communities;

32.22 (7) coordinate and establish best practices for language access initiatives to all state
32.23 agencies;

32.24 (8) convene stakeholders and provide assistance and recommendations to the governor
32.25 on issues impacting immigrants and refugees;

32.26 (9) make policy recommendations to the governor on issues impacting immigrants and
32.27 refugees;

32.28 (10) develop systems of communication and collaboration with local offices and service
32.29 providers to ensure that immigrants and refugees can access support available to them to
32.30 address multisectoral barriers to success, including in the areas of employment, housing,
32.31 legal services, health care, and education;

33.1 (11) collaborate with existing immigrant and refugee inclusion positions and offices at
33.2 the city and county level statewide;

33.3 (12) encourage and support the creation of new immigrant and refugee inclusion positions
33.4 and offices at the city and county level statewide;

33.5 (13) serve as the point of contact for immigrants and refugees accessing resources both
33.6 within the department and with boards charged with oversight of a profession;

33.7 (14) promulgate rules necessary to implement and effectuate this section;

33.8 (15) provide an annual report, as required by subdivision 3; and

33.9 (16) perform any other activities consistent with the office's purpose.

33.10 Subd. 3. **Reporting.** (a) Beginning January 15, 2024, and each year thereafter, the Office
33.11 of New Americans shall report to the legislative committees with jurisdiction over the
33.12 office's activities during the previous year.

33.13 (b) The report shall contain, at a minimum:

33.14 (1) a summary of the office's activities;

33.15 (2) suggested policies, incentives, and legislation designed to accelerate the achievement
33.16 of the duties under subdivision 2;

33.17 (3) any proposed legislative and policy initiatives;

33.18 (4) the amount and types of grants awarded under subdivision 6; and

33.19 (5) any other information deemed necessary and requested by the legislative committees
33.20 with jurisdiction over the office.

33.21 (c) The report may be submitted electronically and is subject to section 3.195, subdivision
33.22 1.

33.23 Subd. 4. **Interdepartmental Coordinating Council on Immigrant and Refugee**
33.24 **Affairs.** (a) An interdepartmental Coordinating Council on Immigrant and Refugee Affairs
33.25 is established to advise the Office of New Americans.

33.26 (b) The purpose of the council is to identify and establish ways in which state departments
33.27 and agencies can work together to deliver state programs and services effectively and
33.28 efficiently to Minnesota's immigrant and refugee populations. The council shall implement
33.29 policies, procedures, and programs requested by the governor through the state departments
33.30 and offices.

34.1 (c) The council shall be chaired by the assistant commissioner of the Office of New
34.2 Americans and shall be comprised of the commissioners, department directors, or senior
34.3 leadership designees, from the following state departments and offices:

34.4 (1) the governor's office;

34.5 (2) the Department of Administration;

34.6 (3) the Department of Employment and Economic Development;

34.7 (4) the Department of Human Services;

34.8 (5) the Department of Human Services Resettlement Program Office;

34.9 (6) the Department of Labor and Industry;

34.10 (7) the Department of Health;

34.11 (8) the Department of Education;

34.12 (9) the Office of Higher Education;

34.13 (10) the Department of Public Safety;

34.14 (11) the Department of Corrections;

34.15 (12) the Council for Minnesotans of African Heritage;

34.16 (13) the Minnesota Council on Latino Affairs; and

34.17 (14) the Council on Asian Pacific Minnesotans.

34.18 (d) Each department or office serving as a member of the council shall designate one
34.19 staff member as an immigrant and refugee services liaison. The liaisons' responsibilities
34.20 shall include:

34.21 (1) preparation and dissemination of information and services available to immigrants
34.22 and refugees; and

34.23 (2) interfacing with the Office of New Americans on issues that impact immigrants and
34.24 refugees and their communities.

34.25 Subd. 5. **No right of action.** Nothing in this section shall be construed to create any
34.26 right or benefit, substantive or procedural, enforceable at law or in equity by any party
34.27 against the state; its departments, agencies, or entities; its officers, employees, or agents;
34.28 or any other person.

34.29 Subd. 6. **Grants.** The office may apply for grants for interested state agencies, community
34.30 partners, and stakeholders under this section to carry out the duties under subdivision 2. In

35.1 awarding grants, the commissioner must allocate grants as evenly as practicable among
35.2 interested parties.

35.3 **Sec. 5. [116J.681] SMALL BUSINESS NAVIGATORS.**

35.4 **Subdivision 1. Definitions.** (a) For the purposes of this section, the following terms have
35.5 the meanings given.

35.6 (b) "Commissioner" means the commissioner of employment and economic development.

35.7 (c) "Small business" means a small business concern as defined under section 3 of the
35.8 Small Business Act, United States Code, title 15, section 632.

35.9 (d) "Underserved" means Black, Indigenous, people of color, veterans, people with
35.10 disabilities, rural Minnesotans, and low-income individuals.

35.11 **Subd. 2. Generally.** Small business navigators must work with small businesses and
35.12 entrepreneurs to help navigate state programs, as well as programs managed by
35.13 nongovernmental partners and other public and private organizations. The purpose of small
35.14 business navigators is to connect small businesses and entrepreneurs with the services needed
35.15 to be successful.

35.16 **Subd. 3. Staffing.** Staff of small business navigators serve in the classified service of
35.17 the state and operate as part of the department's Small Business Assistance Office.

35.18 **Subd. 4. Commissioner.** The commissioner shall develop and implement training
35.19 materials and reporting and evaluation procedures for the activities of small business
35.20 navigators.

35.21 **Subd. 5. Duties.** Small business navigators shall:

35.22 (1) provide information and direction to small businesses and entrepreneurs in a timely,
35.23 accurate, and comprehensive manner, connecting them with appropriate assistance services
35.24 from the state and other governmental and nongovernmental organizations;

35.25 (2) build relationships with and provide targeted outreach to historically underserved
35.26 populations and communities;

35.27 (3) provide for the delivery of information and assistance, including but not limited to
35.28 the use of media, in a culturally appropriate manner that accommodates businesses and
35.29 entrepreneurs with limited English proficiency;

35.30 (4) ensure the availability of small business navigators and materials in all media to
35.31 persons with physical disabilities; and

36.1 (5) coordinate with and augment the services and outreach of the agency's Small Business
36.2 Assistance Office, Small Business Development Center, Office of Small Business
36.3 Partnerships, and Launch Minnesota.

36.4 Sec. 6. **[116J.682] SMALL BUSINESS ASSISTANCE PARTNERSHIPS PROGRAM.**

36.5 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this
36.6 subdivision have the meanings given.

36.7 (b) "Commissioner" means the commissioner of employment and economic development.

36.8 (c) "Partner organizations" or "partners" means:

36.9 (1) nonprofit organizations or public entities, including higher education institutions,
36.10 engaged in business development or economic development;

36.11 (2) community development financial institutions; or

36.12 (3) community development corporations.

36.13 (d) "Small business" has the same meaning as defined under section 3 of the Small
36.14 Business Act, United States Code, title 15, section 632.

36.15 (e) "Underserved populations and geographies" means individuals who are Black,
36.16 Indigenous, people of color, veterans, people with disabilities, and low-income individuals
36.17 and includes people from rural Minnesota.

36.18 Subd. 2. **Establishment.** The commissioner shall establish the small business assistance
36.19 partnerships program to make grants to local and regional community-based organizations
36.20 to provide small business development and technical assistance services to entrepreneurs
36.21 and small business owners.

36.22 Subd. 3. **Small business assistance partnerships grants.** (a) The commissioner shall
36.23 make small business assistance partnerships grants to local and regional community-based
36.24 organizations to provide small business development and technical assistance services to
36.25 entrepreneurs and small business owners. The commissioner must prioritize applications
36.26 that provide services to underserved populations and geographies.

36.27 (b) Grantees shall use the grant funds to provide high-quality, free or low-cost
36.28 professional business development and technical assistance services that support the start-up,
36.29 growth, and success of Minnesota's entrepreneurs and small business owners.

36.30 Subd. 4. **Report.** By January 31 of each year, partner organizations participating in the
36.31 program must provide a report to the commissioner on the outcomes of the program including

but not limited to the number of entrepreneurs and small businesses served, number of hours of business assistance services provided, number of new businesses started, number of full-time equivalent jobs created and retained, and demographic and geographic details of the individuals being served.

Sec. 7. **[116J.8733] MINNESOTA EXPANDING OPPORTUNITY FUND PROGRAM.**

Subdivision 1. Establishment. The Minnesota Expanding Opportunity Fund Program is established to capitalize Minnesota nonprofit corporations to increase lending activities with Minnesota small businesses.

Subd. 2. Long-term loans. The department may make long-term loans of ten to 12 years at 0.5 percent or lower interest rates to nonprofit corporations to enable nonprofit corporations to make more loans to Minnesota small businesses. The department may use the interest received to offset the cost of administering small business lending programs.

Subd. 3. Loan eligibility; nonprofit corporation. (a) The eligible nonprofit corporation must not meet the definition of recipient under section 116J.993, subdivision 6.

(b) The commissioner may enter into loan agreements with Minnesota nonprofit corporations that apply to participate in the Minnesota Expanding Opportunity Fund Program. The commissioner shall evaluate applications from applicant nonprofit corporations. In evaluating applications, the department must consider, among other things, whether the nonprofit corporation:

(1) meets the statutory definition of a community development financial institution as defined in section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994, United States Code, title 12, section 4702;

(2) has a board of directors or loan or credit committee that includes citizens experienced in small business services and community development;

(3) has the technical skills to analyze small business loan requests;

(4) is familiar with other available public and private funding sources and economic development programs;

(5) is enrolled in one or more eligible federally funded state programs; and

(6) has the administrative capacity to manage a loan portfolio.

Subd. 4. Revolving loan fund. (a) The commissioner shall establish a revolving loan fund to make loans to nonprofit corporations for the purpose of increasing nonprofit corporation capital and lending activities with Minnesota small businesses.

(b) Nonprofit corporations that receive loans from the commissioner under the program must establish appropriate accounting practices for the purpose of tracking eligible loans.

Subd. 5. **Loan portfolio administration.** (a) The interest rate charged by a nonprofit corporation for a loan under this subdivision must not exceed the Wall Street Journal prime rate plus two percent. A nonprofit corporation participating in the Minnesota Expanding Opportunity Fund Program may charge a loan closing fee equal to or less than two percent of the loan value.

(b) The nonprofit corporation may retain all earnings from fees and interest from loans to small businesses.

Subd. 6. **Cooperation.** A nonprofit corporation that receives a program loan shall cooperate with other organizations, including but not limited to community development corporations, community action agencies, and the Minnesota small business development centers.

Subd. 7. **Reporting requirements.** (a) A nonprofit corporation that receives a program loan must submit an annual report to the commissioner by February 15 of each year that includes:

(1) the number of businesses to which a loan was made;

(2) a description of businesses supported by the program;

(3) demographic information, as specified by the commissioner, regarding each borrower;

(4) an account of loans made during the calendar year;

(5) the program's impact on job creation and retention;

(6) the source and amount of money collected and distributed by the program;

(7) the program's assets and liabilities; and

(8) an explanation of administrative expenses.

(b) A nonprofit corporation that receives a program loan must provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the commissioner.

Sec. 8. Minnesota Statutes 2022, section 116J.8748, subdivision 3, is amended to read:

Subd. 3. Minnesota job creation fund business designation; requirements. (a) To receive designation as a Minnesota job creation fund business, a business must satisfy all of the following conditions:

39.1 (1) the business is or will be engaged in, within Minnesota, one of the following as its
39.2 primary business activity:

39.3 (i) manufacturing;

39.4 (ii) warehousing;

39.5 (iii) distribution;

39.6 (iv) information technology;

39.7 (v) finance;

39.8 (vi) insurance; or

39.9 (vii) professional or technical services;

39.10 (2) the business must not be primarily engaged in lobbying; gambling; entertainment;
39.11 professional sports; political consulting; leisure; hospitality; or professional services provided
39.12 by attorneys, accountants, business consultants, physicians, or health care consultants, or
39.13 primarily engaged in making retail sales to purchasers who are physically present at the
39.14 business's location;

39.15 (3) the business must enter into a binding construction and job creation business subsidy
39.16 agreement with the commissioner to expend directly, or ensure expenditure by or in
39.17 partnership with a third party constructing or managing the project, at least \$500,000 in
39.18 capital investment in a capital investment project that includes a new, expanded, or remodeled
39.19 facility within one year following designation as a Minnesota job creation fund business or
39.20 \$250,000 if the project is located outside the metropolitan area as defined in section 200.02,
39.21 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
39.22 women, or persons with a disability; and:

39.23 (i) create at least ten new full-time employee positions within two years of the benefit
39.24 date following the designation as a Minnesota job creation fund business or five new full-time
39.25 employee positions within two years of the benefit date if the project is located outside the
39.26 metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business
39.27 is cumulatively owned by minorities, veterans, women, or persons with a disability; or

39.28 (ii) expend at least \$25,000,000, which may include the installation and purchase of
39.29 machinery and equipment, in capital investment and retain at least ~~200~~ 100 employees for
39.30 projects located in the metropolitan area as defined in section 200.02, subdivision 24, ~~and~~
39.31 75 or expend at least \$10,000,000, which may include the installation and purchase of

40.1 machinery and equipment, in capital investment and retain at least 50 employees for projects
40.2 located outside the metropolitan area;

40.3 (4) positions or employees moved or relocated from another Minnesota location of the
40.4 Minnesota job creation fund business must not be included in any calculation or determination
40.5 of job creation or new positions under this paragraph; and

40.6 (5) a Minnesota job creation fund business must not terminate, lay off, or reduce the
40.7 working hours of an employee for the purpose of hiring an individual to satisfy job creation
40.8 goals under this subdivision.

40.9 (b) Prior to approving the proposed designation of a business under this subdivision, the
40.10 commissioner shall consider the following:

40.11 (1) the economic outlook of the industry in which the business engages;

40.12 (2) the projected sales of the business that will be generated from outside the state of
40.13 Minnesota;

40.14 (3) how the business will build on existing regional, national, and international strengths
40.15 to diversify the state's economy;

40.16 (4) whether the business activity would occur without financial assistance;

40.17 (5) whether the business is unable to expand at an existing Minnesota operation due to
40.18 facility or land limitations;

40.19 (6) whether the business has viable location options outside Minnesota;

40.20 (7) the effect of financial assistance on industry competitors in Minnesota;

40.21 (8) financial contributions to the project made by local governments; and

40.22 (9) any other criteria the commissioner deems necessary.

40.23 (c) Upon receiving notification of local approval under subdivision 2, the commissioner
40.24 shall review the determination by the local government and consider the conditions listed
40.25 in paragraphs (a) and (b) to determine whether it is in the best interests of the state and local
40.26 area to designate a business as a Minnesota job creation fund business.

40.27 (d) If the commissioner designates a business as a Minnesota job creation fund business,
40.28 the business subsidy agreement shall include the performance outcome commitments and
40.29 the expected financial value of any Minnesota job creation fund benefits.

(e) The commissioner may amend an agreement once, upon request of a local government on behalf of a business, only if the performance is expected to exceed thresholds stated in the original agreement.

(f) A business may apply to be designated as a Minnesota job creation fund business at the same location more than once only if all goals under a previous Minnesota job creation fund agreement have been met and the agreement is completed.

Sec. 9. Minnesota Statutes 2022, section 116J.8748, subdivision 4, is amended to read:

Subd. 4. Certification; benefits. (a) The commissioner may certify a Minnesota job creation fund business as eligible to receive a specific value of benefit under paragraphs (b) and (c) when the business has achieved its job creation and capital investment goals noted in its agreement under subdivision 3.

(b) A qualified Minnesota job creation fund business may be certified eligible for the benefits in this paragraph for up to five years for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and seven years for projects located outside the metropolitan area, as determined by the commissioner when considering the best interests of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a), clause (3), or 16B.98, subdivision 5, paragraph (b), grant agreements for projects located outside the metropolitan area may be for up to seven years in length. The eligibility for the following benefits begins the date the commissioner certifies the business as a qualified Minnesota job creation fund business under this subdivision:

(1) up to five percent rebate for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and 7.5 percent for projects located outside the metropolitan area, on capital investment on qualifying purchases as provided in subdivision 5 with the total rebate for a project not to exceed \$500,000;

(2) an award of up to \$500,000 based on full-time job creation and wages paid as provided in subdivision 6 with the total award not to exceed \$500,000;

(3) up to \$1,000,000 in capital investment rebates and \$1,000,000 in job creation awards are allowable for projects that have at least \$25,000,000 in capital investment and ~~200~~ 100 new employees in the metropolitan area as defined in section 200.02, subdivision 24, and ~~75~~ 50 new employees for projects located outside the metropolitan area;

(4) up to \$1,000,000 in capital investment rebates and up to \$1,000,000 in job creation awards are allowable for projects that have at least \$25,000,000 in capital investment, which may include the installation and purchase of machinery and equipment, and ~~200~~ 100 retained

employees for projects located in the metropolitan area as defined in section 200.02, subdivision 24, ~~and 75~~ or at least \$10,000,000 in capital investment, which may include the installation and purchase of machinery and equipment, and 50 retained employees for projects located outside the metropolitan area; and

(5) for clauses (3) and (4) only, the capital investment expenditure requirements may include the installation and purchases of machinery and equipment. These expenditures are not eligible for the capital investment rebate provided under subdivision 5.

(c) The job creation award may be provided in multiple years as long as the qualified Minnesota job creation fund business continues to meet the job creation goals provided for in its agreement under subdivision 3 and the total award does not exceed \$500,000 except as provided under paragraph (b), clauses (3) and (4). Under paragraph (b) clause (4), a job creation award of \$2,000 per retained job may be provided one time if the qualified Minnesota job creation fund business meets the minimum capital investment and retained employee requirement as provided in paragraph (b), clause (4), for at least two years.

(d) No rebates or award may be provided until the Minnesota job creation fund business or a third party constructing or managing the project has at least \$500,000 in capital investment in the project and at least ten full-time jobs have been created and maintained for at least one year or the retained employees, as provided in paragraph (b), clause (4), remain for at least one year. The agreement may require additional performance outcomes that need to be achieved before rebates and awards are provided. If fewer retained jobs are maintained, but still above the minimum under this subdivision, the capital investment award shall be reduced on a proportionate basis.

(e) The forms needed to be submitted to document performance by the Minnesota job creation fund business must be in the form and be made under the procedures specified by the commissioner. The forms shall include documentation and certification by the business that it is in compliance with the business subsidy agreement, sections 116J.871 and 116L.66, and other provisions as specified by the commissioner.

(f) Minnesota job creation fund businesses must pay each new full-time employee added pursuant to the agreement total compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 110 percent of the federal poverty level for a family of four.

(g) A Minnesota job creation fund business must demonstrate reasonable progress on capital investment expenditures within six months following designation as a Minnesota job creation fund business to ensure that the capital investment goal in the agreement under

subdivision 1 will be met. Businesses not making reasonable progress will not be eligible for benefits under the submitted application and will need to work with the local government unit to resubmit a new application and request to be a Minnesota job creation fund business. Notwithstanding the goals noted in its agreement under subdivision 1, this action shall not be considered a default of the business subsidy agreement.

Sec. 10. Minnesota Statutes 2022, section 116J.8748, subdivision 6, is amended to read:

Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is eligible for an annual award for each new job created and maintained under subdivision 4, paragraph (b), clauses (2) and (3), by the business using the following schedule: \$1,000 for each job position paying annual wages at least \$26,000 but less than \$35,000; \$2,000 for each job position paying at least \$35,000 but less than \$45,000; ~~and~~ \$3,000 for each job position paying at least \$45,000 but less than \$55,000; and \$4,000 for each job position paying at least \$55,000; and as noted in the goals under the agreement provided under subdivision 1. These awards are increased by \$1,000 if the business is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability.

(b) A qualified Minnesota job creation fund business is eligible for a onetime \$2,000 award for each job retained and maintained under subdivision 4, paragraph (b), clause (4), provided that each retained job pays total compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 150 percent of the federal poverty level for a family of four.

~~(b)~~ (c) The job creation award schedule must be adjusted annually using the percentage increase in the federal poverty level for a family of four.

~~(c)~~ (d) Minnesota job creation fund businesses seeking an award credit provided under subdivision 4 must submit forms and applications to the Department of Employment and Economic Development as prescribed by the commissioner.

Sec. 11. Minnesota Statutes 2022, section 116J.8748, is amended by adding a subdivision to read:

Subd. 6a. **Transfer.** The commissioner may transfer up to \$2,000,000 of a fiscal year appropriation between the Minnesota job creation fund program and the redevelopment grant program to meet business demand.

Sec. 12. Minnesota Statutes 2022, section 116J.8749, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Borrower" means an eligible recipient receiving a loan guaranteed under this section.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Eligible project" means the development, redevelopment, demolition, site preparation, predesign, design, engineering, repair, or renovation of real property or capital improvements. Eligible projects must be designed to address the greatest economic development and redevelopment needs that have arisen in the community surrounding that real property since March 15, 2020. Eligible project includes but is not limited to the construction of buildings, infrastructure, and related site amenities, landscaping, or street-scaping. Eligible project does not include the purchase of real estate or business operations or business operating expenses, such as inventory, wages, or working capital.

(e) "Eligible recipient" means a:

(1) business;

(2) nonprofit organization; or

(3) developer

that is seeking funding to complete an eligible project. Eligible recipient does not include a partner organization or a local unit of government.

(f) "Guaranteed loan" means a loan guaranteed by the state for 80 percent of the loan amount for a maximum period of 15 years from the origination of the loan.

(g) "Leveraged grant" means a grant that is matched by the eligible recipient's commitment to the eligible project of nonstate funds ~~at a level of 200 percent of the grant amount.~~ The nonstate match may include but is not limited to funds contributed by a partner organization and insurance proceeds. A leveraged grant is subject to the following limits:

(1) if awarding grants under \$150,000, state funds may make up no more than 50 percent of an eligible project; and

(2) if awarding grants of \$150,000 or more, state funds may make up no more than 30 percent of an eligible project.

(h) "Loan guarantee trust fund" means a dedicated account established under this section for the purpose of compensation for defaulted loan guarantees.

45.1 (i) "Partner organizations" or "partners" means:

45.2 (1) foundations engaged in economic development;

45.3 (2) community development financial institutions; and

45.4 (3) community development corporations.

45.5 (j) "Program" means the Main Street Economic Revitalization Program under this section.

45.6 (k) "Subordinated loan" means a loan secured by a lien that is lower in priority than one
45.7 or more specified other liens.

45.8 Sec. 13. Minnesota Statutes 2022, section 116J.8749, subdivision 3, is amended to read:

45.9 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall make grants to
45.10 partner organizations to provide leveraged grants and guaranteed loans to eligible recipients
45.11 using criteria, forms, applications, and reporting requirements developed by the
45.12 commissioner.

45.13 (b) To be eligible for a grant, a partner organization must:

45.14 (1) outline a plan to provide leveraged grants and guaranteed loans to eligible recipients
45.15 ~~for specific eligible projects that~~ who represent the greatest economic development and
45.16 redevelopment needs in the surrounding community. This plan must include an analysis of
45.17 the economic impact of the eligible projects the partner organization proposes to make these
45.18 investments in;

45.19 (2) establish a process of ensuring there are no conflicts of interest in determining awards
45.20 under the program; and

45.21 (3) demonstrate that the partner organization has raised funds for the specific purposes
45.22 of this program to commit to the proposed eligible projects or will do so within the ~~15-month~~
45.23 18-month period following the encumbrance of funds. ~~Existing assets and State or federal~~
45.24 funds may not be used to meet this requirement.

45.25 (c) Grants shall be made in up to ~~three~~ five rounds:

45.26 (1) a first round with an application date before September 1, 2021, during which no
45.27 more than 50 percent of available funds will be granted;

45.28 (2) a second round with an application date after September 1, 2021, but before March
45.29 1, 2022; ~~and~~

45.30 (3) a third round with an application date after June 30, 2023, if any funds remain after
45.31 the first two rounds;

46.1 (4) a fourth round with an application date after June 30, 2024, if any funds remain after
46.2 the first three rounds; and

46.3 (5) a fifth round with an application date after June 30, 2025, if any funds remain after
46.4 the first four rounds.

46.5 A partner may apply in multiple rounds for projects that were not funded in earlier rounds
46.6 or for new projects.

46.7 (d) Up to ~~four~~ five percent of a grant under this subdivision may be used by the partner
46.8 organization for administration and monitoring of the program.

46.9 Sec. 14. Minnesota Statutes 2022, section 116J.8749, subdivision 5, is amended to read:

46.10 Subd. 5. **Leveraged grants to eligible recipients.** (a) A leveraged grant to an eligible
46.11 recipient shall be for no more than \$750,000.

46.12 ~~(b) A leveraged grant may be used to finance no more than 30 percent of an eligible~~
46.13 ~~project.~~

46.14 (b) A leveraged grant is subject to the following limits:

46.15 (1) if awarding grants under \$150,000, state funds may make up no more than 50 percent
46.16 of an eligible project; and

46.17 (2) if awarding grants of \$150,000 or more, state funds may make up no more than 30
46.18 percent of an eligible project.

46.19 (c) An eligible project must have secured commitments for all required matching funds
46.20 and all required development approvals before a leveraged grant may be distributed.

46.21 Sec. 15. Minnesota Statutes 2022, section 116J.8749, subdivision 10, is amended to read:

46.22 Subd. 10. **Exemptions.** All grants and grant-making processes under this section are
46.23 exempt from Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98,
46.24 subdivisions 5, 7, and 8. The commissioner must audit the use of funds under this section
46.25 in accordance with standard accounting practices. The exemptions under this subdivision
46.26 expire on December 31, ~~2023~~ 2027.

46.27 Sec. 16. **[116J.8751] LAUNCH MINNESOTA.**

46.28 Subdivision 1. **Establishment.** Launch Minnesota is established within the Business
46.29 and Community Development Division of the Department of Employment and Economic
46.30 Development to encourage and support the development of new private sector technologies

47.1 and support the science and technology policies under Minnesota Statutes, section 3.222.
47.2 Launch Minnesota must provide entrepreneurs and emerging technology-based companies
47.3 business development assistance and financial assistance to spur growth.

47.4 Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision
47.5 have the meanings given.

47.6 (b) "Advisory board" means the board established under subdivision 10.

47.7 (c) "Commissioner" means the commissioner of employment and economic development.

47.8 (d) "Department" means the Department of Employment and Economic Development.

47.9 (e) "Entrepreneur" means a Minnesota resident who is involved in establishing a business
47.10 entity and secures resources directed to its growth while bearing the risk of loss.

47.11 (f) "Greater Minnesota" means the area of Minnesota located outside of the metropolitan
47.12 area as defined in Minnesota Statutes, section 473.121, subdivision 2.

47.13 (g) "Innovative technology and business" means a new novel business model or product;
47.14 a derivative product incorporating new elements into an existing product; a new use for a
47.15 product; or a new process or method for the manufacture, use, or assessment of any product
47.16 or activity, patentability, or scalability. Innovative technology or business model does not
47.17 include locally based retail, lifestyle, or business services. The business must not be primarily
47.18 engaged in real estate development, insurance, banking, lending, lobbying, political
47.19 consulting, information technology consulting, wholesale or retail trade, leisure, hospitality,
47.20 transportation, construction, ethanol production from corn, or professional services provided
47.21 by attorneys, accountants, business consultants, physicians, or health care consultants.

47.22 (h) "Institution of higher education" has the meaning given in Minnesota Statutes, section
47.23 136A.28, subdivision 6.

47.24 (i) "Minority group member" means a United States citizen or lawful permanent resident
47.25 who is Asian, Pacific Islander, Black, Hispanic, or Native American.

47.26 (j) "Research and development" means any activity that is:

47.27 (1) a systematic, intensive study directed toward greater knowledge or understanding
47.28 of the subject studies;

47.29 (2) a systematic study directed specifically toward applying new knowledge to meet a
47.30 recognized need; or

(3) a systematic application of knowledge toward the production of useful materials, devices, systems and methods, including design, development and improvement of prototypes and new processes to meet specific requirements.

(k) "Start-up" means a business entity that has been in operation for less than ten years, has operations in Minnesota, and is in the development stage defined as devoting substantially all of its efforts to establishing a new business and either of the following conditions exists:

(1) planned principal operations have not commenced; or

(2) planned principal operations have commenced, but have raised at least \$1,000,000 in equity financing.

(l) "Technology-related assistance" means the application and utilization of technological-information and technologies to assist in the development and production of new technology-related products or services or to increase the productivity or otherwise enhance the production or delivery of existing products or services.

(m) "Trade association" means a nonprofit membership organization organized to promote businesses and business conditions and having an election under Internal Revenue Code section 501(c)(3) or 501(c)(6).

(n) "Veteran" has the meaning given in Minnesota Statutes, section 197.447.

Subd. 3. **Duties.** The commissioner, by and through Launch Minnesota, shall:

(1) support innovation and initiatives designed to accelerate the growth of innovative technology and business start-ups in Minnesota;

(2) in partnership with other organizations, offer classes and instructional sessions on how to start an innovative technology and business start-up;

(3) promote activities for entrepreneurs and investors regarding the state's growing innovation economy;

(4) hold events and meetings that gather key stakeholders in the state's innovation sector;

(5) conduct outreach and education on innovation activities and related financial programs available from the department and other organizations, particularly for underserved communities;

(6) interact and collaborate with statewide partners including but not limited to businesses, nonprofits, trade associations, and higher education institutions;

(7) administer an advisory board to assist with direction, grant application review, program evaluation, report development, and partnerships;

(8) accept grant applications under subdivisions 5, 6, and 7 and work with the advisory board to review and prioritize the applications and provide recommendations to the commissioner; and

(9) perform other duties at the commissioner's discretion.

Subd. 4. **Administration.** (a) The executive director shall:

(1) assist the commissioner and the advisory board in performing the duties of Launch Minnesota; and

(2) comply with all state and federal program requirements, and all state and federal securities and tax laws and regulations.

(b) Launch Minnesota may occupy and lease physical space in a private coworking facility that includes office space for staff and space for community engagement for training entrepreneurs. The physical space leased under this paragraph is exempt from the requirements in Minnesota Statutes, section 16B.24, subdivision 6.

(c) At least three times per month, Launch Minnesota staff shall communicate with organizations in greater Minnesota that have received a grant under subdivision 7. To the extent possible, Launch Minnesota shall form partnerships with organizations located throughout the state.

(d) Launch Minnesota must accept grant applications under this section and provide funding recommendations to the commissioner and the commissioner shall distribute grants based in part on the recommendations.

Subd. 5. **Application process.** (a) The commissioner shall establish the application form and procedures for grants.

(b) Upon receiving recommendations from Launch Minnesota, the commissioner is responsible for evaluating all applications using evaluation criteria which shall be developed by Launch Minnesota in consultation with the advisory board.

(c) For grants under subdivision 6, priority shall be given if the applicant is:

(1) a business or entrepreneur located in greater Minnesota; or

(2) a business owner, individual with a disability, or entrepreneur who is a woman, veteran, or minority group member.

(d) For grants under subdivision 7, priority shall be given if the applicant is planning to serve:

(1) businesses or entrepreneurs located in greater Minnesota; or

(2) business owners, individuals with disabilities, or entrepreneurs who are women, veterans, or minority group members.

(e) The department staff, and not Launch Minnesota staff, are responsible for awarding funding, disbursing funds, and monitoring grantee performance for all grants awarded under this section.

(f) Grantees must provide matching funds by equal expenditures and grant payments must be provided on a reimbursement basis after review of submitted receipts by the department.

(g) Grant applications must be accepted on a regular periodic basis by Launch Minnesota and must be reviewed by Launch Minnesota and the advisory board before being submitted to the commissioner with their recommendations.

Subd. 6. **Innovation grants.** (a) The commissioner shall distribute innovation grants under this subdivision.

(b) The commissioner shall provide a grant of up to \$35,000 to an eligible business or entrepreneur for research and development expenses, direct business expenses, and the purchase of technical assistance or services from public higher education institutions and nonprofit entities. Research and development expenditures may include but are not limited to proof of concept activities, intellectual property protection, prototype designs and production, and commercial feasibility. Expenditures funded under this subdivision are not eligible for the research and development tax credit under Minnesota Statutes, section 290.068. Direct business expenses may include rent, equipment purchases, and supplier invoices. Taxes imposed by federal, state, or local government entities may not be reimbursed under this paragraph. Technical assistance or services must be purchased to assist in the development or commercialization of a product or service to be eligible. Each business or entrepreneur may receive only one grant per biennium under this paragraph.

(c) The commissioner shall provide a grant of up to \$35,000 in Phase 1 or \$50,000 in Phase 2 to an eligible business or entrepreneur that, as a registered client of the Small Business Innovation Research (SBIR) program, has been awarded a first time Phase 1 or Phase 2 award pursuant to the SBIR or Small Business Technology Transfer (STTR) programs after July 1, 2019. Each business or entrepreneur may receive only one grant per

51.1 biennium under this paragraph. Grants under this paragraph are not subject to the
51.2 requirements of subdivision 2, paragraph (k).

51.3 Subd. 7. **Entrepreneur education grants.** (a) The commissioner shall make entrepreneur
51.4 education grants to institutions of higher education and other organizations to provide
51.5 educational programming to entrepreneurs and provide outreach to and collaboration with
51.6 businesses, federal and state agencies, institutions of higher education, trade associations,
51.7 and other organizations working to advance innovative technology businesses throughout
51.8 Minnesota.

51.9 (b) Applications for entrepreneur education grants under this subdivision must be
51.10 submitted to the commissioner and evaluated by department staff other than Launch
51.11 Minnesota. The evaluation criteria must be developed by Launch Minnesota, in consultation
51.12 with the advisory board, and the commissioner, and priority must be given to an applicant
51.13 who demonstrates activity assisting business owners or entrepreneurs residing in greater
51.14 Minnesota or who are women, veterans, or minority group members.

51.15 (c) Department staff other than Launch Minnesota staff are responsible for awarding
51.16 funding, disbursing funds, and monitoring grantee performance under this subdivision.

51.17 (d) Grantees may use the grant funds to deliver the following services:

51.18 (1) development and delivery to innovative technology businesses of industry specific
51.19 or innovative product or process specific counseling on issues of business formation, market
51.20 structure, market research and strategies, securing first mover advantage or overcoming
51.21 barriers to entry, protecting intellectual property, and securing debt or equity capital. This
51.22 counseling is to be delivered in a classroom setting or using distance media presentations;

51.23 (2) outreach and education to businesses and organizations on the small business
51.24 investment tax credit program under Minnesota Statutes, section 116J.8737, the MNvest
51.25 crowd-funding program under Minnesota Statutes, section 80A.461, and other state programs
51.26 that support innovative technology business creation especially in underserved communities;

51.27 (3) collaboration with institutions of higher education, local organizations, federal and
51.28 state agencies, the Small Business Development Center, and the Small Business Assistance
51.29 Office to create and offer educational programming and ongoing counseling in greater
51.30 Minnesota that is consistent with those services offered in the metropolitan area; and

51.31 (4) events and meetings with other innovation-related organizations to inform
51.32 entrepreneurs and potential investors about Minnesota's growing innovation economy.

52.1 Subd. 8. **Higher education technology commercialization program.** (a) The
52.2 commissioner shall distribute higher education technology commercialization program
52.3 grants to no more than five systems or institutions of higher education to provide technical
52.4 assistance and subject matter expertise to entrepreneurs working to scale new innovations.

52.5 (b) Grantees shall collaborate with the Launch Minnesota network, private sector, and
52.6 other organizations working to advance innovative technology businesses when delivering
52.7 this assistance.

52.8 (c) Priority must be given to applicants with experience assisting business owners or
52.9 entrepreneurs residing in greater Minnesota or who are women, veterans, or minority group
52.10 members.

52.11 (d) Department staff other than Launch Minnesota staff are responsible for awarding
52.12 funding, disbursing funds, and monitoring grantee performance under this subdivision.

52.13 (e) Grantees may use the grant funds to deliver the following services:

52.14 (1) services to advance product development and to more clearly define a commercial
52.15 path for products and services, including education, prototyping, technical assistance,
52.16 marketing research, and subject matter expertise; and

52.17 (2) funding to offset staff costs in organizing and administering the technology
52.18 commercialization program.

52.19 Subd. 9. **Report.** (a) Launch Minnesota shall annually report by December 31 to the
52.20 chairs and ranking minority members of the committees of the house of representatives and
52.21 senate having jurisdiction over economic development policy and finance. Each report shall
52.22 include information on the work completed, including awards made by the department under
52.23 this section and progress toward transferring the activities of Launch Minnesota to an entity
52.24 outside of state government.

52.25 (b) By December 31, 2024, Launch Minnesota shall provide a comprehensive transition
52.26 plan to the chairs and ranking minority members of the committees of the house of
52.27 representatives and senate having jurisdiction over economic development policy and
52.28 finance. The transition plan shall include: (1) a detailed strategy for the transfer of Launch
52.29 Minnesota activities to an entity outside of state government; (2) the projected date of the
52.30 transfer; and (3) the role of the state, if any, in ongoing activities of Launch Minnesota or
52.31 its successor entity.

52.32 Subd. 10. **Advisory board.** (a) The commissioner shall establish an advisory board to
52.33 advise the executive director regarding the activities of Launch Minnesota, make the

recommendations described in this section, and develop and initiate a strategic plan for transferring some activities of Launch Minnesota to a new or existing public-private partnership or nonprofit organization outside of state government.

(b) The advisory board shall consist of ten members and is governed by Minnesota Statutes, section 15.059. A minimum of seven members must be from the private sector representing business and at least two members but no more than three members must be from government and higher education. At least three of the members of the advisory board shall be from greater Minnesota and at least three members shall be minority group members. Appointees shall represent a range of interests, including entrepreneurs, large businesses, industry organizations, investors, and both public and private small business service providers.

(c) The advisory board shall select a chair from its private sector members. The executive director shall provide administrative support to the committee.

(d) The commissioner, or a designee, shall serve as an ex-officio, nonvoting member of the advisory board.

Sec. 17. **[116J.8752] MINNESOTA FORWARD FUND.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision have the meanings given.

(b) "Agreement" or "business subsidy agreement" means a business subsidy agreement under section 116J.994 that must include but is not limited to specification of the duration of the agreement, job goals and a timeline for achieving those goals over the duration of the agreement, construction and other investment goals and a timeline for achieving those goals over the duration of the agreement, and the value of benefits the firm may receive following achievement of capital investment and employment goals. The municipality, local unit of government, or business must report to the commissioner on the business performance using the forms developed by the commissioner.

(c) "Business" means an individual, corporation, partnership, limited liability company, association, or other entity.

(d) "Capital investment" means money that is expended for the purpose of building or improving real fixed property where employees are or will be employed, equipment and machinery in the building, and operating expenses related to the building.

(e) "Commissioner" means the commissioner of employment and economic development.

54.1 (f) "Fund" means the Minnesota forward fund.

54.2 Subd. 2. **Minnesota forward fund account.** The Minnesota forward fund account is
54.3 created as a separate account in the treasury. Money in the account is appropriated to the
54.4 commissioner of employment and economic development for the purposes of this section.
54.5 All money earned by the account, loan repayments of principal, and interest must be credited
54.6 to the account. The commissioner shall operate the account as a revolving account.

54.7 Subd. 3. **Purpose.** The Minnesota forward fund is created to increase the state's
54.8 competitiveness by providing the state the authority and flexibility to facilitate private
54.9 investment. The fund serves as a closing fund to allow the authority and flexibility to
54.10 negotiate incentives to better compete with other states for business retention, expansion
54.11 and attraction of projects in existing and new industries, develop properties for business
54.12 use, and leverage to meet matching requirements of federal funding for resiliency in economic
54.13 security and economic enhancement opportunities that provide the public high-quality
54.14 employment opportunities. The commissioner shall use money appropriated to the fund to:

54.15 (1) create and retain permanent private-sector jobs in order to create above-average
54.16 economic growth consistent with environmental protection;

54.17 (2) stimulate or leverage private investment to ensure economic renewal and
54.18 competitiveness;

54.19 (3) increase the local tax base, based on demonstrated measurable outcomes, to guarantee
54.20 a diversified industry mix;

54.21 (4) improve the quality of existing jobs, based on increases in wages or improvements
54.22 in the job duties, training, or education associated with those jobs;

54.23 (5) improve employment and economic opportunity for citizens in the region to create
54.24 a reasonable standard of living, consistent with federal and state guidelines on low- to
54.25 moderate-income persons;

54.26 (6) stimulate productivity growth through improved manufacturing or new technologies;
54.27 and

54.28 (7) match or leverage private or public funding to increase investment and opportunity
54.29 in the state.

54.30 Subd. 4. **Use of fund.** The commissioner may use money in the fund to make grants,
54.31 loans and forgivable loans, to businesses that are making large private capital investments
54.32 in existing and new industries. The commissioner may also use money in the fund to make
54.33 grants to communities and higher education institutions to support such capital investments

and related activities to support the industries. Money may be used to address capital needs of businesses for machinery and equipment purchases; building construction and remodeling; land development; water and sewer lines, roads, rail lines, and natural gas and electric infrastructure; working capital; and workforce training. Money may also be used for matching federal grants for research and development projects and industry workforce training grants for existing and new industries that require state and local match. Money in the fund may also be used to pay for the costs of carrying out the commissioner's due diligence duties under this section.

Subd. 5. Grant limits. (a) Individual business expansion projects are limited to no more than \$20,000,000 in grants or loans combined. The commissioner shall not be precluded from using other funding sources from the Department of Employment and Economic Development to facilitate a project. Total funding per business under this section shall not exceed \$20,000,000, of which no more than \$10,000,000 may be grants and \$10,000,000 may be loans.

(b) The commissioner may use money in the fund to make grants to a municipality or local unit of government for public and private infrastructure needed to support an eligible project under this section. Grant money may be used by the municipality or local unit of government to predesign, design, construct, and equip roads and rail lines; acquire and prepare land for development; and, in cooperation with municipal utilities, to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems. The maximum grant award per local unit of government under this section is \$10,000,000.

(c) The commissioner may use money in the fund to make grants to institutions of higher education for developing and deploying training programs and to increase the capacity of the institution to serve industrial requirements for research and development that coincide with current and future requirements of projects eligible under this section. Grant money may be used to construct and equip facilities that serve the purpose of the industry. The maximum grant award per institution of higher education under this section is \$5,000,000 and may not represent more than 33 percent of the total project funding from other sources.

(d) Grants under this subdivision are available until expended.

Subd. 6. Administration. (a) Eligible applicants for the state-funded portion of the fund also include development authorities as defined in section 116J.552, subdivision 4, provided that the governing body of the municipality approves, by resolution, the application of the development authority. Institutions of higher education also constitute eligible applicants

for the purpose of developing and deploying workforce training programs and for developing and deploying research and development partnerships for projects eligible under this section.

(b) The business, municipality, or local unit of government must request and submit an application to the commissioner. Applications must be in the form and procedure specified by the commissioner.

(c) The commissioner must conduct due diligence, including contracting with professionals as needed to assist in the due diligence.

(d) Notwithstanding any other law to the contrary, grant and loan agreements through the Minnesota forward fund may exceed five years but not more than ten years.

Subd. 7. **Requirements prior to committing funds.** Prior to the commissioner making a commitment for grant or loan under this section, the Legislative Advisory Commission and governor must jointly provide written authorization. The commissioner shall provide a written report to the Legislative Advisory Commission and governor, including but not limited to the purpose of the award, the project overview, financial details, and the performance requirements required 14 days prior to any meeting or decision.

Subd. 8. **Eligible projects.** (a) The governor and the Legislative Advisory Commission must evaluate applications under this section on the existence of one or more of the following conditions:

(1) creation of new jobs, retention of existing jobs, or improvements in the quality of existing jobs as measured by the wages, skills, or education associated with those jobs;

(2) whether the project can demonstrate that investment of public dollars induces private and other public funds as follows;

(i) businesses in the seven-county metropolitan area must invest more than \$40,000,000 in capital expenditures and create at least 70 jobs or retain at least 150 jobs;

(ii) businesses outside of the seven-county metropolitan area must invest more than \$25,000,000 in capital expenditures and create at least 40 new jobs or retain at least 75 jobs; and

(iii) cash wages of each new employee must exceed 120 percent of federal poverty guidelines for a family of four, adjusted annually;

(3) whether the project can demonstrate an excessive public infrastructure or improvement cost beyond the means of the affected community and private participants in the project;

57.1 (4) whether assistance is necessary to retain existing business or whether assistance is
57.2 necessary to attract out-of-state business;

57.3 (5) the project promotes or advances an industry in which the federal government is
57.4 making large investments to strengthen domestic production and supply chains that are
57.5 resilient for economic security and economic enhancement opportunities;

57.6 (6) the project promotes or advances the green economy as defined in section 116J.437;

57.7 (7) the project requires state resources beyond the capability of existing programs at the
57.8 department and by its significance, requires the governor and legislature's involvement; and

57.9 (8) written support from the municipality or local unit of government in which the project
57.10 will be located.

57.11 (b) The governor and the Legislative Advisory Commission shall submit applications
57.12 recommended for funding to the commissioner.

57.13 Subd. 9. **Requirements for fund disbursements.** Disbursements of loan funds pursuant
57.14 to a commitment may not be made until:

57.15 (1) commitments for the remainder of a project's funding are made that are satisfactory
57.16 to the commissioner and disbursements made from the other commitments are sufficient to
57.17 protect the interests of the state in its grant or loan;

57.18 (2) performance requirements are met, if any;

57.19 (3) the municipality or local unit of government in which the project will be located has
57.20 passed a resolution of support for the project and submitted this resolution of support to the
57.21 department; and

57.22 (4) all of a project's funding is satisfactory to the commissioner and disbursements made
57.23 from other commitments are sufficient to protect the interests of the state.

57.24 Subd. 10. **Reporting.** The commissioner shall provide the Legislative Advisory
57.25 Commission and the ranking members of the committees with jurisdiction over economic
57.26 development with an annual report on all projects that have been approved by February 15
57.27 of each year until this section is repealed or the funding has been exhausted.

57.28 Sec. 18. Minnesota Statutes 2022, section 116L.361, subdivision 7, is amended to read:

57.29 Subd. 7. **Very Low income.** "Very Low income" means incomes that are at or less than
57.30 ~~50~~ 80 percent of the area median income, adjusted for family size, as estimated by the
57.31 Department of Housing and Urban Development.

58.1 Sec. 19. Minnesota Statutes 2022, section 116L.362, subdivision 1, is amended to read:

58.2 Subdivision 1. **Generally.** (a) The commissioner shall make grants to eligible
58.3 organizations for programs to provide education and training services to targeted youth.
58.4 The purpose of these programs is to provide specialized training and work experience for
58.5 targeted youth who have not been served effectively by the current educational system. The
58.6 programs are to include a work experience component with work projects that result in the
58.7 rehabilitation, improvement, or construction of (1) residential units for the homeless; (2)
58.8 improvements to the energy efficiency and environmental health of residential units and
58.9 other green jobs purposes; (3) facilities to support community garden projects; or (4)
58.10 education, social service, or health facilities which are owned by a public agency or a private
58.11 nonprofit organization.

58.12 (b) Eligible facilities must principally provide services to homeless or ~~very~~ low income
58.13 individuals and families, and include the following:

- 58.14 (1) Head Start or day care centers, including playhouses or similar incidental structures;
- 58.15 (2) homeless, battered women, or other shelters;
- 58.16 (3) transitional housing and tiny houses;
- 58.17 (4) youth or senior citizen centers;
- 58.18 (5) community health centers; and
- 58.19 (6) community garden facilities.

58.20 Two or more eligible organizations may jointly apply for a grant. The commissioner
58.21 shall administer the grant program.

58.22 Sec. 20. Minnesota Statutes 2022, section 116L.364, subdivision 3, is amended to read:

58.23 Subd. 3. **Work experience component.** A work experience component must be included
58.24 in each program. The work experience component must provide vocational skills training
58.25 in an industry where there is a viable expectation of job opportunities. A training subsidy,
58.26 living allowance, or stipend, not to exceed an amount equal to 100 percent of the poverty
58.27 line for a family of two as defined in ~~United States Code, title 42, section 673, paragraph~~
58.28 ~~(2)~~ the final rules and regulations of the Workforce Innovation and Opportunity Act, may
58.29 be provided to program participants. The wage or stipend must be provided to participants
58.30 who are recipients of public assistance in a manner or amount which will not reduce public
58.31 assistance benefits. The work experience component must be designed so that work projects
58.32 result in (1) the expansion or improvement of residential units for homeless persons and

59.1 ~~very~~ low income families; (2) improvements to the energy efficiency and environmental
59.2 health of residential units; (3) facilities to support community garden projects; or (4)
59.3 rehabilitation, improvement, or construction of eligible education, social service, or health
59.4 facilities that principally serve homeless or ~~very~~ low income individuals and families. Any
59.5 work project must include direct supervision by individuals skilled in each specific vocation.
59.6 Program participants may earn credits toward the completion of their secondary education
59.7 from their participation in the work experience component.

59.8 Sec. 21. **[116L.43] TARGETED POPULATIONS WORKFORCE GRANTS.**

59.9 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
59.10 the meanings given.

59.11 (b) "Entry level jobs" means part-time or full-time jobs that an individual can perform
59.12 without any prior education or experience.

59.13 (c) "High wage" means the income needed for a family to cover minimum necessary
59.14 expenses in a given area, including food, child care, health care, housing, and transportation.

59.15 (d) "Industry specific certification" means a credential an individual can earn to show
59.16 proficiency in a particular area or skill.

59.17 (e) "Remedial training" means additional training provided to staff following the
59.18 identification of a need intended to increase proficiency in performing job tasks.

59.19 (f) "Small business" has the same meaning as section 645.445.

59.20 (g) "Workforce development community-based organization" means a nonprofit
59.21 organization with under \$1,000,000 in annual revenue that performs workforce development
59.22 activities.

59.23 Subd. 2. **Job and entrepreneurial skills training grants.** (a) The commissioner shall
59.24 establish a job and entrepreneurial skills training grant program that must provide competitive
59.25 funding to organizations to provide skills training that leads to employment or business
59.26 development in high-growth industries.

59.27 (b) Grants must be used to provide skills training including:

59.28 (1) student tutoring and testing support services;

59.29 (2) training and employment placement in high-wage and high-growth employment;

59.30 (3) assistance in obtaining industry specific certifications;

59.31 (4) remedial training leading to enrollment;

- 60.1 (5) real-time work experience or on-the-job training;
- 60.2 (6) career and educational counseling;
- 60.3 (7) work experience and internships;
- 60.4 (8) supportive services;
- 60.5 (9) tuition reimbursement for new entrants into public sector careers;
- 60.6 (10) career mentorship;
- 60.7 (11) postprogram case management services;
- 60.8 (12) job placement services; and
- 60.9 (13) the cost of corporate board of director training for people of color.
- 60.10 (c) The commissioner must award grants to community based organizations meeting
- 60.11 the following criteria:
- 60.12 (1) the organization's primary operations are located in communities of color;
- 60.13 (2) 80 percent of the organization's participants reflect the demographics of the
- 60.14 community; and
- 60.15 (3) the organization's community has a high unemployment rate or poverty rate.
- 60.16 (d) Grant awards must not exceed \$750,000 per year per organization and all funding
- 60.17 awards must be made for the duration of a biennium. An organization may partner with
- 60.18 another organization to utilize grant awards, provided that the organizations must not be
- 60.19 funded to deliver the same services. Grants awarded under this subdivision are not subject
- 60.20 to section 116L.98.
- 60.21 Subd. 3. **Diversity and inclusion training for small employers.** (a) The commissioner
- 60.22 shall establish a diversity and inclusion training grant program which shall provide
- 60.23 competitive grants to businesses that commit to actively engage, hire, and retain people of
- 60.24 color for both entry level and high-wage opportunities.
- 60.25 (b) Grant awards must not exceed \$300,000 per year per business. A business may only
- 60.26 receive one grant for diversity and inclusion training per biennium.
- 60.27 (c) Grant funds must be used to train small businesses in outreach, recruitment, and
- 60.28 retention of entry-level, mid-level, and senior-level management and a board of directors.
- 60.29 Grant recipients are required to submit a plan for use of the funds and an implementation
- 60.30 plan after training is completed.

61.1 (d) Grants awarded under this subdivision are not subject to section 116L.98.

61.2 Subd. 4. **Capacity building.** (a) The commissioner shall establish a capacity building
61.3 grant program to provide training services and funding to small workforce development
61.4 community-based organizations.

61.5 (b) Eligible organizations include nonprofit organizations which have:

61.6 (1) primary offices located in low-income communities;

61.7 (2) an annual client service base of over 80 percent of people of color; and

61.8 (3) an annual budget of less than \$1,000,000.

61.9 (c) Eligible uses of grant awards include covering the cost of workforce program delivery
61.10 staff, program infrastructure costs, and workforce training related service model development.

61.11 (d) Grant awards must not exceed \$50,000 per organization and are limited to one grant
61.12 per organization.

61.13 (e) Grants awarded under this subdivision are not subject to section 116L.98.

61.14 (f) By January 15, 2025, and each January 15 thereafter, the commissioner must submit
61.15 a report to the chairs and ranking minority members of the committees of the house of
61.16 representatives and the senate having jurisdiction over workforce development that details
61.17 the use of grant awards. If data is available, the report must contain data that is disaggregated
61.18 by race, cultural groups, family income, age, geographical location, migrant or foreign
61.19 immigrant status, primary language, whether the participant is an English learner under
61.20 section 124D.59, disability, and status of homelessness.

61.21 Sec. 22. Minnesota Statutes 2022, section 116L.56, subdivision 2, is amended to read:

61.22 Subd. 2. **Eligible applicant.** "Eligible applicant" means an individual who is between
61.23 the ages of 14 and ~~21~~ 24 and economically disadvantaged.

61.24 An at-risk youth who is classified as a family of one is deemed economically
61.25 disadvantaged. For purposes of eligibility determination the following individuals are
61.26 considered at risk:

61.27 (1) a pregnant or parenting youth;

61.28 (2) a youth with limited English proficiency;

61.29 (3) a potential or actual school dropout;

61.30 (4) a youth in an offender or diversion program;

- 62.1 (5) a public assistance recipient or a recipient of group home services;
- 62.2 (6) a youth with disabilities including learning disabilities;
- 62.3 (7) a child of drug or alcohol abusers or a youth with substance use disorder;
- 62.4 (8) a homeless or runaway youth;
- 62.5 (9) a youth with basic skills deficiency;
- 62.6 (10) a youth with an educational attainment of one or more levels below grade level
- 62.7 appropriate to age; or
- 62.8 (11) a foster child.

62.9 Sec. 23. Minnesota Statutes 2022, section 116L.561, subdivision 5, is amended to read:

62.10 Subd. 5. **Allocation formula.** Seventy percent of Minnesota youth program funds must

62.11 be allocated based on the county's share of economically disadvantaged youth. The remaining

62.12 30 percent must be allocated based on the county's share of population ages 14 to ~~21~~ 24.

62.13 Sec. 24. Minnesota Statutes 2022, section 116L.562, subdivision 2, is amended to read:

62.14 Subd. 2. **Definitions.** For purposes of this section:

62.15 (1) "eligible organization" or "eligible applicant" means a local government unit, nonprofit

62.16 organization, community action agency, or a public school district;

62.17 (2) "at-risk youth" means youth classified as at-risk under section 116L.56, subdivision

62.18 2; and

62.19 (3) "economically disadvantaged" means youth who are economically disadvantaged as

62.20 defined in ~~United States Code, title 29, section 1503~~ the rules and regulations of the

62.21 Workforce Innovation and Opportunity Act.

62.22 Sec. 25. **MINNESOTA EMPLOYER REASONABLE ACCOMMODATION FUND.**

62.23 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this

62.24 subdivision have the meanings given.

62.25 (b) "Applicant" means any person, whether employed or unemployed, seeking or entering

62.26 into any arrangement for employment or change of employment with an eligible employer.

62.27 (c) "Commissioner" means the commissioner of employment and economic development.

63.1 (d) "Eligible employer" means an employer domiciled within the legal boundaries of
63.2 Minnesota and having its principal place of business as identified in its certificate of
63.3 incorporation in the state of Minnesota who:

63.4 (1) employs not more than 500 employees on any business day during the preceding
63.5 calendar year; and

63.6 (2) generates \$5,000,000 or less in gross annual revenue.

63.7 (e) "Employee" has the meaning given in Minnesota Statutes, section 363A.03,
63.8 subdivision 15.

63.9 (f) "Individual with a disability" has the meaning given to "qualified disabled person"
63.10 in Minnesota Statutes, section 363A.03, subdivision 36.

63.11 (g) "Reasonable accommodation" has the meaning given in Minnesota Statutes, section
63.12 363A.08, subdivision 6.

63.13 Subd. 2. **Reimbursement grant program established.** The commissioner shall establish
63.14 a reasonable accommodation reimbursement grant program that reimburses eligible
63.15 employers for the cost of expenses incurred in providing reasonable accommodations for
63.16 individuals with a disability who are either applicants or employees of the eligible employer.

63.17 Subd. 3. **Application.** (a) The commissioner must develop forms and procedures for
63.18 soliciting and reviewing applications for reimbursement under this section.

63.19 (b) The program shall award reimbursements to eligible employers to the extent that
63.20 funds are available in the account established under subdivision 5 for this purpose.

63.21 (c) Applications shall be processed on a first-received, first-processed basis within each
63.22 fiscal year until funding is exhausted. Applications received after funding has been exhausted
63.23 in a fiscal year are not eligible for reimbursement.

63.24 (d) Documentation for reimbursement shall be provided by eligible employers in a form
63.25 approved by the commissioner.

63.26 Subd. 4. **Reimbursement awards.** The maximum total reimbursement per eligible
63.27 employer in a fiscal year is \$30,000 and:

63.28 (1) submissions for onetime reasonable accommodation expenses must be no less than
63.29 \$250 and no more than \$15,000 per individual with a disability; and

63.30 (2) submissions for ongoing reasonable accommodation expenses have no minimum or
63.31 maximum requirements.

64.1 Subd. 5. **Employer reasonable accommodation fund account established.** The
64.2 employer reasonable accommodation fund account is created as an account in the special
64.3 revenue fund. Money in the account is appropriated to the commissioner for the purposes
64.4 of reimbursing eligible employers under this section.

64.5 Subd. 6. **Technical assistance and consultation.** The commissioner may provide
64.6 technical assistance regarding requests for reasonable accommodations.

64.7 Subd. 7. **Administration and marketing costs.** The commissioner may use up to 20
64.8 percent of the biennial appropriation for administration and marketing of this section.

64.9 Subd. 8. **Notification.** By September 1, 2023, or within 60 days following final enactment,
64.10 whichever is later, and each year thereafter by June 30, the commissioner shall make publicly
64.11 available information regarding the availability of funds for reasonable accommodation
64.12 reimbursement and the procedure for requesting reimbursement under this section.

64.13 Subd. 9. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter
64.14 until expiration, the commissioner must submit a report to the chairs and ranking minority
64.15 members of the house of representatives and the senate committees with jurisdiction over
64.16 workforce development that details the use of grant funds. This report must include data on
64.17 the number of employer reimbursements the program made in the preceding calendar year.
64.18 The report must include:

64.19 (1) the number and type of accommodations requested;

64.20 (2) the cost of accommodations requested;

64.21 (3) the employers from which the requests were made;

64.22 (4) the number and type of accommodations that were denied and why;

64.23 (5) any remaining balance left in the account; and

64.24 (6) if the account was depleted, the date on which funds were exhausted and the number,
64.25 type, and cost of accommodations that were not reimbursed to employers.

64.26 Subd. 10. **Expiration.** This section expires June 30, 2025, or when money appropriated
64.27 for its purpose expires.

ARTICLE 5**UNEMPLOYMENT INSURANCE****Section 1. [124D.995] UNEMPLOYMENT INSURANCE AID.**

(a) School districts and charter schools, including intermediate school districts and other cooperative units under section 123A.24, subdivision 2, are eligible to receive unemployment insurance aid under this section. For each fiscal year, an eligible entity's aid is the difference between:

(1) net audited unemployment costs, as reported under section 123B.76, for the prior fiscal year; and

(2) the base period net audited unemployment costs pursuant to paragraph (b).

(b) The base period net audited unemployment costs equals the average of an eligible entity's fiscal year 2023 and fiscal year 2024 net audited unemployment costs.

(c) If the total eligible unemployment insurance aid for a fiscal year is greater than the annual appropriation for that year, the commissioner must proportionately reduce the aid payment to each eligible entity.

EFFECTIVE DATE. This section is effective for aid beginning in fiscal year 2026.

Sec. 2. Minnesota Statutes 2022, section 126C.43, subdivision 2, is amended to read:

Subd. 2. Payment to unemployment insurance program trust fund by state and political subdivisions. (a) A district may levy the amount necessary (1) to pay the district's obligations under section 268.052, subdivision 1, and (2) to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.085 for the fiscal year the levy is certified.

(b) Districts with a balance remaining in their reserve for reemployment as of June 30, 2003, may not expend the reserved funds for future reemployment expenditures. Each year a levy reduction must be made to return these funds to taxpayers. The amount of the levy reduction must be equal to the lesser of: (1) the remaining reserved balance for reemployment, or (2) the amount of the district's current levy under paragraph (a).

(c) The amount in paragraph (a) must be reduced by any amount received by the district under section 124D.995.

(d) A district that is a member of an intermediate school district or other cooperative unit under section 123A.24, subdivision 2, may include in its authority under this section

66.1 the costs associated with qualifying obligations under paragraph (a) for the cooperative unit.
66.2 Revenue raised under this paragraph must be transferred to the cooperative unit.

66.3 Sec. 3. Minnesota Statutes 2022, section 127A.45, subdivision 12, is amended to read:

66.4 Subd. 12. **Payment percentage for certain aids.** One hundred percent of the aid for
66.5 the current fiscal year must be paid for the following aids: reimbursement for enrollment
66.6 options transportation, according to sections 124D.03, subdivision 8, and 124D.09,
66.7 subdivision 22, and chapter 124E; school lunch aid, according to section 124D.111; ~~and~~
66.8 support services aid, for persons who are deaf, deafblind, and hard-of-hearing according to
66.9 section 124D.57; and unemployment insurance aid according to section 124D.995.

66.10 Sec. 4. Minnesota Statutes 2022, section 268.085, subdivision 7, is amended to read:

66.11 Subd. 7. **School employees; between terms denial.** (a) Wage credits from employment
66.12 in an instructional, research, or principal administrative capacity with an elementary or
66.13 secondary school educational institution or institutions or in any capacity with a
66.14 post-secondary educational institution or institutions may not be used for unemployment
66.15 benefit purposes for any week during the period between two successive academic years
66.16 or terms if:

66.17 (1) the applicant had employment for an educational institution or institutions in the
66.18 prior academic year or term; and

66.19 (2) there is a reasonable assurance that the applicant will have employment for an
66.20 educational institution or institutions in the following academic year or term.

66.21 This paragraph applies to a vacation period or holiday recess if the applicant was
66.22 employed with an educational institution or institutions in any position immediately before
66.23 the vacation period or holiday recess, and there is a reasonable assurance that the applicant
66.24 will be employed immediately following the vacation period or holiday recess. This paragraph
66.25 also applies to the period between two regular but not successive terms if there is an
66.26 agreement for that schedule between the applicant and the educational institution.

66.27 This paragraph does not apply if the subsequent employment is substantially less
66.28 favorable than the employment of the prior academic year or term, or the employment prior
66.29 to the vacation period or holiday recess.

66.30 (b) Paragraph (a) does not apply to an applicant who, at the end of the prior academic
66.31 year or term, had an agreement for a definite period of employment between academic years

67.1 or terms in other than an instructional, research, or principal administrative capacity and
67.2 the educational institution or institutions failed to provide that employment.

67.3 (c) If unemployment benefits are denied to any applicant under paragraph (a) who was
67.4 employed in the prior academic year or term in other than an instructional, research, or
67.5 principal administrative capacity and who was not offered an opportunity to perform the
67.6 employment in the following academic year or term, the applicant is entitled to retroactive
67.7 unemployment benefits for each week during the period between academic years or terms
67.8 that the applicant filed a timely continued request for unemployment benefits, but
67.9 unemployment benefits were denied solely because of paragraph (a).

67.10 (d) This subdivision applies to employment with an educational service agency if the
67.11 applicant performed the services at an educational institution or institutions. "Educational
67.12 service agency" means a governmental entity established and operated for the purpose of
67.13 providing services to one or more educational institutions.

67.14 (e) This subdivision applies to employment with Minnesota, a political subdivision, or
67.15 a nonprofit organization, if the services are provided to or on behalf of an educational
67.16 institution or institutions.

67.17 (f) Paragraph (a) applies beginning the Sunday of the week that there is a reasonable
67.18 assurance of employment.

67.19 (g) Employment and a reasonable assurance with multiple education institutions must
67.20 be aggregated for purposes of application of this subdivision.

67.21 (h) If all of the applicant's employment with any educational institution or institutions
67.22 during the prior academic year or term consisted of on-call employment, and the applicant
67.23 has a reasonable assurance of any on-call employment with any educational institution or
67.24 institutions for the following academic year or term, it is not considered substantially less
67.25 favorable employment.

67.26 (i) A "reasonable assurance" may be written, oral, implied, or established by custom or
67.27 practice.

67.28 (j) An "educational institution" is a school, college, university, or other educational entity
67.29 operated by Minnesota, a political subdivision or instrumentality thereof, or a nonprofit
67.30 organization.

67.31 (k) An "instructional, research, or principal administrative capacity" does not include
67.32 an educational assistant.

68.1 Sec. 5. Minnesota Statutes 2022, section 268.085, subdivision 8, is amended to read:

68.2 Subd. 8. **Services for school contractors.** (a) Wage credits from an employer are subject
68.3 to subdivision 7, if:

68.4 (1) the employment was provided under a contract between the employer and an
68.5 elementary or secondary school; and

68.6 (2) the contract was for services that the elementary or secondary school could have had
68.7 performed by its employees.

68.8 (b) Wage credits from an employer are not subject to subdivision 7 if:

68.9 (1) those wage credits were earned by an employee of a private employer performing
68.10 work under a contract between the employer and an elementary or secondary school; and

68.11 (2) the employment was related to food services or student transportation provided to
68.12 the school by the employer.

68.13 **EFFECTIVE DATE.** This section is effective January 1, 2024.