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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 389

01/28/2021 Authored by Hassan and Xiong, J., The bill was read for the first time and referred to the Committee on Workforce and Business Development Finance and Policy

1.1 A bill for an act
1.2 relating to state government; enacting the Women of Color Opportunity Act;
1.3 creating pilot projects; requiring a report; appropriating money.

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

1.5 ARTICLE 1
1.6 WOMEN OF COLOR OPPORTUNITY ACT

1.7 Section 1. ACT.

1.8 This act may be referred to as the Women of Color Opportunity Act.

1.9 ARTICLE 2
1.10 SMALL BUSINESS DEVELOPMENT

1.11 Section 1. WOMEN OF COLOR SMALL BUSINESS DEVELOPMENT PROGRAM.

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

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

1.15 (c) "Eligible loan recipient" means:

1.16 (1) one or more women of color who seek to start a small business; or

1.17 (2) a small business that:

1.18 (i) is a women of color business;

2.1 (ii) is not a nonprofit organization or business involved in real estate development,  
 2.2 exporting, multilevel marketing, adult entertainment, or lending; and

2.3 (iii) has its principal place of operation in Ramsey County.

2.4 (d) "Eligible organization" means a nonprofit organization located in Minnesota with  
 2.5 commercial lending experience, including but not limited to loan origination, servicing, and  
 2.6 underwriting, and experience providing technical assistance to female entrepreneurs and  
 2.7 women of color businesses.

2.8 (e) "Small business" means a business entity with fewer than 50 employees.

2.9 (f) "Women of color" means females 18 years of age or older who are American Indian,  
 2.10 Asian, Black, or Hispanic.

2.11 (g) "Women of color business" means a business for which one or more women of color:

2.12 (1) own at least 50 percent of the business or, in the case of a publicly owned business,  
 2.13 own at least 51 percent of the stock; and

2.14 (2) manage the business and control the daily business operations.

2.15 **Subd. 2. Women of color business development loan program.** (a) The commissioner  
 2.16 shall make grants to eligible organizations to provide loans for the start-up, expansion, and  
 2.17 retention of small businesses located in Ramsey County that are owned by women of color,  
 2.18 and to provide technical assistance, in collaboration with Minnesota's communities of color  
 2.19 and organizations that serve women of color.

2.20 (b) Eligible organizations may make loans to eligible loan recipients under this section,  
 2.21 subject to the following conditions:

2.22 (1) the maximum loan amount must not exceed \$.....;

2.23 (2) loans are available for business start-up, expansion, retention, and establishment of  
 2.24 credit;

2.25 (3) loans must have a fixed interest rate, with monthly repayment, for terms up to ten  
 2.26 years and must not have a penalty for prepayment;

2.27 (4) loans may include a onetime commitment fee, not to exceed \$.....; and collateral  
 2.28 filing fees, not to exceed, \$.....;

2.29 (5) preference for loan awards must be given to eligible loan recipients whose family  
 2.30 income does not exceed 80 percent of the area median income;

2.31 (6) loans must not be denied based solely on a poor credit rating or lack of credit rating;

3.1 (7) personal assets, including but not limited to a home, car, or personal savings, may  
3.2 be used for loan collateral;

3.3 (8) eligible loan recipients must invest savings or personal equity in the business at least  
3.4 equal to ten percent of the principal amount of the loan;

3.5 (9) eligible loan recipients and their businesses must be free of outstanding tax liens and  
3.6 not currently involved in any bankruptcy proceeding as a debtor;

3.7 (10) eligible loan recipients must not have any personal or business accounts in default,  
3.8 including any bills past due;

3.9 (11) any business partner with 20 percent or more ownership must be a coborrower on  
3.10 the loan; and

3.11 (12) technical assistance for eligible loan recipients must be available for the entire term  
3.12 of the loan.

3.13 Subd. 3. **Report.** By January 15, 2024, the commissioner shall submit to the legislative  
3.14 committees of the house of representatives and the senate having jurisdiction over economic  
3.15 development and workforce development policy and finance a report detailing the activity  
3.16 under the loan program. Where data are available, data in the report must be disaggregated,  
3.17 by race, cultural group, family income, geographical location, status as a migrant or foreign  
3.18 immigrant, home language, English learners under Minnesota Statutes, section 124D.59,  
3.19 disability, and status of homelessness.

3.20 Sec. 2. **WOMEN OF COLOR BUSINESS DEVELOPMENT PROGRAM;**  
3.21 **APPROPRIATION.**

3.22 \$..... in fiscal year 2022 is appropriated from the general fund to the commissioner of  
3.23 employment and economic development for grants under the women of color business  
3.24 development program under section 1. This is a onetime appropriation and is available until  
3.25 expended. Up to ... percent of grant awards to eligible organizations under section 1, may  
3.26 be used for administrative expenses directly related to the business development loan  
3.27 program, including, but not limited to, hiring staff to implement the loan program.

## ARTICLE 3

## FINANCIAL LITERACY

Section 1. **COMPETITIVE GRANT PROGRAMS TO INCREASE THE FINANCIAL LITERACY OF GIRLS OF COLOR.**

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

(b) "Commissioner" means the commissioner of education.

(c) "Eligible organization" means community-based organizations able to help girls or women of color become financially literate, Minnesota public elementary and secondary schools and postsecondary institutions offering financial literacy instruction and curricula, and other Minnesota organizations experienced in helping girls or women of color become financially literate, consistent with this section.

(d) "Financial literacy" means the knowledge and understanding needed to make responsible and appropriate personal financial decisions.

(e) "Girls of color" means females who have not reached their 18th birthday who self-identify as American Indian, Asian, Black, or Hispanic.

(f) "Women of color" means females age 18 and older who self-identify as American Indian, Asian, Black, or Hispanic.

Subd. 2. Grants. The commissioner shall award competitive grants, to the extent funds are available, on a first-come, first-served basis to eligible organizations to help girls and women of color gain financial literacy. The commissioner must award at least two grants to eligible organizations serving girls or women of color in Ramsey County, and at least one of these grant recipients must serve girls of color in secondary school. The commissioner also must award at least two grants to eligible organizations serving girls or women of color in greater Minnesota, and at least one of these grant recipients must serve girls of color in secondary school. The eligible organizations receiving a grant must use grant funds to increase the financial literacy of girls and women of color. Instruction in financial literacy must be culturally specific and provided in the primary language of the girls or women of color receiving the instruction.

Subd. 3. Report. By January 15, 2024, the commissioner must submit a written report to the legislative committees having jurisdiction over kindergarten through grade 12 education containing information about the competitive grant program design, activities, expenditures, and outcomes disaggregated by categories of race, cultural group, family income, age, grade

5.1 level, school district, geographical location, migrant, foreign immigrant status, home  
 5.2 language, English learner status under Minnesota Statutes, section 124D.59, disability,  
 5.3 homelessness, and foster care, to the extent the information is available and without  
 5.4 personally identifying the individual. The commissioner must include in the report  
 5.5 recommendations for a model program to increase the financial literacy of girls and women  
 5.6 of color in Minnesota.

5.7 **EFFECTIVE DATE.** This section is effective July 1, 2021.

5.8 Sec. 2. **APPROPRIATION.**

5.9 \$..... in fiscal year 2022 is appropriated from the general fund to the commissioner of  
 5.10 education for a competitive grant program to increase the financial literacy of girls and  
 5.11 women of color under section 1. This is a onetime appropriation and is available until  
 5.12 expended.

5.13 **EFFECTIVE DATE.** This section is effective July 1, 2021.

5.14 **ARTICLE 4**  
 5.15 **STEM CAREERS**

5.16 Section 1. **PILOT GRANT PROGRAM TO ENCOURAGE GIRLS OF COLOR TO**  
 5.17 **EXPLORE AND PURSUE STEM CAREERS.**

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

5.20 (b) "Best practices" means an innovative mentorship, internship, apprenticeship, or other  
 5.21 applied or experiential learning opportunity available for girls of color in STEM occupations  
 5.22 or fields.

5.23 (c) "Commissioner" means the commissioner of education.

5.24 (d) "Eligible organization" means community-based STEM-affiliated organizations  
 5.25 experienced in serving girls of color, Minnesota public elementary and secondary schools  
 5.26 providing STEM instruction and curricula, and other Minnesota STEM-affiliated  
 5.27 organizations experienced in serving girls of color, consistent with the purposes of this  
 5.28 section.

5.29 (e) "Girls of color" means females who have not reached their 18th birthday who  
 5.30 self-identify as American Indian, Asian, Black, or Hispanic.

5.31 (f) "STEM" means the subject areas of science, technology, engineering, and mathematics.

6.1 Subd. 2. **Grants; use of grant funds.** (a) The commissioner shall award one grant to  
 6.2 an eligible organization serving girls of color in Ramsey County and one grant to an eligible  
 6.3 organization serving girls of color in one or more counties in greater Minnesota. The eligible  
 6.4 organizations receiving a grant must use grant funds to encourage and support girls of color  
 6.5 in exploring and pursuing STEM careers consistent with paragraph (b).

6.6 (b) Grant recipients must use grant funds for one of two purposes: (1) for opportunities  
 6.7 for best practices to increase the awareness and interest of girls of color in STEM occupations  
 6.8 and fields, to develop the knowledge and confidence of girls of color in STEM, and to  
 6.9 increase the access of girls of color to secondary, dual credit, and postsecondary programs  
 6.10 leading to STEM occupations; or (2) for financial assistance for services to help girls of  
 6.11 color explore and pursue STEM careers while balancing their responsibilities for work, job  
 6.12 skills training and education, and family caregiving, which may include financial assistance  
 6.13 for child care, transportation, or safe and stable housing.

6.14 Subd. 3. **Outcomes.** The Ramsey County grant recipient must develop a model program  
 6.15 to encourage and support girls of color in exploring and pursuing STEM careers that other  
 6.16 Twin Cities metropolitan area counties may replicate and use. The greater Minnesota grant  
 6.17 recipient must develop a model program to encourage and support girls of color in exploring  
 6.18 and pursuing STEM careers that other greater Minnesota counties may replicate and use.

6.19 Subd. 4. **Report.** The commissioner, by January 15, 2024, must submit a written report  
 6.20 to the chairs and ranking minority members of the legislative committees having jurisdiction  
 6.21 over kindergarten through grade 12 education containing information about the pilot grant  
 6.22 program design, activities, expenditures, and outcomes disaggregated by categories of race,  
 6.23 cultural group, family income, age, grade level, school district, geographical location,  
 6.24 migrant, foreign immigrant status, home language, English learner status under Minnesota  
 6.25 Statutes, section 124D.59, disability, homelessness, and foster care, to the extent the  
 6.26 information is available and without personally identifying the individual.

6.27 **EFFECTIVE DATE.** This section is effective July 1, 2021.

6.28 Sec. 2. **APPROPRIATION; PILOT GRANT PROGRAM TO ENCOURAGE AND**  
 6.29 **SUPPORT GIRLS OF COLOR IN EXPLORING AND PURSUING STEM CAREERS.**

6.30 \$..... in fiscal year 2022 is appropriated from the general fund to the commissioner of  
 6.31 education for a pilot grant program to encourage and support girls of color in exploring and  
 6.32 pursuing STEM careers under section 1. This is a onetime appropriation and is available  
 6.33 until expended.

7.1 **EFFECTIVE DATE.** This section is effective July 1, 2021.

7.2

## ARTICLE 5

7.3

### ACADEMIC SUCCESS

7.4 Section 1. **PILOT GRANT PROGRAM TO INCREASE THE ACADEMIC SUCCESS**  
7.5 **OF GIRLS OF COLOR.**

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

7.8 (b) "Commissioner" means the commissioner of education.

7.9 (c) "Eligible organization" means community-based organizations serving girls of color,  
7.10 Minnesota public elementary and secondary schools, and other Minnesota organizations  
7.11 experienced in working with girls of color, consistent with the purposes of this section.

7.12 (d) "Girls of color" means females who have not reached their 18th birthday who  
7.13 self-identify as American Indian, Asian, Black, or Hispanic.

7.14 Subd. 2. **Grants.** The commissioner shall award one grant to an eligible organization  
7.15 serving girls of color in Ramsey County and one grant to an eligible organization serving  
7.16 girls of color in one or more counties in greater Minnesota. The eligible organizations  
7.17 receiving a grant must use grant funds to increase the academic success of girls of color,  
7.18 leading to reduced suspensions in public elementary and secondary schools, increased  
7.19 on-time high school graduation rates, and encourage their pursuit of a postsecondary  
7.20 education program.

7.21 Subd. 3. **Outcomes.** The Ramsey County grant recipient must develop a model program  
7.22 that other counties in the Twin Cities metropolitan area may replicate and use. The greater  
7.23 Minnesota grant recipient must develop a model program that other counties in greater  
7.24 Minnesota may replicate and use.

7.25 Subd. 4. **Report.** The commissioner, by January 15, 2024, must submit a written report  
7.26 to the committees of the legislature with jurisdiction over kindergarten through grade 12  
7.27 education containing information about the pilot grant program design, activities,  
7.28 expenditures, and outcomes disaggregated by categories of race; cultural group; family  
7.29 income; age; grade level; school district; geographical location; migrant; foreign immigrant  
7.30 status; home language; English learner status under Minnesota Statutes, section 124D.59;  
7.31 disability; homelessness; and foster care, to the extent the information is available and  
7.32 without personally identifying the individual.

8.1 **EFFECTIVE DATE.** This section is effective July 1, 2021.

8.2 Sec. 2. **APPROPRIATION; PILOT GRANT PROGRAM TO INCREASE THE**  
8.3 **ACADEMIC SUCCESS OF GIRLS OF COLOR.**

8.4 \$..... in fiscal year 2022 is appropriated from the general fund to the commissioner of  
8.5 education for a pilot grant program to increase the academic success of girls of color under  
8.6 section 1. This is a onetime appropriation and is available until expended.

8.7 **EFFECTIVE DATE.** This section is effective July 1, 2021.

8.8 **ARTICLE 6**

8.9 **HIGH-WAGE, HIGH-DEMAND,**  
8.10 **NONTRADITIONAL JOBS GRANTS**

8.11 Section 1. **APPROPRIATION.**

8.12 \$..... in fiscal year 2022 is appropriated from the general fund to the commissioner of  
8.13 employment and economic development for the high-wage, high-demand, nontraditional  
8.14 jobs grant program under Minnesota Statutes, section 116L.99.