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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2978

02/01/2022 Authored by Xiong, J.; Noor and Moran

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 economic development; appropriating money to the small business
1.3 partnership grant program; amending Laws 2021, First Special Session chapter
1.4 10, article 1, section 2, subdivision 2.

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

1.6 Section 1. Laws 2021, First Special Session chapter 10, article 1, section 2, subdivision
1.7 2, is amended to read:

1.8 Subd. 2. Business and Community Development 208,015,000 44,741,000

Table with 3 columns: Fund Name, Amount 1, Amount 2. Rows include Appropriations by Fund, General, Remediation, and Workforce Development.

1.14 (a) \$1,787,000 each year is for the greater
1.15 Minnesota business development public
1.16 infrastructure grant program under Minnesota
1.17 Statutes, section 116J.431. This appropriation
1.18 is available until June 30, 2025.

1.19 (b) \$8,425,000 in the first year and \$1,425,000
1.20 \$10,000,000 in the second year are for the
1.21 small business partnership grant program,
1.22 formerly known as the business development
1.23 competitive grant program. Of this amount,

2.1 up to five percent is for administration and
2.2 monitoring of the ~~business development~~
2.3 ~~competitive grant~~ program and \$7,000,000 in
2.4 the first year is and \$8,575,000 in the second
2.5 year are for technical assistance to small
2.6 businesses. Funding for technical assistance
2.7 to small businesses in the second year shall
2.8 be divided proportionately between program
2.9 grantees from the first year. Except for awards
2.10 for technical assistance for small businesses,
2.11 all grant awards shall be for two consecutive
2.12 years. Grants and shall be awarded in the first
2.13 year. The small business partnership grant
2.14 program shall also provide business
2.15 development assistance and services to
2.16 commercial cooperatives, employee-owned
2.17 businesses, and commercial land trusts.

2.18 (c) \$1,772,000 each year is for contaminated
2.19 site cleanup and development grants under
2.20 Minnesota Statutes, sections 116J.551 to
2.21 116J.558. This appropriation is available until
2.22 expended.

2.23 (d) \$700,000 each year is from the remediation
2.24 fund for contaminated site cleanup and
2.25 development grants under Minnesota Statutes,
2.26 sections 116J.551 to 116J.558. This
2.27 appropriation is available until expended.

2.28 (e) \$139,000 each year is for the Center for
2.29 Rural Policy and Development.

2.30 (f) \$25,000 each year is for the administration
2.31 of state aid for the Destination Medical Center
2.32 under Minnesota Statutes, sections 469.40 to
2.33 469.47.

- 3.1 (g) \$875,000 each year is for the host
3.2 community economic development program
3.3 established in Minnesota Statutes, section
3.4 116J.548.
- 3.5 (h)(1) \$2,500,000 each year is for grants to
3.6 local communities to increase the number of
3.7 quality child care providers to support
3.8 economic development. This appropriation is
3.9 available through June 30, 2023. Fifty percent
3.10 of grant funds must go to communities located
3.11 outside the seven-county metropolitan area as
3.12 defined in Minnesota Statutes, section
3.13 473.121, subdivision 2. In fiscal year 2024
3.14 and beyond, the base amount is \$1,500,000.
- 3.15 (2) Grant recipients must obtain a 50 percent
3.16 nonstate match to grant funds in either cash
3.17 or in-kind contribution, unless the
3.18 commissioner waives the requirement. Grant
3.19 funds available under this subdivision must
3.20 be used to implement projects to reduce the
3.21 child care shortage in the state, including but
3.22 not limited to funding for child care business
3.23 start-ups or expansion, training, facility
3.24 modifications, direct subsidies or incentives
3.25 to retain employees, or improvements required
3.26 for licensing, and assistance with licensing
3.27 and other regulatory requirements. In awarding
3.28 grants, the commissioner must give priority
3.29 to communities that have demonstrated a
3.30 shortage of child care providers.
- 3.31 (3) Within one year of receiving grant funds,
3.32 grant recipients must report to the
3.33 commissioner on the outcomes of the grant
3.34 program, including but not limited to the
3.35 number of new providers, the number of

4.1 additional child care provider jobs created, the
4.2 number of additional child care slots, and the
4.3 amount of cash and in-kind local funds
4.4 invested. Within one month of all grant
4.5 recipients reporting on program outcomes, the
4.6 commissioner must report the grant recipients'
4.7 outcomes to the chairs and ranking members
4.8 of the legislative committees with jurisdiction
4.9 over early learning and child care and
4.10 economic development.

4.11 (i) \$1,500,000 each year is for a grant to the
4.12 Minnesota Initiative Foundations. This
4.13 appropriation is available until June 30, 2025.
4.14 In fiscal year 2024 and beyond, the base
4.15 amount is \$1,000,000. The Minnesota
4.16 Initiative Foundations must use grant funds
4.17 under this section to:

4.18 (1) facilitate planning processes for rural
4.19 communities resulting in a community solution
4.20 action plan that guides decision making to
4.21 sustain and increase the supply of quality child
4.22 care in the region to support economic
4.23 development;

4.24 (2) engage the private sector to invest local
4.25 resources to support the community solution
4.26 action plan and ensure quality child care is a
4.27 vital component of additional regional
4.28 economic development planning processes;

4.29 (3) provide locally based training and technical
4.30 assistance to rural child care business owners
4.31 individually or through a learning cohort.
4.32 Access to financial and business development
4.33 assistance must prepare child care businesses
4.34 for quality engagement and improvement by
4.35 stabilizing operations, leveraging funding from

5.1 other sources, and fostering business acumen
5.2 that allows child care businesses to plan for
5.3 and afford the cost of providing quality child
5.4 care; and

5.5 (4) recruit child care programs to participate
5.6 in quality rating and improvement
5.7 measurement programs. The Minnesota
5.8 Initiative Foundations must work with local
5.9 partners to provide low-cost training,
5.10 professional development opportunities, and
5.11 continuing education curricula. The Minnesota
5.12 Initiative Foundations must fund, through local
5.13 partners, an enhanced level of coaching to
5.14 rural child care providers to obtain a quality
5.15 rating through measurement programs.

5.16 (j) \$8,000,000 each year is for the Minnesota
5.17 job creation fund under Minnesota Statutes,
5.18 section 116J.8748. Of this amount, the
5.19 commissioner of employment and economic
5.20 development may use up to three percent for
5.21 administrative expenses. This appropriation
5.22 is available until expended.

5.23 (k) \$10,029,000 the first year and \$10,028,000
5.24 the second year are for the Minnesota
5.25 investment fund under Minnesota Statutes,
5.26 section 116J.8731. Of this amount, the
5.27 commissioner of employment and economic
5.28 development may use up to three percent for
5.29 administration and monitoring of the program.
5.30 In fiscal year 2024 and beyond, the base
5.31 amount is \$12,370,000. This appropriation is
5.32 available until expended. Notwithstanding
5.33 Minnesota Statutes, section 116J.8731, money
5.34 appropriated to the commissioner for the
5.35 Minnesota investment fund may be used for

6.1 the redevelopment program under Minnesota
6.2 Statutes, sections 116J.575 and 116J.5761, at
6.3 the discretion of the commissioner. Grants
6.4 under this paragraph are not subject to the
6.5 grant amount limitation under Minnesota
6.6 Statutes, section 116J.8731.

6.7 (l) \$0 each year is for the redevelopment
6.8 program under Minnesota Statutes, sections
6.9 116J.575 and 116J.5761. In fiscal year 2024
6.10 and beyond, the base amount is \$2,246,000.

6.11 (m) \$1,000,000 each year is for the Minnesota
6.12 emerging entrepreneur loan program under
6.13 Minnesota Statutes, section 116M.18. Funds
6.14 available under this paragraph are for transfer
6.15 into the emerging entrepreneur program
6.16 special revenue fund account created under
6.17 Minnesota Statutes, chapter 116M, and are
6.18 available until expended. Of this amount, up
6.19 to four percent is for administration and
6.20 monitoring of the program.

6.21 (n) \$325,000 each year is for the Minnesota
6.22 Film and TV Board. The appropriation in each
6.23 year is available only upon receipt by the
6.24 board of \$1 in matching contributions of
6.25 money or in-kind contributions from nonstate
6.26 sources for every \$3 provided by this
6.27 appropriation, except that each year up to
6.28 \$50,000 is available on July 1 even if the
6.29 required matching contribution has not been
6.30 received by that date.

6.31 (o) \$12,000 each year is for a grant to the
6.32 Upper Minnesota Film Office.

6.33 (p) \$500,000 each year is for a grant to the
6.34 Minnesota Film and TV Board for the film

7.1 production jobs program under Minnesota
7.2 Statutes, section 116U.26. This appropriation
7.3 is available until June 30, 2025.

7.4 (q) \$4,195,000 each year is for the Minnesota
7.5 job skills partnership program under
7.6 Minnesota Statutes, sections 116L.01 to
7.7 116L.17. If the appropriation for either year
7.8 is insufficient, the appropriation for the other
7.9 year is available. This appropriation is
7.10 available until expended.

7.11 (r) \$1,350,000 each year from the workforce
7.12 development fund is for jobs training grants
7.13 under Minnesota Statutes, section 116L.41.

7.14 (s) \$2,500,000 each year is for Launch
7.15 Minnesota. This appropriation is available
7.16 until June 30, 2025. The base in fiscal year
7.17 2026 is \$0. Of this amount:

7.18 (1) \$1,500,000 each year is for innovation
7.19 grants to eligible Minnesota entrepreneurs or
7.20 start-up businesses to assist with their
7.21 operating needs;

7.22 (2) \$500,000 each year is for administration
7.23 of Launch Minnesota; and

7.24 (3) \$500,000 each year is for grantee activities
7.25 at Launch Minnesota.

7.26 (t) \$1,148,000 the first year is for a grant to
7.27 the Northeast Entrepreneur Fund, a small
7.28 business administration microlender and
7.29 community development financial institution
7.30 operating in northern Minnesota. Grant funds
7.31 must be used as capital for accessing
7.32 additional federal lending for small businesses
7.33 impacted by COVID-19 and must be returned
7.34 to the commissioner for deposit in the general

8.1 fund if the Northeast Entrepreneur Fund fails
8.2 to secure such federal funds before January 1,
8.3 2022.

8.4 (u) \$80,000,000 the first year is for the Main
8.5 Street Economic Revitalization Loan Program.
8.6 Of this amount, up to \$300,000 is for the
8.7 commissioner's administration and monitoring
8.8 of the program. This appropriation is available
8.9 until June 30, 2025.

8.10 (v) \$70,000,000 the first year is for the Main
8.11 Street COVID-19 Relief Grant Program. Of
8.12 this amount, up to:

8.13 (1) \$34,950,000 is for grants to the Minnesota
8.14 Initiative Foundations to serve businesses
8.15 outside of the metropolitan area as defined in
8.16 Minnesota Statutes, section 473.121,
8.17 subdivision 2;

8.18 (2) \$34,950,000 is for grants to partner
8.19 organizations to serve businesses inside the
8.20 metropolitan area as defined in Minnesota
8.21 Statutes, section 473.121, subdivision 2; and

8.22 (3) \$100,000 is for the commissioner's
8.23 administration and monitoring of the program.

8.24 (w) \$250,000 each year is for the publication,
8.25 dissemination, and use of labor market
8.26 information under Minnesota Statutes, section
8.27 116J.401.

8.28 (x) \$500,000 each year is for the airport
8.29 infrastructure renewal (AIR) grant program
8.30 under Minnesota Statutes, section 116J.439.
8.31 In awarding grants with this appropriation, the
8.32 commissioner must prioritize eligible
8.33 applicants that did not receive a grant pursuant
8.34 to the appropriation in Laws 2019, First

- 9.1 Special Session chapter 7, article 1, section 2,
9.2 subdivision 2, paragraph (q).
- 9.3 (y) \$750,000 each year is from the workforce
9.4 development fund for grants to the
9.5 Neighborhood Development Center for small
9.6 business programs, including:
- 9.7 (1) training, lending, and business services;
9.8 (2) model outreach and training in greater
9.9 Minnesota; and
- 9.10 (3) development of new business incubators.
- 9.11 This is a onetime appropriation.
- 9.12 (z) \$5,000,000 in the first year is for a grant
9.13 to Lake of the Woods County for the
9.14 forgivable loan program for remote
9.15 recreational businesses. This appropriation is
9.16 available until April 1, 2022.