

75.16

ARTICLE 4

75.17

ECONOMIC DEVELOPMENT POLICY

27.24

ARTICLE 2

27.25

JOBS POLICY

27.26 Section 1. Minnesota Statutes 2018, section 116J.035, subdivision 7, is amended to read:

27.27 Subd. 7. **Monitoring pass-through grant recipients.** The commissioner shall monitor
27.28 the activities and outcomes of programs and services funded by legislative appropriations
27.29 and administered by the department on a pass-through basis. Unless amounts are otherwise
27.30 appropriated for administrative costs, the commissioner may retain up to ~~five~~ two percent
27.31 of the amount appropriated to the department for grants to pass-through entities. Amounts
28.1 retained are deposited to a special revenue account and are appropriated to the commissioner
28.2 for costs incurred in administering and monitoring the pass-through grants.

28.3 Sec. 2. [116J.439] AIRPORT INFRASTRUCTURE RENEWAL (AIR) GRANT
28.4 PROGRAM.

28.5 Subdivision 1. **Grant program established; purpose.** (a) The commissioner shall make
28.6 grants to counties, airport authorities, or cities to provide up to 50 percent of the capital
28.7 costs of redevelopment of an existing facility or construction of a new facility; and for public
28.8 or private infrastructure costs, including broadband infrastructure costs, necessary for an
28.9 eligible airport infrastructure renewal economic development project.

28.10 (b) The purpose of the grants made under this section is to keep or enhance jobs in the
28.11 area, increase the tax base, or expand or create new economic development.

28.12 (c) In awarding grants under this section, the commissioner must adhere to the criteria
28.13 under subdivision 5.

28.14 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
28.15 meanings given.

28.16 (b) "City" means a statutory or home rule charter city located outside the metropolitan
28.17 area as defined in section 473.121, subdivision 2.

28.18 (c) "County" means a county located outside the metropolitan area as defined in section
28.19 473.121, subdivision 2.

28.20 (d) "Airport authority" means an authority created pursuant to section 360.0426.

28.21 Subd. 3. **Eligible projects.** An economic development project for which a county, airport
28.22 authority, or city may be eligible to receive a grant under this section includes: (1)
28.23 manufacturing; (2) technology; (3) warehousing and distribution; or (4) research and
28.24 development.

28.25 Subd. 4. **Ineligible projects.** The following projects are not eligible for a grant under
28.26 this section: (1) retail development; or (2) office space development, except as incidental
28.27 to an eligible purpose.

75.18 Section 1. [116J.545] GETTING TO WORK GRANT PROGRAM.

75.19 Subdivision 1. **Creation.** The commissioner of employment and economic development
75.20 shall make grants to nonprofit organizations to establish and operate programs under this
75.21 section that provide, repair, or maintain motor vehicles to assist eligible individuals in
75.22 obtaining or maintaining employment. All grants shall be for two years.

75.23 Subd. 2. **Qualified grantee.** A grantee must:

75.24 (1) qualify under section 501(c)(3) of the Internal Revenue Code; and

75.25 (2) at the time of application, offer or have the demonstrated capacity to offer a motor
75.26 vehicle program that provides the services required under subdivision 3.

75.27 Subd. 3. **Program requirements.** (a) A program must offer one or more of the following
75.28 services:

75.29 (1) provision of new or used motor vehicles by gift, sale, or lease;

28.28 Subd. 5. **Application.** (a) The commissioner must develop forms and procedures for
28.29 soliciting and reviewing applications for grants under this section. At a minimum, a county,
28.30 airport authority, or city must include in its application a resolution of the governing body
28.31 of the county, airport authority, or city certifying that half of the cost of the project is
29.1 committed from nonstate sources. The commissioner must evaluate complete applications
29.2 for eligible projects using the following criteria:

29.3 (1) the project is an eligible project as defined under subdivision 3;

29.4 (2) the project is expected to result in or will attract substantial public and private capital
29.5 investment and provide substantial economic benefit to the county, airport authority, or city
29.6 in which the project would be located; and

29.7 (3) the project is expected to or will create or retain full-time jobs.

29.8 (b) The determination of whether to make a grant for a site is within the discretion of
29.9 the commissioner, subject to this section. The commissioner's decisions and application of
29.10 the criteria are not subject to judicial review except for abuse of discretion.

29.11 Subd. 6. **Maximum grant amount.** A county, airport authority, or city may receive no
29.12 more than \$250,000 in two years for one or more projects.

29.13 Subd. 7. **Cancellation of grant; return of grant money.** If after five years the
29.14 commissioner determines that a project has not proceeded in a timely manner and is unlikely
29.15 to be completed, the commissioner must cancel the grant and require the grantee to return
29.16 all grant money awarded for that project.

29.17 Subd. 8. **Appropriation.** Grant money returned to the commissioner is appropriated to
29.18 the commissioner to make additional grants under this section.

75.30 (2) motor vehicle repair and maintenance services; or

76.1 (3) motor vehicle loans.

76.2 (b) In addition to the requirements of paragraph (a), a program must offer one or more
76.3 of the following services:

76.4 (1) financial literacy education;

76.5 (2) education on budgeting for vehicle ownership;

76.6 (3) car maintenance and repair instruction;

76.7 (4) credit counseling; or

76.8 (5) job training related to motor vehicle maintenance and repair.

76.9 Subd. 4. **Application.** An application for a grant must be on a form provided by the
76.10 commissioner and on a schedule set by the commissioner. An application must, in addition
76.11 to any other information required by the commissioner, include the following:

76.12 (1) a detailed description of all services to be offered;

76.13 (2) the area to be served;

76.14 (3) the estimated number of program participants to be served by the grant; and

76.15 (4) a plan for leveraging resources from partners that may include but are not limited

76.16 to:

76.17 (i) automobile dealers;

76.18 (ii) automobile parts dealers;

76.19 (iii) independent local mechanics and automobile repair facilities;

76.20 (iv) banks and credit unions;

76.21 (v) employers;

76.22 (vi) employment and training agencies;

76.23 (vii) insurance companies and agents;

76.24 (viii) local workforce centers; and

76.25 (ix) educational institutions including vocational institutions and jobs or skills training
76.26 programs.

76.27 Subd. 5. **Participant eligibility.** (a) To be eligible to receive program services, a person
76.28 must:

- 76.29 (1) have a household income at or below 200 percent of the federal poverty level;
- 77.1 (2) be at least 18 years of age;
- 77.2 (3) have a valid driver's license;
- 77.3 (4) provide the grantee with proof of motor vehicle insurance; and
- 77.4 (5) demonstrate to the grantee that a motor vehicle is required by the person to obtain
- 77.5 or maintain employment.
- 77.6 (b) This subdivision does not preclude a grantee from imposing additional requirements
- 77.7 consistent with paragraph (a) for the receipt of program services.
- 77.8 Subd. 6. **Report to legislature.** By February 15, 2021, and each January 15 in an
- 77.9 odd-numbered year thereafter, the commissioner shall submit a report to the chairs of the
- 77.10 house of representatives and senate committees with jurisdiction over workforce and
- 77.11 economic development on program outcomes. At a minimum, the report must include:
- 77.12 (1) the total number of program participants;
- 77.13 (2) the number of program participants who received each of the following:
- 77.14 (i) provision of a motor vehicle;
- 77.15 (ii) motor vehicle repair services; and
- 77.16 (iii) motor vehicle loans;
- 77.17 (3) the number of program participants who report that they or their children were able
- 77.18 to increase their participation in community activities such as after-school programs, other
- 77.19 youth programs, church or civic groups, or library services as a result of participation in the
- 77.20 program; and
- 77.21 (4) an analysis of the impact of the getting to work grant program on the employment
- 77.22 rate and wages of program participants.
- 77.23 Sec. 2. Minnesota Statutes 2018, section 116J.8731, subdivision 5, is amended to read:
- 77.24 Subd. 5. **Grant limits.** A Minnesota investment fund grant may not be approved for an
- 77.25 amount in excess of \$1,000,000, except that a grant of up to \$2,000,000 is allowable for
- 77.26 projects that have at least \$25,000,000 in capital investment and 150 new employees. This
- 77.27 limit covers all money paid to complete the same project, whether paid to one or more grant
- 77.28 recipients and whether paid in one or more fiscal years. A local community or recognized
- 77.29 Indian tribal government may retain 40 percent, but not more than \$100,000, of a Minnesota
- 77.30 investment fund grant when it is repaid to the local community or recognized Indian tribal
- 77.31 government by the person or entity to which it was loaned by the local community or Indian
- 78.1 tribal government. Money repaid to the state must be credited to a Minnesota investment
- 78.2 revolving loan account in the state treasury. Funds in the account are appropriated to the
- 78.3 commissioner and must be used in the same manner as are funds appropriated to the

78.4 Minnesota investment fund. Funds repaid to the state through existing Minnesota investment
78.5 fund agreements must be credited to the Minnesota investment revolving loan account
78.6 effective July 1, 2005. A grant or loan may not be made to a person or entity for the operation
78.7 or expansion of a casino or a store which is used solely or principally for retail sales. Persons
78.8 or entities receiving grants or loans must pay each employee total compensation, including
78.9 benefits not mandated by law, that on an annualized basis is equal to at least ~~40~~ 125 percent
78.10 of the federal poverty level for a family of four.

78.11 Sec. 3. Minnesota Statutes 2018, section 116J.8748, subdivision 4, is amended to read:

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

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

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

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

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

79.1 (4) up to \$1,000,000 in capital investment rebates are allowable for projects that have
79.2 at least \$25,000,000 in capital investment and 200 retained employees for projects located
79.3 in the metropolitan area as defined in section 200.02, subdivision 24, and 75 employees for
79.4 projects located outside the metropolitan area; and

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

79.8 (c) The job creation award may be provided in multiple years as long as the qualified
79.9 Minnesota job creation fund business continues to meet the job creation goals provided for
79.10 in its agreement under subdivision 3 and the total award does not exceed \$500,000 except
79.11 as provided under paragraph (b), clauses (3) and (4).

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

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

79.25 (f) Minnesota job creation fund businesses must pay each new full-time employee added
79.26 pursuant to the agreement total compensation, including benefits not mandated by law, that
79.27 on an annualized basis is equal to at least ~~110~~ 125 percent of the federal poverty level for
79.28 a family of four.

79.29 (g) A Minnesota job creation fund business must demonstrate reasonable progress on
79.30 capital investment expenditures within six months following designation as a Minnesota
79.31 job creation fund business to ensure that the capital investment goal in the agreement under
79.32 subdivision 1 will be met. Businesses not making reasonable progress will not be eligible
79.33 for benefits under the submitted application and will need to work with the local government
79.34 unit to resubmit a new application and request to be a Minnesota job creation fund business.
80.1 Notwithstanding the goals noted in its agreement under subdivision 1, this action shall not
80.2 be considered a default of the business subsidy agreement.

80.3 Sec. 4. Minnesota Statutes 2018, section 116J.8748, subdivision 6, is amended to read:

80.4 Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is
80.5 eligible for an annual award for each new job created and maintained by the business using
80.6 the following schedule: \$1,000 for each job position paying annual wages at least ~~\$26,000~~
80.7 \$32,188 but ~~less than \$35,000~~ no more than \$37,707; \$2,000 for each job position paying
80.8 ~~at least \$35,000~~ more than \$37,707 but ~~less than \$45,000~~ no more than \$47,965; and \$3,000
80.9 for each job position paying ~~at least \$45,000~~ more than \$47,965; and as noted in the goals
80.10 under the agreement provided under subdivision 1. These awards are increased by \$1,000
80.11 if the business is located outside the metropolitan area as defined in section 200.02,
80.12 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
80.13 women, or persons with a disability.

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

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

80.19 Sec. 5. [116L.25] PATHWAYS TO PROSPERITY GRANT PROGRAM.

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

80.22 (b) "Career pathway" means a career-readiness program, connected to a specific industry
80.23 sector, that combines basic skills training, education, and support services and results in
80.24 either industry-specific training or an employer-recognized credential.

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

80.26 (d) "Pathways to prosperity grant program" or "grant program" means the competitive
80.27 grant program created in this section.

80.28 Subd. 2. Establishment. The commissioner shall establish a pathways to prosperity
80.29 grant program to award grants to organizations to train adults facing the greatest employment
80.30 disparities and to assist them in finding employment in high-demand occupations with
80.31 long-term employment opportunities.

81.1 Subd. 3. Grant process. (a) The commissioner shall award grants to organizations
81.2 through a competitive grant process.

81.3 (b) The commissioner shall develop grant-making criteria for the grant program. These
81.4 criteria shall include guidelines for multiple types of career pathways. These criteria shall
81.5 also consider a program's alignment with the labor market in the community where the
81.6 program operates and, where applicable, a program's previous grant performance. At least
81.7 once every biennium, the commissioner shall consult with workforce development service
81.8 providers on program criteria and administration.

81.9 (c) All reporting requirements for grant recipients shall be outlined in plain language in
81.10 both the request for proposal and the grant contract.

81.11 (d) The commissioner shall provide applicants with technical assistance with
81.12 understanding application procedures and program guidelines.

81.13 Sec. 6. [116L.35] INVENTORY OF WORKFORCE DEVELOPMENT PROGRAMS.

81.14 (a) By January 15, 2020, and by January 15 of each even-numbered year thereafter, the
81.15 commissioner of employment and economic development must submit a report to the chairs
81.16 of the legislative committees with jurisdiction over workforce development that provides

29.19 Sec. 3. [116L.35] INVENTORY OF ECONOMIC DEVELOPMENT PROGRAMS.

29.20 (a) By January 15, 2020, and by January 15 of each even-numbered year thereafter, the
29.21 commissioner of employment and economic development must submit a report to the chairs
29.22 of the legislative committees with jurisdiction over economic development that provides

- 81.17 an inventory of all workforce development programs either provided by or overseen by any
81.18 branch of the state of Minnesota.
- 81.19 (b) Programs related to workforce development that must be included in the report
81.20 include those that:
- 81.21 (1) are federally funded or state funded;
81.22 (2) provide assistance to either businesses or individuals; or
81.23 (3) support internships, apprenticeships, career and technical education, or any form of
81.24 employment training.
- 81.25 (c) For each workforce development program, the report must include, at a minimum,
81.26 the following information:
- 81.27 (1) details of program costs;
81.28 (2) the number of staff, both within the department and any outside organization;
81.29 (3) the number of program participants;
81.30 (4) a short description of what each program does;
- 81.31 (5) to the extent practical, quantifiable measures of program success;
- 82.1 (6) any data necessary to describe the work of the program;
- 82.2 (7) any data necessary to describe or evaluate the success of the program; and
- 82.3 (8) a plan for how the program can best measure its success in a manner useful and
82.4 understandable to those responsible for funding the program in the future.

- 29.23 an inventory of all economic development programs, including any workforce development
29.24 programs, either provided by or overseen by any agency of the state of Minnesota.
- 29.25 (b) Programs related to economic development that must be included in the report include
29.26 those that:
- 29.27 (1) receive federal funds or state funds;
29.28 (2) provide assistance to either businesses or individuals; or
29.29 (3) support internships, apprenticeships, career and technical education, or any form of
29.30 employment training.
- 30.1 (c) For each economic development program, the report must include, at a minimum,
30.2 the following information:
- 30.3 (1) details of program costs;
30.4 (2) the number of staff, both within the department and any outside organization;
30.5 (3) the number of program participants;
30.16 (8) a short description of what each program does; and
30.6 (4) the demographic information including, but not limited to, race, age, gender, and
30.7 income of program participants;
30.17 (9) to the extent practical, quantifiable measures of program success.
30.8 (5) a list of any and all subgrantees receiving funds from the program, as well as the
30.9 amount of funding received;
- 30.10 (6) information about other sources of funding including other public or private funding
30.11 or in-kind donations;
- 30.12 (7) evidence that: (i) the organization administering a program; (ii) a business receiving
30.13 a loan for a new or expanded business from a program; or (iii) a subgrantee of a program
30.14 is in good standing with the Minnesota Secretary of State and the Minnesota Department
30.15 of Revenue;

82.5 Sec. 7. [116L.43] METROPOLITAN JOB TRAINING GRANTS.

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

82.8 (b) "Agreement" means the agreement between an employer and the commissioner for
82.9 a project.

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

82.11 (d) "Disability" has the meaning given under United States Code, title 42, chapter 126.

82.12 (e) "Employee" means the individual employed in a new job.

82.13 (f) "Employer" means the individual, corporation, partnership, limited liability company,
82.14 or association providing new jobs and entering into an agreement.

82.15 (g) "New job" means a job:

82.16 (1) that is provided by a new or expanding business in the manufacturing or technology
82.17 industry;

82.18 (2) that is located within the metropolitan area, as defined under section 473.121,
82.19 subdivision 2;

82.20 (3) that provides at least 32 hours of work per week for a minimum of nine months per
82.21 year and is permanent with no planned termination date;

82.22 (4) that is certified by the commissioner as qualifying under the program before the first
82.23 employee is hired to fill the job; and

82.24 (5) for which an employee hired was not:

82.25 (i) formerly employed by the employer in the state; or

82.26 (ii) a replacement worker, including a worker newly hired as a result of a labor dispute.

82.27 (h) "Program" means the project or projects established under this section.

30.18 (d) In addition to the information required under paragraph (c), a program related to
30.19 economic development under paragraph (b) that requests an increase in state funding over
30.20 the previous biennium must provide the following:

30.21 (1) detailed information regarding the need for increased funds; and

30.22 (2) the planned uses of the increased funds.

30.23 (e) A program related to economic development under paragraph (b) is ineligible for
30.24 state funding in the following biennium if it does not submit the information required under
30.25 paragraph (c).

- 82.28 (i) "Program costs" means all necessary and incidental costs of providing program
82.29 services, except that program costs are increased by \$1,000 per employee for an individual
83.1 with a disability. The term does not include the cost of purchasing equipment to be owned
83.2 or used by the training or educational institution or service.
- 83.3 (j) "Program services" means training and education specifically directed to new jobs
83.4 that are determined to be appropriate by the commissioner, including in-house training;
83.5 services provided by institutions of higher education and federal, state, or local agencies;
83.6 or private training or educational services. Administrative services and assessment and
83.7 testing costs are included.
- 83.8 (k) "Project" means a training arrangement that is the subject of an agreement entered
83.9 into between the commissioner and an employer to provide program services.
- 83.10 Subd. 2. **Service provision.** Upon request, the commissioner shall provide or coordinate
83.11 the provision of program services under this section to a business eligible for grants under
83.12 subdivision 8. The commissioner shall specify the form of and required information to be
83.13 provided with applications for projects to be funded with grants under this section.
- 83.14 Subd. 3. **Agreements; required terms.** (a) The commissioner may enter into an
83.15 agreement to establish a project with an employer that:
- 83.16 (1) identifies program costs to be paid from sources under the program;
83.17 (2) identifies program costs to be paid by the employer;
83.18 (3) provides that on-the-job training costs for employees may not exceed 50 percent of
83.19 the annual gross wages and salaries of the new jobs in the first full year after execution of
83.20 the agreement up to a maximum of \$10,000 per eligible employee;
- 83.21 (4) provides that each employee must be paid wages at least equal to the median hourly
83.22 wage for the county in which the job is located, as reported in the most recently available
83.23 data from the United States Bureau of the Census, plus benefits, by the earlier of the end
83.24 of the training period or 18 months of employment under the project; and
- 83.25 (5) provides that job training will be provided and the length of time of training.
- 83.26 (b) Before entering into a final agreement, the commissioner shall:
- 83.27 (1) determine that sufficient funds for the project are available under subdivision 8; and
83.28 (2) investigate the applicability of other training programs and determine whether the
83.29 job skills partnership grant program is a more suitable source of funding for the training
83.30 and whether the training can be completed in a timely manner that meets the needs of the
83.31 business.
- 84.1 The investigation under clause (2) must be completed within 15 days or as soon as reasonably
84.2 possible after the employer has provided the commissioner with all the requested information.

- 84.3 Subd. 4. **Grant funds sufficient.** The commissioner must not enter into an agreement
84.4 under subdivision 3 unless the commissioner determines that sufficient funds are available.
- 84.5 Subd. 5. **Grant limit.** The maximum grant amount for a project is \$400,000.
- 84.6 Subd. 6. **Allocation.** The commissioner shall allocate grant funds under subdivision 8
84.7 to project applications based on a first-come, first-served basis, determined on the basis of
84.8 the commissioner's receipt of a complete application for the project, including the provision
84.9 of all of the required information. The agreement must specify the amount of grant funds
84.10 available to the employer for each year covered by the agreement.
- 84.11 Subd. 7. **Application fee.** The commissioner may charge each employer an application
84.12 fee to cover part or all of the administrative and legal costs incurred, not to exceed \$500
84.13 per employer. The fee is deemed approved under section 16A.1283. The fee is deposited
84.14 in the metropolitan jobs training account in the special revenue fund and amounts in the
84.15 account are appropriated to the commissioner for the costs of administering the program.
84.16 The commissioner shall refund the fee to the employer if the application is denied because
84.17 program funding is unavailable.
- 84.18 Subd. 8. **Grants; recovery of program costs.** Amounts paid by employers for program
84.19 costs are repaid by a metropolitan job training grant equal to the lesser of the following:
- 84.20 (1) the amount of program costs specified in the agreement for the project; or
- 84.21 (2) the amount of program costs paid by the employer for new employees under a project.
- 84.22 Subd. 9. **Reports.** (a) By February 1, 2022, and each February 1 thereafter, the
84.23 commissioner shall report to the governor and the legislature on the program. The report
84.24 must include at least:
- 84.25 (1) the amount of grants issued under the program;
- 84.26 (2) the number of individuals receiving training under the program, including the number
84.27 of new hires who are individuals with disabilities;
- 84.28 (3) the number of new hires attributable to the program, including the number of new
84.29 hires who are individuals with disabilities;
- 84.30 (4) an analysis of the effectiveness of the grant in encouraging employment; and
- 84.31 (5) any other information the commissioner determines appropriate.
- 85.1 (b) The report to the legislature must be distributed as provided in section 3.195.
- 85.2 Sec. 8. [116L.9761] MINNESOTA CALL CENTER JOBS ACT.
- 85.3 Sections 116L.9762 to 116L.9766 shall be known as the "Minnesota Call Center Jobs
85.4 Act."

- 85.5 **EFFECTIVE DATE.** This section is effective 180 days after final enactment
- 85.6 Sec. 9. [116L.9762] DEFINITIONS.
- 85.7 Subdivision 1. **Application.** For the purposes of sections 116L.9762 to 116L.9766, the
85.8 terms defined in this section have the meanings given them.
- 85.9 Subd. 2. **Agency.** "Agency" means a state department under section 15.01.
- 85.10 Subd. 3. **Business entity.** "Business entity" means any organization, corporation, trust,
85.11 partnership, sole proprietorship, unincorporated association, or venture established to make
85.12 a profit, in whole or in part, by purposefully availing itself of the privilege of conducting
85.13 commerce in Minnesota.
- 85.14 Subd. 4. **Call center.** "Call center" means a facility or other operation with employees
85.15 who receive incoming telephone calls, e-mail, or other electronic communications for the
85.16 purpose of providing customer assistance or other service.
- 85.17 Subd. 5. **Commissioner.** "Commissioner" means the commissioner of employment and
85.18 economic development.
- 85.19 Subd. 6. **Employer.** "Employer" means a business enterprise that employs, for the
85.20 purpose of customer service or back-office operations:
- 85.21 (1) 50 or more employees, excluding part-time employees; or
- 85.22 (2) 50 or more employees who, in the aggregate, work at least 1,500 hours per week,
85.23 exclusive of hours of overtime.
- 85.24 Subd. 7. **Part-time employee.** "Part-time employee" means an employee who is employed
85.25 for an average of fewer than 20 hours per week or who has been employed for fewer than
85.26 six of the 12 months preceding the date on which notice is required under section 116L.9763.
- 85.27 Subd. 8. **Relocating; relocation.** "Relocating" or "relocation" means the closure of a
85.28 call center, the cessation of operations of a call center, or one or more facilities or operating
85.29 units within a call center comprising at least 30 percent of the call center's or operating unit's
86.1 total volume when measured against the previous 12-month average call volume of operations
86.2 or substantially similar operations, to a location outside of the United States.
- 86.3 **EFFECTIVE DATE.** This section is effective 180 days after final enactment
- 86.4 Sec. 10. [116L.9763] CALL CENTER RELOCATIONS.
- 86.5 (a) An employer must notify the commissioner if it intends to relocate from Minnesota
86.6 to a foreign country either of the following:
- 86.7 (1) a call center; or

86.8 (2) one or more facilities or operating units within a call center that comprise at least 30
86.9 percent of the call center's or operating unit's total volume when measured against the
86.10 previous 12-month average call volume of operations or substantially similar operations.

86.11 (b) The notification required under paragraph (a) must be given at least 120 days before
86.12 the relocation is to occur.

86.13 (c) An employer that violates paragraph (a) is subject to a civil penalty not to exceed
86.14 \$10,000 for each day of the violation, except that the commissioner may reduce the amount
86.15 for just cause shown.

86.16 (d) The commissioner shall compile a semiannual list of all employers that relocate a
86.17 call center, or one or more facilities or operating units within a call center comprising at
86.18 least 30 percent of the call center's total volume of operations, from the United States to a
86.19 foreign country, and distribute the list to all agencies.

86.20 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

86.21 Sec. 11. [116L.9764] GRANTS; LOANS; SUBSIDIES.

86.22 (a) Except as provided in paragraph (b) and notwithstanding any other provision of law,
86.23 an employer that appears on the list prepared under section 116L.9763 shall be ineligible
86.24 for any direct or indirect state grants or state guaranteed loans for five years after the date
86.25 the employer is placed on the list.

86.26 (b) Except as provided in paragraph (c) and notwithstanding any other provision of law,
86.27 an employer that appears on the list prepared under section 116L.9763 shall remit to the
86.28 commissioner of management and budget the unamortized value of any grants, guaranteed
86.29 loans, tax benefits, or other governmental support it has previously received.

86.30 (c) The commissioner of management and budget, in consultation with the commissioner
86.31 of the agency providing or administering the public subsidy, may waive the ineligibility
87.1 requirement under paragraph (a) if the employer applying for the loan or grant demonstrates
87.2 that not having the loan or grant would threaten national security, result in substantial job
87.3 loss in Minnesota, or harm the environment.

87.4 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

87.5 Sec. 12. [116L.9765] PROCUREMENT.

87.6 The commissioner of each agency shall ensure that all state business related call center
87.7 and customer service work be performed by state contractors or their agents or subcontractors
87.8 entirely within Minnesota. State contractors who currently perform work outside Minnesota
87.9 shall have two years following the effective date of this act to comply with this section.
87.10 Any new call center or customer service employees hired by the contractor during the
87.11 compliance period under this section must be employed in Minnesota.

87.12 EFFECTIVE DATE. This section is effective 180 days after final enactment

87.13 Sec. 13. [116L.9766] EMPLOYEE BENEFITS.

87.14 Nothing in sections 116L.9762 to 116L.9766 shall be construed to permit the withholding
87.15 or denial of payments, compensation, or benefits under any other state law, including state
87.16 unemployment compensation, disability payments, or worker retraining or readjustment
87.17 funds, to employees of employers that relocate to a foreign country.

87.18 EFFECTIVE DATE. This section is effective 180 days after final enactment

87.19 Sec. 14. Laws 2017, chapter 94, article 1, section 2, subdivision 3, is amended to read:

87.20 Subd. 3. **Workforce Development** \$ 31,498,000 \$ 30,231,000

87.21 Appropriations by Fund

87.22 General \$6,239,000 \$5,889,000

87.23 Workforce
87.24 Development \$25,259,000 \$24,342,000

87.25 (a) \$500,000 each year is for the
87.26 youth-at-work competitive grant program
87.27 under Minnesota Statutes, section 116L.562.
87.28 Of this amount, up to five percent is for
87.29 administration and monitoring of the youth
87.30 workforce development competitive grant
87.31 program. All grant awards shall be for two
88.1 consecutive years. Grants shall be awarded in
88.2 the first year. In fiscal year 2020 and beyond,
88.3 the base amount is \$750,000.

88.4 (b) \$250,000 each year is for pilot programs
88.5 in the workforce service areas to combine
88.6 career and higher education advising.

88.7 (c) \$500,000 each year is for rural career
88.8 counseling coordinator positions in the

30.26 Sec. 4. Minnesota Statutes 2018, section 469.055, is amended by adding a subdivision to
30.27 read:

30.28 Subd. 2a. **Meetings by telephone or other electronic means.** A port authority may
30.29 conduct meetings as provided by section 13D.015.

31.1 Sec. 5. Laws 2017, chapter 94, article 1, section 2, subdivision 3, is amended to read:

31.2 Subd. 3. **Workforce Development** \$ 31,498,000 \$ 30,231,000

31.3 Appropriations by Fund

31.4 General \$6,239,000 \$5,889,000

31.5 Workforce
31.6 Development \$25,259,000 \$24,342,000

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31.14 consecutive years. Grants shall be awarded in
31.15 the first year. In fiscal year 2020 and beyond,
31.16 the base amount is \$750,000.

31.17 (b) \$250,000 each year is for pilot programs
31.18 in the workforce service areas to combine
31.19 career and higher education advising.

31.20 (c) \$500,000 each year is for rural career
31.21 counseling coordinator positions in the

88.9 workforce service areas and for the purposes
88.10 specified in Minnesota Statutes, section
88.11 116L.667. The commissioner of employment
88.12 and economic development, in consultation
88.13 with local workforce investment boards and
88.14 local elected officials in each of the service
88.15 areas receiving funds, shall develop a method
88.16 of distributing funds to provide equitable
88.17 services across workforce service areas.

88.18 (d) \$1,000,000 each year is for a grant to the
88.19 Construction Careers Foundation for the
88.20 construction career pathway initiative to
88.21 provide year-round educational and
88.22 experiential learning opportunities for teens
88.23 and young adults under the age of 21 that lead
88.24 to careers in the construction industry. This is
88.25 a onetime appropriation. Grant funds must be
88.26 used to:

88.27 (1) increase construction industry exposure
88.28 activities for middle school and high school
88.29 youth, parents, and counselors to reach a more
88.30 diverse demographic and broader statewide
88.31 audience. This requirement includes, but is
88.32 not limited to, an expansion of programs to
88.33 provide experience in different crafts to youth
88.34 and young adults throughout the state;

89.1 (2) increase the number of high schools in
89.2 Minnesota offering construction classes during
89.3 the academic year that utilize a multicraft
89.4 curriculum;

89.5 (3) increase the number of summer internship
89.6 opportunities;

89.7 (4) enhance activities to support graduating
89.8 seniors in their efforts to obtain employment
89.9 in the construction industry;

89.10 (5) increase the number of young adults
89.11 employed in the construction industry and
89.12 ensure that they reflect Minnesota's diverse
89.13 workforce; and

31.22 workforce service areas and for the purposes
31.23 specified in Minnesota Statutes, section
31.24 116L.667. The commissioner of employment
31.25 and economic development, in consultation
31.26 with local workforce investment boards and
31.27 local elected officials in each of the service
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31.29 of distributing funds to provide equitable
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32.10 not limited to, an expansion of programs to
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32.12 and young adults throughout the state;

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32.14 Minnesota offering construction classes during
32.15 the academic year that utilize a multicraft
32.16 curriculum;

32.17 (3) increase the number of summer internship
32.18 opportunities;

32.19 (4) enhance activities to support graduating
32.20 seniors in their efforts to obtain employment
32.21 in the construction industry;

32.22 (5) increase the number of young adults
32.23 employed in the construction industry and
32.24 ensure that they reflect Minnesota's diverse
32.25 workforce; and

89.14 (6) enhance an industrywide marketing
89.15 campaign targeted to youth and young adults
89.16 about the depth and breadth of careers within
89.17 the construction industry.

89.18 Programs and services supported by grant
89.19 funds must give priority to individuals and
89.20 groups that are economically disadvantaged
89.21 or historically underrepresented in the
89.22 construction industry, including but not limited
89.23 to women, veterans, and members of minority
89.24 and immigrant groups.

89.25 (e) \$1,539,000 each year from the general fund
89.26 and \$4,604,000 each year from the workforce
89.27 development fund are for the Pathways to
89.28 Prosperity adult workforce development
89.29 competitive grant program. Of this amount,
89.30 up to four percent is for administration and
89.31 monitoring of the program. When awarding
89.32 grants under this paragraph, the commissioner
89.33 of employment and economic development
89.34 may give preference to any previous grantee
90.1 with demonstrated success in job training and
90.2 placement for hard-to-train individuals. In
90.3 fiscal year 2020 and beyond, the general fund
90.4 base amount for this program is \$4,039,000.

90.5 (f) \$750,000 each year is for a competitive
90.6 grant program to provide grants to
90.7 organizations that provide support services for
90.8 individuals, such as job training, employment
90.9 preparation, internships, job assistance to
90.10 fathers, financial literacy, academic and
90.11 behavioral interventions for low-performing
90.12 students, and youth intervention. Grants made
90.13 under this section must focus on low-income
90.14 communities, young adults from families with
90.15 a history of intergenerational poverty, and
90.16 communities of color. Of this amount, up to
90.17 four percent is for administration and
90.18 monitoring of the program. In fiscal year 2020
90.19 and beyond, the base amount is \$1,000,000.

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32.27 campaign targeted to youth and young adults
32.28 about the depth and breadth of careers within
32.29 the construction industry.

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33.24 students, and youth intervention. Grants made
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33.26 communities, young adults from families with
33.27 a history of intergenerational poverty, and
33.28 communities of color. Of this amount, up to
33.29 four percent is for administration and
33.30 monitoring of the program. In fiscal year 2020
33.31 and beyond, the base amount is \$1,000,000.

90.20 (g) \$500,000 each year is for the women and
90.21 high-wage, high-demand, nontraditional jobs
90.22 grant program under Minnesota Statutes,
90.23 section 116L.99. Of this amount, up to five
90.24 percent is for administration and monitoring
90.25 of the program. In fiscal year 2020 and
90.26 beyond, the base amount is \$750,000.

90.27 (h) \$500,000 each year is for a competitive
90.28 grant program for grants to organizations
90.29 providing services to relieve economic
90.30 disparities in the Southeast Asian community
90.31 through workforce recruitment, development,
90.32 job creation, assistance of smaller
90.33 organizations to increase capacity, and
90.34 outreach. Of this amount, up to five percent
90.35 is for administration and monitoring of the
91.1 program. In fiscal year 2020 and beyond, the
91.2 base amount is \$1,000,000.

91.3 (i) \$250,000 each year is for a grant to the
91.4 American Indian Opportunities and
91.5 Industrialization Center, in collaboration with
91.6 the Northwest Indian Community
91.7 Development Center, to reduce academic
91.8 disparities for American Indian students and
91.9 adults. This is a onetime appropriation. The
91.10 grant funds may be used to provide:

91.11 (1) student tutoring and testing support
91.12 services;

91.13 (2) training in information technology;

91.14 (3) assistance in obtaining a GED;

91.15 (4) remedial training leading to enrollment in
91.16 a postsecondary higher education institution;

91.17 (5) real-time work experience in information
91.18 technology fields; and

91.19 (6) contextualized adult basic education.

91.20 After notification to the legislature, the
91.21 commissioner may transfer this appropriation
91.22 to the commissioner of education.

33.32 (g) \$500,000 each year is for the women and
33.33 high-wage, high-demand, nontraditional jobs
33.34 grant program under Minnesota Statutes,
33.35 section 116L.99. Of this amount, up to five
34.1 percent is for administration and monitoring
34.2 of the program. In fiscal year 2020 and
34.3 beyond, the base amount is \$750,000.

34.4 (h) \$500,000 each year is for a competitive
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34.28 a postsecondary higher education institution;

34.29 (5) real-time work experience in information
34.30 technology fields; and

34.31 (6) contextualized adult basic education.

35.1 After notification to the legislature, the
35.2 commissioner may transfer this appropriation
35.3 to the commissioner of education.

91.23 (j) \$100,000 each year is for the getting to
91.24 work grant program. This is a onetime
91.25 appropriation and is available until June 30,
91.26 2021.

91.27 (k) \$525,000 each year is from the workforce
91.28 development fund for a grant to the YWCA
91.29 of Minneapolis to provide economically
91.30 challenged individuals the job skills training,
91.31 career counseling, and job placement
91.32 assistance necessary to secure a child
91.33 development associate credential and to have
92.1 a career path in early childhood education.
92.2 This is a onetime appropriation.

92.3 (l) \$1,350,000 each year is from the workforce
92.4 development fund for a grant to the Minnesota
92.5 High Tech Association to support
92.6 SciTechsperience, a program that supports
92.7 science, technology, engineering, and math
92.8 (STEM) internship opportunities for two- and
92.9 four-year college students and graduate
92.10 students in their field of study. The internship
92.11 opportunities must match students with paid
92.12 internships within STEM disciplines at small,
92.13 for-profit companies located in Minnesota,
92.14 having fewer than 250 employees worldwide.
92.15 At least 300 students must be matched in the
92.16 first year and at least 350 students must be
92.17 matched in the second year. No more than 15
92.18 percent of the hires may be graduate students.
92.19 Selected hiring companies shall receive from
92.20 the grant 50 percent of the wages paid to the
92.21 intern, capped at \$2,500 per intern. The
92.22 program must work toward increasing the
92.23 participation of women or other underserved
92.24 populations. This is a onetime appropriation.

92.25 (m) \$450,000 each year is from the workforce
92.26 development fund for grants to Minnesota
92.27 Diversified Industries, Inc. to provide
92.28 progressive development and employment
92.29 opportunities for people with disabilities. This
92.30 is a onetime appropriation.

35.4 (j) \$100,000 each year is for the getting to
35.5 work grant program. This is a onetime
35.6 appropriation and is available until June 30,
35.7 2021.

35.8 (k) \$525,000 each year is from the workforce
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36.6 Diversified Industries, Inc. to provide
36.7 progressive development and employment
36.8 opportunities for people with disabilities. This
36.9 is a onetime appropriation.

92.31 (n) \$500,000 each year is from the workforce
92.32 development fund for a grant to Resource, Inc.
92.33 to provide low-income individuals career
92.34 education and job skills training that are fully
93.1 integrated with chemical and mental health
93.2 services. This is a onetime appropriation.

93.3 (o) \$750,000 each year is from the workforce
93.4 development fund for a grant to the Minnesota
93.5 Alliance of Boys and Girls Clubs to administer
93.6 a statewide project of youth job skills and
93.7 career development. This project, which may
93.8 have career guidance components including
93.9 health and life skills, is designed to encourage,
93.10 train, and assist youth in early access to
93.11 education and job-seeking skills, work-based
93.12 learning experience including career pathways
93.13 in STEM learning, career exploration and
93.14 matching, and first job placement through
93.15 local community partnerships and on-site job
93.16 opportunities. This grant requires a 25 percent
93.17 match from nonstate resources. This is a
93.18 onetime appropriation.

93.19 (p) \$215,000 each year is from the workforce
93.20 development fund for grants to Big Brothers,
93.21 Big Sisters of the Greater Twin Cities for
93.22 workforce readiness, employment exploration,
93.23 and skills development for youth ages 12 to
93.24 21. The grant must serve youth in the Twin
93.25 Cities, Central Minnesota, and Southern
93.26 Minnesota Big Brothers, Big Sisters chapters.
93.27 This is a onetime appropriation.

93.28 (q) \$250,000 each year is from the workforce
93.29 development fund for a grant to YWCA St.
93.30 Paul to provide job training services and
93.31 workforce development programs and
93.32 services, including job skills training and
93.33 counseling. This is a onetime appropriation.

93.34 (r) \$1,000,000 each year is from the workforce
93.35 development fund for a grant to EMERGE
94.1 Community Development, in collaboration
94.2 with community partners, for services

36.10 (n) \$500,000 each year is from the workforce
36.11 development fund for a grant to Resource, Inc.
36.12 to provide low-income individuals career
36.13 education and job skills training that are fully
36.14 integrated with chemical and mental health
36.15 services. This is a onetime appropriation.

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36.20 career development. This project, which may
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37.6 (q) \$250,000 each year is from the workforce
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37.8 Paul to provide job training services and
37.9 workforce development programs and
37.10 services, including job skills training and
37.11 counseling. This is a onetime appropriation.

37.12 (r) \$1,000,000 each year is from the workforce
37.13 development fund for a grant to EMERGE
37.14 Community Development, in collaboration
37.15 with community partners, for services

94.3 targeting Minnesota communities with the
94.4 highest concentrations of African and
94.5 African-American joblessness, based on the
94.6 most recent census tract data, to provide
94.7 employment readiness training, credentialed
94.8 training placement, job placement and
94.9 retention services, supportive services for
94.10 hard-to-employ individuals, and a general
94.11 education development fast track and adult
94.12 diploma program. This is a onetime
94.13 appropriation.

94.14 (s) \$1,000,000 each year is from the workforce
94.15 development fund for a grant to the
94.16 Minneapolis Foundation for a strategic
94.17 intervention program designed to target and
94.18 connect program participants to meaningful,
94.19 sustainable living-wage employment. This is
94.20 a onetime appropriation.

94.21 (t) \$750,000 each year is from the workforce
94.22 development fund for a grant to Latino
94.23 Communities United in Service (CLUES) to
94.24 expand culturally tailored programs that
94.25 address employment and education skill gaps
94.26 for working parents and underserved youth by
94.27 providing new job skills training to stimulate
94.28 higher wages for low-income people, family
94.29 support systems designed to reduce
94.30 intergenerational poverty, and youth
94.31 programming to promote educational
94.32 advancement and career pathways. At least
94.33 50 percent of this amount must be used for
94.34 programming targeted at greater Minnesota.
94.35 This is a onetime appropriation.

95.1 (u) \$600,000 each year is from the workforce
95.2 development fund for a grant to Ujamaa Place
95.3 for job training, employment preparation,
95.4 internships, education, training in the
95.5 construction trades, housing, and
95.6 organizational capacity building. This is a
95.7 onetime appropriation.

37.16 targeting Minnesota communities with the
37.17 highest concentrations of African and
37.18 African-American joblessness, based on the
37.19 most recent census tract data, to provide
37.20 employment readiness training, credentialed
37.21 training placement, job placement and
37.22 retention services, supportive services for
37.23 hard-to-employ individuals, and a general
37.24 education development fast track and adult
37.25 diploma program. This is a onetime
37.26 appropriation.

37.27 (s) \$1,000,000 each year is from the workforce
37.28 development fund for a grant to the
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37.30 intervention program designed to target and
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38.6 higher wages for low-income people, family
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38.8 intergenerational poverty, and youth
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38.10 advancement and career pathways. At least
38.11 50 percent of this amount must be used for
38.12 programming targeted at greater Minnesota.
38.13 This is a onetime appropriation.

38.14 (u) \$600,000 each year is from the workforce
38.15 development fund for a grant to Ujamaa Place
38.16 for job training, employment preparation,
38.17 internships, education, training in the
38.18 construction trades, housing, and
38.19 organizational capacity building. This is a
38.20 onetime appropriation.

95.8 (v) \$1,297,000 in the first year and \$800,000
95.9 in the second year are from the workforce
95.10 development fund for performance grants
95.11 under Minnesota Statutes, section 116J.8747,
95.12 to Twin Cities R!SE to provide training to
95.13 hard-to-train individuals. Of the amounts
95.14 appropriated, \$497,000 in fiscal year 2018 is
95.15 for a grant to Twin Cities R!SE, in
95.16 collaboration with Metro Transit and Hennepin
95.17 Technical College for the Metro Transit
95.18 technician training program. This is a onetime
95.19 appropriation and funds are available until
95.20 June 30, 2020.

95.21 (w) \$230,000 in fiscal year 2018 is from the
95.22 workforce development fund for a grant to the
95.23 Bois Forte Tribal Employment Rights Office
95.24 (TERO) for an American Indian workforce
95.25 development training pilot project. This is a
95.26 onetime appropriation and is available until
95.27 June 30, 2019. Funds appropriated the first
95.28 year are available for use in the second year
95.29 of the biennium.

95.30 (x) \$40,000 in fiscal year 2018 is from the
95.31 workforce development fund for a grant to the
95.32 Cook County Higher Education Board to
95.33 provide educational programming and
95.34 academic support services to remote regions
95.35 in northeastern Minnesota. This appropriation
96.1 is in addition to other funds previously
96.2 appropriated to the board.

96.3 (y) \$250,000 each year is from the workforce
96.4 development fund for a grant to Bridges to
96.5 Healthcare to provide career education,
96.6 wraparound support services, and job skills
96.7 training in high-demand health care fields to
96.8 low-income parents, nonnative speakers of
96.9 English, and other hard-to-train individuals,
96.10 helping families build secure pathways out of
96.11 poverty while also addressing worker
96.12 shortages in one of Minnesota's most
96.13 innovative industries. Funds may be used for
96.14 program expenses, including, but not limited

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38.22 in the second year are from the workforce
38.23 development fund for performance grants
38.24 under Minnesota Statutes, section 116J.8747,
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39.24 poverty while also addressing worker
39.25 shortages in one of Minnesota's most
39.26 innovative industries. Funds may be used for
39.27 program expenses, including, but not limited

96.15 to, hiring instructors and navigators; space
96.16 rental; and supportive services to help
96.17 participants attend classes, including assistance
96.18 with course fees, child care, transportation,
96.19 and safe and stable housing. In addition, up to
96.20 five percent of grant funds may be used for
96.21 Bridges to Healthcare's administrative costs.
96.22 This is a onetime appropriation and is
96.23 available until June 30, 2020.

96.24 (z) \$500,000 each year is from the workforce
96.25 development fund for a grant to the Nonprofits
96.26 Assistance Fund to provide capacity-building
96.27 grants to small, culturally specific
96.28 organizations that primarily serve historically
96.29 underserved cultural communities. Grants may
96.30 only be awarded to nonprofit organizations
96.31 that have an annual organizational budget of
96.32 less than \$500,000 and are culturally specific
96.33 organizations that primarily serve historically
96.34 underserved cultural communities. Grant funds
96.35 awarded must be used for:

97.1 (1) organizational infrastructure improvement,
97.2 including developing database management
97.3 systems and financial systems, or other
97.4 administrative needs that increase the
97.5 organization's ability to access new funding
97.6 sources;

97.7 (2) organizational workforce development,
97.8 including hiring culturally competent staff,
97.9 training and skills development, and other
97.10 methods of increasing staff capacity; or

97.11 (3) creation or expansion of partnerships with
97.12 existing organizations that have specialized
97.13 expertise in order to increase the capacity of
97.14 the grantee organization to improve services
97.15 for the community. Of this amount, up to five
97.16 percent may be used by the Nonprofits
97.17 Assistance Fund for administration costs and
97.18 providing technical assistance to potential
97.19 grantees. This is a onetime appropriation.

39.28 to, hiring instructors and navigators; space
39.29 rental; and supportive services to help
39.30 participants attend classes, including assistance
39.31 with course fees, child care, transportation,
39.32 and safe and stable housing. In addition, up to
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39.34 Bridges to Healthcare's administrative costs.
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40.2 available until June 30, 2020.

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40.27 expertise in order to increase the capacity of
40.28 the grantee organization to improve services
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40.30 percent may be used by the Nonprofits
40.31 Assistance Fund for administration costs and
40.32 providing technical assistance to potential
40.33 grantees. This is a onetime appropriation.

97.20 (aa) \$4,050,000 each year is from the
97.21 workforce development fund for the
97.22 Minnesota youth program under Minnesota
97.23 Statutes, sections 116L.56 and 116L.561.

97.24 (bb) \$1,000,000 each year is from the
97.25 workforce development fund for the
97.26 youthbuild program under Minnesota Statutes,
97.27 sections 116L.361 to 116L.366.

97.28 (cc) \$3,348,000 each year is from the
97.29 workforce development fund for the "Youth
97.30 at Work" youth workforce development
97.31 competitive grant program. Of this amount,
97.32 up to five percent is for administration and
97.33 monitoring of the youth workforce
97.34 development competitive grant program. All
98.1 grant awards shall be for two consecutive
98.2 years. Grants shall be awarded in the first year.

98.3 (dd) \$500,000 each year is from the workforce
98.4 development fund for the Opportunities
98.5 Industrialization Center programs.

98.6 (ee) \$750,000 each year is from the workforce
98.7 development fund for a grant to Summit
98.8 Academy OIC to expand its contextualized
98.9 GED and employment placement program.
98.10 This is a onetime appropriation.

98.11 (ff) \$500,000 each year is from the workforce
98.12 development fund for a grant to
98.13 Goodwill-Easter Seals Minnesota and its
98.14 partners. The grant shall be used to continue
98.15 the FATHER Project in Rochester, Park
98.16 Rapids, St. Cloud, Minneapolis, and the
98.17 surrounding areas to assist fathers in
98.18 overcoming barriers that prevent fathers from
98.19 supporting their children economically and
98.20 emotionally. This is a onetime appropriation.

98.21 (gg) \$150,000 each year is from the workforce
98.22 development fund for displaced homemaker
98.23 programs under Minnesota Statutes, section
98.24 116L.96. The commissioner shall distribute
98.25 the funds to existing nonprofit and state

41.1 (aa) \$4,050,000 each year is from the
41.2 workforce development fund for the
41.3 Minnesota youth program under Minnesota
41.4 Statutes, sections 116L.56 and 116L.561.

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42.6 116L.96. The commissioner shall distribute
42.7 the funds to existing nonprofit and state

98.26 displaced homemaker programs. This is a
98.27 onetime appropriation.

98.28 (hh)(1) \$150,000 in fiscal year 2018 is from
98.29 the workforce development fund for a grant
98.30 to Anoka County to develop and implement
98.31 a pilot program to increase competitive
98.32 employment opportunities for transition-age
98.33 youth ages 18 to 21.

99.1 (2) The competitive employment for
99.2 transition-age youth pilot program shall
99.3 include career guidance components, including
99.4 health and life skills, to encourage, train, and
99.5 assist transition-age youth in job-seeking
99.6 skills, workplace orientation, and job site
99.7 knowledge.

99.8 (3) In operating the pilot program, Anoka
99.9 County shall collaborate with schools,
99.10 disability providers, jobs and training
99.11 organizations, vocational rehabilitation
99.12 providers, and employers to build upon
99.13 opportunities and services, to prepare
99.14 transition-age youth for competitive
99.15 employment, and to enhance employer
99.16 connections that lead to employment for the
99.17 individuals served.

99.18 (4) Grant funds may be used to create an
99.19 on-the-job training incentive to encourage
99.20 employers to hire and train qualifying
99.21 individuals. A participating employer may
99.22 receive up to 50 percent of the wages paid to
99.23 the employee as a cost reimbursement for
99.24 on-the-job training provided.

99.25 (ii) \$500,000 each year is from the workforce
99.26 development fund for rural career counseling
99.27 coordinator positions in the workforce service
99.28 areas and for the purposes specified in
99.29 Minnesota Statutes, section 116L.667. The
99.30 commissioner of employment and economic
99.31 development, in consultation with local
99.32 workforce investment boards and local elected
99.33 officials in each of the service areas receiving

42.8 displaced homemaker programs. This is a
42.9 onetime appropriation.

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42.32 individuals served.

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43.8 coordinator positions in the workforce service
43.9 areas and for the purposes specified in
43.10 Minnesota Statutes, section 116L.667. The
43.11 commissioner of employment and economic
43.12 development, in consultation with local
43.13 workforce investment boards and local elected
43.14 officials in each of the service areas receiving

99.34 funds, shall develop a method of distributing
100.1 funds to provide equitable services across
100.2 workforce service areas.

100.3 (jj) In calendar year 2017, the public utility
100.4 subject to Minnesota Statutes, section
100.5 116C.779, must withhold \$1,000,000 from the
100.6 funds required to fulfill its financial
100.7 commitments under Minnesota Statutes,
100.8 section 116C.779, subdivision 1, and pay such
100.9 amounts to the commissioner of employment
100.10 and economic development for deposit in the
100.11 Minnesota 21st century fund under Minnesota
100.12 Statutes, section 116J.423.

100.13 (kk) \$350,000 in fiscal year 2018 is for a grant
100.14 to AccessAbility Incorporated to provide job
100.15 skills training to individuals who have been
100.16 released from incarceration for a felony-level
100.17 offense and are no more than 12 months from
100.18 the date of release. AccessAbility Incorporated
100.19 shall annually report to the commissioner on
100.20 how the money was spent and the results
100.21 achieved. The report must include, at a
100.22 minimum, information and data about the
100.23 number of participants; participant
100.24 homelessness, employment, recidivism, and
100.25 child support compliance; and training
100.26 provided to program participants.

100.27 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2017.

100.28 Sec. 15. **PLAN TO ADDRESS BARRIERS TO EMPLOYMENT.**

100.29 The commissioner of employment and economic development must consult with the
100.30 commissioners of health and human services and stakeholders in order to identify the barriers
100.31 that people with mental illness face in obtaining employment and all current programs that
100.32 assist people with mental illness in obtaining employment. Stakeholders shall include people
100.33 with mental illness and their families, mental health advocates, mental health providers,
100.34 and employers. The commissioner of employment and economic development shall submit
101.1 a detailed plan to the legislative committees with jurisdiction over employment and human
101.2 services before February 1, 2020, identifying the barriers to employment and making
101.3 recommendations on how to best improve the employment rate among people with mental
101.4 illness.

43.15 funds, shall develop a method of distributing
43.16 funds to provide equitable services across
43.17 workforce service areas.

43.18 (jj) In calendar year 2017, the public utility
43.19 subject to Minnesota Statutes, section
43.20 116C.779, must withhold \$1,000,000 from the
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44.1 achieved. The report must include, at a
44.2 minimum, information and data about the
44.3 number of participants; participant
44.4 homelessness, employment, recidivism, and
44.5 child support compliance; and training
44.6 provided to program participants.

44.7 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2017.

101.5 Sec. 16. **INNOVATIONS IN SPECIAL EDUCATION EMPLOYMENT (ISEE)**
101.6 **PILOT PROJECT.**

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

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

101.10 (c) "Eligible provider" means an organization currently eligible to provide services
101.11 through the extended employment program under Minnesota Statutes, section 268A.15.

101.12 (d) "Eligible student" means:

101.13 (1) a student receiving special instruction under Minnesota Statutes, section 125A.03,
101.14 who has completed at least three years of high school; or

101.15 (2) an individual under the age of 25 who has graduated from secondary school after
101.16 receiving special instruction under Minnesota Statutes, section 125A.03, but has not had
101.17 competitive wage employment in an integrated community setting.

101.18 (e) "Pilot" means the innovations in special education employment (ISEE) pilot project
101.19 established under this section.

101.20 Subd. 2. Establishment. The commissioner shall establish an innovations in special
101.21 education employment (ISEE) pilot project designed to transition special education graduates
101.22 into competitive wage employment in integrated community settings.

101.23 Subd. 3. Services. Eligible providers wishing to participate in the pilot must notify the
101.24 commissioner, on a form designated by the commissioner, of the intent to provide an eligible
101.25 student with one of the following services:

101.26 (1) comprehensive job preparation training that must provide an eligible student with at
101.27 least 20 hours in a classroom setting, resume preparation, and assistance in establishing a
101.28 bank account;

101.29 (2) job shadowing experiences where eligible students can observe at least 30 hours of
101.30 workplace activity for a job similar to one the eligible student might be hired for. Eligible
101.31 providers shall facilitate transportation to and from the workplace for the eligible student;
101.32 and

102.1 (3) employment placement services to match eligible students with appropriate
102.2 employment paying at least the minimum wage in an integrated community setting. Eligible
102.3 providers shall support such placements with training for the employer and the eligible
102.4 student, both before and after hiring, to foster success.

102.5 Subd. 4. Payments. Eligible providers may apply to the commissioner, on a form
102.6 designated by the commissioner, for the following payments for performance:

- 102.7 (1) \$1,000 for each eligible student certified to have completed the services under
102.8 subdivision 3, clause (1);
- 102.9 (2) \$1,000 for each eligible student certified to have completed the services under
102.10 subdivision 3, clause (2); and
- 102.11 (3) \$3,000 for each eligible student certified to have completed 90 days of employment
102.12 after receiving the services under subdivision 3, clause (3).
- 102.13 Subd. 5. **Forms.** By October 1, 2019, the commissioner must make available the forms
102.14 necessary for eligible providers to participate in the pilot. These must include:
- 102.15 (1) a form to notify the commissioner of the intent to provide an eligible student with a
102.16 service under subdivision 3; and
- 102.17 (2) a form to certify to the commissioner that an eligible student from clause (1) was
102.18 provided the service under subdivision 3, and to apply for payment for performance of that
102.19 service under subdivision 4.
- 102.20 Sec. 17. **MINNESOTA INNOVATION COLLABORATIVE.**
- 102.21 Subdivision 1. **Establishment.** The Minnesota Innovation Collaborative is established
102.22 within the Business and Community Development Division of the Department of
102.23 Employment and Economic Development to encourage and support the development of
102.24 new private sector technologies and support the science and technology policies under
102.25 Minnesota Statutes, section 3.222. The Minnesota Innovation Collaborative must provide
102.26 entrepreneurs and emerging technology-based companies business development assistance
102.27 and financial assistance to spur growth.
- 102.28 Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision
102.29 have the meanings given.
- 102.30 (b) "Advisory board" means the board established under subdivision 11.
- 102.31 (c) "Commissioner" means the commissioner of employment and economic development.
- 103.1 (d) "Department" means the Department of Employment and Economic Development.
- 103.2 (e) "Entrepreneur" means a Minnesota resident who is involved in establishing a business
103.3 entity and secures resources directed to its growth while bearing the risk of loss.
- 103.4 (f) "Greater Minnesota" means the area of Minnesota located outside of the metropolitan
103.5 area as defined in section 473.121, subdivision 2.
- 103.6 (g) "High technology" includes aerospace, agricultural processing, renewable energy,
103.7 energy efficiency and conservation, environmental engineering, food technology, cellulosic
103.8 ethanol, information technology, materials science technology, nanotechnology,

- 103.9 telecommunications, biotechnology, medical device products, pharmaceuticals, diagnostics,
103.10 biologicals, chemistry, veterinary science, and similar fields.
- 103.11 (h) "Institution of higher education" has the meaning given in Minnesota Statutes, section
103.12 136A.28, subdivision 6.
- 103.13 (i) "Minority group member" means a United States citizen who is Asian, Pacific Islander,
103.14 Black, Hispanic, or Native American.
- 103.15 (j) "Minority-owned business" means a business for which one or more minority group
103.16 members:
- 103.17 (1) own at least 50 percent of the business or, in the case of a publicly owned business,
103.18 own at least 51 percent of the stock; and
- 103.19 (2) manage the business and control the daily business operations.
- 103.20 (k) "Research and development" means any activity that is:
- 103.21 (1) a systematic, intensive study directed toward greater knowledge or understanding
103.22 of the subject studies;
- 103.23 (2) a systematic study directed specifically toward applying new knowledge to meet a
103.24 recognized need; or
- 103.25 (3) a systematic application of knowledge toward the production of useful materials,
103.26 devices, systems and methods, including design, development and improvement of prototypes
103.27 and new processes to meet specific requirements.
- 103.28 (l) "Start-up" means a business entity that has been in operation for less than ten years,
103.29 has operations in Minnesota, and is in the development stage defined as devoting substantially
103.30 all of its efforts to establishing a new business and either of the following conditions exists:
- 103.31 (1) planned principal operations have not commenced; or
- 104.1 (2) planned principal operations have commenced, but have generated less than
104.2 \$1,000,000 in revenue.
- 104.3 (m) "Technology-related assistance" means the application and utilization of
104.4 technological-information and technologies to assist in the development and production of
104.5 new technology-related products or services or to increase the productivity or otherwise
104.6 enhance the production or delivery of existing products or services.
- 104.7 (n) "Trade association" means a nonprofit membership organization organized to promote
104.8 businesses and business conditions and having an election under Internal Revenue Code
104.9 section 501(c)(3) or 501(c)(6).
- 104.10 (o) "Women" means persons of the female gender.

- 104.11 (p) "Women-owned business" means a business for which one or more women:
- 104.12 (1) own at least 50 percent of the business or, in the case of a publicly owned business,
- 104.13 own at least 51 percent of the stock; and
- 104.14 (2) manage the business and control the daily business operations.
- 104.15 Subd. 3. **Duties.** The Minnesota Innovation Collaborative shall:
- 104.16 (1) support innovation and initiatives designed to accelerate the growth of high-technology
- 104.17 start-ups in Minnesota;
- 104.18 (2) offer classes and instructional sessions on how to start a high-tech and innovative
- 104.19 start-up;
- 104.20 (3) promote activities for entrepreneurs and investors regarding the state's growing
- 104.21 innovation economy;
- 104.22 (4) hold events and meetings that gather key stakeholders in the state's innovation sector;
- 104.23 (5) conduct outreach and education on innovation activities and related financial programs
- 104.24 available from the department and other organizations, particularly for underserved
- 104.25 communities;
- 104.26 (6) interact and collaborate with statewide partners including but not limited to businesses,
- 104.27 nonprofits, trade associations, and higher education institutions;
- 104.28 (7) administer an advisory board to assist with direction, grant application review,
- 104.29 program evaluation, report development, and partnerships;
- 105.1 (8) commission research in partnership with the University of Minnesota and Minnesota
- 105.2 State Colleges and Universities to study innovation and its impacts on the state's economy
- 105.3 with emphasis on the state's labor market;
- 105.4 (9) accept grant applications under subdivisions 5 and 6 and work with the advisory
- 105.5 board to evaluate the applications and provide funding recommendations to the commissioner;
- 105.6 and
- 105.7 (10) perform other duties at the commissioner's discretion.
- 105.8 Subd. 4. **Administration.** (a) The department shall employ an executive director in the
- 105.9 unclassified service. The executive director shall:
- 105.10 (1) hire no more than two staff;
- 105.11 (2) assist the commissioner and the advisory board in performing the duties of the
- 105.12 Minnesota Innovation Collaborative; and
- 105.13 (3) comply with all state and federal program requirements, and all state and federal
- 105.14 securities and tax laws and regulations.

- 105.15 (b) To the extent possible, the space that the Minnesota Innovation Collaborative shall
105.16 occupy and lease must be a private coworking facility that includes office space for staff
105.17 and space for community engagement for training entrepreneurs. The space leased under
105.18 this paragraph is exempt from the requirements in Minnesota Statutes, section 16B.24,
105.19 subdivision 6.
- 105.20 (c) Except for grants under subdivision 7, the Minnesota Innovation Collaborative must
105.21 accept grant applications under this section and provide funding recommendations to the
105.22 commissioner, who shall distribute grants based in part on the recommendations.
- 105.23 Subd. 5. **Application process.** (a) The commissioner shall establish the application form
105.24 and procedures for innovation grants.
- 105.25 (b) Upon receiving recommendations from the Minnesota Innovation Collaborative
105.26 under subdivision 4, paragraph (c), the department is responsible for evaluating all
105.27 applications using evaluation criteria developed by the Minnesota Innovation Collaborative,
105.28 the advisory board, and the commissioner. Priority shall be given if the applicant is:
- 105.29 (1) a business or entrepreneur located in greater Minnesota; or
105.30 (2) a business owner or entrepreneur who is a woman or minority group member.
- 106.1 (c) The department staff, and not the Minnesota Innovation Collaborative staff, is
106.2 responsible for awarding funding, disbursing funds, and monitoring grantee performance
106.3 for all grants awarded under this section.
- 106.4 (d) Grantees must provide matching funds by equal expenditures and grant payments
106.5 must be provided on a reimbursement basis after review of submitted receipts by the
106.6 department.
- 106.7 (e) Grant applications must be accepted on a regular periodic basis by the Minnesota
106.8 Innovation Collaborative and must be reviewed by the collaborative and the advisory board
106.9 before being submitted to the commissioner with their recommendations.
- 106.10 Subd. 6. **Innovation grants.** (a) The commissioner shall distribute innovation grants
106.11 under this subdivision.
- 106.12 (b) The commissioner shall provide a grant of up to \$50,000 to an eligible business or
106.13 entrepreneur for research and development expenses. Research and development expenditures
106.14 may be related but not limited to proof of concept activities, intellectual property protection,
106.15 prototype designs and production, and commercial feasibility. Expenditures funded under
106.16 this subdivision are not eligible for the research and development tax credit under Minnesota
106.17 Statutes, section 290.068. Each business or entrepreneur may receive only one grant under
106.18 this paragraph.
- 106.19 (c) The commissioner shall provide a grant of up to \$25,000 to an eligible start-up or
106.20 entrepreneur for direct business expenses including but not limited to rent, equipment
106.21 purchases, supplier invoices, and staffing. Taxes imposed by the federal, state, or local

106.22 government entities may be not be reimbursed under this paragraph. Each start-up or
106.23 entrepreneur may receive only one grant under this paragraph.

106.24 (d) The commissioner shall provide a grant of up to \$7,500 to reimburse an entrepreneur
106.25 for health care, housing, or child care expenses for the entrepreneur, spouse, or children 26
106.26 years of age or younger. Each entrepreneur may receive only one grant under this paragraph.

106.27 (e) The commissioner shall provide a grant of up to \$50,000 to an eligible business or
106.28 entrepreneur that, as a registered client of the Small Business Innovation Research (SBIR)
106.29 program, has been awarded a Phase 2 award pursuant to the SBIR or Small Business
106.30 Technology Transfer (STTR) programs after July 1, 2019. Each business or entrepreneur
106.31 may receive only one grant under this paragraph. Grants under this paragraph are not subject
106.32 to the requirements of subdivision 2, paragraph (l), and are awarded without the review or
106.33 recommendation of the Minnesota Innovation Collaborative.

107.1 (f) The commissioner shall provide a grant of up to \$25,000 to provide financing to
107.2 start-ups to purchase technical assistance and services from public higher education
107.3 institutions and nonprofit entities to assist in the development or commercialization of
107.4 innovative new products or services.

107.5 Subd. 7. **Entrepreneur education grants.** (a) The commissioner shall make entrepreneur
107.6 education grants to institutions of higher education and other organizations to provide
107.7 educational programming to entrepreneurs and provide outreach to and collaboration with
107.8 businesses, federal and state agencies, institutions of higher education, trade associations,
107.9 and other organizations working to advance innovative, high technology businesses
107.10 throughout Minnesota.

107.11 (b) Applications for entrepreneur education grants under this subdivision must be
107.12 submitted to the commissioner and evaluated by department staff other than the Minnesota
107.13 Innovation Collaborative. The evaluation criteria must be developed by the Minnesota
107.14 Innovation Collaborative, the advisory board, and the commissioner with priority given to
107.15 an applicant who demonstrates activity assisting businesses or entrepreneurs residing in
107.16 greater Minnesota or who are women or minority group members.

107.17 (c) Department staff other than the Minnesota Innovation Collaborative staff is responsible
107.18 for awarding funding, disbursing funds, and monitoring grantee performance under this
107.19 subdivision.

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

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

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

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

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

108.3 Subd. 8. **Report.** The Minnesota Innovation Collaborative shall report by February 1,
108.4 2020, and again on February 1, 2021, to the chairs and ranking minority members of the
108.5 committees of the house of representatives and senate having jurisdiction over economic
108.6 development policy and finance issues on the work completed, including awards made by
108.7 the department under this section.

108.8 Subd. 9. **Advisory board.** (a) The commissioner shall establish an advisory board to
108.9 advise the executive director regarding the activities of the Minnesota Innovation
108.10 Collaborative and to perform the recommendations described in this section.

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

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

108.19 Sec. 18. **CHILD CARE ECONOMIC DEVELOPMENT GRANT PROGRAM.**

108.20 Subdivision 1. **Establishment.** A grant program is established under the Department of
108.21 Employment and Economic Development to award grants to eligible local communities to
108.22 increase the availability of child care in order to reduce the child care shortage in the
108.23 community, and support increased workforce participation, business expansion and retention,
108.24 and new business location.

108.25 Subd. 2. **Definitions.** For the purposes of this section, the following terms have the
108.26 meanings given them:

108.27 (1) "commissioner" means the commissioner of employment and economic development;

108.28 (2) "child care" has the meaning given in section 119B.011;

108.29 (3) "political subdivision" means a county, statutory or home rule charter city, or school
108.30 district; and

108.31 (4) "Indian tribe" means one of the federally recognized Minnesota tribes listed in section
108.32 3.922, subdivision 1, clause (1).

109.1 Subd. 3. **Eligible expenditures.** The commissioner may make grants under this section
109.2 to implement solutions to reduce the child care shortage in the state including but not limited
109.3 to funding for child care business start-ups or expansions, training, facility modifications
109.4 or improvements required for licensing, and assistance with licensing and other regulatory
109.5 requirements.

109.6 Subd. 4. **Eligible applicants.** Eligible applicants for grants awarded under this section
109.7 include:

109.8 (1) a political subdivision;

109.9 (2) an Indian tribe;

109.10 (3) a Minnesota nonprofit organization organized under chapter 317 having experience
109.11 in one or more of the following: the operation of, planning for, financing of, advocacy for,
109.12 or advancement of the delivery of child care services in a defined service area spanning the
109.13 boundaries of one or more political subdivisions.

109.14 Subd. 5. **Application process.** (a) An eligible applicant must submit an application to
109.15 the commissioner on a form prescribed by the commissioner. The commissioner shall
109.16 develop procedures governing the application and grant award process. The commissioner
109.17 shall act as fiscal agent for the grant program and shall be responsible for receiving and
109.18 reviewing grant applications and awarding grants under this section.

109.19 (b) At least 30 days prior to the first day applications may be submitted each fiscal year,
109.20 the commissioner must publish on the department's website the specific criteria and any
109.21 quantitative weighting scheme or scoring system the commissioner will use to evaluate or
109.22 rank applications and award grants under subdivision 6.

109.23 Subd. 6. **Application contents.** An applicant for a grant under this section shall provide
109.24 the following information on the application:

109.25 (1) the service area of the project;

109.26 (2) the project budget;

109.27 (3) evidence of the child care shortage in the community in which the project is to be
109.28 located;

109.29 (4) the number of licensed child care slots that will be created as a result of the project;

- 109.30 (5) the number of families with children under age six that will have access to child care
109.31 as a result of the project;
- 109.32 (6) community employers and businesses that will benefit from the proposed project;
- 110.1 (7) evidence of community support for the project;
- 110.2 (8) the total cost of the project;
- 110.3 (9) sources of funding or in-kind contributions for the project that will supplement any
110.4 grant award; and
- 110.5 (10) any additional information requested by the commissioner.
- 110.6 Subd. 7. **Awarding grants.** (a) In evaluating applications and awarding grants, the
110.7 commissioner may give priority to applications that:
- 110.8 (1) are in areas that have a documented shortage of affordable quality child care;
- 110.9 (2) demonstrate programmatic or financial collaborations and partnering among private
110.10 sector employers, public and nonprofit organizations within geographic areas;
- 110.11 (3) serve areas of the state experiencing worker shortages, low prime age workforce
110.12 participation rates, or prime age worker population loss that is significantly greater than the
110.13 statewide average;
- 110.14 (4) provide evidence of strong support for the project from citizens, government,
110.15 businesses, and institutions in the community;
- 110.16 (5) leverage greater amounts of funding for the project from private and nonstate public
110.17 sources.
- 110.18 (b) The commissioner shall endeavor to award grants under this section to qualified
110.19 applicants in all regions of the state.
- 110.20 Subd. 8. **Limitation.** (a) No grant awarded under this section may fund more than 50
110.21 percent of the total cost of a project.
- 110.22 (b) Grants awarded to a single project under this section must not exceed \$100,000.
- 110.23 Sec. 19. **COMMUNITY PROSPERITY GRANT PROGRAM.**
- 110.24 Subdivision 1. **Establishment; purpose.** The community prosperity grant program is
110.25 established to provide grants to public or 501(c)(3) nonprofit entities to implement innovative
110.26 economic development projects that will support economic growth in their community.
- 110.27 Subd. 2. **Definitions.** For the purposes of this section, the following terms have the
110.28 meanings given them:

- 111.1 (1) "economic development" means activities, services, investments, and infrastructure
111.2 that support the economic success of individuals, businesses, and communities by facilitating
111.3 an economic environment that produces net new jobs;
- 111.4 (2) "innovative project" means the provision of a public service or good that was absent
111.5 in the community or of insufficient quantity or quality;
- 111.6 (3) "local governmental unit" means a county, city, town, special district, public higher
111.7 education institution, or other political subdivision or public corporation; and
- 111.8 (4) "community" means any geographic area defined by one or more census tracts.
- 111.9 Subd. 3. **Community prosperity grants.** The commissioner of employment and
111.10 economic development shall:
- 111.11 (1) develop and implement a community prosperity grant program that will provide
111.12 matching grants up to 85 percent of total project cost up to \$100,000 to implement innovative
111.13 economic development projects that will induce economic growth in their community;
- 111.14 (2) develop a request for proposals;
- 111.15 (3) review responses to requests for proposals and award grants under this section;
- 111.16 (4) establish a transparent and objective accountability process focused on outcomes
111.17 that grantees agree to achieve; and
- 111.18 (5) maintain data on outcomes reported by grantees.
- 111.19 Subd. 4. **Eligible grantees.** Organizations eligible to receive grant funding under this
111.20 section include:
- 111.21 (1) local government units; and
- 111.22 (2) nonprofit 501(c)(3) organizations that have established partnerships with one or more
111.23 local government units to implement economic development projects or activities.
- 111.24 Subd. 5. **Priority of proposals; grant awards.** The commissioner shall prioritize the
111.25 award of grants to proposals that demonstrate that the project:
- 111.26 (1) will serve communities with a population of 5,000 or less;
- 111.27 (2) will support community groups or neighborhood organizations within one of the 128
111.28 federally designated opportunity zones;
- 111.29 (3) will support the economic success of individuals, businesses, and communities by
111.30 facilitating an economic environment that produces net new jobs;
- 112.1 (4) will provide public services or goods that was absent in the community or of
112.2 insufficient quantity or quality;

112.3 (5) serves a defined geographic area; racial, ethnic, or minority community; or American
112.4 Indian community experiencing any the following: below state average wages, above state
112.5 average unemployment rate, or below state average labor force participation rate;

112.6 (6) will be sustainable or continue to have impact beyond the one-time funding from
112.7 this program;

112.8 (7) will be successfully implemented based on the qualifications of the lead organization;
112.9 and

112.10 (8) will serve two or more local government units.

112.11 Subd. 6. **Geographic distribution of grants.** The commissioner shall ensure that a
112.12 minimum of 50 percent of grants are awarded to communities outside the seven-county
112.13 metropolitan area.

112.14 Subd. 7. **Report.** Grantees must report grant program outcomes to the commissioner on
112.15 the forms and according to the timelines established by the commissioner.

112.16 Sec. 20. **ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA**
112.17 **INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

112.18 (a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or
112.19 statutory city, county, or town that has uncommitted money received from repayment of
112.20 funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20
112.21 percent of the balance of that money to the state general fund before June 30, 2020. Any
112.22 local entity that does so may then use the remaining 80 percent of the uncommitted money
112.23 as a general purpose aid for any lawful expenditure.

112.24 (b) By February 15, 2021, a home rule charter or statutory city, county, or town that
112.25 exercises the option under paragraph (a) shall submit to the chairs and ranking minority
112.26 members of the legislative committees with jurisdiction over economic development policy
112.27 and finance an accounting and explanation of the use and distribution of the funds.

112.28 Sec. 21. **BIANNUAL REPORTS ON GRANTS.**

112.29 (a) By December 15, 2020, and by December 15 of each even-numbered year thereafter,
112.30 the commissioner of employment and economic development must submit a report to the
112.31 chairs of the legislative committees with jurisdiction over jobs and economic development
113.1 that provides information on all state-funded grants administered by the commissioner in
113.2 the prior biennium.

113.3 (b) For each grantee, the report must include, at a minimum, the following information:

113.4 (1) details of how grant funds were used;

113.5 (2) details of program costs, including the percentage spent on administration;

44.8 Sec. 6. **ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA**
44.9 **INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

44.10 (a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or
44.11 statutory city, county, or town that has uncommitted money received from repayment of
44.12 funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20
44.13 percent of the balance of that money to the state general fund before June 30, 2020. Any
44.14 local entity that does so may then use the remaining 80 percent of the uncommitted money
44.15 as a general purpose aid for any lawful expenditure.

44.16 (b) By February 15, 2021, a home rule charter or statutory city, county, or town that
44.17 exercises the option under paragraph (a) shall submit to the chairs of the legislative
44.18 committees with jurisdiction over economic development policy and finance an accounting
44.19 and explanation of the use and distribution of the funds.

- 113.6 (3) details of any nonstate funds used for the program;
- 113.7 (4) the number of program participants;
- 113.8 (5) the per participant cost of the program;
- 113.9 (6) a history of any past state funding the program has received;
- 113.10 (7) a short description of what the program does;
- 113.11 (8) to the extent practical, quantifiable measures of program success; and
- 113.12 (9) information on the geographic locations of the clients served by the program.

44.20 Sec. 7. **REPEALER.**

44.21 Minnesota Statutes 2018, section 469.084, subdivision 1a, is repealed.