

39.9

ARTICLE 3

39.10

ECONOMIC DEVELOPMENT

39.11 Section 1. Minnesota Statutes 2020, section 12.32, is amended to read:

39.12 **12.32 GOVERNOR'S ORDERS AND RULES, EFFECT.**

39.13 Except as provided in section 12.321, orders and rules promulgated by the governor
39.14 under authority of section 12.21, subdivision 3, clause (1), when approved by the Executive
39.15 Council and filed in the Office of the Secretary of State, have, during a national security
39.16 emergency, peacetime emergency, or energy supply emergency, the full force and effect of
39.17 law. Rules and ordinances of any agency or political subdivision of the state inconsistent
39.18 with the provisions of this chapter or with any order or rule having the force and effect of
39.19 law issued under the authority of this chapter, is suspended during the period of time and
39.20 to the extent that the emergency exists.

39.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

39.22 Sec. 2. ~~[12.321]~~ **EXECUTIVE ORDERS RELATING TO PUBLIC HEALTH**
39.23 **EMERGENCY FOR INFECTIOUS DISEASE; EFFECT.**

39.24 Notwithstanding any law to the contrary, any executive order relating to a public health
39.25 emergency for an infectious disease issued pursuant to section 12.21 or 12.31 that closes
39.26 or partially closes or proposes to close or partially close a business to ingress, egress, use,
39.27 and occupancy by members of the public must:

39.28 (1) be approved by the legislature with a simple majority vote in both the senate and the
39.29 house of representatives acting separately prior to implementation of the executive order;
39.30 and

40.1 (2) provide businesses subject to the executive order with 14 calendar days advanced
40.2 notice of the closure.

40.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

42.2

ARTICLE 3

42.3

DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

42.4 Section 1. Minnesota Statutes 2020, section 116J.035, subdivision 6, is amended to read:

42.5 Subd. 6. **Receipt of gifts, money; appropriation.** (a) The commissioner may:

42.6 (1) apply for, accept, and disburse gifts, bequests, grants, payments for services, loans,
42.7 or other property from the United States, the state, private foundations, or any other source;

42.8 (2) enter into an agreement required for the gifts, grants, or loans; and

42.9 (3) hold, use, and dispose of its assets according to the terms of the gift, grant, loan, or
42.10 agreement.

40.4 Sec. 3. Minnesota Statutes 2020, section 116J.431, subdivision 2, is amended to read:

40.5 Subd. 2. **Eligible projects.** (a) An economic development project for which a county or

40.6 city may be eligible to receive a grant under this section includes:

40.7 (1) manufacturing;

40.8 (2) technology;

40.9 (3) warehousing and distribution;

40.10 (4) research and development;

40.11 (5) agricultural processing, defined as transforming, packaging, sorting, or grading

40.12 livestock or livestock products into goods that are used for intermediate or final consumption,

40.13 including goods for nonfood use; or

40.14 (6) industrial park development that would be used by any other business listed in this

40.15 subdivision even if no business has committed to locate in the industrial park at the time

40.16 the grant application is made.

40.17 (b) Up to 15 percent of the development of a project may be for a purpose that is not

40.18 included under this subdivision as an eligible project. A city or county must provide notice

40.19 to the commissioner for the commissioner's approval of the proposed project.

40.20 **EFFECTIVE DATE.** This section is effective the day following final enactment and

40.21 applies to projects that have been funded previously under Minnesota Statutes, section

40.22 116J.431.

40.23 Sec. 4. Minnesota Statutes 2020, section 116J.431, subdivision 3, is amended to read:

40.24 Subd. 3. **Ineligible projects.** ~~The following~~ Projects, including but not limited to the

40.25 following types, are ~~not eligible~~ ineligible for a grant under this section:

40.26 (1) retail development; or

40.27 (2) office space development, except as incidental to an eligible purpose.

42.11 (b) Money received by the commissioner under this subdivision must be deposited in a

42.12 separate account in the state treasury and invested by the State Board of Investment. The

42.13 amount deposited, including investment earnings, is appropriated to the commissioner to

42.14 carry out duties under this section.

42.15 (c) Money received by the commissioner under this subdivision for State Services for

42.16 the Blind is exempt from depositing gifts, bequests, charitable contributions, and similar

42.17 contributions made solely into the state treasury.

42.18 Sec. 2. Minnesota Statutes 2020, section 116J.431, subdivision 2, is amended to read:

42.19 Subd. 2. **Eligible projects.** (a) An economic development project for which a county or

42.20 city may be eligible to receive a grant under this section includes:

42.21 (1) manufacturing;

42.22 (2) technology;

42.23 (3) warehousing and distribution;

42.24 (4) research and development;

42.25 (5) agricultural processing, defined as transforming, packaging, sorting, or grading

42.26 livestock or livestock products into goods that are used for intermediate or final consumption,

42.27 including goods for nonfood use; or

42.28 (6) industrial park development that would be used by any other business listed in this

42.29 subdivision even if no business has committed to locate in the industrial park at the time

42.30 the grant application is made.

43.1 (b) Up to 15 percent of the development of a project may be for a purpose that is ancillary

43.2 to the project but that is not included under this subdivision as an eligible project. A city or

43.3 county must provide notice to the commissioner for the commissioner's approval of the

43.4 proposed ancillary development purpose.

43.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and

43.6 applies to projects that have been funded previously under Minnesota Statutes, section

43.7 116J.431.

40.28 **EFFECTIVE DATE.** This section is effective the day following final enactment and
40.29 applies to projects that have been funded previously under Minnesota Statutes, section
40.30 116J.431.

41.1 Sec. 5. Minnesota Statutes 2020, section 116J.431, is amended by adding a subdivision
41.2 to read:

41.3 Subd. 3a. **Development restrictions expiration.** After ten years from the date of the
41.4 grant award under this section, if an eligible project for which the public infrastructure was
41.5 intended has not been developed, any other lawful project may be developed and supported
41.6 by the public infrastructure. The city or county must notify the commissioner of the project.

41.7 **EFFECTIVE DATE.** This section is effective the day following final enactment and
41.8 applies to projects that have been funded previously under Minnesota Statutes, section
41.9 116J.431.

43.8 Sec. 3. Minnesota Statutes 2020, section 116J.431, is amended by adding a subdivision
43.9 to read:

43.10 Subd. 3a. **Development restrictions expiration.** After ten years from the date of the
43.11 grant award under this section, a project that has been developed for its original project
43.12 purpose may be developed for any lawful purpose.

43.13 **EFFECTIVE DATE.** This section is effective the day following final enactment and
43.14 applies to projects that have been funded previously under Minnesota Statutes, section
43.15 116J.431.

43.16 Sec. 4. **[116J.8736] MICROENTERPRISE DEVELOPMENT PROGRAM.**

43.17 Subdivision 1. **Establishment.** The commissioner of employment and economic
43.18 development shall establish the microenterprise development program to award grants to
43.19 microenterprise development organizations to encourage microenterprise development.

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

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

43.23 (c) "Disadvantaged entrepreneur" means an owner of a microenterprise who is a
43.24 low-income person or otherwise lacks adequate access to capital or other resources essential
43.25 for business success.

43.26 (d) "Low-income person" means a person with an income adjusted for family size that
43.27 does not exceed:

43.28 (1) for metropolitan areas, 80 percent of median income; or

43.29 (2) for nonmetropolitan areas, the greater of 80 percent of the area median income or
43.30 80 percent of the statewide nonmetropolitan area median income.

44.1 (e) "Microenterprise" means a business, including a start-up, home-based, or
44.2 self-employed business, with no more than five employees.

44.3 (f) "Microenterprise development organization" means a nonprofit entity that provides
44.4 one or more of the services under subdivision 4 to disadvantaged entrepreneurs.

44.5 (g) "Program" means the microenterprise development program established under this
44.6 section.

- 44.7 Subd. 3. **Grants to microenterprise development organizations.** The commissioner
 44.8 shall make grants to microenterprise development organizations through a competitive grant
 44.9 process based on criteria developed by the commissioner and shall consider each applicant's:
- 44.10 (1) plan for providing business development services and loans to microenterprises;
 44.11 (2) scope of services to be provided;
 44.12 (3) plan for coordinating services and loans with financial institutions;
 44.13 (4) ability to provide business training and technical assistance to disadvantaged
 44.14 entrepreneurs;
 44.15 (5) ability to monitor and provide financial oversight of recipients of loans and services;
 44.16 and
 44.17 (6) sources and sufficiency of operating funds.
- 44.18 In selecting grant recipients, the commissioner shall ensure that services are provided to all
 44.19 regions of the state, including both metropolitan areas and communities in greater Minnesota.
- 44.20 Subd. 4. **Eligible uses of grant funds.** Microenterprise development organizations may
 44.21 use grant funds for any of the following purposes:
- 44.22 (1) satisfying matching fund requirements for federal or private grants or loans that will
 44.23 allow the microenterprise development organization to provide another service under this
 44.24 subdivision to disadvantaged entrepreneurs;
- 44.25 (2) establishing a revolving loan fund for loans to disadvantaged entrepreneurs. The
 44.26 loans may be zero interest and must be for no more than \$25,000 per microenterprise;
- 44.27 (3) guaranteeing loans from private financial institutions to disadvantaged entrepreneurs;
 44.28 (4) providing technical assistance, mentoring, training, or physical space to disadvantaged
 44.29 entrepreneurs; and
- 44.30 (5) up to ten percent of grant funds may be used for the operating costs of the
 44.31 microenterprise development organization and its administrative costs for the program.
- 45.1 Subd. 5. **Reports to the legislature.** (a) By December 1, 2023, and every December 1
 45.2 thereafter until given permission by the commissioner to cease reporting, grant recipients
 45.3 must submit a report to the commissioner on the use of grant funds in the form that the
 45.4 commissioner prescribes and include any documentation of and supporting information
 45.5 regarding the grant that the commissioner requires, including:
- 45.6 (1) the demand for services under the program;
 45.7 (2) information on the types of applicants seeking program services; and

45.8 (3) a list of all loans or loan guarantees made, including the name of the recipient, the
45.9 amount, and its intended purpose.

45.10 (b) By December 31, 2023, and every December 31 thereafter until all grant recipients
45.11 have ceased reporting, the commissioner must submit a report as required under Minnesota
45.12 Statutes, section 3.195, that details the use of funds under this section, including the
45.13 information provided by grant recipients, as well as an analysis of the impact of the program.
45.14 A copy of this report must also be sent to the chairs and ranking minority members of the
45.15 committees of the house of representatives and the senate having jurisdiction over economic
45.16 development.

48.19 Sec. 7. Minnesota Statutes 2020, section 116L.02, is amended to read:

48.20 **116L.02 JOB SKILLS PARTNERSHIP PROGRAM.**

48.21 ~~(a)~~ The Minnesota Job Skills Partnership program is created to act as a catalyst to bring
48.22 together employers with specific training needs with educational or other nonprofit
48.23 institutions which can design programs to fill those needs. The partnership shall work closely
48.24 with employers to prepare, train and place prospective or incumbent workers in identifiable
48.25 positions as well as assisting educational or other nonprofit institutions in developing training
48.26 programs that coincide with current and future employer requirements. The partnership
48.27 shall provide grants to educational or other nonprofit institutions for the purpose of training
48.28 workers. A participating business must match the grant-in-aid made by the Minnesota Job
48.29 Skills Partnership. The match may be in the form of funding, equipment, or faculty.

48.30 ~~(b) The partnership program is authorized to use funds to pay for training for individuals~~
48.31 ~~who have incomes at or below 200 percent of the federal poverty line. The board may grant~~
48.32 ~~funds to eligible recipients to pay for board-certified training. Eligible recipients of grants~~
49.1 ~~may include public, private, or nonprofit entities that provide employment services to~~
49.2 ~~low-income individuals.~~

49.3 Sec. 8. Minnesota Statutes 2020, section 116L.03, subdivision 1, is amended to read:

49.4 Subdivision 1. **Members.** The partnership shall be governed by a board of ~~42~~ 13 directors.

49.5 Sec. 9. Minnesota Statutes 2020, section 116L.03, subdivision 2, is amended to read:

49.6 Subd. 2. **Appointment.** The Minnesota Job Skills Partnership Board consists of: ~~seven~~
49.7 eight members appointed by the governor, the commissioner of employment and economic
49.8 development, the chancellor, or the chancellor's designee, of the Minnesota State Colleges
49.9 and Universities, the president, or the president's designee, of the University of Minnesota,
49.10 and two nonlegislator members, one appointed by the Subcommittee on Committees of the
49.11 senate Committee on Rules and Administration and one appointed by the speaker of the
49.12 house. If the chancellor or the president of the university makes a designation under this
49.13 subdivision, the designee must have experience in technical education. Four of the appointed
49.14 members must be members of the governor's Workforce Development Board, of whom two
49.15 must represent organized labor and two must represent business and industry. ~~One of the~~

49.16 ~~appointed members must be a representative of a nonprofit organization that provides~~
49.17 ~~workforce development or job training services. Two of the members must be from~~
49.18 ~~community-based organizations that have demonstrated experience and expertise in~~
49.19 ~~addressing the employment, training, or education needs of individuals or communities~~
49.20 ~~facing barriers to employment.~~

49.21 Sec. 10. Minnesota Statutes 2020, section 116L.03, subdivision 3, is amended to read:

49.22 Subd. 3. **Qualifications.** Members must have expertise in, and be representative of one
49.23 of the following fields of: education, job skills training, labor, business, ~~and~~ or government.

49.24 Sec. 11. Minnesota Statutes 2020, section 116L.05, subdivision 5, is amended to read:

49.25 Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year, the
49.26 board may use ~~workforce development funds~~ appropriated under section 116L.20, subdivision
49.27 2, paragraph (b), clause (1), for the purposes outlined in sections 116L.02 and 116L.04, or
49.28 ~~to provide incumbent worker training services under section 116L.18~~ 116L.21 and 116L.22
49.29 if the following conditions have been met:

49.30 (1) the board examines relevant economic indicators, including the projected number
49.31 of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of declining
50.1 and expanding industries, the number of initial applications for and the number of exhaustions
50.2 of unemployment benefits disaggregated by race and ethnicity, job vacancy data, and any
50.3 additional relevant information brought to the board's attention;

50.4 (2) the board accounts for all allocations made in section 116L.17, subdivision 2;

50.5 (3) based on the past expenditures and projected revenue, the board estimates future
50.6 funding needs for services under section 116L.17 for the remainder of the current fiscal
50.7 year and the next fiscal year;

50.8 (4) the board determines there will be unspent funds after meeting the needs of dislocated
50.9 workers in the current fiscal year and there will be sufficient revenue to meet the needs of
50.10 dislocated workers in the next fiscal year; and

50.11 (5) the board reports its findings in clauses (1) to (4) to the chairs of legislative
50.12 committees with jurisdiction over the workforce development fund, to the commissioners
50.13 of revenue and management and budget, and to the public.

50.14 Sec. 12. Minnesota Statutes 2020, section 116L.17, subdivision 1, is amended to read:

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

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

50.18 (c) "Dislocated worker" means an individual who is a resident of Minnesota at the time
50.19 employment ceased or was working in the state at the time employment ceased and:

- 50.20 (1) has been temporarily or permanently separated or has received a notice of temporary
 50.21 or permanent separation from public or private sector employment and is eligible for or has
 50.22 exhausted entitlement to unemployment benefits, ~~and is unlikely to return to the previous~~
 50.23 ~~industry or occupation;~~
- 50.24 ~~(2) has been long-term unemployed and has limited opportunities for employment or~~
 50.25 ~~reemployment in the same or a similar occupation in the area in which the individual resides,~~
 50.26 ~~including older individuals who may have substantial barriers to employment by reason of~~
 50.27 ~~age;~~
- 50.28 ~~(2)~~ (2) has been terminated or has received a notice of termination of employment as a
 50.29 result of a plant closing or a substantial layoff at a plant, facility, or enterprise;
- 50.30 ~~(3)~~ (3) has been self-employed, including farmers and ranchers, and is unemployed as
 50.31 a result of general economic conditions in the community in which the individual resides
 50.32 or because of natural disasters;
- 51.1 ~~(4)~~ (4) is a veteran as defined by section 197.447, has been discharged or released from
 51.2 active duty under honorable conditions within the last 36 months, and (i) is unemployed or
 51.3 (ii) is employed in a job verified to be below the skill level and earning capacity of the
 51.4 veteran;
- 51.5 ~~(5)~~ (5) is an individual determined by the United States Department of Labor to be
 51.6 covered by trade adjustment assistance under United States Code, title 19, sections 2271 to
 51.7 2331, as amended; or
- 51.8 ~~(6)~~ (6) is a displaced homemaker. A "displaced homemaker" is an individual who has
 51.9 spent a substantial number of years in the home providing homemaking service and (i) has
 51.10 been dependent upon the financial support of another; and now due to divorce, separation,
 51.11 death, or disability of that person, must find employment to self support; or (ii) derived the
 51.12 substantial share of support from public assistance on account of dependents in the home
 51.13 and no longer receives such support. To be eligible under this clause, the support must have
 51.14 ceased while the worker resided in Minnesota.
- 51.15 For the purposes of this section, "dislocated worker" does not include an individual who
 51.16 was an employee, at the time employment ceased, of a political committee, political fund,
 51.17 principal campaign committee, or party unit, as those terms are used in chapter 10A, or an
 51.18 organization required to file with the federal elections commission.
- 51.19 (d) "Eligible organization" means a state or local government unit, nonprofit organization,
 51.20 community action agency, business organization or association, or labor organization.
- 51.21 (e) "Plant closing" means the announced or actual permanent shutdown of a single site
 51.22 of employment, or one or more facilities or operating units within a single site of
 51.23 employment.
- 51.24 (f) "Substantial layoff" means a permanent reduction in the workforce, which is not a
 51.25 result of a plant closing, and which results in an employment loss at a single site of

51.26 employment during any 30-day period for at least 50 employees excluding those employees
51.27 that work less than 20 hours per week.

51.28 Sec. 13. Minnesota Statutes 2020, section 116L.17, subdivision 4, is amended to read:

51.29 Subd. 4. **Use of funds.** Funds granted by the board under this section may be used for
51.30 any combination of the following, except as otherwise provided in this section:

51.31 (1) employment transition services such as developing readjustment plans for individuals;
51.32 outreach and intake; early readjustment; job or career counseling; testing; orientation;
51.33 assessment of skills and aptitudes; provision of occupational and labor market information;
52.1 job placement assistance; job search; job development; prelayoff assistance; relocation
52.2 assistance; programs provided in cooperation with employers or labor organizations to
52.3 provide early intervention in the event of plant closings or substantial layoffs; and
52.4 entrepreneurial training and business consulting;

52.5 (2) support services, including assistance to help the participant relocate to employ
52.6 existing skills; out-of-area job search assistance; family care assistance, including child
52.7 care; ~~commuting~~ transportation assistance; emergency housing and rental assistance;
52.8 counseling assistance, including personal and financial; health care; emergency health
52.9 assistance; emergency financial assistance; work-related tools and clothing; and other
52.10 appropriate support services that enable a person to participate in an employment and training
52.11 program with the goal of reemployment;

52.12 (3) specific, short-term training to help the participant enhance current skills in a similar
52.13 occupation or industry; entrepreneurial training, customized training, or on-the-job training;
52.14 basic and remedial education to enhance current skills; and literacy and work-related English
52.15 training for non-English speakers;

52.16 (4) long-term training in a new occupation or industry, including occupational skills
52.17 training or customized training in an accredited program recognized by one or more relevant
52.18 industries. Long-term training shall only be provided to dislocated workers whose skills are
52.19 obsolete and who have no other transferable skills likely to result in employment at a
52.20 comparable wage rate. Training shall only be provided for occupations or industries with
52.21 reasonable expectations of job availability based on the service provider's thorough
52.22 assessment of local labor market information where the individual currently resides or is
52.23 willing to relocate. This clause shall not restrict training in personal services or other such
52.24 industries; and

52.25 (5) direct training services to provide a measurable increase in the job-related skills of
52.26 participating incumbent workers, including basic assessment, counseling, and preemployment
52.27 training services requested by the qualifying employer.

52.28 Sec. 14. Minnesota Statutes 2020, section 116L.20, subdivision 2, is amended to read:

52.29 Subd. 2. **Disbursement of special assessment funds.** (a) The money collected under
52.30 this section shall be deposited in the state treasury and credited to the workforce development

- 52.31 fund to provide for employment and training programs. The workforce development fund
52.32 is created as a special account in the state treasury.
- 53.1 ~~(b) All money in the fund not otherwise appropriated or transferred is appropriated to~~
53.2 ~~the Job Skills Partnership Board for the purposes of section 116L.17 and as provided for in~~
53.3 ~~paragraph (d). Of the money in the fund not otherwise appropriated or transferred by July~~
53.4 ~~1 of each year;~~
- 53.5 (1) at least 30 percent is appropriated to the Job Skills Partnership Board for the purposes
53.6 of section 116L.17. If the conditions under section 116L.05, subdivision 5, are met as of
53.7 March 1 of each year, a minimum of 50 percent and up to a maximum of 70 percent of the
53.8 unspent money must be transferred for the programs under sections 116L.21 and 116L.22;
- 53.9 (2) up to five percent is appropriated to the Job Skills Partnership Board for the purposes
53.10 of sections 116L.02 and 116L.04; and
- 53.11 (3) up to 65 percent is appropriated to the commissioner for workforce development
53.12 grants under subdivision 3.
- 53.13 (c) The board must act as the fiscal agent for the money and must disburse that money
53.14 for the purposes of section 116L.17, not allowing the money to be used for any other
53.15 obligation of the state. All money in the workforce development fund shall be deposited,
53.16 administered, and disbursed in the same manner and under the same conditions and
53.17 requirements as are provided by law for the other special accounts in the state treasury,
53.18 except that all interest or net income resulting from the investment or deposit of money in
53.19 the fund shall accrue to the fund for the purposes of the fund.
- 53.20 ~~(d)~~ (d) Reimbursement for costs related to collection of the special assessment shall be
53.21 in an amount negotiated between the commissioner and the United States Department of
53.22 Labor.
- 53.23 ~~(d) If the board determines that the conditions of section 116L.05, subdivision 5, have~~
53.24 ~~been met, the board may use funds for the purposes outlined in section 116L.04, or to provide~~
53.25 ~~incumbent worker training services under section 116L.18.~~
- 53.26 Sec. 15. Minnesota Statutes 2020, section 116L.20, is amended by adding a subdivision
53.27 to read:
- 53.28 Subd. 3. **Workforce development grants.** (a) Grants awarded using money appropriated
53.29 under subdivision 2, paragraph (b), clause (3), must be allocated to maximize delivery to
53.30 organizations with strong relationships with individuals who are Black, Indigenous, or
53.31 People of Color. Grant awards must be consistent with the overall geographic population
53.32 distribution of the state. Preference or priority for grant awards must be given to organizations
54.1 with experience serving communities with the greatest needs that are Black, Indigenous,
54.2 and People of Color.
- 54.3 (b) Of the amount appropriated under subdivision 2, paragraph (b), clause (3):

- 54.4 (1) up to six percent is for administration and monitoring of the workforce development
54.5 programs; and
- 54.6 (2) grants must be made for programs under sections 116L.362, 116L.561, 116L.562,
54.7 116L.96, 116L.981, and 116L.99.
- 54.8 (c) Of the amount appropriated under subdivision 2, paragraph (b), clause (3), remaining
54.9 after the appropriations under paragraph (b):
- 54.10 (1) 50 percent is for removing barriers to employment grants under section 116L.21;
54.11 and
- 54.12 (2) 50 percent is for innovative employment solutions grants under section 116L.22.
- 54.13 (d) When making competitive grants for adult grantees, the commissioner shall benchmark
54.14 outcomes against similar populations with similar barriers to employment. The commissioner
54.15 must consider the following outcomes for competitive grant awards focused on adults: job
54.16 placement and retention, wage levels, and credentials attainment. The commissioner must
54.17 consider the following outcomes for competitive grant awards focused on youth: work
54.18 readiness, credentials, and placement.
- 54.19 Sec. 16. **[116L.21] REMOVING BARRIERS TO EMPLOYMENT GRANT**
54.20 **PROGRAM.**
- 54.21 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
54.22 the meanings given.
- 54.23 (b) "Commissioner" means the commissioner of employment and economic development.
- 54.24 (c) "Minority" means a person who identifies as a member of one or more of the following
54.25 groups:
- 54.26 (1) Black, including persons having origins of any of the Black African racial groups
54.27 not of Hispanic origin;
- 54.28 (2) Hispanic, including persons of Mexican, Puerto Rican, Cuban, Central American,
54.29 South American, or other Spanish culture or origin, regardless of race;
- 54.30 (3) Asian and Pacific Islander, including persons having origins in any of the original
54.31 peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands; and
- 55.1 (4) American Indian or Alaskan Native, including persons having origins in any of the
55.2 original people of North America and maintaining identifiable Tribal affiliations through
55.3 membership and participation or community identification.
- 55.4 (d) "Program" means the removing barriers to employment grant program under this
55.5 section.

- 55.6 (e) "Targeted population" means socially and economically disadvantaged minority
55.7 populations who experience complex needs and barriers to employment.
- 55.8 Subd. 2. **Establishment.** The commissioner shall establish a competitive grant program
55.9 for organizations to provide individuals with barriers to employment the services, including
55.10 supportive services, needed to enter, participate in, and complete workforce preparation,
55.11 training, and education programs.
- 55.12 Subd. 3. **Grants.** (a) Grants under this section shall be awarded on a competitive basis
55.13 after consultation with the Grant Review Advisory Council under section 116L.23.
- 55.14 (b) The commissioner must provide outreach and technical assistance to prospective
55.15 applicants.
- 55.16 (c) Grant applicants may be required to participate in technical assistance activities,
55.17 including but not limited to convening communities of practice to identify and help replicate
55.18 evidence-based practices and to help facilitate an assessment and evaluation of grant
55.19 performance and initiative success.
- 55.20 Subd. 4. **Award criteria.** (a) The commissioner shall develop criteria for the selection
55.21 of grant recipients that focus on but are not limited to the applicant's demonstrated capacity
55.22 to provide services to targeted populations.
- 55.23 (b) Priority must be given to applications that integrate individuals from targeted
55.24 populations into career pathway programs aligned with regional labor market needs.
- 55.25 (c) Grant awards must cumulatively ensure the provision of services statewide and to a
55.26 range of targeted populations.
- 55.27 Subd. 5. **Capacity building grants.** (a) A portion of the money available for this program
55.28 must be allocated for capacity building competitive grants to small, culturally specific
55.29 nonprofit organizations that serve historically underserved cultural communities and have
55.30 an annual organizational budget of less than \$500,000.
- 56.1 (b) Capacity building grants may be used for the following purposes: organizational
56.2 infrastructure improvement, organizational workforce development, and the creation or
56.3 expansion of partnerships.
- 56.4 Subd. 6. **Performance outcome measures.** Reporting and performance outcomes for
56.5 this program must comply with the requirements under section 116L.98.
- 56.6 Subd. 7. **Report to the legislature.** (a) Within one year of receiving grant funds under
56.7 this section, organizations must each submit a written report to the commissioner on the
56.8 use of grant funds.
- 56.9 (b) Beginning in January 2023, the commissioner must submit a biennial report on the
56.10 information reported under paragraph (a), as required under section 3.195. A copy of this

56.11 report must also be sent to the chairs and ranking minority members of the committees of
 56.12 the house of representatives and the senate having jurisdiction over workforce development.

56.13 Sec. 17. **[116L.22] INNOVATIVE EMPLOYMENT SOLUTIONS GRANT**
 56.14 **PROGRAM.**

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

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

56.18 (c) "Department" means the Department of Employment and Economic Development.

56.19 (d) "Minority" means a person who identifies as a member of one or more of the following
 56.20 groups:

56.21 (1) Black, including persons having origins of any of the Black African racial groups
 56.22 not of Hispanic origin;

56.23 (2) Hispanic, including persons of Mexican, Puerto Rican, Cuban, Central American,
 56.24 South American, or other Spanish culture or origin, regardless of race;

56.25 (3) Asian and Pacific Islander, including persons having origins in any of the original
 56.26 peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands; and

56.27 (4) American Indian or Alaskan Native, including persons having origins in any of the
 56.28 original people of North America and maintaining identifiable Tribal affiliations through
 56.29 membership and participation or community identification.

56.30 (e) "Performance measures" means specific, measurable, time-based goals, the completion
 56.31 of which predicates payment under a pay for performance agreement.

57.1 (f) "Program" means the innovative employment solutions grant program under this
 57.2 section.

57.3 (g) "Targeted population" means socially and economically disadvantaged minority
 57.4 populations who experience complex needs and barriers to employment.

57.5 Subd. 2. **Establishment.** The commissioner shall establish a competitive grant program
 57.6 for organizations to provide individuals with barriers to employment the services, including
 57.7 supportive services needed to enter, participate in, and complete workforce preparation,
 57.8 training, and education programs aligned with regional labor market needs in innovative
 57.9 ways. This program shall fund new ideas and approaches and work with organizations with
 57.10 no previous record of accomplishments with the department. Priority must be given to
 57.11 applications that integrate individuals from targeted populations into career pathway programs
 57.12 aligned with regional labor market needs.

- 57.13 Subd. 3. **Grants.** (a) Grants under this section shall be awarded on a competitive basis
57.14 after consultation with the Grant Review Advisory Council under section 116L.23.
- 57.15 (b) The commissioner must provide outreach and technical assistance to prospective
57.16 applicants.
- 57.17 (c) Grant applicants may be required to participate in technical assistance activities,
57.18 including but not limited to convening communities of practice to identify and help replicate
57.19 evidence-based practices and to help facilitate an assessment and evaluation of grant
57.20 performance and initiative success.
- 57.21 Subd. 4. **Pay for performance.** (a) All grants under the program must be pay for
57.22 performance under a written agreement with the commissioner that stipulates the specific
57.23 project, services, time period, number of participants, population targeted, and quantifiable
57.24 performance measures the applicant organization will achieve, along with an amount of
57.25 money that will be paid to the organization if those performance measures are achieved
57.26 within the stated time period.
- 57.27 (b) Achievement of the specified performance measures shall be determined by an
57.28 independent evaluator procured by the organization.
- 57.29 (c) To enter into a written agreement under this subdivision, the applicant organization
57.30 must first provide evidence that it has secured all necessary financing before service delivery
57.31 begins and must provide information on these sources of funding, including any matching
57.32 funds that will be used.
- 58.1 Subd. 5. **Performance outcome measures.** Reporting and performance outcomes for
58.2 this program must comply with the requirements under section 116L.98.
- 58.3 Subd. 6. **Report to legislature.** (a) Within one year of receiving grant funds under this
58.4 section, organizations must each submit a written report to the commissioner on the use of
58.5 grant funds.
- 58.6 (b) Beginning in January 2023, the commissioner must submit a biennial report on the
58.7 information reported under paragraph (a), as required under section 3.195. A copy of this
58.8 report must also be sent to the chairs and ranking minority members of the committees of
58.9 the house of representatives and the senate having jurisdiction over workforce development.
- 58.10 Sec. 18. **[116L.23] GRANT REVIEW ADVISORY COUNCIL.**
- 58.11 Subdivision 1. **Establishment.** The commissioner of employment and economic
58.12 development shall establish a Grant Review Advisory Council to review grant applications
58.13 and make recommendations to the commissioner.
- 58.14 Subd. 2. **Appointment of members.** (a) By July 15, 2021, the commissioner shall
58.15 appoint 15 members to the advisory council. These members must have demonstrated

58.16 experience and expertise in workforce development and must represent a diverse range of
58.17 communities and perspectives.

58.18 (b) After the initial appointments, members of the advisory council shall be appointed
58.19 no later than January 15 of every odd-numbered year and shall serve until January 15 of
58.20 the next odd-numbered year. Members may be removed and vacancies filled as provided
58.21 in section 15.059, subdivision 4. Appointed members are eligible for reappointment and
58.22 shall serve until their successors have been appointed.

58.23 Subd. 3. **Operations.** (a) The commissioner shall convene the first meeting of the
58.24 advisory council no later than August 1, 2021. The advisory council shall elect a chair and
58.25 other officers at its first meeting and biannually thereafter. The duties of these officers shall
58.26 be established by the advisory council.

58.27 (b) Members of the advisory council serve without compensation or payment of expenses.

58.28 (c) The commissioner shall provide meeting space and administrative services for the
58.29 advisory council. All costs necessary to support the advisory council's operations must be
58.30 absorbed using existing appropriations available to the commissioner.

59.1 (d) The advisory council is subject to chapter 13D, but may close a meeting to discuss
59.2 sensitive private business information included in grant applications. Data related to an
59.3 application for a grant submitted to the advisory council is governed by section 13.599.

59.4 Subd. 4. **Review of grants.** The advisory council shall establish criteria for ranking
59.5 applicants for awards under each grant program in which the council provides
59.6 recommendations to the commissioner. This criteria must consider which applicants are
59.7 currently able or have the best potential to:

59.8 (1) reach a broad diverse audience, including any populations targeted by the program,
59.9 through their recruitment and outreach efforts;

59.10 (2) significantly increase enrollment in and completion of the training program the
59.11 applicant plans to promote; and

59.12 (3) fill existing market needs for skilled workers.

59.13 The advisory council must also consider the documented employment outcomes each
59.14 applicant achieved when operating similar programs in the past.

59.15 Subd. 5. **Conflicts of interest.** A member of the advisory council must not participate
59.16 in the consideration of an application submitted by anyone with whom the member has a
59.17 financial or personal relationship and must complete a conflict of interest form indicating
59.18 the nature of such a relationship before participating in the consideration of any applicants
59.19 in the same round of applications to that grant program.

59.20 Sec. 19. Minnesota Statutes 2020, section 116L.40, is amended by adding a subdivision
59.21 to read:

59.22 Subd. 2a. **Automation technology.** "Automation technology" means a process or
59.23 procedure performed with minimal human assistance. Automation or automatic control is
59.24 the use of various control systems for operating equipment such as machinery, processes
59.25 in factories, or other applications with minimal or reduced human intervention. Adoption,
59.26 implementation, and utilization of any one of three types of automation in production are
59.27 acceptable for consideration of this program, including fixed automation, programmable
59.28 automation, and flexible automation.

59.29 Sec. 20. Minnesota Statutes 2020, section 116L.40, subdivision 5, is amended to read:

59.30 Subd. 5. **Employee.** "Employee" means the individual employed in a new or existing
59.31 job.

60.1 Sec. 21. Minnesota Statutes 2020, section 116L.40, subdivision 6, is amended to read:

60.2 Subd. 6. **Employer.** "Employer" means the individual, corporation, partnership, limited
60.3 liability company, or association providing new jobs or investing in new automation
60.4 technology and entering into an agreement.

60.5 Sec. 22. Minnesota Statutes 2020, section 116L.40, subdivision 9, is amended to read:

60.6 Subd. 9. **Program costs.** "Program costs" means all necessary and incidental costs of
60.7 providing program services, ~~except that program costs are increased by \$1,000 per employee~~
60.8 ~~for an individual with a disability~~. The term does not include the cost of purchasing equipment
60.9 to be owned or used by the training or educational institution or service.

60.10 Sec. 23. Minnesota Statutes 2020, section 116L.40, subdivision 10, is amended to read:

60.11 Subd. 10. **Program services.** "Program services" means training and education
60.12 specifically directed to new or existing jobs that are determined to be appropriate by the
60.13 commissioner, including in-house training; services provided by institutions of higher
60.14 education and federal, state, or local agencies; or private training or educational services.
60.15 Administrative services and assessment and testing costs are included.

60.16 Sec. 24. Minnesota Statutes 2020, section 116L.41, subdivision 1, is amended to read:

60.17 Subdivision 1. **Service provision.** Upon request, the commissioner shall provide or
60.18 coordinate the provision of program services under sections 116L.40 to 116L.42 to a business
60.19 eligible for grants under this section ~~116L.42~~. The commissioner shall specify the form of
60.20 and required information to be provided with applications for projects to be funded with
60.21 grants under this section ~~116L.42~~.

60.22 Sec. 25. Minnesota Statutes 2020, section 116L.41, is amended by adding a subdivision
60.23 to read:

60.24 Subd. 1a. **Job training incentive program.** (a) The commissioner may provide grants
60.25 in aid of up to \$200,000 to new or expanding employers at a location in Minnesota and
60.26 outside of the metropolitan area, as defined in section 473.121, subdivision 2, for the
60.27 provision of program services using the guidelines in this subdivision.

60.28 (b) The program must involve training and education specifically directed to new jobs
60.29 that are determined to be appropriate by the commissioner.

61.1 (c) The program must give preference to projects that provide training for economically
61.2 disadvantaged people, people of color, or people with disabilities and to employers located
61.3 in economically distressed areas.

61.4 (d) Employers are eligible for reimbursement of program costs of up to \$10,000 per new
61.5 job for which training is provided, with an additional \$1,000 available per new job for an
61.6 individual with a disability.

61.7 Sec. 26. Minnesota Statutes 2020, section 116L.41, is amended by adding a subdivision
61.8 to read:

61.9 Subd. 1b. **Automation incentive program.** (a) The commissioner may provide grants
61.10 in aid of up to \$35,000 to employers at a location in Minnesota outside of the metropolitan
61.11 area, as defined in section 473.121, subdivision 2, for the provision of program services
61.12 using the guidelines in this subdivision.

61.13 (b) The employer must be an existing business located in Minnesota that is in the
61.14 manufacturing or skilled assembly production industry and has 150 or fewer full-time
61.15 employees companywide.

61.16 (c) The employer must be invested in new automation technology within the past year
61.17 or plan to invest in new automation technology within the project time frame specified in
61.18 the agreement under subdivision 3.

61.19 (d) The program must involve training and education for full-time, permanent employees
61.20 that is directly related to the new automation technology.

61.21 (e) The program must give preference to projects that provide training for economically
61.22 disadvantaged people, people of color, or people with disabilities and to employers located
61.23 in economically distressed areas.

61.24 (f) Employers are eligible for program cost reimbursement of up to \$5,000 per employee
61.25 trained on new automation technology and retained.

61.26 Sec. 27. Minnesota Statutes 2020, section 116L.41, subdivision 2, is amended to read:

61.27 Subd. 2. **Agreements; required terms.** (a) The commissioner may enter into an
61.28 agreement to establish a project with an employer that:

- 61.29 (1) identifies program costs to be paid from sources under the program;
- 61.30 (2) identifies program costs to be paid by the employer;
- 62.1 (3) provides that on-the-job training costs for employees may not exceed 50 percent of
- 62.2 the annual gross wages and salaries of the new jobs in the first full year after execution of
- 62.3 the agreement up to a maximum of \$10,000 per eligible employee;
- 62.4 (4) provides that each employee ~~must be paid wages at least equal to the median hourly~~
- 62.5 ~~wage for the county in which the job is located, as reported in the most recently available~~
- 62.6 ~~data from the United States Bureau of the Census, plus benefits, by the earlier of the end~~
- 62.7 ~~of the training period or 18 months of employment under the project receiving training~~
- 62.8 ~~through the project must be paid wages of at least 120 percent of the federal poverty~~
- 62.9 ~~guidelines for a family of four, plus benefits; and~~
- 62.10 (5) provides that job training will be provided and the length of time of training.
- 62.11 (b) Before entering into a final agreement, the commissioner shall:
- 62.12 (1) determine that sufficient funds for the project are available ~~under section 116L.42;~~
- 62.13 and
- 62.14 (2) investigate the applicability of other training programs and determine whether the
- 62.15 job skills partnership grant program is a more suitable source of funding for the training
- 62.16 and whether the training can be completed in a timely manner that meets the needs of the
- 62.17 business.
- 62.18 The investigation under clause (2) must be completed within 15 days or as soon as
- 62.19 reasonably possible after the employer has provided the commissioner with all the requested
- 62.20 information.
- 62.21 Sec. 28. Minnesota Statutes 2020, section 116L.42, subdivision 1, is amended to read:
- 62.22 Subdivision 1. **Recovery of program costs.** Amounts paid by employers for program
- 62.23 costs are repaid by a job training grant equal to the lesser of the following:
- 62.24 (1) the amount of program costs specified in the agreement for the project; or
- 62.25 (2) the amount of program costs paid by the employer for ~~new~~ training employees under
- 62.26 a project.
- 62.27 Sec. 29. Minnesota Statutes 2020, section 116L.42, subdivision 2, is amended to read:
- 62.28 Subd. 2. **Reports.** (a) By February 1, ~~2018~~ 2024, the commissioner shall report to the
- 62.29 governor and the legislature on the program. The report must include at least:
- 62.30 (1) the amount of grants issued under the program;
- 63.1 (2) the number of individuals receiving training under the program, including the number
- 63.2 of new hires who are individuals with disabilities;

- 63.3 (3) the number of new hires attributable to the program, including the number of new
 63.4 hires who are individuals with disabilities;
- 63.5 (4) an analysis of the effectiveness of the grant in encouraging employment or investments
 63.6 in automation technology; and
- 63.7 (5) any other information the commissioner determines appropriate.
- 63.8 (b) The report to the legislature must be distributed as provided in section 3.195.
- 63.9 Sec. 30. Minnesota Statutes 2020, section 116L.98, subdivision 1, is amended to read:
- 63.10 Subdivision 1. **Requirements.** The commissioner shall develop and implement a uniform
 63.11 outcome measurement and reporting system for adult workforce-related programs funded
 63.12 in whole or in part by state funds as well as for youth workforce-related programs funded
 63.13 in whole or in part by state funds. For the purpose of this section, "workforce-related
 63.14 programs" means all education and training programs administered by the commissioner
 63.15 and includes programs and services administered by the commissioner and provided to
 63.16 individuals enrolled in adult basic education under section 124D.52 and the Minnesota
 63.17 family investment program under chapter 256J.
- 63.18 Sec. 31. Minnesota Statutes 2020, section 116L.98, subdivision 2, is amended to read:
- 63.19 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this
 63.20 subdivision have the meanings given.
- 63.21 (b) "Credential" means postsecondary degrees, diplomas, licenses, and certificates
 63.22 awarded in recognition of an individual's attainment of measurable technical or occupational
 63.23 skills necessary to obtain employment or advance with an occupation. ~~This definition does~~
 63.24 ~~not include certificates awarded by workforce investment boards or work readiness~~
 63.25 ~~certificates.~~
- 63.26 (c) "Exit" means to have not received service under a workforce program for 90
 63.27 consecutive calendar days. The exit date is the last date of service.
- 63.28 (d) "Net impact" means the use of matched control groups and regression analysis to
 63.29 estimate the impacts attributable to program participation net of other factors, including
 63.30 observable personal characteristics and economic conditions.
- 64.1 (e) "Placement" means when a participant exits into unsubsidized employment,
 64.2 postsecondary education, vocational or occupational skills training, a registered
 64.3 apprenticeship, or the military.
- 64.4 ~~(e)~~ (f) "Pre-enrollment" means the period of time before an individual was enrolled in
 64.5 a workforce program.

64.6 Sec. 32. Minnesota Statutes 2020, section 116L.98, subdivision 3, is amended to read:

64.7 Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December
64.8 31 of each even-numbered year, the commissioner must report to the chairs and ranking
64.9 minority members of the committees of the house of representatives and the senate having
64.10 jurisdiction over economic development and workforce policy and finance the following
64.11 information separately for each of the previous two fiscal or calendar years, for each program
64.12 subject to the requirements of subdivision 1:

64.13 (1) the total number of participants enrolled;

64.14 (2) the median pre-enrollment wages based on participant wages for the second through
64.15 the fifth calendar quarters immediately preceding the quarter of enrollment excluding those
64.16 with zero income;

64.17 (3) the total number of participants with zero income in the second through fifth calendar
64.18 quarters immediately preceding the quarter of enrollment;

64.19 (4) the total number of participants enrolled in training;

64.20 (5) the total number of participants enrolled in training by occupational group;

64.21 (6) the total number of participants that exited the program and the average enrollment
64.22 duration of participants that have exited the program during the year;

64.23 (7) the total number of exited participants who completed training;

64.24 (8) the total number of exited participants who attained a credential;

64.25 (9) the total number of participants employed during three consecutive quarters
64.26 immediately following the quarter of exit, by industry;

64.27 (10) the median wages of participants employed during three consecutive quarters
64.28 immediately following the quarter of exit;

64.29 (11) the total number of participants employed during eight consecutive quarters
64.30 immediately following the quarter of exit, by industry; and

65.1 (12) the median wages of participants employed during eight consecutive quarters
65.2 immediately following the quarter of exit; and

65.3 ~~(13) the total cost of the program;~~

65.4 ~~(14) the total cost of the program per participant;~~

65.5 ~~(15) the cost per credential received by a participant; and~~

65.6 ~~(16) the administrative cost of the program.~~

65.7 ~~(b)~~ The report to the legislature must contain participant information by education level,
65.8 race and ethnicity, gender, and geography, and a comparison of exited participants who

- 65.9 completed training and those who did not. The report to the legislature shall include a
 65.10 summary of current program trends in the state that are relevant to workforce development
 65.11 and employment outcomes.
- 65.12 ~~(e)~~ The requirements of this section apply to programs administered directly by the
 65.13 commissioner or administered by other organizations under a grant made by the department.
- 65.14 (b) For youth workforce-related programs funded in whole or in part by state funds the
 65.15 following shall be reported:
- 65.16 (1) the total number of participants enrolled in training;
 65.17 (2) the total number of participants who completed training;
 65.18 (3) the total number of exited participants who have a placement in employment;
 65.19 (4) the total number of exited participants who have a placement in post-secondary
 65.20 education;
- 65.21 (5) the total number of exited participants with a placement in occupational or vocational
 65.22 skills training, apprenticeship training, or military training;
- 65.23 (6) the total number of exited participants who have returned to school;
 65.24 (7) the total number of exited participants who earned academic credit or service learning
 65.25 credit for work-based learning or participation in work experience;
- 65.26 (8) the total number of exited participants who have earned their high school diploma
 65.27 or GED;
- 65.28 (9) the total number of exited participants who have earned a certificate or
 65.29 industry-recognized credential; and
- 66.1 (10) the total number of exited participants who have completed and attained a work
 66.2 readiness skills training. "Work readiness" means a participant has the knowledge the
 66.3 participant needs in order to seek out employment. Activities, programs, or services must
 66.4 be designed to help an individual acquire a combination of basic academic skills, critical
 66.5 thinking skills, digital literacy skills, and self-management skills, including competencies
 66.6 in: (i) utilizing resources; (ii) using information; (iii) working with others; (iv) understanding
 66.7 systems; (v) skills necessary for successful transition into and completion of postsecondary
 66.8 education or training, or employment; and (vi) other employability skills. Competencies
 66.9 are measured through a pre- and post-training checklist completed and evaluated by
 66.10 employers.
- 66.11 Sec. 33. **[116L.981] PATHWAYS TO PROSPERITY PROGRAM.**
- 66.12 Subdivision 1. Pathways to prosperity. (a) The commissioner shall establish a pathways
 66.13 to prosperity grant program to award grants to organizations to train low-skill, low-income

- 66.14 adults, and adults facing the greatest employment disparities, and to assist them in finding
 66.15 employment in high-demand industries with long-term employment opportunities.
- 66.16 (b) "Pathways to prosperity" means a combination of rigorous and high-quality education,
 66.17 training, and other services that:
- 66.18 (1) aligns with the skill needs of high-growth industries in the state, regional, or local
 66.19 economy;
- 66.20 (2) prepares individuals to enter in demand careers;
- 66.21 (3) includes counseling and to support an individual in achieving the individual's
 66.22 education and career goals;
- 66.23 (4) includes, as appropriate, education offered concurrently with and in the same context
 66.24 as workforce preparation activities and training for a specific occupation or occupational
 66.25 cluster;
- 66.26 (5) organizes education, training, and other services to meet the particular needs of an
 66.27 individual in a manner that accelerates the educational and career advancement of the
 66.28 individual to the extent practicable;
- 66.29 (6) enables an individual to attain a relevant academic award, certificate, or
 66.30 industry-recognized credential; and
- 66.31 (7) helps an individual enter or advance within a specific occupation or occupational
 66.32 cluster.
- 67.1 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the
 67.2 meanings given.
- 67.3 (b) "Career pathway" means a career-readiness program that combines vocational skills
 67.4 training, education, and support services and results in either industry-specific training or
 67.5 an industry-recognized credential. Career pathway includes sector specific vocational skills
 67.6 training that leads to employment in high-demand occupations.
- 67.7 (c) "Pathways to prosperity grant program" or "grant program" means the competitive
 67.8 grant program created in this section.
- 67.9 Subd. 3. **Competitive grant process.** (a) The commissioner shall award grants to
 67.10 applicants through a competitive grant process. This process shall include an expedited
 67.11 application process for previous grant recipients that operate career pathway programs that
 67.12 are aligned with current labor market needs and that are meeting or exceeding their
 67.13 performance goals related to training and placement for individuals facing multiple barriers
 67.14 to employment.
- 67.15 (b) The commissioner shall develop criteria for making grants in consultation with
 67.16 workforce development service providers. These criteria shall include guidelines for multiple
 67.17 types of career pathways. These criteria shall also consider a program's alignment with the

41.10 Sec. 6. Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended by Laws
41.11 2017, First Special Session chapter 7, section 2, is amended to read:

41.12	Subd. 2. Business and Community Development	\$	46,074,000	\$	40,935,000
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41.13 Appropriations by Fund

41.14	General	\$43,363,000	\$38,424,000
41.15	Remediation	\$700,000	\$700,000
41.16	Workforce		
41.17	Development	\$1,861,000	\$1,811,000
41.18	Special Revenue	\$150,000	-0-

41.19 (a) \$4,195,000 each year is for the Minnesota
41.20 job skills partnership program under
41.21 Minnesota Statutes, sections 116L.01 to
41.22 116L.17. If the appropriation for either year
41.23 is insufficient, the appropriation for the other
41.24 year is available. This appropriation is
41.25 available until spent.

41.26 (b) \$750,000 each year is for grants to the
41.27 Neighborhood Development Center for small
41.28 business programs:

41.29 (1) training, lending, and business services;

41.30 (2) model outreach and training in greater
41.31 Minnesota; and

41.32 (3) development of new business incubators.

67.18 labor market in the community where the program operates and, where applicable, a
67.19 program's previous grant performance.

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

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

67.24 (e) All grants shall be two years in length.

67.25 Subd. 4. **Performance metrics.** Reporting and performance outcomes for the grant
67.26 program under this section shall comply with the requirements under section 116L.98.

19.6 Section 1. Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended by Laws
19.7 2017, First Special Session chapter 7, section 2, is amended to read:

19.8	Subd. 2. Business and Community Development	\$	46,074,000	\$	40,935,000
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19.9 Appropriations by Fund

19.10	General	\$43,363,000	\$38,424,000
19.11	Remediation	\$700,000	\$700,000
19.12	Workforce		
19.13	Development	\$1,861,000	\$1,811,000
19.14	Special Revenue	\$150,000	-0-

19.15 (a) \$4,195,000 each year is for the Minnesota
19.16 job skills partnership program under
19.17 Minnesota Statutes, sections 116L.01 to
19.18 116L.17. If the appropriation for either year
19.19 is insufficient, the appropriation for the other
19.20 year is available. This appropriation is
19.21 available until spent.

19.22 (b) \$750,000 each year is for grants to the
19.23 Neighborhood Development Center for small
19.24 business programs:

19.25 (1) training, lending, and business services;

19.26 (2) model outreach and training in greater
19.27 Minnesota; and

19.28 (3) development of new business incubators.

41.33 This is a onetime appropriation.

42.1 (c) \$1,175,000 each year is for a grant to the
42.2 Metropolitan Economic Development
42.3 Association (MEDA) for statewide business
42.4 development and assistance services, including
42.5 services to entrepreneurs with businesses that
42.6 have the potential to create job opportunities
42.7 for unemployed and underemployed people,
42.8 with an emphasis on minority-owned
42.9 businesses. This is a onetime appropriation.

42.10 (d) \$125,000 each year is for a grant to the
42.11 White Earth Nation for the White Earth Nation
42.12 Integrated Business Development System to
42.13 provide business assistance with workforce
42.14 development, outreach, technical assistance,
42.15 infrastructure and operational support,
42.16 financing, and other business development
42.17 activities. This is a onetime appropriation.

42.18 (e)(1) \$12,500,000 each year is for the
42.19 Minnesota investment fund under Minnesota
42.20 Statutes, section 116J.8731. Of this amount,
42.21 the commissioner of employment and
42.22 economic development may use up to three
42.23 percent for administration and monitoring of
42.24 the program. This appropriation is available
42.25 until spent.

42.26 (2) Of the amount appropriated in fiscal year
42.27 2018, \$4,000,000 is for a loan to construct and
42.28 equip a wholesale electronic component
42.29 distribution center investing a minimum of
42.30 \$200,000,000 and constructing a facility at
42.31 least 700,000 square feet in size. Loan funds
42.32 may be used for purchases of materials,
42.33 supplies, and equipment for the construction
42.34 of the facility and are available from July 1,
42.35 2017, to June 30, 2021. The commissioner of
43.1 employment and economic development shall
43.2 forgive the loan after verification that the
43.3 project has satisfied performance goals and
43.4 contractual obligations as required under
43.5 Minnesota Statutes, section 116J.8731.

19.29 This is a onetime appropriation.

19.30 (c) \$1,175,000 each year is for a grant to the
19.31 Metropolitan Economic Development
19.32 Association (MEDA) for statewide business
20.1 development and assistance services, including
20.2 services to entrepreneurs with businesses that
20.3 have the potential to create job opportunities
20.4 for unemployed and underemployed people,
20.5 with an emphasis on minority-owned
20.6 businesses. This is a onetime appropriation.

20.7 (d) \$125,000 each year is for a grant to the
20.8 White Earth Nation for the White Earth Nation
20.9 Integrated Business Development System to
20.10 provide business assistance with workforce
20.11 development, outreach, technical assistance,
20.12 infrastructure and operational support,
20.13 financing, and other business development
20.14 activities. This is a onetime appropriation.

20.15 (e)(1) \$12,500,000 each year is for the
20.16 Minnesota investment fund under Minnesota
20.17 Statutes, section 116J.8731. Of this amount,
20.18 the commissioner of employment and
20.19 economic development may use up to three
20.20 percent for administration and monitoring of
20.21 the program. This appropriation is available
20.22 until spent.

20.23 (2) Of the amount appropriated in fiscal year
20.24 2018, \$4,000,000 is for a loan to construct and
20.25 equip a wholesale electronic component
20.26 distribution center investing a minimum of
20.27 \$200,000,000 and constructing a facility at
20.28 least 700,000 square feet in size. Loan funds
20.29 may be used for purchases of materials,
20.30 supplies, and equipment for the construction
20.31 of the facility and are available from July 1,
20.32 2017, to June 30, 2021. The commissioner of
20.33 employment and economic development shall
20.34 forgive the loan after verification that the
20.35 project has satisfied performance goals and
21.1 contractual obligations as required under
21.2 Minnesota Statutes, section 116J.8731.

43.6 (3) Of the amount appropriated in fiscal year
43.7 2018, \$700,000 is for a ~~loan to extend an~~
43.8 ~~effluent pipe that will deliver reclaimed water~~
43.9 ~~to an innovative waste-to-biofuel project~~
43.10 ~~investing a minimum of \$150,000,000 and~~
43.11 ~~constructing a facility that is designed to~~
43.12 ~~process approximately 400,000 tons of waste~~
43.13 ~~annually. Loan grant to the Metropolitan~~
43.14 ~~Council under Minnesota Statutes, section~~
43.15 ~~116.195, for wastewater infrastructure to~~
43.16 ~~support industrial users in Rosemount that~~
43.17 ~~require significant water use. Grant funds are~~
43.18 ~~available until June 30, 2021 2025.~~

43.19 (f) \$8,500,000 each year is for the Minnesota
43.20 job creation fund under Minnesota Statutes,
43.21 section 116J.8748. Of this amount, the
43.22 commissioner of employment and economic
43.23 development may use up to three percent for
43.24 administrative expenses. This appropriation
43.25 is available until expended. In fiscal year 2020
43.26 and beyond, the base amount is \$8,000,000.

43.27 (g) \$1,647,000 each year is for contaminated
43.28 site cleanup and development grants under
43.29 Minnesota Statutes, sections 116J.551 to
43.30 116J.558. This appropriation is available until
43.31 spent. In fiscal year 2020 and beyond, the base
43.32 amount is \$1,772,000.

43.33 (h) \$12,000 each year is for a grant to the
43.34 Upper Minnesota Film Office.

44.1 (i) \$163,000 each year is for the Minnesota
44.2 Film and TV Board. The appropriation in each
44.3 year is available only upon receipt by the
44.4 board of \$1 in matching contributions of
44.5 money or in-kind contributions from nonstate
44.6 sources for every \$3 provided by this
44.7 appropriation, except that each year up to
44.8 \$50,000 is available on July 1 even if the
44.9 required matching contribution has not been
44.10 received by that date.

44.11 (j) \$500,000 each year is from the general fund
44.12 for a grant to the Minnesota Film and TV

21.3 (3) Of the amount appropriated in fiscal year
21.4 2018, \$700,000 is for a ~~loan to extend an~~
21.5 ~~effluent pipe that will deliver reclaimed water~~
21.6 ~~to an innovative waste-to-biofuel project~~
21.7 ~~investing a minimum of \$150,000,000 and~~
21.8 ~~constructing a facility that is designed to~~
21.9 ~~process approximately 400,000 tons of waste~~
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22.4 appropriation, except that each year up to
22.5 \$50,000 is available on July 1 even if the
22.6 required matching contribution has not been
22.7 received by that date.

22.8 (j) \$500,000 each year is from the general fund
22.9 for a grant to the Minnesota Film and TV

44.13 Board for the film production jobs program
44.14 under Minnesota Statutes, section 116U.26.
44.15 This appropriation is available until June 30,
44.16 2021.

44.17 (k) \$139,000 each year is for a grant to the
44.18 Rural Policy and Development Center under
44.19 Minnesota Statutes, section 116J.421.

44.20 (l)(1) \$1,300,000 each year is for the greater
44.21 Minnesota business development public
44.22 infrastructure grant program under Minnesota
44.23 Statutes, section 116J.431. This appropriation
44.24 is available until spent. If the appropriation
44.25 for either year is insufficient, the appropriation
44.26 for the other year is available. In fiscal year
44.27 2020 and beyond, the base amount is
44.28 \$1,787,000. Funds available under this
44.29 paragraph may be used for site preparation of
44.30 property owned and to be used by private
44.31 entities.

44.32 (2) Of the amounts appropriated, \$1,600,000
44.33 in fiscal year 2018 is for a grant to the city of
44.34 Thief River Falls to support utility extensions,
44.35 roads, and other public improvements related
45.1 to the construction of a wholesale electronic
45.2 component distribution center at least 700,000
45.3 square feet in size and investing a minimum
45.4 of \$200,000,000. Notwithstanding Minnesota
45.5 Statutes, section 116J.431, a local match is
45.6 not required. Grant funds are available from
45.7 July 1, 2017, to June 30, 2021.

45.8 (m) \$876,000 the first year and \$500,000 the
45.9 second year are for the Minnesota emerging
45.10 entrepreneur loan program under Minnesota
45.11 Statutes, section 116M.18. Funds available
45.12 under this paragraph are for transfer into the
45.13 emerging entrepreneur program special
45.14 revenue fund account created under Minnesota
45.15 Statutes, chapter 116M, and are available until
45.16 spent. Of this amount, up to four percent is for
45.17 administration and monitoring of the program.

22.10 Board for the film production jobs program
22.11 under Minnesota Statutes, section 116U.26.
22.12 This appropriation is available until June 30,
22.13 2021.

22.14 (k) \$139,000 each year is for a grant to the
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22.16 Minnesota Statutes, section 116J.421.

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23.7 entrepreneur loan program under Minnesota
23.8 Statutes, section 116M.18. Funds available
23.9 under this paragraph are for transfer into the
23.10 emerging entrepreneur program special
23.11 revenue fund account created under Minnesota
23.12 Statutes, chapter 116M, and are available until
23.13 spent. Of this amount, up to four percent is for
23.14 administration and monitoring of the program.

45.18 In fiscal year 2020 and beyond, the base
45.19 amount is \$1,000,000.

45.20 (n) \$875,000 each year is for a grant to
45.21 Enterprise Minnesota, Inc. for the small
45.22 business growth acceleration program under
45.23 Minnesota Statutes, section 116O.115. This
45.24 is a onetime appropriation.

45.25 (o) \$250,000 in fiscal year 2018 is for a grant
45.26 to the Minnesota Design Center at the
45.27 University of Minnesota for the greater
45.28 Minnesota community design pilot project.

45.29 (p) \$275,000 in fiscal year 2018 is from the
45.30 general fund to the commissioner of
45.31 employment and economic development for
45.32 a grant to Community and Economic
45.33 Development Associates (CEDA) for an
45.34 economic development study and analysis of
45.35 the effects of current and projected economic
46.1 growth in southeast Minnesota. CEDA shall
46.2 report on the findings and recommendations
46.3 of the study to the committees of the house of
46.4 representatives and senate with jurisdiction
46.5 over economic development and workforce
46.6 issues by February 15, 2019. All results and
46.7 information gathered from the study shall be
46.8 made available for use by cities in southeast
46.9 Minnesota by March 15, 2019. This
46.10 appropriation is available until June 30, 2020.

46.11 (q) \$2,000,000 in fiscal year 2018 is for a
46.12 grant to Pillsbury United Communities for
46.13 construction and renovation of a building in
46.14 north Minneapolis for use as the "North
46.15 Market" grocery store and wellness center,
46.16 focused on offering healthy food, increasing
46.17 health care access, and providing job creation
46.18 and economic opportunities in one place for
46.19 children and families living in the area. To the
46.20 extent possible, Pillsbury United Communities
46.21 shall employ individuals who reside within a
46.22 five mile radius of the grocery store and
46.23 wellness center. This appropriation is not

23.15 In fiscal year 2020 and beyond, the base
23.16 amount is \$1,000,000.

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23.25 Minnesota community design pilot project.

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24.16 children and families living in the area. To the
24.17 extent possible, Pillsbury United Communities
24.18 shall employ individuals who reside within a
24.19 five mile radius of the grocery store and
24.20 wellness center. This appropriation is not

46.24 available until at least an equal amount of
46.25 money is committed from nonstate sources.
46.26 This appropriation is available until the project
46.27 is completed or abandoned, subject to
46.28 Minnesota Statutes, section 16A.642.

46.29 (r) \$1,425,000 each year is for the business
46.30 development competitive grant program. Of
46.31 this amount, up to five percent is for
46.32 administration and monitoring of the business
46.33 development competitive grant program. All
46.34 grant awards shall be for two consecutive
46.35 years. Grants shall be awarded in the first year.

47.1 (s) \$875,000 each year is for the host
47.2 community economic development grant
47.3 program established in Minnesota Statutes,
47.4 section 116J.548.

47.5 (t) \$700,000 each year is from the remediation
47.6 fund for contaminated site cleanup and
47.7 development grants under Minnesota Statutes,
47.8 sections 116J.551 to 116J.558. This
47.9 appropriation is available until spent.

47.10 (u) \$161,000 each year is from the workforce
47.11 development fund for a grant to the Rural
47.12 Policy and Development Center. This is a
47.13 onetime appropriation.

47.14 (v) \$300,000 each year is from the workforce
47.15 development fund for a grant to Enterprise
47.16 Minnesota, Inc. This is a onetime
47.17 appropriation.

47.18 (w) \$50,000 in fiscal year 2018 is from the
47.19 workforce development fund for a grant to
47.20 Fighting Chance for behavioral intervention
47.21 programs for at-risk youth.

47.22 (x) \$1,350,000 each year is from the
47.23 workforce development fund for job training
47.24 grants under Minnesota Statutes, section
47.25 116L.42.

47.26 (y)(1) \$519,000 in fiscal year 2018 is for
47.27 grants to local communities to increase the

24.21 available until at least an equal amount of
24.22 money is committed from nonstate sources.
24.23 This appropriation is available until the project
24.24 is completed or abandoned, subject to
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25.23 116L.42.

25.24 (y)(1) \$519,000 in fiscal year 2018 is for
25.25 grants to local communities to increase the

47.28 supply of quality child care providers in order
47.29 to support economic development. At least 60
47.30 percent of grant funds must go to communities
47.31 located outside of the seven-county
47.32 metropolitan area, as defined under Minnesota
47.33 Statutes, section 473.121, subdivision 2. Grant
47.34 recipients must obtain a 50 percent nonstate
48.1 match to grant funds in either cash or in-kind
48.2 contributions. Grant funds available under this
48.3 paragraph must be used to implement solutions
48.4 to reduce the child care shortage in the state
48.5 including but not limited to funding for child
48.6 care business start-ups or expansions, training,
48.7 facility modifications or improvements
48.8 required for licensing, and assistance with
48.9 licensing and other regulatory requirements.
48.10 In awarding grants, the commissioner must
48.11 give priority to communities that have
48.12 documented a shortage of child care providers
48.13 in the area.

48.14 (2) Within one year of receiving grant funds,
48.15 grant recipients must report to the
48.16 commissioner on the outcomes of the grant
48.17 program including but not limited to the
48.18 number of new providers, the number of
48.19 additional child care provider jobs created, the
48.20 number of additional child care slots, and the
48.21 amount of local funds invested.

48.22 (3) By January 1 of each year, starting in 2019,
48.23 the commissioner must report to the standing
48.24 committees of the legislature having
48.25 jurisdiction over child care and economic
48.26 development on the outcomes of the program
48.27 to date.

48.28 (z) \$319,000 in fiscal year 2018 is from the
48.29 general fund for a grant to the East Phillips
48.30 Improvement Coalition to create the East
48.31 Phillips Neighborhood Institute (EPNI) to
48.32 expand culturally tailored resources that
48.33 address small business growth and create
48.34 green jobs. The grant shall fund the
48.35 collaborative work of Tamales y Bicicletas,

25.26 supply of quality child care providers in order
25.27 to support economic development. At least 60
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25.30 metropolitan area, as defined under Minnesota
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26.31 address small business growth and create
26.32 green jobs. The grant shall fund the
26.33 collaborative work of Tamales y Bicicletas,

49.1 Little Earth of the United Tribes, a nonprofit
49.2 serving East Africans, and other coalition
49.3 members ~~towards~~ toward developing EPNI as
49.4 a community space to host activities including,
49.5 but not limited to, creation and expansion of
49.6 small businesses, culturally specific
49.7 entrepreneurial activities, indoor urban
49.8 farming, job training, education, and skills
49.9 development for residents of this low-income,
49.10 environmental justice designated
49.11 neighborhood. Eligible uses for grant funds
49.12 include, but are not limited to, planning and
49.13 start-up costs, staff and consultant costs,
49.14 building improvements, rent, supplies, utilities,
49.15 vehicles, marketing, and program activities.
49.16 The commissioner shall submit a report on
49.17 grant activities and quantifiable outcomes to
49.18 the committees of the house of representatives
49.19 and the senate with jurisdiction over economic
49.20 development by December 15, 2020. This
49.21 appropriation is available until June 30, 2020.

49.22 (aa) \$150,000 the first year is from the
49.23 renewable development account in the special
49.24 revenue fund established in Minnesota
49.25 Statutes, section 116C.779, subdivision 1, to
49.26 conduct the biomass facility closure economic
49.27 impact study.

49.28 (bb)(1)\$300,000 in fiscal year 2018 is for a
49.29 grant to East Side Enterprise Center (ESEC)
49.30 to expand culturally tailored resources that
49.31 address small business growth and job
49.32 creation. This appropriation is available until
49.33 June 30, 2020. The appropriation shall fund
49.34 the work of African Economic Development
49.35 Solutions, the Asian Economic Development
50.1 Association, the Dayton's Bluff Community
50.2 Council, and the Latino Economic
50.3 Development Center in a collaborative
50.4 approach to economic development that is
50.5 effective with smaller, culturally diverse
50.6 communities that seek to increase the
50.7 productivity and success of new immigrant

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26.35 serving East Africans, and other coalition
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27.2 community space to host activities including,
27.3 but not limited to, creation and expansion of
27.4 small businesses, culturally specific
27.5 entrepreneurial activities, indoor urban
27.6 farming, job training, education, and skills
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50.8 and minority populations living and working
50.9 in the community. Programs shall provide
50.10 minority business growth and capacity
50.11 building that generate wealth and jobs creation
50.12 for local residents and business owners on the
50.13 East Side of St. Paul.

50.14 (2) In fiscal year 2019 ESEC shall use funds
50.15 to share its integrated service model and
50.16 evolving collaboration principles with civic
50.17 and economic development leaders in greater
50.18 Minnesota communities which have diverse
50.19 populations similar to the East Side of St. Paul.
50.20 ESEC shall submit a report of activities and
50.21 program outcomes, including quantifiable
50.22 measures of success annually to the house of
50.23 representatives and senate committees with
50.24 jurisdiction over economic development.

50.25 (cc) \$150,000 in fiscal year 2018 is for a grant
50.26 to Mille Lacs County for the purpose of
50.27 reimbursement grants to small resort
50.28 businesses located in the city of Isle with less
50.29 than \$350,000 in annual revenue, at least four
50.30 rental units, which are open during both
50.31 summer and winter months, and whose
50.32 business was adversely impacted by a decline
50.33 in walleye fishing on Lake Mille Lacs.

50.34 (dd)(1) \$250,000 in fiscal year 2018 is for a
50.35 grant to the Small Business Development
51.1 Center hosted at Minnesota State University,
51.2 Mankato, for a collaborative initiative with
51.3 the Regional Center for Entrepreneurial
51.4 Facilitation. Funds available under this section
51.5 must be used to provide entrepreneur and
51.6 small business development direct professional
51.7 business assistance services in the following
51.8 counties in Minnesota: Blue Earth, Brown,
51.9 Faribault, Le Sueur, Martin, Nicollet, Sibley,
51.10 Watonwan, and Waseca. For the purposes of
51.11 this section, "direct professional business
51.12 assistance services" must include, but is not
51.13 limited to, pre-venture assistance for
51.14 individuals considering starting a business.

28.6 and minority populations living and working
28.7 in the community. Programs shall provide
28.8 minority business growth and capacity
28.9 building that generate wealth and jobs creation
28.10 for local residents and business owners on the
28.11 East Side of St. Paul.

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29.1 the Regional Center for Entrepreneurial
29.2 Facilitation. Funds available under this section
29.3 must be used to provide entrepreneur and
29.4 small business development direct professional
29.5 business assistance services in the following
29.6 counties in Minnesota: Blue Earth, Brown,
29.7 Faribault, Le Sueur, Martin, Nicollet, Sibley,
29.8 Watonwan, and Waseca. For the purposes of
29.9 this section, "direct professional business
29.10 assistance services" must include, but is not
29.11 limited to, pre-venture assistance for
29.12 individuals considering starting a business.

51.15 This appropriation is not available until the
51.16 commissioner determines that an equal amount
51.17 is committed from nonstate sources. Any
51.18 balance in the first year does not cancel and
51.19 is available for expenditure in the second year.

51.20 (2) Grant recipients shall report to the
51.21 commissioner by February 1 of each year and
51.22 include information on the number of
51.23 customers served in each county; the number
51.24 of businesses started, stabilized, or expanded;
51.25 the number of jobs created and retained; and
51.26 business success rates in each county. By April
51.27 1 of each year, the commissioner shall report
51.28 the information submitted by grant recipients
51.29 to the chairs of the standing committees of the
51.30 house of representatives and the senate having
51.31 jurisdiction over economic development
51.32 issues.

51.33 (ee) \$500,000 in fiscal year 2018 is for the
51.34 central Minnesota opportunity grant program
51.35 established under Minnesota Statutes, section
52.1 116J.9922. This appropriation is available until
52.2 June 30, 2022.

52.3 (ff) \$25,000 each year is for the administration
52.4 of state aid for the Destination Medical Center
52.5 under Minnesota Statutes, sections 469.40 to
52.6 469.47.

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

52.8 Sec. 7. Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 2, as
52.9 amended by Laws 2019, First Special Session chapter 12, section 4, and Laws 2020, chapter
52.10 112, section 1, is amended to read:

52.11 Subd. 2. **Business and Community Development** 44,931,000 42,381,000

52.12 Appropriations by Fund

52.13 General 40,756,000 38,206,000

29.13 This appropriation is not available until the
29.14 commissioner determines that an equal amount
29.15 is committed from nonstate sources. Any
29.16 balance in the first year does not cancel and
29.17 is available for expenditure in the second year.

29.18 (2) Grant recipients shall report to the
29.19 commissioner by February 1 of each year and
29.20 include information on the number of
29.21 customers served in each county; the number
29.22 of businesses started, stabilized, or expanded;
29.23 the number of jobs created and retained; and
29.24 business success rates in each county. By April
29.25 1 of each year, the commissioner shall report
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29.27 to the chairs of the standing committees of the
29.28 house of representatives and the senate having
29.29 jurisdiction over economic development
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29.34 116J.9922. This appropriation is available until
29.35 June 30, 2022.

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30.2 of state aid for the Destination Medical Center
30.3 under Minnesota Statutes, sections 469.40 to
30.4 469.47.

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

30.6 Sec. 2. Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 2, as
30.7 amended by Laws 2019, First Special Session chapter 12, section 4, and Laws 2020, chapter
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30.9 Subd. 2. **Business and Community Development** 44,931,000 42,381,000

30.10 Appropriations by Fund

30.11 General 40,756,000 38,206,000

52.14 Remediation 700,000 700,000

52.15 Workforce

52.16 Development 3,475,000 3,475,000

52.17 (a) \$1,787,000 each year is for the greater

52.18 Minnesota business development public

52.19 infrastructure grant program under Minnesota

52.20 Statutes, section 116J.431. This appropriation

52.21 is available until June 30, 2023.

52.22 (b) \$1,425,000 each year is for the business

52.23 development competitive grant program. Of

52.24 this amount, up to five percent is for

52.25 administration and monitoring of the business

52.26 development competitive grant program. All

52.27 grant awards shall be for two consecutive

52.28 years. Grants shall be awarded in the first year.

52.29 (c) \$1,772,000 each year is for contaminated

52.30 site cleanup and development grants under

52.31 Minnesota Statutes, sections 116J.551 to

52.32 116J.558. This appropriation is available until

52.33 June 30, 2023.

53.1 (d) \$700,000 each year is from the remediation

53.2 fund for contaminated site cleanup and

53.3 development grants under Minnesota Statutes,

53.4 sections 116J.551 to 116J.558. This

53.5 appropriation is available until June 30, 2023.

53.6 (e) \$139,000 each year is for the Center for

53.7 Rural Policy and Development.

53.8 (f) \$25,000 each year is for the administration

53.9 of state aid for the Destination Medical Center

53.10 under Minnesota Statutes, sections 469.40 to

53.11 469.47.

53.12 (g) \$875,000 each year is for the host

53.13 community economic development program

53.14 established in Minnesota Statutes, section

53.15 116J.548.

53.16 (h) \$125,000 each year is from the workforce

53.17 development fund for a grant to the White

30.12 Remediation 700,000 700,000

30.13 Workforce

30.14 Development 3,475,000 3,475,000

30.15 (a) \$1,787,000 each year is for the greater

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31.9 469.47.

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31.11 community economic development program

31.12 established in Minnesota Statutes, section

31.13 116J.548.

31.14 (h) \$125,000 each year is from the workforce

31.15 development fund for a grant to the White

53.18 Earth Nation for the White Earth Nation
53.19 Integrated Business Development System to
53.20 provide business assistance with workforce
53.21 development, outreach, technical assistance,
53.22 infrastructure and operational support,
53.23 financing, and other business development
53.24 activities. This is a onetime appropriation.

53.25 (i) \$450,000 each year is from the workforce
53.26 development fund for a grant to Enterprise
53.27 Minnesota, Inc. for the small business growth
53.28 acceleration program under Minnesota
53.29 Statutes, section 116O.115. This is a onetime
53.30 appropriation.

53.31 (j) \$250,000 the first year is for a grant to the
53.32 Rondo Community Land Trust for
53.33 improvements to leased commercial space in
53.34 the Selby Milton Victoria Project that will
54.1 create long-term affordable space for small
54.2 businesses and for build-out and development
54.3 of new businesses.

54.4 (k) \$400,000 each year is from the workforce
54.5 development fund for a grant to the
54.6 Metropolitan Economic Development
54.7 Association (MEDA) for statewide business
54.8 development and assistance services, including
54.9 services to entrepreneurs with businesses that
54.10 have the potential to create job opportunities
54.11 for unemployed and underemployed people,
54.12 with an emphasis on minority-owned
54.13 businesses. This is a onetime appropriation.

54.14 (l) \$750,000 in fiscal year 2020 is for grants
54.15 to local communities to increase the supply of
54.16 quality child care providers to support
54.17 economic development. At least 60 percent of
54.18 grant funds must go to communities located
54.19 outside of the seven-county metropolitan area
54.20 as defined under Minnesota Statutes, section
54.21 473.121, subdivision 2. Grant recipients must
54.22 obtain a 50 percent nonstate match to grant
54.23 funds in either cash or in-kind contributions.
54.24 Grant funds available under this section must

31.16 Earth Nation for the White Earth Nation
31.17 Integrated Business Development System to
31.18 provide business assistance with workforce
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32.20 473.121, subdivision 2. Grant recipients must
32.21 obtain a 50 percent nonstate match to grant
32.22 funds in either cash or in-kind contributions.
32.23 Grant funds available under this section must

54.25 be used to implement projects to reduce the
54.26 child care shortage in the state, including but
54.27 not limited to funding for child care business
54.28 start-ups or expansion, training, facility
54.29 modifications or improvements required for
54.30 licensing, and assistance with licensing and
54.31 other regulatory requirements. In awarding
54.32 grants, the commissioner must give priority
54.33 to communities that have demonstrated a
54.34 shortage of child care providers in the area.
54.35 This is a onetime appropriation. Within one
55.1 year of receiving grant funds, grant recipients
55.2 must report to the commissioner on the
55.3 outcomes of the grant program, including but
55.4 not limited to the number of new providers,
55.5 the number of additional child care provider
55.6 jobs created, the number of additional child
55.7 care slots, and the amount of cash and in-kind
55.8 local funds invested.

55.9 (m) \$750,000 in fiscal year 2020 is for a grant
55.10 to the Minnesota Initiative Foundations. This
55.11 is a onetime appropriation and is available
55.12 until June 30, 2023. The Minnesota Initiative
55.13 Foundations must use grant funds under this
55.14 section to:

55.15 (1) facilitate planning processes for rural
55.16 communities resulting in a community solution
55.17 action plan that guides decision making to
55.18 sustain and increase the supply of quality child
55.19 care in the region to support economic
55.20 development;

55.21 (2) engage the private sector to invest local
55.22 resources to support the community solution
55.23 action plan and ensure quality child care is a
55.24 vital component of additional regional
55.25 economic development planning processes;

55.26 (3) provide locally based training and technical
55.27 assistance to rural child care business owners
55.28 individually or through a learning cohort.
55.29 Access to financial and business development
55.30 assistance must prepare child care businesses

32.24 be used to implement projects to reduce the
32.25 child care shortage in the state, including but
32.26 not limited to funding for child care business
32.27 start-ups or expansion, training, facility
32.28 modifications or improvements required for
32.29 licensing, and assistance with licensing and
32.30 other regulatory requirements. In awarding
32.31 grants, the commissioner must give priority
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32.33 shortage of child care providers in the area.
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32.35 year of receiving grant funds, grant recipients
33.1 must report to the commissioner on the
33.2 outcomes of the grant program, including but
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33.23 vital component of additional regional
33.24 economic development planning processes;

33.25 (3) provide locally based training and technical
33.26 assistance to rural child care business owners
33.27 individually or through a learning cohort.
33.28 Access to financial and business development
33.29 assistance must prepare child care businesses

55.31 for quality engagement and improvement by
55.32 stabilizing operations, leveraging funding from
55.33 other sources, and fostering business acumen
55.34 that allows child care businesses to plan for
56.1 and afford the cost of providing quality child
56.2 care; or

56.3 (4) recruit child care programs to participate
56.4 in Parent Aware, Minnesota's quality and
56.5 improvement rating system, and other high
56.6 quality measurement programs. The Minnesota
56.7 Initiative Foundations must work with local
56.8 partners to provide low-cost training,
56.9 professional development opportunities, and
56.10 continuing education curricula. The Minnesota
56.11 Initiative Foundations must fund, through local
56.12 partners, an enhanced level of coaching to
56.13 rural child care providers to obtain a quality
56.14 rating through Parent Aware or other high
56.15 quality measurement programs.

56.16 (n)(1) \$650,000 each year from the workforce
56.17 development fund is for grants to the
56.18 Neighborhood Development Center for small
56.19 business programs. This is a onetime
56.20 appropriation.

56.21 (2) Of the amount appropriated in the first
56.22 year, \$150,000 is for outreach and training
56.23 activities outside the seven-county
56.24 metropolitan area, as defined in Minnesota
56.25 Statutes, section 473.121, subdivision 2.

56.26 (o) \$8,000,000 each year is for the Minnesota
56.27 job creation fund under Minnesota Statutes,
56.28 section 116J.8748. Of this amount, the
56.29 commissioner of employment and economic
56.30 development may use up to three percent for
56.31 administrative expenses. This appropriation
56.32 is available until expended.

56.33 (p)(1) \$11,970,000 each year is for the
56.34 Minnesota investment fund under Minnesota
57.1 Statutes, section 116J.8731. Of this amount,
57.2 the commissioner of employment and
57.3 economic development may use up to three

33.30 for quality engagement and improvement by
33.31 stabilizing operations, leveraging funding from
33.32 other sources, and fostering business acumen
33.33 that allows child care businesses to plan for
33.34 and afford the cost of providing quality child
33.35 care; or

34.1 (4) recruit child care programs to participate
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34.30 is available until expended.

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34.32 Minnesota investment fund under Minnesota
34.33 Statutes, section 116J.8731. Of this amount,
34.34 the commissioner of employment and
34.35 economic development may use up to three

57.4 percent for administration and monitoring of
57.5 the program. In fiscal year 2022 and beyond,
57.6 the base amount is \$12,370,000. This
57.7 appropriation is available until expended.
57.8 Notwithstanding Minnesota Statutes, section
57.9 116J.8731, funds appropriated to the
57.10 commissioner for the Minnesota investment
57.11 fund may be used for the redevelopment
57.12 program under Minnesota Statutes, sections
57.13 116J.575 and 116J.5761, at the discretion of
57.14 the commissioner. Grants under this paragraph
57.15 are not subject to the grant amount limitation
57.16 under Minnesota Statutes, section 116J.8731.

57.17 (2) Of the amount appropriated in the first
57.18 year, ~~\$2,000,000~~ \$3,000,000 is for a loan to a
57.19 paper mill in Duluth for a retrofit project that
57.20 will support the ~~operation and manufacture of~~
57.21 ~~packaging~~ conversion of the existing Duluth
57.22 paper mill for the manufacture of new paper
57.23 grades. The company that owns the paper mill
57.24 must spend \$20,000,000 on invest
57.25 \$25,000,000 in project activities by December
57.26 ~~31, 2020~~ May 1, 2023, in order to be eligible
57.27 to receive this loan. Loan funds may be used
57.28 for purchases of materials, supplies, and
57.29 equipment for the project and are available
57.30 from ~~July 1, 2019~~ April 1, 2021, to ~~July 30,~~
57.31 ~~2021~~ May 1, 2023. The commissioner of
57.32 employment and economic development shall
57.33 forgive 25 percent of the loan each year after
57.34 the second year during a five-year period if
57.35 the mill has retained at least ~~450~~ 80 full-time
57.36 equivalent employees and has satisfied other
58.1 performance goals and contractual obligations
58.2 as required under Minnesota Statutes, section
58.3 116J.8731.

58.4 (q) \$700,000 in fiscal year 2020 is for the
58.5 airport infrastructure renewal (AIR) grant
58.6 program under Minnesota Statutes, section
58.7 116J.439.

58.8 (r) \$100,000 in fiscal year 2020 is for a grant
58.9 to FIRST in Upper Midwest to support

35.1 percent for administration and monitoring of
35.2 the program. In fiscal year 2022 and beyond,
35.3 the base amount is \$12,370,000. This
35.4 appropriation is available until expended.
35.5 Notwithstanding Minnesota Statutes, section
35.6 116J.8731, funds appropriated to the
35.7 commissioner for the Minnesota investment
35.8 fund may be used for the redevelopment
35.9 program under Minnesota Statutes, sections
35.10 116J.575 and 116J.5761, at the discretion of
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35.16 paper mill in Duluth for a retrofit project that
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35.21 must spend \$20,000,000 on invest
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35.23 ~~31, 2020~~ May 1, 2023, in order to be eligible
35.24 to receive this loan. Loan funds may be used
35.25 for purchases of materials, supplies, and
35.26 equipment for the project and are available
35.27 from ~~July 1, 2019~~ April 1, 2021, to ~~July 30,~~
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35.29 employment and economic development shall
35.30 forgive 25 percent of the loan each year after
35.31 the second year during a five-year period if
35.32 the mill has retained at least ~~450~~ 80 full-time
35.33 equivalent employees and has satisfied other
35.34 performance goals and contractual obligations
35.35 as required under Minnesota Statutes, section
35.36 116J.8731.

36.1 (q) \$700,000 in fiscal year 2020 is for the
36.2 airport infrastructure renewal (AIR) grant
36.3 program under Minnesota Statutes, section
36.4 116J.439.

36.5 (r) \$100,000 in fiscal year 2020 is for a grant
36.6 to FIRST in Upper Midwest to support

58.10 competitive robotics teams. Funds must be
58.11 used to make up to five awards of no more
58.12 than \$20,000 each to Minnesota-based public
58.13 entities or private nonprofit organizations for
58.14 the creation of competitive robotics hubs.
58.15 Awards may be used for tools, equipment, and
58.16 physical space to be utilized by robotics teams.
58.17 At least 50 percent of grant funds must be used
58.18 outside of the seven-county metropolitan area,
58.19 as defined under Minnesota Statutes, section
58.20 473.121, subdivision 2. The grant recipient
58.21 shall report to the chairs and ranking minority
58.22 members of the legislative committees with
58.23 jurisdiction over jobs and economic growth
58.24 by February 1, 2021, on the status of awards
58.25 and include information on the number and
58.26 amount of awards made, the number of
58.27 customers served, and any outcomes resulting
58.28 from the grant. The grant requires a 50 percent
58.29 match from nonstate sources.

58.30 (s) \$1,000,000 each year is for the Minnesota
58.31 emerging entrepreneur loan program under
58.32 Minnesota Statutes, section 116M.18. Funds
58.33 available under this paragraph are for transfer
58.34 into the emerging entrepreneur program
58.35 special revenue fund account created under
59.1 Minnesota Statutes, chapter 116M, and are
59.2 available until expended. Of this amount, up
59.3 to four percent is for administration and
59.4 monitoring of the program.

59.5 (t) \$163,000 each year is for the Minnesota
59.6 Film and TV Board. The appropriation in each
59.7 year is available only upon receipt by the
59.8 board of \$1 in matching contributions of
59.9 money or in-kind contributions from nonstate
59.10 sources for every \$3 provided by this
59.11 appropriation, except that each year up to
59.12 \$50,000 is available on July 1 even if the
59.13 required matching contribution has not been
59.14 received by that date.

59.15 (u) \$12,000 each year is for a grant to the
59.16 Upper Minnesota Film Office.

36.7 competitive robotics teams. Funds must be
36.8 used to make up to five awards of no more
36.9 than \$20,000 each to Minnesota-based public
36.10 entities or private nonprofit organizations for
36.11 the creation of competitive robotics hubs.
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36.13 physical space to be utilized by robotics teams.
36.14 At least 50 percent of grant funds must be used
36.15 outside of the seven-county metropolitan area,
36.16 as defined under Minnesota Statutes, section
36.17 473.121, subdivision 2. The grant recipient
36.18 shall report to the chairs and ranking minority
36.19 members of the legislative committees with
36.20 jurisdiction over jobs and economic growth
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36.23 amount of awards made, the number of
36.24 customers served, and any outcomes resulting
36.25 from the grant. The grant requires a 50 percent
36.26 match from nonstate sources.

36.27 (s) \$1,000,000 each year is for the Minnesota
36.28 emerging entrepreneur loan program under
36.29 Minnesota Statutes, section 116M.18. Funds
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37.2 monitoring of the program.

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37.5 year is available only upon receipt by the
37.6 board of \$1 in matching contributions of
37.7 money or in-kind contributions from nonstate
37.8 sources for every \$3 provided by this
37.9 appropriation, except that each year up to
37.10 \$50,000 is available on July 1 even if the
37.11 required matching contribution has not been
37.12 received by that date.

37.13 (u) \$12,000 each year is for a grant to the
37.14 Upper Minnesota Film Office.

59.17 (v) \$500,000 each year is from the general
59.18 fund for a grant to the Minnesota Film and TV
59.19 Board for the film production jobs program
59.20 under Minnesota Statutes, section 116U.26.
59.21 This appropriation is available until June 30,
59.22 2023.

59.23 (w) \$4,195,000 each year is for the Minnesota
59.24 job skills partnership program under
59.25 Minnesota Statutes, sections 116L.01 to
59.26 116L.17. If the appropriation for either year
59.27 is insufficient, the appropriation for the other
59.28 year is available. This appropriation is
59.29 available until expended.

59.30 (x) \$1,350,000 each year is from the
59.31 workforce development fund for jobs training
59.32 grants under Minnesota Statutes, section
59.33 116L.42.

60.1 (y) \$2,500,000 each year is for Launch
60.2 Minnesota. This is a onetime appropriation
60.3 and funds are available until June 30, 2023.
60.4 Of this amount:

60.5 (1) \$1,600,000 each year is for innovation
60.6 grants to eligible Minnesota entrepreneurs or
60.7 start-up businesses to assist with their
60.8 operating needs;

60.9 (2) \$450,000 each year is for administration
60.10 of Launch Minnesota; and

60.11 (3) \$450,000 each year is for grantee activities
60.12 at Launch Minnesota.

60.13 (z) \$500,000 each year is from the workforce
60.14 development fund for a grant to Youthprise
60.15 to give grants through a competitive process
60.16 to community organizations to provide
60.17 economic development services designed to
60.18 enhance long-term economic self-sufficiency
60.19 in communities with concentrated East African
60.20 populations. Such communities include but
60.21 are not limited to Faribault, Rochester, St.
60.22 Cloud, Moorhead, and Willmar. To the extent

37.15 (v) \$500,000 each year is from the general
37.16 fund for a grant to the Minnesota Film and TV
37.17 Board for the film production jobs program
37.18 under Minnesota Statutes, section 116U.26.
37.19 This appropriation is available until June 30,
37.20 2023.

37.21 (w) \$4,195,000 each year is for the Minnesota
37.22 job skills partnership program under
37.23 Minnesota Statutes, sections 116L.01 to
37.24 116L.17. If the appropriation for either year
37.25 is insufficient, the appropriation for the other
37.26 year is available. This appropriation is
37.27 available until expended.

37.28 (x) \$1,350,000 each year is from the
37.29 workforce development fund for jobs training
37.30 grants under Minnesota Statutes, section
37.31 116L.42.

37.32 (y) \$2,500,000 each year is for Launch
37.33 Minnesota. This is a onetime appropriation
38.1 and funds are available until June 30, 2023.
38.2 Of this amount:

38.3 (1) \$1,600,000 each year is for innovation
38.4 grants to eligible Minnesota entrepreneurs or
38.5 start-up businesses to assist with their
38.6 operating needs;

38.7 (2) \$450,000 each year is for administration
38.8 of Launch Minnesota; and

38.9 (3) \$450,000 each year is for grantee activities
38.10 at Launch Minnesota.

38.11 (z) \$500,000 each year is from the workforce
38.12 development fund for a grant to Youthprise
38.13 to give grants through a competitive process
38.14 to community organizations to provide
38.15 economic development services designed to
38.16 enhance long-term economic self-sufficiency
38.17 in communities with concentrated East African
38.18 populations. Such communities include but
38.19 are not limited to Faribault, Rochester, St.
38.20 Cloud, Moorhead, and Willmar. To the extent

60.23 possible, Youthprise must make at least 50
60.24 percent of these grants to organizations serving
60.25 communities located outside the seven-county
60.26 metropolitan area, as defined in Minnesota
60.27 Statutes, section 473.121, subdivision 2.This
60.28 is a onetime appropriation and is available
60.29 until June 30, 2022.

60.30 (aa) \$125,000 each year is for a grant to the
60.31 Hmong Chamber of Commerce to train
60.32 ethnically Southeast Asian business owners
60.33 and operators in better business practices. This
60.34 is a onetime appropriation.

61.1 EFFECTIVE DATE. This section is effective retroactively from July 1, 2019.

61.2 Sec. 8. Laws 2019, First Special Session chapter 7, article 1, section 3, subdivision 4, is
61.3 amended to read:

61.4	Subd. 4. Workers' Compensation	14,882,000	11,882,000
61.5	\$3,000,000 the first year is from the workers'		
61.6	compensation fund for workers' compensation		
61.7	system upgrades. This amount is available		
61.8	until June 30, 2024 <u>2023</u> . This is a onetime		
61.9	appropriation.		

61.10 Sec. 9. MINNESOTA INVESTMENT FUND JOB CREATION GOALS EXTENSION.

61.11 Notwithstanding any other law to the contrary, a recipient of a Minnesota Investment
61.12 Fund grant under Minnesota Statutes, section 116J.8731, who is unable to meet the job
61.13 creation goals of the agreement during a peacetime emergency related to the COVID-19
61.14 pandemic shall be granted an extension until December 31, 2022, to meet those job creation
61.15 goals before the grant must be repaid.

38.21 possible, Youthprise must make at least 50
38.22 percent of these grants to organizations serving
38.23 communities located outside the seven-county
38.24 metropolitan area, as defined in Minnesota
38.25 Statutes, section 473.121, subdivision 2.This
38.26 is a onetime appropriation and is available
38.27 until June 30, 2022.

38.28 (aa) \$125,000 each year is for a grant to the
38.29 Hmong Chamber of Commerce to train
38.30 ethnically Southeast Asian business owners
38.31 and operators in better business practices. This
38.32 is a onetime appropriation and is available
38.33 until June 30, 2023.

38.34 EFFECTIVE DATE. This section is effective retroactively from July 1, 2019.

155.28 Sec. 8. Laws 2019, First Special Session chapter 7, article 1, section 3, subdivision 4, is
155.29 amended to read:

155.30	Subd. 4. Workers' Compensation	14,882,000	11,882,000
155.31	\$3,000,000 the first year is from the workers'		
155.32	compensation fund for workers' compensation		
156.1	system upgrades. This amount is available		
156.2	until June 30, 2024 <u>2023</u> . This is a onetime		
156.3	appropriation.		

45.17 Sec. 5. Minnesota Statutes 2020, section 116J.8748, subdivision 3, is amended to read:

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

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

45.23 (i) manufacturing;

45.24 (ii) warehousing;

45.25 (iii) distribution;

45.26 (iv) information technology;

45.27 (v) finance;

45.28 (vi) insurance; or

45.29 (vii) professional or technical services;

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

46.4 (3) the business must enter into a binding construction and job creation business subsidy
46.5 agreement with the commissioner to expend directly, or ensure expenditure by or in
46.6 partnership with a third party constructing or managing the project, at least \$500,000 in
46.7 capital investment in a capital investment project that includes a new, expanded, or remodeled
46.8 facility within one year following designation as a Minnesota job creation fund business or
46.9 \$250,000 if the project is located outside the metropolitan area as defined in section 200.02,
46.10 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
46.11 women, or persons with a disability; and:

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

46.17 (ii) expend at least \$25,000,000, which may include the installation and purchase of
46.18 machinery and equipment, in capital investment and retain at least 200 employees for projects
46.19 located in the metropolitan area as defined in section 200.02, subdivision 24, and 75
46.20 employees for projects located outside the metropolitan area;

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

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

46.27 With the commissioner's authorization, the one-year period requirement to meet minimum
46.28 capital investment requirements under clause (3) and the minimum job creation requirements
46.29 under clause (3), item (i), may be extended for up to 12 months for projects that must meet
46.30 these requirements within 12 months of an active peacetime emergency as declared by the
46.31 governor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

47.26 **EFFECTIVE DATE.** This section is effective retroactively from March 15, 2020.

47.27 Sec. 6. Minnesota Statutes 2020, section 116J.994, subdivision 6, is amended to read:

47.28 Subd. 6. **Failure to meet goals.** (a) The subsidy agreement must specify the recipient's
47.29 obligation if the recipient does not fulfill the agreement. At a minimum, the agreement must
47.30 require a recipient failing to meet subsidy agreement goals to pay back the assistance plus

61.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

47.31 interest to the grantor or, at the grantor's option, to the account created under section 116J.551
48.1 provided that repayment may be prorated to reflect partial fulfillment of goals. The interest
48.2 rate must be set at no less than the implicit price deflator for government consumption
48.3 expenditures and gross investment for state and local governments prepared by the Bureau
48.4 of Economic Analysis of the United States Department of Commerce for the 12-month
48.5 period ending March 31 of the previous year. The grantor, after a public hearing, may extend
48.6 for up to one year the period for meeting the wage and job goals under subdivision 4 provided
48.7 in a subsidy agreement or up to two years if a peacetime emergency under section 12.31,
48.8 subdivision 2, as declared by the governor is active during the initial two-year compliance
48.9 period. A grantor may extend the period for meeting other goals under subdivision 3,
48.10 paragraph (a), clause (3), by documenting in writing the reason for the extension and attaching
48.11 a copy of the document to its next annual report to the department.

48.12 (b) A recipient that fails to meet the terms of a subsidy agreement may not receive a
48.13 business subsidy from any grantor for a period of five years from the date of failure or until
48.14 a recipient satisfies its repayment obligation under this subdivision, whichever occurs first.

48.15 (c) Before a grantor signs a business subsidy agreement, the grantor must check with
48.16 the compilation and summary report required by this section to determine if the recipient
48.17 is eligible to receive a business subsidy.

48.18 **EFFECTIVE DATE.** This section is effective retroactively from March 15, 2020.

67.27 Sec. 34. Laws 2019, First Special Session chapter 7, article 2, section 8, is amended to
67.28 read:
67.29 Sec. 8. **LAUNCH MINNESOTA.**

67.30 Subdivision 1. **Establishment.** Launch Minnesota is established within the Business
67.31 and Community Development Division of the Department of Employment and Economic
68.1 Development to encourage and support the development of new private sector technologies
68.2 and support the science and technology policies under Minnesota Statutes, section 3.222.
68.3 Launch Minnesota must provide entrepreneurs and emerging technology-based companies
68.4 business development assistance and financial assistance to spur growth.

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

68.7 (b) "Advisory board" means the board established under subdivision 9.

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

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

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

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

68.14 (g) ~~"High technology" includes aerospace, agricultural processing, renewable energy,~~
68.15 ~~energy efficiency and conservation, environmental engineering, food technology, cellulose~~
68.16 ~~ethanol, information technology, materials science technology, nanotechnology,~~
68.17 ~~telecommunications, biotechnology, medical device products, pharmaceuticals, diagnostics,~~
68.18 ~~biologicals, chemistry, veterinary science, and similar fields. "Innovative technology and~~
68.19 ~~business" means a new novel business model or product; a derivative product incorporating~~
68.20 ~~new elements into an existing product; a new use for a product; or a new process or method~~
68.21 ~~for the manufacture, use, or assessment of any product or activity, patentability, or scalability.~~
68.22 ~~Innovative technology or business model does not include locally based retail, lifestyle, or~~
68.23 ~~business services. The business must not be engaged in real estate development, insurance,~~
68.24 ~~banking, lending, lobbying, political consulting, information technology consulting, wholesale~~
68.25 ~~or retail trade, leisure, hospitality, transportation, construction, ethanol production from~~
68.26 ~~corn, or professional services provided by attorneys, accountants, business consultants,~~
68.27 ~~physicians, or health care consultants.~~

68.28 (h) "Institution of higher education" has the meaning given in Minnesota Statutes, section
68.29 136A.28, subdivision 6.

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

68.32 ~~(j) "Minority owned business" means a business for which one or more minority group~~
68.33 ~~members:~~

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

69.3 ~~(2) manage the business and control the daily business operations.~~

69.4 ~~(4)~~ (j) "Research and development" means any activity that is:

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

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

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

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

69.16 (1) planned principal operations have not commenced; or

69.17 (2) planned principal operations have commenced, but have generated less than
69.18 \$1,000,000 in revenue.

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

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

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

69.27 ~~(p)~~ "Women" means persons of the female gender.

69.28 ~~(q)~~ "Women-owned business" means a business for which one or more women:

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

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

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

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

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

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

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

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

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

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

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

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

70.20 Subd. 4. **Administration.** (a) The ~~department~~ commissioner shall employ an executive
 70.21 director in the unclassified service, one staff member to support Launch Minnesota, and
 70.22 one staff member in the business and community development division to manage grants.
 70.23 The executive director shall:

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

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

70.28 (b) ~~To the extent possible, the space that~~ Launch Minnesota ~~shall~~ may occupy and lease
 70.29 ~~must be physical space in a private coworking facility that includes office space for staff~~
 70.30 and space for community engagement for training entrepreneurs. The physical space leased
 70.31 under this paragraph is exempt from the requirements in Minnesota Statutes, section 16B.24,
 70.32 subdivision 6.

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

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

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

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

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

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

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

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

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

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

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

71.26 (f) Grantees must provide 50 percent in matching funds ~~by equal expenditures~~ and grant
 71.27 payments must be provided on a reimbursement basis after review of submitted receipts by
 71.28 the department.

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

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

72.3 (b) The commissioner shall provide a grant of up to \$35,000 to an eligible business or
 72.4 entrepreneur for research and development expenses, direct business expenses, and the
 72.5 purchase of technical assistance or services from public higher education institutions and
 72.6 nonprofit entities. Research and development expenditures may include but are not limited
 72.7 to proof of concept activities, intellectual property protection, prototype designs and
 72.8 production, and commercial feasibility. Expenditures funded under this subdivision are not
 72.9 eligible for the research and development tax credit under Minnesota Statutes, section
 72.10 290.068. Direct business expenses may include rent, equipment purchases, and supplier
 72.11 invoices. Taxes imposed by federal, state, or local government entities may not be reimbursed
 72.12 under this paragraph. Technical assistance or services must be purchased to assist in the
 72.13 development or commercialization of a product or service to be eligible. Each business or
 72.14 entrepreneur may receive only one grant per biennium under this paragraph.

72.15 ~~(e) The commissioner shall provide a grant of up to \$7,500 to reimburse an entrepreneur~~
 72.16 ~~for housing or child care expenses for the entrepreneur or their spouse or children. Each~~
 72.17 ~~entrepreneur may receive only one grant per biennium under this paragraph.~~

72.18 ~~(d)~~ (c) The commissioner shall provide a grant of up to \$35,000 in Phase 1 or \$50,000
 72.19 in Phase 2 to an eligible business or entrepreneur that, as a registered client of the Small
 72.20 Business Innovation Research (SBIR) program, has been awarded a first time Phase 1 or
 72.21 Phase 2 award pursuant to the SBIR or Small Business Technology Transfer (STTR)
 72.22 programs after July 1, 2019. Each business or entrepreneur may receive only one grant per
 72.23 biennium under this paragraph. Grants under this paragraph are not subject to the
 72.24 requirements of subdivision 2, paragraph (k), but do require a recommendation from the
 72.25 Launch Minnesota advisory board.

72.26 Subd. 7. **Entrepreneur education grants.** (a) The commissioner shall make entrepreneur
 72.27 education grants to institutions of higher education and other organizations to provide
 72.28 educational programming to entrepreneurs and provide outreach to and collaboration with
 72.29 businesses, federal and state agencies, institutions of higher education, trade associations,

72.30 and other organizations working to advance innovative, ~~high~~ technology businesses
72.31 throughout Minnesota.

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

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

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

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

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

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

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

73.24 Subd. 8. **Report.** Launch Minnesota shall report by December 31, 2022, and again by
73.25 December 31, 2023, to the chairs and ranking minority members of the committees of the
73.26 house of representatives and senate having jurisdiction over economic development policy
73.27 and finance. Each report shall include information on the work completed, including awards
73.28 made by the department under this section and progress toward transferring some activities
73.29 of Launch Minnesota to an entity outside of state government.

73.30 Subd. 9. **Advisory board.** (a) The commissioner shall establish an advisory board to
73.31 advise the executive director regarding the activities of Launch Minnesota, make the
73.32 recommendations described in this section, and develop and initiate a strategic plan for

61.17 Sec. 10. ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA
61.18 INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.

61.19 (a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or
61.20 statutory city, county, or town that has uncommitted money received from repayment of
61.21 funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20
61.22 percent of the balance of that money to the state general fund before June 30, 2022. Any
61.23 local entity that does so may then use the remaining 80 percent of the uncommitted money
61.24 as a general purpose aid for any lawful expenditure.

61.25 (b) By February 15, 2023, a home rule charter or statutory city, county, or town that
61.26 exercises the option under paragraph (a) shall submit to the chairs of the legislative
61.27 committees with jurisdiction over economic development policy and finance an accounting
61.28 and explanation of the use and distribution of the funds.

74.1 transferring some activities of Launch Minnesota to a new or existing public-private
74.2 partnership or nonprofit organization outside of state government.

74.3 (b) The advisory board shall consist of ~~ten~~ 12 members and is governed by Minnesota
74.4 Statutes, section 15.059. A minimum of seven members must be from the private sector
74.5 representing business and at least two members but no more than three members must be
74.6 from government and higher education. At least three of the members of the advisory board
74.7 shall be from greater Minnesota and at least three members shall be minority group members.
74.8 Appointees shall represent a range of interests, including entrepreneurs, large businesses,
74.9 industry organizations, investors, and both public and private small business service
74.10 providers.

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

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

74.15 Subd. 10. **Expiration.** This section expires January 1, 2024.

74.16 Sec. 35. GRANT EXCEPTIONS.

74.17 Notwithstanding Minnesota Statutes, sections 116J.8731, subdivision 5, and 116J.8748,
74.18 subdivision 4, the commissioner may approve a Minnesota investment fund grant or job
74.19 creation fund grant of up to \$2,000,000 for qualified applicants. This section expires July
74.20 1, 2022.

74.21 EFFECTIVE DATE. This section is effective the day following final enactment.

74.22 Sec. 36. ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA
74.23 INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.

74.24 (a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or
74.25 statutory city, county, or town that has uncommitted money received from repayment of
74.26 funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20
74.27 percent of the balance of that money to the state general fund before June 30, 2022. Any
74.28 local entity that does so may then use the remaining 80 percent of the uncommitted money
74.29 as a general purpose aid for any lawful expenditure.

74.30 (b) By February 15, 2023, a home rule charter or statutory city, county, or town that
74.31 exercises the option under paragraph (a) shall submit to the chairs of the legislative
75.1 committees with jurisdiction over economic development policy and finance an accounting
75.2 and explanation of the use and distribution of the funds.

62.1 Sec. 11. **REOPENING OF BUSINESSES FOR SAFE OPERATION DURING**
62.2 **COVID-19 PANDEMIC.**

62.3 Notwithstanding Executive Order 20-04, as extended, amended, and otherwise modified
62.4 by Executive Order 20-08, Executive Order 20-18, Executive Order 20-33, Executive Order
62.5 20-99, and any related executive orders issued pursuant to Minnesota Statutes, section 12.21
62.6 or 12.31, a business closed to ingress, egress, use, and occupancy by members of the public
62.7 pursuant to the executive orders listed may fully operate with no capacity limitations provided
62.8 that the business:

62.9 (1) develops a COVID-19 safety plan, which shall provide site-specific best practices
62.10 for the business including, but not limited to, health and wellness; social distancing; cleaning,
62.11 sanitation, and protection; and operations and communications for employees and members
62.12 of the public; and

62.13 (2) makes a good faith effort to maintain a safe and healthful workplace and business
62.14 operation.

62.15 No board or licensing agency may impose any additional penalties for a violation of the
62.16 governor's emergency executive orders.

62.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

62.18 Sec. 12. **STATEWIDE SMALL BUSINESS RELIEF LOAN GUARANTEE**
62.19 **PROGRAM.**

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

62.22 (b) "Borrower" means a small business receiving an eligible loan under this section.

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

62.24 (d) "Eligible loan" means a loan to a small business to be used for business purposes
62.25 exclusively in Minnesota, including: machinery or equipment purchases, maintenance, or
62.26 repair; expenses related to moving into or within Minnesota; property improvements or
62.27 repairs; and working capital when the working capital is secured by fixed assets when
62.28 possible. Loans may not be used to finance the transfer of ownership of real properties or
62.29 businesses.

62.30 (e) "Loan guarantee" means a guarantee of 80 percent of the loan amount provided by
62.31 a QED lender that is guaranteed for a maximum period of seven years from the date of
63.1 origination of the loan. The guaranteed portion of the loan must not exceed \$200,000, and
63.2 may be subordinate to other loans made by lenders in the overall financing package.

- 63.3 (f) "Loan guarantee trust fund" means a dedicated fund established under this section
63.4 for the purpose of compensation for defaulted loan guarantees and for program
63.5 administration.
- 63.6 (g) "Qualified economic development lender" or "QED lender" means a bank or other
63.7 commercial lender, a public entity, or a private nonprofit economic development organization
63.8 with not less than three years of active lending experience that provides financing to small
63.9 businesses.
- 63.10 (h) "Small business" means a business employing no more than the equivalent of 250
63.11 full-time persons in Minnesota.
- 63.12 (i) "Subordinated loan" means a loan secured by a lien that is lower in priority than one
63.13 or more specified other liens.
- 63.14 Subd. 2. **Loan guarantee program.** A small business loan guarantee program to support
63.15 the origination of small business loans that are expected to be made to Minnesota businesses
63.16 by a QED lender is created in the Department of Employment and Economic Development.
63.17 The loan guarantee shall apply only to the portion of the loan that was made by the QED
63.18 lender.
- 63.19 Subd. 3. **Required provisions.** Loan guarantees under this section for loans by QED
63.20 lenders shall provide that:
- 63.21 (1) principal and interest payments made by the borrower under the terms of the loan
63.22 are to reduce the guaranteed and nonguaranteed portion of the loan on a proportionate basis.
63.23 The nonguaranteed portion shall not receive preferential treatment over the guaranteed
63.24 portion;
- 63.25 (2) the QED lender shall not accelerate repayment of the loan or exercise other remedies
63.26 if the borrower defaults, unless:
- 63.27 (i) the borrower fails to make a required payment of principal or interest within 60 days
63.28 of the due date;
- 63.29 (ii) the commissioner consents in writing; or
- 63.30 (iii) the loan guarantee agreement provides for accelerated repayment or other remedies.
- 64.1 In the event of a default, the QED lender may not make a demand for payment pursuant to
64.2 the guarantee unless the commissioner agrees in writing that the default has materially
64.3 affected the rights or security of the parties;
- 64.4 (3) the QED lender has timely prepared and delivered to the commissioner, annually by
64.5 the date specified in the loan guarantee, an audited or reviewed financial statement for the
64.6 loan, prepared by a certified public accountant according to generally accepted accounting

- 64.7 principles, if available, and documentation that the borrower used the loan proceeds solely
64.8 for purposes of its Minnesota operations;
- 64.9 (4) the commissioner has access to the loan documents prior to approval of the state
64.10 credit enhancement;
- 64.11 (5) the QED lender maintains adequate records and documents concerning the loan so
64.12 that the commissioner may determine the borrower's financial condition and compliance
64.13 with program requirements;
- 64.14 (6) interest is not charged to the small business borrower during the first 12 months of
64.15 the loan term;
- 64.16 (7) an amount equal to the foregone interest under clause (6) is provided to the QED
64.17 lender by the commissioner; and
- 64.18 (8) orderly liquidation of collateral securing the loan is provided for in the event of
64.19 default, with an option on the part of the commissioner to acquire the QED lender's interest
64.20 in the assets pursuant to the loan guarantee.
- 64.21 Subd. 4. **Loan guarantee trust fund established.** A loan guarantee trust fund account
64.22 in the special revenue fund is created in the state treasury to pay for defaulted loan guarantees.
64.23 The commissioner shall administer this fund and provide annual reports concerning the
64.24 performance of the fund to the chairs of the standing committees of the house of
64.25 representatives and senate having jurisdiction over economic development issues.
- 64.26 Subd. 5. **Limitation.** The commissioner must accept loans up to but not exceeding
64.27 \$250,000,000.
- 64.28 Subd. 6. **Guarantee fee.** Participating QED lenders shall pay a fee to the fund of 0.25
64.29 percent of the principal amount of each guaranteed loan upon approval of each loan
64.30 guarantee. The guarantee fee, along with any interest earnings from the trust fund, shall be
64.31 used only for the administration of the small business loan guarantee program and as
64.32 additional loan loss reserves.
- 65.1 Subd. 7. **Loan guarantee application.** The commissioner shall prepare a form for QED
65.2 lenders to use in applying for loan guarantees under this section. The form shall include the
65.3 following information:
- 65.4 (1) the name and contact information for the QED lender, including the name and title
65.5 of a contact person;
- 65.6 (2) the names of the financial institutions, including the names and titles of contact
65.7 persons, that are participating in the total financing being provided to the small business
65.8 borrower, along with the dollar amount of the loan provided by the financial institution;

65.9

(3) the percentage and dollar amount of the subordinated debt loan provided to the

65.10

Minnesota small business by the QED lender;

65.11

(4) the loan guarantee amount that is requested from the program;

65.12

(5) foregone interest due from the small business borrower during the first 12 months

65.13

of the loan term; and

65.14

(6) other information as requested by the commissioner.

65.15

Subd. 8. **Notice and application process.** Subject to the availability of funds under

65.16

subdivision 4, the commissioner shall publish a notice regarding the opportunity for QED

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lenders to originate loans. The commissioner shall decide whether to provide a loan guarantee

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for each loan based on:

65.19

(1) the completeness of the loan guarantee application;

65.20

(2) the availability of funds in the loan guarantee trust fund; and

65.21

(3) execution of agreements that satisfy requirements established in subdivision 3.

65.22

Subd. 9. **Reporting.** By January 15, 2025, the commissioner shall report to the legislative

65.23

committees with jurisdiction over economic development policy and finance on the loan

65.24

guarantees provided under this section.

65.25

EFFECTIVE DATE. This section is effective the day following final enactment.

75.3

Sec. 37. **REPEALER.**

75.4

Minnesota Statutes 2020, section 116L.18, is repealed.