



March 7, 2022

Rep. Mohamud Noor, Chair
Committee on Workforce and Business
Development Finance and Policy
Minnesota House
379 Rev. Dr. Martin Luther King Jr.
St. Paul, MN 55155

Re: Support for the Governor's 2022 Supplemental Budget for Department of
Employment and Economic Development

Chair Noor and members of the Committee on Workforce and Business Development
Finance and Policy:

I am writing on behalf of the Minnesota Technology Association (MnTech) to voice our support for the Governor's 2022 Supplemental Budget for Department of Employment and Economic Development. MnTech is a coalition of more than 200 member companies united in building a stronger tech ecosystem and innovation economy in Minnesota. We work to ensure that Minnesota's technology-driven companies have access to exceptional talent, dedicated public policy advocates, and are part of an innovative and inclusive technology community. For more than 30 years, MnTech has helped nurture each of these attributes within our state, enabling Minnesota technology-driven businesses, professionals, and communities to thrive. Our member companies work the spectrum of technology, from IT, advanced manufacturing, life sciences, fintech, agtech, cleantech, and edutech, and range from long-established corporations to small and growing startups.

Minnesota's tech ecosystem cannot grow and thrive without strong and diverse tech talent pipelines. This is why we support the additional funding called for by the Governor to prepare more youth for tech careers and equip unemployed and under-employed adults with the digital skills needed to succeed in an increasingly tech-driven economy, including the Governor's proposed \$15 million investment in the Tech Youth Training program; \$13 million investment in the Adult Tech Training Program for Black, Indigenous, People of Color (BIPOC), and women; and robust investments in the creation and expansion of new information technology registered apprenticeship programs.

MnTech members know that diverse teams produce stronger outcomes, yet the Minnesota tech workforce does not reflect diversity of our community. To address this,



MnTech is committed to working through the Technology Inclusion Alliance (TIA) including leveraging investments made by member companies, to close the tech talent gap while simultaneously addressing racial and economic disparities. This includes supporting policies that help a diverse community of workers address barriers to entering the tech workforce like access to affordable child care, and supporting workplace retention through policies providing paid family leave. Education and workforce development policies and programs that expand talent pipelines to include more diverse representation of Black, Indigenous, and People of Color (BIPOC) communities and women are critical. This is why the investments called for in the Governor's supplemental budget are so important to creating a diverse tech talent ecosystem.

In addition to robust investments in workforce development, MnTech's strongly supports completing the state's Border-to-Border broadband program. This will expand the availability and use of broadband technology to access new markets, enhance education opportunities, improve quality of life, and provide Minnesota citizens and businesses the capabilities necessary to compete in a dynamic, global marketplace. According to the Minnesota Governor's Task Force's on Broadband 2021 report, there are 171,000 unserved households, 80% of whom are rural, in the state. This is why MnTech supports the Governor's budget proposal to invest \$170 million to complete the state's border-to-border broadband program. Equally important to MnTech members is that broadband access be quickly distributed across the state. We encourage members to look at additional ways to speed up the distribution of funds for the deployment of broadband across the state and will support efforts to do so.

The Angel Tax Credit Program (ATCP) has catalyzed nearly \$500 million in investments into more than 430 Minnesota startups and emerging companies since its inception in 2010, providing entrepreneurs from around the state with much needed capital to start and grow their businesses in Minnesota. That's why MnTech supports the Governor's request of \$7 million in fiscal year (FY) 2023 and \$10 million in FY24-25.

A strong tech startup ecosystem in Minnesota helps foster innovation and attracts top tech and entrepreneurial talent to the state. That's why MnTech supports the Governor's request for \$5 million in the Launch Minnesota program to support the tech startup ecosystem and launch an accelerator program to help startups scale in the state.

Minnesota's Unemployment Insurance (UI) Trust Fund is facing a more than \$1.1 billion deficit because of the unprecedented increase in UI claims resulting from the COVID-19 pandemic. Absent critical action to stabilize the Trust Fund, employers across the state face significant increases in UI payroll tax rates. However, Minnesota has a number of resources to address this deficit without raising taxes, including the nearly \$9.3 billion



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state budget surplus and over \$1 billion in unspent federal pandemic relief funds. MnTech recommends the state use existing financial resources to address the UI budget deficit and halt any increases to UI payroll taxes in the state.

Thank you for your consideration of these important investments.

Katie McClelland

Katie McClelland
Director of Policy & Research
Minnesota Technology Association