

Budget for One Minnesota



Department of Employment and Economic Development

Steve Grove | Commissioner



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Budget for One Minnesota



Education



Health Care



**Community
Prosperity**

Budget Recommendations for DEED

- Community Prosperity Grant Program
- Minnesota Innovation Collaborative
- Angel Tax Credit
- Family and Medical Leave Insurance Placeholder
- Opportunity Gap Grant Program
- Childcare Economic Development Grant Program
- Nonprofit Assistance Grant Program
- Vocational Rehabilitation Service
- Job Creation Fund/Minnesota Investment Fund Policy Changes

Community Prosperity Grants Program

\$2 million in FY 2020

Community Prosperity Grants Program

- Engage in innovative economic development projects.
- Population of 5,000 or under.
- Grant funds would provide 85% of total project cost with 15% matching funds.

Minnesota Innovation Collaborative

\$4.5 million in FY 2020 and \$4.5 million in FY 2021

Minnesota Innovation Collaborative

- A unique time.
- The businesses of the future are the startups of today.
- Minnesota needs to significantly expand efforts.
- Entrepreneurs and startups should not feel like they have to leave Minnesota in order to make their idea a reality.

Minnesota Innovation Collaborative

Incentives - \$5.8 million, FY20-21 biennium

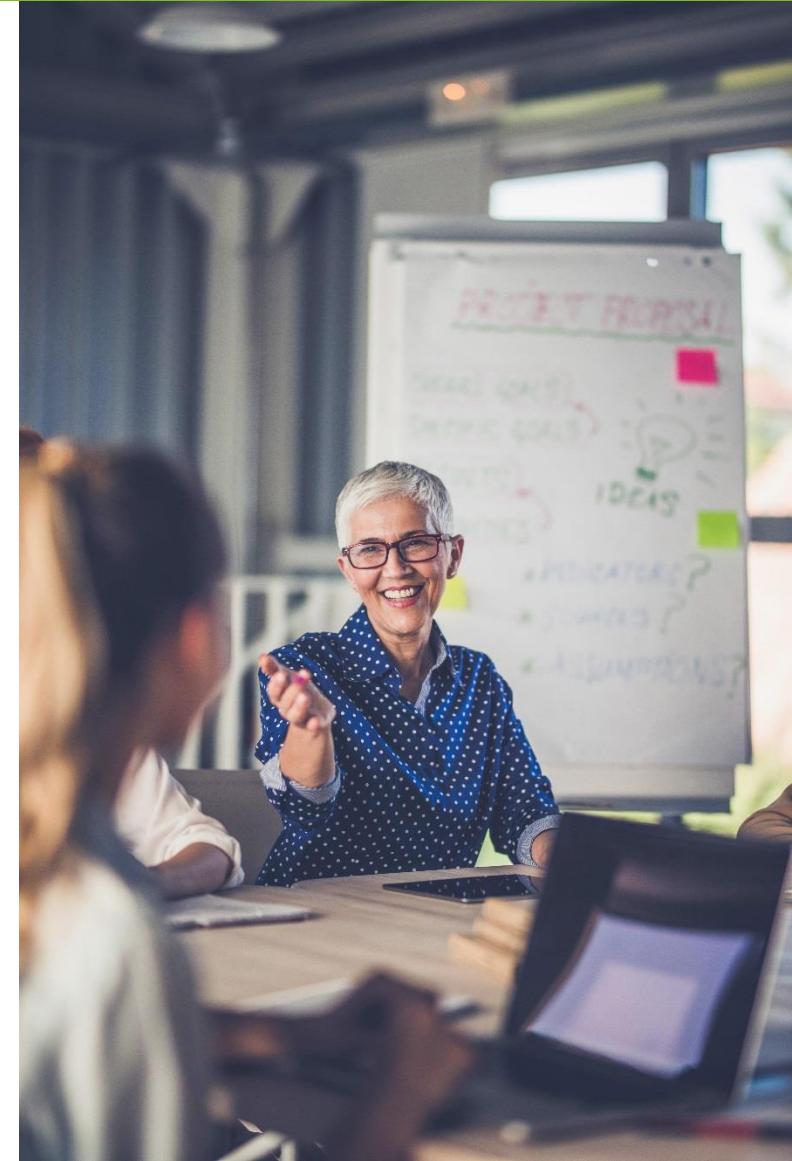
- Research and Development Grants
- Business Liquidity Grants
- Entrepreneur Benefits Package
- SBIR Match Funding
- Innovation Vouchers



Minnesota Innovation Collaborative

Education - \$1.5 million, FY20-21 biennium

- Outreach
- Mentorship
- Creation of consistent programs
- Promotion of ecosystem
- Events and Meetings



Minnesota Innovation Collaborative

Outreach - (\$1.7 million, FY20-21 biennium)

- Classes and informal sessions
- Events and Meetings
- Partnerships with other organizations in this space
- Advisory Board
- Future of Work Research Initiative



Angel Tax Credit

\$10 million in FY 2020 and \$10 million in FY 2021

Angel Tax Credit



- Born in Minnesota in 2010
- Over \$421 million in private investment in Minnesota startups
- \$101 million in tax credits to angel investors.
- Minnesota once seen as a leader.

Family and Medical Leave Insurance Placeholder

\$54.25 million in FY 2020 and \$13.75 million in FY 2021

Family and Medical Leave Insurance

- Proposal is an economic development tool first.
- 142,000 job vacancies in Minnesota today
 - About 85,000 unemployed job seekers.
- The administration is going to work with stakeholders - including low-income workers who do not have access to this kind of leave, as well as businesses - to create a state family and medical leave insurance program that works.



Closing the Opportunity Gap

\$12.399 million in FY 2020 and \$12.398 million in FY 2021

Closing the Opportunity Gap

- 24/7 Wall Street: Minnesota as the second-worse state in the country for racial inequity.
- People of color will account for 70 percent of the state's population growth in the next 25 years.
- Between 2013 and 2014, the number of white people in the workforce in Minnesota fell by 2,000. During the same period, the number of black Minnesotans in the workforce climbed by 10,000.
- Expected to continue for the next 15 years statewide.



Childcare Economic Development Grants Program

\$500,000 in FY 2020 and \$500,000 in FY 2021

Childcare Economic Development Grants Program



- Strong demand for these funds with projects ready to go.
- Estimated that an additional \$1 million would leverage over \$2 million in local matching funds, result in 14-20 new projects as well as the ability serve an additional 1,600-2,400 children and their families throughout Minnesota.
- Not a single-source solution.

Nonprofit Assistance Grant Program

\$500,000 in FY 2020 and \$500,000 in 2021, in the base

Nonprofit Assistance Grant Program

- This program is intended to **support the infrastructure of small nonprofit organizations** that serve historically underserved cultural communities.
- The Governor **recommends including this funding in the base budget.**

Vocational Rehabilitation Service

\$4 million in FY 2020, \$4 million in FY 2021, in the base

Vocational Rehabilitation Service

- By keeping Category 1 open we will:
- Keep serving over **17,000 individuals** in each year of the biennium and accept more than **7,000 new** participants into the program each year.
- Absent this proposal, the program will establish a wait list and the Minnesotans with the most significant disabilities will be unable to access timely, competitive integrated employment opportunities.



Job Creation Fund/Minnesota Investment Fund

Policy Changes

JCF/MIF Policy Changes

- The Governor recommends a **technical change to the Job Creation Fund to ensure consistency with statutory changes made during the 2017 legislative session.**
- The Governor recommends **modifying the Minnesota Investment Fund (MIF) to enable existing local funds the expanded ability to use those funds for other community and economic development purposes.**
- The Governor further recommends **continuing DEED's limited authority to transfer funding from the MIF program to the Redevelopment Grant program.**

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