

April 7, 2021

The Honorable Representative Mohamud Noor
Chair, House Workforce and Business Development Finance and Policy Committee
379 State Office Building
St. Paul, MN 55155

Dear Chair Noor,

On behalf of the Minnesota Department of Employment and Economic Development (DEED), I am writing to provide feedback on the House Workforce and Business Development Finance and Policy Committee Omnibus bill.

I want to extend my gratitude to you and the members of your committee for your work on the development of this bill. As we continue this session, I hope that we can work together on policy and funding solutions that support improved economic opportunities for all Minnesotans. On many of the components of the bill, we share an alignment. Making these investments are key to Minnesota emerging from this pandemic with a strong economy that works for everyone.

If you recall, DEED in the Governor's budget recommendations was focused on three main areas, and I see those areas also reflected in your bill:

- **Immediate rescue assistance** for those most affected by extraordinary challenges of 2020
- **Focus on small business & startups** – that's where the need is greatest, and the biggest upside is for job creation
- **Strengthen our workforce** with new tools for the next chapter of our economy, keeping Minnesota talent on the leading edge

Below are a few areas of your bill that we would like to collaborate with you on for additional refinement.

Workforce Development Fund Realignment

I first want to extend my appreciation to the amount of thought that went into reimagining the Workforce Development Fund. We have a shared vision that would align the Workforce Development Fund with the workforce needs of today with a framework around populations with barriers to employment and a close connection to the regional labor needs.

I particularly want to call out the Grant Review Advisory Council in your bill and make the Committee aware of our shared value in community input into the grant review process. DEED has been working with community reviewers to evaluate and score the grant applications for our competitive programs for the last four years and has continued to refine that process. I am enthusiastic to see that concept enshrined in law and interested in continuing to work with you to refine the details.

Unemployment Insurance

I am appreciative that the House included two of our UI recommendations in their bill; changing the law to allow secondary students to be eligible for UI benefits and making small changes to the kinds of reemployment

training allowed for UI recipients. Between the Senate and House bills, there looks to be several opportunities for collaboration, and I stand ready to engage with you on working on those pieces.

As the Committee considers changes to the UI program, please be aware that each change will need to be evaluated in relation to the capacity of the UI program. Ensuring program integrity to continue making benefit payments to existing applicants in a timely manner and fundamental operational needs will continue to be the department's priorities. Our staff stand ready to discuss each of the proposed changes in relation to those factors so you can make reasoned decisions about the UI program.

I know that the committee has challenging work ahead. DEED is committed to working with you, and we thank you in advance for your consideration of this feedback. Please do not hesitate to contact me or Darielle Dannen (darielle.dannen@state.mn.us) with any questions.

Regards,



Steve Grove
Commissioner

Cc: Representative Rod Hamilton, Minority Lead
Travis Reese