



May 1, 2023

Representative Hodan Hassan
597 State Office Building
Saint Paul, MN 55155

Senator Bobby Joe Champion
3401 Minnesota Senate Building
Saint Paul, MN 55155

Representative Hassan, Senator Champion, and members of the Omnibus Jobs and Labor Conference Committee:

Congratulations on the passage of the House and Senate Jobs and Labor omnibus bills. We appreciate the inclusion of some of our top priorities, and the inclusion of Greater Minnesota in some of your top priorities. We look forward to working with you as you craft the final budget bill.

With that, we urge the committee to include the following in your final bill:

- The \$13 million in the DEED Child Care Economic Development Grants, the \$7 million for the Minnesota Initiative Foundation's child care grants, and the \$1 million for the Office of Child Care Community Partnerships included in both the House and Senate bills.
- The \$6 million for the Minnesota Initiative Foundation's business revolving loan programs included in both the House and Senate bills.
- The \$100 million included in the Senate bill for the PROMISE Act.
- The \$4.574 million included in the Senate bill for Business Development Public Infrastructure (BDPI) grants.
- The \$8.492 million included in the Senate bill for the Redevelopment Grant Program.
- The \$10 million included in the House bill for the Targeted Community Capital Project Grants.
- The \$3 million included in the House bill for the Community Wealth Building Grants.
- The \$778,000 included in the House bill for the Center for Rural Policy and Development. We also ask that this funding be included in the ongoing base budget.

The investments highlighted above will positively impact economic growth across our 80 counties. While our communities, especially our main streets and commercial corridors, continue to recover from the pandemic, these programs will support entrepreneurship, community revitalization, and our BIPOC communities.

While the items highlighted above, and others included in the House and Senate bills, contain much to celebrate, we are concerned about the distribution of dollars to all corners of the state in both bills. Recent census data shows that 45 percent of the state's population lives in Greater Minnesota, yet our review of the bills show that only 27 percent of the community/organization directed investments included in the Senate bill and 15 percent of those included in the House bill will support economic and workforce development in Greater Minnesota.

We believe there are two primary ways to rebalance the final bill to better address the needs throughout the state. The two budgets passed by the legislature, and the budget proposed by Governor Walz, each contain funding for a signature program to promote economic revitalization: Governor Walz's \$85 million for Main Street Economic Revitalization Program, the Senate's \$100 million for the PROMISE Act, and the House's \$125 million for Empowering Enterprise. These programs represent approximately 10 percent of each budget proposals' total economic development target. Unfortunately, the three programs treat regional distribution quite differently. Governor Walz's proposal funds a program that will allow equitable distribution of funds statewide. The Senate proposal allows for statewide funding, but limits funding for Greater Minnesota to 21 percent. And the House proposal excludes any funding from supporting revitalization in Greater Minnesota.

We believe strongly that any signature program included in the final bill must benefit all regions of the state equitably. While we support the framework of the PROMISE Act included in the Senate bill, we respectfully ask the conferees to support Governor Walz's call for a "One Minnesota" budget and invest in revitalizing Minnesota's economy throughout the state.

Second, both bills include funding that was proposed in HF2556/SF2595, which will recapitalize the revolving loan funds for the six Initiative Foundations. However, the bills only provide a third of what was requested. Funding the Initiative Foundation's revolving loan funds will have significant long-term impacts, because it will turn one-time money into ongoing money. As the capital from loans is paid back, the foundations will be able to use the money to fund new loans. So, thirty years from now, entrepreneurs in Greater Minnesota will continue to benefit from decisions made by this body.

To provide more effective distribution of economic investment throughout the state, the final bill should fully fund the \$18 million request included in HF2556/SF2595.

Thank you for considering these requests. We look forward to working with the conference committee and Governor Walz as you finalize the bill.

With gratitude,



Brian Holmer
Mayor, Thief River Falls
President, Coalition of Greater Minnesota Cities



Amy Baldwin
Community Development Director, Otter Tail County
President, Greater Minnesota Partnership