



The *Business Resource Collective* (BRC) is a coalition of more than 20 cultural and place-based community organizations in the Twin Cities and statewide focused on centering the needs and growth of Black, Indigenous, immigrant, and people of color owned (BIPOC) businesses.

May 18, 2022

Dear Senator Pratt, Representative Noor, and Jobs Omnibus Conference Committee Members,

Thank you for your work on behalf of our communities this session. The Business Resource Collective supports several programs included in S.F. 4091 that would provide catalyst and resilience for Minnesota's small business community. We want to be the best place in the country for a person to establish and grow a business, we cannot reach that goal without spending the money needed to build out our small business ecosystem.

That is why we are deeply disappointed that out of a \$10 billion dollar surplus, of which \$1 billion is for recovery and resiliency to the ongoing COVID pandemic, that only \$11 million (0.11%) is getting dedicated to jobs, workforce, and business development. When we are unable to establish major programs to support small and micro businesses in this critical moment— for example, a \$45 million small business loan program or a \$35 million small business pandemic relief program - we send the opposite message to entrepreneurs and businesses. Minnesota's small businesses are suffering from unprecedented inflation rates, plus supply chain challenges, and are still recovering from an ever-evolving pandemic. They need our support now.

We all share the value of being good stewards of Minnesota's tax dollars. The Business Resource Collective believes Minnesota's small business community can achieve resilience within the pandemic and any future economic challenge by having a strong, vibrant and diverse small business landscape and ecosystem. S.F. 4091 includes six important investments for that ecosystem.

- **\$5M increase for Small Business Partnership Grant Program** in second year with increase in base for next biennium
- **\$45M for new Spark Small Business Loan Program,**
 - Minimum loan amount is \$5,000
 - 10% of loan can be forgivable
 - 10% of grant can be used for admin and technical assistance
 - Open to nonprofits in addition to CDFIs
- **\$35M Pandemic Relief grant program** targeting smaller businesses (<50 employees) with carve outs explicitly for microbusinesses and "minority" owned businesses
- **\$20M Emerging Developer Loan Program** to less established developers including BIPOC, women, low-income people for projects intended to reduce disparities.

- **\$25,230,000 for Targeted Community Capital grant program** while Increasing the maximum grant amount to \$3,000,000.
- **\$20M added to Main Street Economic Revitalization Program (MERP)** with amended language to eliminate the grant match requirement for businesses located in low income areas

We are confident we all share these values and vision for Minnesota. To secure future opportunities for today's Minnesota small and micro business owners to thrive, we strongly urge you to include the above six expenditures in the final omnibus bill. While we are disappointed by the new target, we hope that what goes unfunded you will build upon in the next session. You can reach us via Joo Hee Pomplun at joohee@thealliancetc.org or (c) 612-599-4196.

Sincerely,

Business Resource Collective

Cc: Governor Tim Walz
Lieutenant Governor Peggy Flanagan
Senate Majority Leader Jeremy Miller
Speaker of the House Melissa Hortman