

April 23, 2026

Representative Paul Torkelson
2nd floor, Centennial Office Building
658 Cedar Street
St. Paul, MN, 55155

Representative Cedrick Frazier
5th Floor, Centennial Office Building
658 Cedar Street
St. Paul, MN, 55155

RE: HF3732 Workforce, Labor, and Economic Development Supplemental Finance Bill

Dear Chairs Torkelson and Frazier,

Thank you for the opportunity to comment on House File 3732. I appreciate the inclusion of all DLI's budget and policy priorities, which comprise Article 2 of the bill.

Article 2 contains several technical provisions related to electrical licenses and permits. This includes the contents of HF3731, removing the defunct Class A Installer license, which passed the House Floor unanimously earlier this session. It also includes:

- A small fee reduction for certain electrical permits
- A phase out of the Class B Installer license that will suspend issuance of new licenses, but allow existing license holders to continue to renew, and
- Conforming technical changes from recent statutory updates to electrical fees.

In closing, I would like to thank Chair Pinto and Chair Baker for their work and support in the labor portion of this bill.

Sincerely,



Nicole Blissenbach
Commissioner

cc: Representative Dave Pinto
Representative Dave Baker



EMPLOYMENT AND ECONOMIC DEVELOPMENT

Chair Cedrick Frazier
Ways and Means Committee
Centennial Office Building
St. Paul, MN 55155

Chair Paul Torkelson
Ways and Means Committee
Centennial Office Building
St. Paul, MN 55155

April 23, 2026

Dear Chair Frazier and Chair Torkelson:

On behalf of the Department of Employment and Economic Development (DEED), I am writing to provide feedback on HF3732, the House Workforce, Labor, and Economic Development Committee omnibus bill.

I want to sincerely thank the authors for their support in including the following provisions:

- Modifying the Innovative Business Development Public Infrastructure Program (IBDPI) to enact a 10-year sunset of development restrictions at locations awarded an IBDPI grant. This will allow IBDPI to be more responsive to local conditions.
- Codifying the Pathways to Prosperity Program. This program provides grants to support economically disadvantaged adults seeking to enhance their employability or improve their skills or credentials.
- Repealing outdated statutes that no longer have funding or relevance to DEED's work.

I encourage the committee to include the Governor's Supplemental Budget Recommendations:

- \$10 million to provide emergency relief to small businesses through zero interest, partially forgivable loans to businesses that were significantly financially impacted during the period of Operation Metro Surge.
- \$3.5 million to support further Service to Success Initiative Expansion Grants and Innovation Grants. These grants will help create sustainable career pathways for individuals serving in public service programs such as AmeriCorps.
- Codification of the Drive for 5 workforce program. This initiative provides grants to programs for workforce training in five high-demand sectors: caring professions, education, manufacturing, technology, and the trades.

mn EMPLOYMENT AND ECONOMIC DEVELOPMENT

- Addition of Unemployment Insurance and Paid Leave appeals divisions to the definition of judicial official under Minn. Stat. § 480.40. This protection enhances worker safety and provides a sense of security while key staff uphold program integrity.

I would also like to ask for the Committee's support for two of the Governor's supplemental budget recommendations that are traveling in other committees but relate to the agency's work.

- A tax on large social media platforms that would be used to support workforce and economic development initiatives that would prepare Minnesota's economy and workforce for increased AI utilization. This provision would be included in the Tax omnibus.
- Transfer of a 2024 appropriation for construction of the Cedar Riverside Recreation Center from the Minneapolis Parks and Recreation Board to the Metropolitan Council. The Minneapolis Park and Recreation Board received an appropriation for a different portion of the same project through Metropolitan Council, so working with one agency would be simpler. This provision would be included in the Metropolitan Council's omnibus.

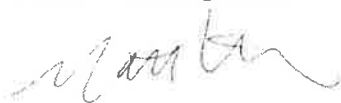
Additionally, we have concerns with Article 1, Section 6 tasking the Governor's Workforce Development Board (GWDB) with reviewing and recommending organizations for legislatively named appropriations. Governor Walz is proposing to eliminate the practice of legislatively named grants, with very few exceptions, and would instead require all grants to be awarded through a competitive RFP process. The provision in this bill, however, facilitates the ongoing practice of the legislature directly naming organizations for funding.

Lastly, I look forward to further discussing Article 1, Section 15. This is an innovative idea, and we want to ensure there are no unintended consequences with this provision.

In closing, I would again like to thank Chair Pinto, Chair Baker, and the entire committee for your support and partnership.

Please do not hesitate to contact me or Director of Government Relations, Deven Bowdry (deven.bowdry@state.mn.us) with any questions.

With warm regards,



Matt Varilek
Commissioner

April 23, 2026

Representative Paul Torkelson
Co-Chair, Ways & Means Committee
2nd Floor Centennial Office Building
St. Paul, MN 55155

Representative Cedrick Frazier
Co-Chair, Ways & Means Committee
5th Floor Centennial Office Building
St. Paul, MN 55155

Dear Chair Torkelson, Chair Frazier and Members of the Committee,

We represent organizations across Minnesota that are very concerned about the small businesses in our state and the loss in overall economic activity due to circumstances out of their control. We are Community Development Financial Institutions, Greater Minnesota Organizations, Philanthropy, Local Business Associations, Chambers of Commerce, Non-profits and many others. We have all come together to support a Small Business Rapid Relief Initiative, taking the approach of working to fundraise to provide grants to small businesses through multiple philanthropic funding partnerships and we are also supporting a legislative request to provide much needed additional financial support to small businesses.

We urge you to consider the addition of small business assistance funding to HF 3732 as the Department of Employment and Economic Development Supplemental Finance Bill makes its way to the House Floor. We are so grateful for the legislature's ongoing support for small businesses throughout unprecedented times and we find ourselves once again in a trying time for small businesses. Collectively, we are writing to ask for your support for \$100 million in Small Business Assistance to help stabilize our small businesses and Minnesota's economy. This investment in our communities is needed because we are experiencing an alarming loss in economic activity, disruptions to our workforce and the statewide nature of this stress on our economy.

- **Loss of Economic Activity:** Initial estimates in just 14 economic corridors in Minneapolis and St. Paul, show a loss of \$213 million in revenue since the beginning of December. Many small businesses are reporting anywhere from 50%-90% in revenue losses and are on the brink of permanent closure. African, Latino/a/x, Asian and Native American (ALANA) communities support roughly \$200 Billion (40%) of Minnesota's economic output and generate \$24 Billion in Federal, State and Local taxes. Without intervention, this moment in time will have a devastating impact on our state's budget and local economies for years to come. We are actively working to collect additional data across Minnesota and will update you as it is made available.
- **Workforce Disruptions:** According to Minnesota's State Demographer, Susan Brower, our state has been experiencing workforce shortages for years and industries that have been struggling the most with labor shortages are being hit even harder in recent months. Construction

companies, farmers, childcare providers, restaurants, manufacturers, healthcare, food production and retailers are all feeling the impact of the sudden loss of workers.

- A WCCO report on February 13th cites the loss of construction workers is impacting many construction companies, including Emily White and her exteriors company. She said, they are “several weeks behind” and “she fears that after 15 years in business, this will be the last.”
 - Many restaurants of all sizes are not able to open for regular business hours due to staffing shortages and turning to take out only options and reduced hours to try stay open, but revenues are down so much they are afraid they won’t make their mortgage or lease payments.
- **Statewide Impact:** Every corner of Minnesota is experiencing this sudden shift in economic losses and workforce disruptions. These impacts are not limited to the Twin Cities – Main Streets and businesses in Red Wing, St. Cloud, Rochester, Northfield, Willmar, Worthington, Detroit Lakes, Fergus Falls, Brainerd, Duluth, and more experiencing the same stress.

Thank you for your continued leadership on this issue and your consideration. We hope that you recognize the growing needs of small businesses in our communities and will move with urgency to pass funding to stabilize our economy. Please reach out to Kari Johnson (kjohnson@mccdmn.org) or Carl Swanson (carl@mncdficoalition.org), should you need any further information.

Sincerely,

African American Leadership Forum
African Career Education, & Resource Inc.
African Development Center
African Economic Development Solutions
Alliance for Metropolitan Stability*
Asian Economic Development Association
Aurora St. Anthony Neighborhood Development Corporation
Black Women’s Wealth Alliance, SBC
Coalition of Asian American Leaders*
COPAL
Community Reinvestment Fund, USA
ConnectUP! Institute
Exodus Lending
First Children’s Finance
Greater Minnesota Partnership*
Greater Twin Cities United Way
GroundBreak Coalition*
Hmong American Partnership
Initiative Foundation
Lake Street Council*
Latino Chamber of Commerce
Latino Economic Development Center
LISC Duluth
LISC Twin Cities
Metropolitan Economic Development Association (MEDA)

Midwest Minnesota Community Development Corp.
Minneapolis Regional Chamber
Minneapolis Downtown Council | Improvement District
Minnesota Catalyst Alliance*
Minnesota Council on Foundations
Minnesota CDFI Coalition*
Minnesota Consortium of Community Developers*
Minnesota Farmers Union
Model Cities of St. Paul, Inc.
Neighborhood Development Alliance
Neighborhood Development Center
Northside Economic Opportunity Network (NEON)
Northwest Minnesota Foundation*
Propel Nonprofits
Queermunity Collaborative
Shared Capital Cooperative
Southwest Initiative Foundation*
Southwest Minnesota Community Capital
Springboard for the Arts
Sunrise Banks
Tending the Soil MN
Unidos MN*
WomenVenture*

*Denotes core planning committee members**