

Letters for HF 4477 (Frazier)



Small business is critical to Minnesota

The landscape

Small business is critical to the success and vitality of our state. According to the U.S. Small Business Administration Office of Advocacy, small businesses employ 1.3 million Minnesotans.

Minnesota small businesses create community wealth, support a robust workforce and provide access to the American dream. This is true across all businesses, and especially in African, Latino/a/x, Asian, and Native American (ALANA) communities. ALANA workers support roughly \$200B in economic output, about 40% of Minnesota's economy, and generate \$24B in Federal, State and Local taxes.

The damage

Since the end of 2020, Minnesota small businesses have faced significant economic disruption due to circumstances out of their control. Many businesses have reduced hours or even closed for long stretches of time due to staffing shortages and reduced foot traffic.

“

"My business has experienced a significant slowdown that has been both financially and emotionally challenging. My business is more than a beauty shop—it is my livelihood, my investment, and something I have built with care and sacrifice."

– Hmong American Partnership Client



\$100 Million
in grants



1.3 million
Minnesotans
employed by
small businesses



\$213M
estimated risk
across Twin Cities



\$140M
risk to CDFI
loan portfolios

Economic impacts have been immediate, forcing businesses to rely on saving, loans, mutual aid and community to stay open, creating a generational crisis for many small businesses. These impacts are not limited to the Twin Cities – Main Street small businesses have been impacted in Red Wing, Rochester, Northfield, Willmar, Worthington, Detroit Lakes, Fergus Falls, Brainerd, Duluth, and more.

Economic mapping of 14 cultural corridors in the Twin Cities, conducted by GreaterMSP and the Minnesota CDFI Coalition, estimated that from mid-December 2025 to February 2026, small businesses experienced \$213M in economic losses (\$167M in Minneapolis and \$46M in St. Paul).

Small business lenders like CDFIs are working with their clients to provide flexibility and support through this period of financial stress, but are also concerned about their own loan portfolios. Collectively, Minnesota CDFIs have \$700M in loans outstanding as of June 2025 and as they undertake scenario planning, a potential 20% delinquency rate, means a threat of \$140M lost in the capital portfolio of Minnesota CDFI lenders.

The Solution

The solution is to continue to support small businesses and set Minnesota up for the best chance of recovery. Community members have stepped up with enormous amounts of mutual aid, philanthropic and corporate partners are stepping in with economic relief support, now state government has a role in ensuring recovery and longer-term stability.

\$100 million in Small Business Relief Grants to help stabilize our small businesses and Minnesota's economy.



“

“You can feel it, the sadness from town. There’s no people walking around. You go to the stores, and they lock the doors now. You’ve got to wait until they open the door for you. It’s not normal.”

– Larry Trovino, Los Partners Auto Sales, Worthington, MN

Contact

Kari Johnson

*Minnesota Consortium of
Community Developer*
kjohnson@mccdmn.org

Carl Swanson

Minnesota CDFI Coalition
carl@mncdficoalition.org



Bill Supporters



Small Business Supporters

Abis Restaurant
Avari Beauty
Beauty on a Budget
Blue Income Tax Service LLC
Braids by Esse
Cat aMEWsement
Cavalla Travel and Tour, LLC
Cedar Point Designs
Chocolat Celeste
Colonial Cleaners
Common Edveavors
Dcard Insurance Services Company
Dreamstate Cafe
El Tapatio
Flow Hair & Beauty
Global Food Market
Go Crazy Gaming
Hola Coffee
Hope and Dignity International LLC
Immaculate Cleaning Service LLC
Jack and the Pack
JRF Trucking & Hauling

Juche St Paul
K-Mama Sauce, LLC
Landmark Jewelers LLC
Lovely Berd Salon
Moncur Consulting LLC
Nature's Syrup Hair and Skin Care
Nickel Joint LLC
Norte Cafe
Pupuseria El Rincon Salvadoreno
Reverie Cafe + Bar
Smart Set Community Printing
Soapy Toads
Stable Housing Relocation LLC
The Barber Ranch
The Cat and the Cobra
Tropes & Trifles
Trujillo's Tax Services Inc
Two Bettys Green Cleaning Co
UrbanUndercover
Verbena Vinyl
West Indies Soul Food

And more to come!

Thank you for supporting small business and Minnesota's economy through \$100 million in Small Business Relief Grants.



April 8, 2026

Representative Dave Baker
Co-Chair, Workforce, Labor, and Economic
Development Finance and Policy Committee
2nd Floor Centennial Office Building
St. Paul, MN 55155

Representative Dave Pinto
Co-Chair, Workforce, Labor, and Economic
Development Finance and Policy Committee
5th Floor Centennial Office Building
St. Paul, MN 55155

Dear Chair Baker, Chair Pinto 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 want to thank you both and all the committee members for your strong support of Minnesota small businesses over the years, and we are so grateful that you are willing to work together to identify solutions when small businesses are facing unprecedented challenges. We find ourselves once again in a trying time for small businesses and collectively, we are writing to ask for your support for \$100 million in Small Business Relief Grants 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**

April 7, 2026

Co-Chair Dave Baker

Minnesota House Workforce, Labor, and
Economic Development Finance and Policy
Committee

Co-Chair Dave Pinto

Minnesota House Workforce, Labor, and
Economic Development Finance and Policy
Committee

Re: Economic Relief for Impacted Businesses (HF4477Xiong)

Co-Chair Baker and Co-Chair Pinto:

The Minnesota Legislature created the Council for Minnesotans of African Heritage (CMAH) to advise government on the needs of our constituents and support their participation in the resources of the state and economy. Our constituency comprises of Minnesotans who self-identify as African American or African Immigrant, Black American or Black Immigrant.

We write to support legislation that would provide relief grants and loans to small businesses impacted by federal enforcement activities (HF4477).

Minnesota has the difficult task of understanding and responding to the impacts of the federal enforcement surges on local communities. There's an empirical, scientific challenge of collecting data and keeping pace with the evolving ramifications of federal activities. There's also the moral, ethical challenge of how to make sense of what has happened. How should Minnesotans, today, bear witness—both to aid impacted neighbors and contemporaries and to endow future generations of Minnesotans?

Our state's answer and posture toward the preceding question are of practical public policy significance. No matter the different political views on the meaning of ICE operations, the fears in the communities and the traumas in people's bodies are unshakeable truths. African American and African Immigrant constituents have continually raised concerns about the destabilizing nature of these enforcement operations on businesses, workers, and families. The current data on business and wage losses validates their standpoint.

Minnesota saw more than \$300M in combined economic losses and lost wages (during the federal enforcement surges) as workers stayed home, some businesses reported 50-100 percent drop in sales, and many others closed their operations permanently. Based on the feedback CMAH has received from business and community leaders, we urge the Minnesota Legislature to establish funding mechanisms to support small businesses and workers who have suffered losses.

For relief legislation to yield effective economic recovery and repair, CMAH recommends the following:

- 1) Provide grants and zero-interest, forgivable loans.** In interviews with business and community leaders about relief needs, respondents emphasized that grants would be most helpful because grants represent "true relief". But respondents also said the mixture of grants and loans would benefit business recovery and growth.

- 2) Address place-based disparities in access to (and participation in) economic relief opportunities.** At listening sessions and workgroup meetings, community members express frustrations that some impacted groups and places are sometimes overlooked and made ineligible by program requirements, e.g., African American and African Immigrant communities in the Metro Suburbs, Greater Minnesota, etc.

- 3) Ensure the legislative language (e.g., definitions/rules regarding program eligibility, partners, and purposes) is inclusive of the diversity of lawful types of impacted business and entrepreneurial enterprises.** Constituents want to expand the field of participation to ensure that impacted businesses are not unintentionally left out.

We thank Representative Xiong, bill co-authors, and community partners for their work on economic relief legislation. We urge the House Workforce Committee to advance these efforts.

Sincerely,

Council for Minnesotans of African Heritage (CMAH)

The Minnesota Legislature empowered the Council for Minnesotans of African Heritage to ensure that people of African Heritage fully and effectively participate in and equitably benefit from the political, social, and economic resources, policies, and procedures of the State of Minnesota.

Generally, the Council is charged with the responsibility of:

- *Advising the Governor and the Legislature on issues confronting People of African Heritage;*
- *Advising the Governor and the Legislature on statutes, rules, and revisions to programs to ensure that Black people have access to benefits and services provided to people in Minnesota;*
- *Serving as a liaison to the federal government, local government units and private organizations on matters relating to People of African Heritage in Minnesota;*
- *Implementing programs designed to solve problems of People of African Heritage when authorized by statute, rule, or order; and*
- *Publicizing the accomplishments of People of African Heritage and their contributions to the state.*



DATE: March 9th, 2026

TO: Melanie McMahon,

CC: Nicole Green, Jules Atangana, Jimmy Loyd, Yasmine Robinson,
Sarah Zorn, Rachel Finazzo-Doll, Daniela Lorenz, Erin Lewis, Mary Rick, and Maria Blaesing

FROM: Bob Spaulding, Research Analyst

SUBJECT: Preliminary Impact Numbers for federal "Operation Metro Surge"

Over the last few weeks, at Interim Director McMahon's direction, city staff has worked to quantify the financial impacts of Operation Metro Surge on our community. I've conferred with most of you, along with several peers at our peer organization, Minneapolis Community Planning and Economic Development (CPED), as well as assorted staff in the Met Council and Minnesota Department of Revenue.

CPED in particular has been a helpful resource in orienting us to establishing preliminary conclusions around impact. My counterpart there worked for several weeks in their Emergency Operations Center (EOC), and contributed heavily to a fairly comprehensive preliminary report on "Metro Surge's" impacts, entitled, [Preliminary Impact Assessment & Relief Needs Overview](#) posted on a [page of similar name](#). They had the benefit of a staff member from Chicago's EOC recently joining, which allowed them to use Chicago's response template to last year's occupation of their city as a framework for initial evaluations of Minneapolis impact.

Within the time constraints and resources afforded for us, we have worked to provide as well-rounded of an approach as possible, referencing Minneapolis' approach and working with partner agencies.

For this analysis to date, we're able to reference and honor the basic methodology of Minneapolis' report and apply that methodology to Saint Paul. The Minneapolis report includes several other impacts and provides a holistic understanding of the likely nature and preliminary scale of impacts on a community very similar to ours. Our analysis and this memo focuses on two areas: household and housing impacts, and business impacts. We turn to those areas now.

Household Income and Housing Impacts

Page 11 of Minneapolis' analysis attempts to quantify the household-level impacts of "Operation Metro Surge". These impacts are, generally speaking, created because the enforcement operations kept many immigrants, people who are not native English speakers, and people of color generally sheltered at home, in fear, and not participating as usual in employment and other economic activities.

To define impacts, we used the same dataset for our analysis – the Census Bureau’s American Community Survey 2020-2024 5-year dataset. Further context on the calculation is available in the Minneapolis report. The parallel calculation for Saint Paul is as follows:

- Foreign Born Households (23,117) x Median Income of Foreign-Born Households (\$63,061) = \$1.46b in Annual Foreign-Born Income
- \$1.46b in Annual Foreign Born Income x the rate of Foreign-Born Households with Earnings Income (0.889) = \$1.30b in earned Annual Foreign-Born Income
- \$1.30b in earned Annual Foreign-Born Income / 12 = \$107.9m in Earned Monthly Annual Foreign-Born Income
- \$107.9m in Earned Monthly Annual Foreign-Born Income x Proportion of Foreign Born Who Speak English “Less Than Very Well” (0.55)
= \$59 million in lost monthly Foreign-Born income from work per month for the last two months of January and February, for a total of \$118 million in lost income from work.

That number represents the overall income impact to Saint Paul and will create a gap in income and hardship in paying for a range of monthly necessities, from food to transportation to housing. By comparison, Minneapolis estimated \$47 million in lost monthly foreign-born income from work. Though Minneapolis’ population is a third larger than Saint Paul, Saint Paul has a substantively higher percentage of foreign-born people and percentage of foreign-born people who speak English “less than very well.”

Based on Minneapolis’ methodology, again rooted in Census Bureau American Community Survey (ACS) data, **we estimate that Saint Paul has experienced a rent gap of \$15.96 million per month for the last two months of January and February, for a total of \$31.92 million in estimated rent gap for January and February.** By comparison, Minneapolis reported a rent gap of \$15.7 million per month. Again, though Minneapolis’ population is a third larger than Saint Paul, Saint Paul has a substantively higher percentage of foreign-born people and percentage of foreign-born people who speak English “less than very well.” We explore this more in this memo’s concluding paragraphs.

Small Business Impacts

Saint Paul is estimating significant impacts to consumer-facing small businesses because of “Operation Metro Surge”. Saint Paul sent out a survey to local businesses to gauge impacts and partnered with a range of organizations to get the word out. A survey was initially sent out on February 20th in five different languages. As of February 27th, 160 responses were received.

Dollar responses showed a wide range of impacts, from a handful of businesses reporting no impacts, to most reporting impacts up to \$500,000 over the approximately two months about which we inquired. The vast majority of businesses reported a combination of reduced traffic and reduced sales. Among those reporting specific drops in businesses, we heard reported a median of 50% loss in traffic and 40% loss in sales. A subsequent memo will summarize results in more depth.

Business Type	Assumptions	Financial Losses/Week
Restaurants, bars, cafes, etc.	528 businesses with losses, average of \$15,000/week	\$7.92 million
Market stall operators (food, retail)	300 businesses with some losses among 6 cultural mall locations Average of \$1,000/week	\$0.3 million
Grocery and convenience stores	144 businesses with losses, averaging \$10,000/week	\$1.440 million

General retail, professional services, personal services, wellness	1,466 businesses with losses, averaging \$4,000/week	\$5.864 million
Entertainment, private events rental	4 large events cancelled/postponed at an average loss of \$50,000; 20 small/private events cancelled at \$10,000 loss Attendance at events down 50%. Assume reduced attendance at 8 events for a loss of \$25,000/event.	\$0.6 million
Total (Weekly)	--	\$16.124 million
Total (Month)	x 4 weeks	\$64.496 million

Based on the Minneapolis methodology applied to the results of our own survey, we estimate Saint Paul has experienced \$129.0 million small business losses across the months of January and February. By comparison, Minneapolis has experienced \$81 million per month in such losses, or extended across January and February, \$162 million in small business losses.

One key data source might help us further solidify these numbers. As cities with a Local Option Sales Tax (LOST), both Minneapolis and Saint Paul can access business-by-business data on sales and sales taxes for each month. We had reason to think we might get that data for January by now from the State Department of Revenue, but have not been successful. Were we to have such data, we could establish a control group, and with relative specificity isolate the impact of “Operation Metro Surge” on the income of local small businesses by industry, geography and potentially other factors, aggregating out trends that could be summarized for legislators and the public.

While this level of nuanced detail would allow us to isolate the impact of “Operation Metro Surge” by various factors, there is also value in extending the analysis across the metro area or state. A metro-wide or state-wide analysis could come from either the Department of Revenue, Metropolitan Council or Legislative Research department.

Conclusions

Like Minneapolis, Saint Paul experienced profound impacts from “Operation Metro Surge”. In the business sector, this translated to an estimated loss to small business of \$16.1 million lost per week, \$64.5 million lost per month, and \$129 million lost over the months of January and February. Turning to household impacts, Saint Paul residents lost an estimated \$59 million per month, totaling \$118 million in household income lost during the months of January and February. That income loss directly contributed to an estimated \$15.96 million monthly rent gap, totaling \$31.92 million over the months of January and February.

Though we referenced Minneapolis methodologies, our estimated household impacts are actually larger than Minneapolis’. As noted earlier, Minneapolis’ population is about a third larger than Saint Paul’s (429,954 versus 311,527 in the 2020 Census). So from a distance, one might expect estimates of their residents’ needs in this moment to be proportionally larger than Saint Paul, but this is not the case. That is because Saint Paul has a substantively larger percentage of our population that is foreign-born and of those, who speak English “less than very well”.

This can be illustrated by a quick review of two datapoints that underpin both our and Minneapolis' estimates. According to the Census Bureau data used, 23,117 of 125,249 Saint Paul households, or 18.5%, are described as "foreign-born households", meaning they're headed by a foreign-born adult. By comparison, 28,740 of 192,734 Minneapolis households, or 14.9%, are headed by a foreign-born adult. Shifting to foreign-born people, the same pattern holds. The proportion of foreign-born people who speak English "less than very well" is 41.9% in Minneapolis, compared with 54.9% in Saint Paul.

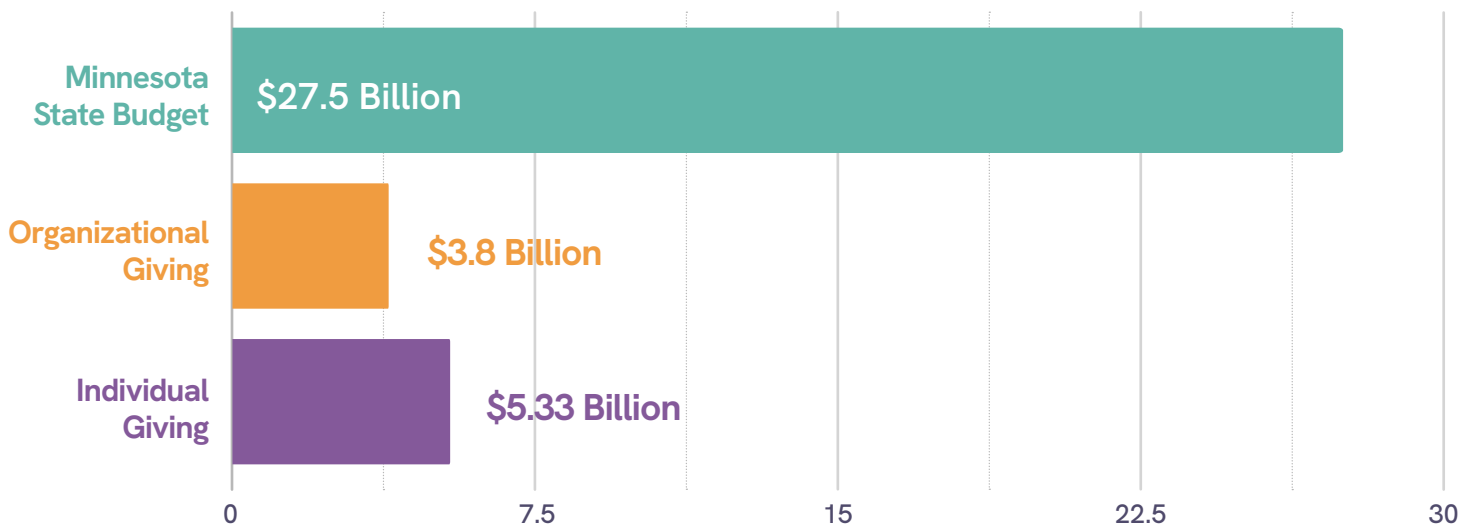
Together, despite Minneapolis' larger overall population, these demographic differences between the cities actually points to an even deeper collective impact on Saint Paul households – as measured in total dollars of impact – than the impact experienced in Minneapolis.



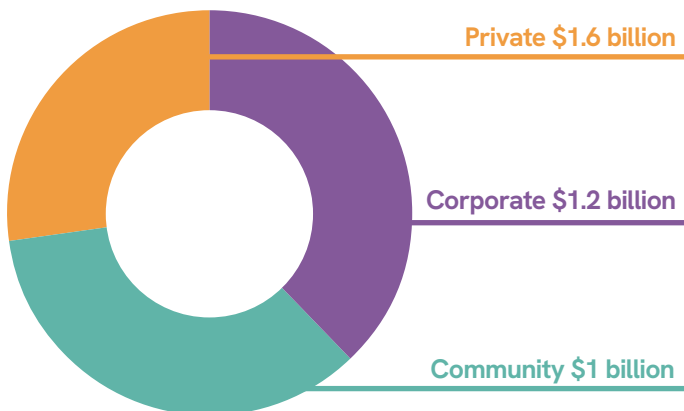
MINNESOTA COUNCIL
ON FOUNDATIONS

A GIVING OVERVIEW

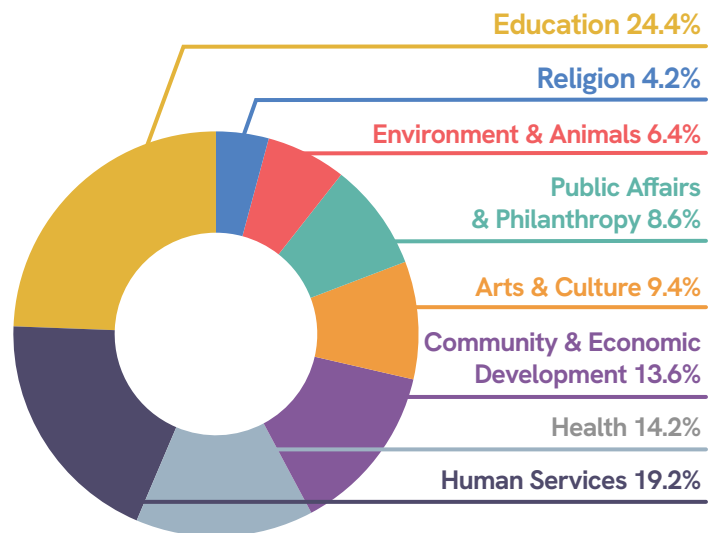
2023 Minnesota Giving Overview



Giving by Organization Type



Organizational Giving by Subject Area





Open Letter in Support of HF4477

4/06/2026

Dear Co-Chairs and Members, House Workforce, Labor, and Economic Development Finance and Policy Committee,

On behalf of the Minnesota Latino Leadership Alliance (MiLLA) and our coalition of community-based organizations, nonprofit leaders, and advocates across the state, we write in strong support of **HF4477—the Minnesota Business Recovery Loan Program.**

Across Minnesota, businesses—particularly those rooted in immigrant and historically underserved communities—are experiencing significant disruption. Workforce instability, reduced customer access, and broader economic uncertainty have placed many small businesses at risk of closure.

These businesses are more than economic drivers—they are anchors of community stability, cultural identity, and local employment.

HF4477 provides a thoughtful, fiscally responsible solution. By leveraging existing state funds and partnering with trusted nonprofit lenders and community foundations, this bill ensures that resources are delivered efficiently and equitably to those most impacted.

This legislation will:

- Stabilize small businesses and protect jobs
- Prevent long-term economic decline in vulnerable communities
- Strengthen Minnesota’s overall economic resilience

Failing to act will result in increased business closures, job loss, and greater strain on public systems.

Minnesota has an opportunity to lead—to invest in recovery, support its workforce, and ensure that all communities have the opportunity to thrive.

We urge you to support HF4477.

Sincerely,

Minnesota Latino Leadership Alliance (MiLLA)



COMUNIDADES LATINAS UNIDAS EN SERVICIO

Est. 1981

April 6, 2026

Honorable Chairs Xiong and Baker, Representative Frazier, and Workforce, Labor, & Economic Development Finance and Policy Committee Members,

We want to thank you for considering our needs as a group of 18 small business owners in Minnesota and for supporting H.F. 4477, H.F. 4342, HF4342DE1, and any accompanying Amendments that aim to provide small businesses financial support and including any of our proposed eligibility criteria listed below. We are a group of Metro Based and Greater MN serving businesses that came together out of necessity over the last few months; many of us are based in or near cultural corridors in the Metro area and at least 8 of us have a business location in or serve Greater Minnesota.

In order to ensure that more of our impacted businesses qualify for this much needed support, we ask for the following eligibility stipulations and considerations to be included in any bill amendments:

1. Be able to demonstrate at least a 20 percent decline during at least a two-month consecutive period in either revenue or sales when comparing the period of July 1, 2024, through February 28, 2025, and the period of July 1, 2025, through February 28, 2026; or
2. Be able to demonstrate a 10 to 20 percent decline during at least a two-month consecutive period in either revenue or sales during the stipulated periods in point 1 and be able to demonstrate how federal enforcement operations negatively impacted their business operations, through loss of employees, closing or reduction of operating hours, drop in profit margins, loss of customers, impact on investments or expansion, or other operational shifts that caused additional stress on the operation especially during the period of July 1, 2025 and February 28, 2026; or
3. New businesses established after January 1, 2025, but before March 1, 2026, that are able to demonstrate how federal enforcement operations negatively impacted their business operations, through loss of employees, closing or reduction of operating hours, drop in profit margins, loss of customers, impact on start-up, investments or expansion, or other operational shifts that caused additional stress on the operation especially during the period of July 1, 2025 and Feb 28, 2026; and
4. Employ the equivalent of 100 full time equivalent workers or less.
5. Unrelated to qualifying criteria, we would ask that the Committee consider adding a research study of the impacts of immigration enforcement, especially during Operation Metro Surge (OMS) and into 2026. While different organizations have collected data, this study is necessary to have impartial and broad research on the impacts, so that we are able to have a historical data set of the disruption and its impact on small businesses and the economic development on our State, which will better inform the need for any future support.

The impacts of immigration enforcement during 2025 and especially during OMS over the months of December 2025-February 2026 on our businesses were abrupt and extreme. While we have worked hard to make it through various crisis, including the Covid-19 pandemic and the George Floyd social uprising, nothing quite compares to what we have lived the past year and especially the past few months, as our target market customers were the primary communities impacted by the enforcement activity. Many of our businesses saw deep drops in sales over prior years. Some of us were just starting new businesses; some of us are long-standing businesses and were still impacted. Some of us had to close shops, lay off employees, lost workers due to fear, and/or fell deeper in debt. Some of us are wholesalers who are owed money by smaller businesses that purchase ingredients from us and were impacted by the operation. Some of us considered or are still considering bankruptcy due to the financial situation created by this operation.

While we are seeing some return in sales, as customers slowly regain trust to be in public, the damage has been done. We still have work to do to regain customers, employees, and to pay off our accumulated debts. Our landlords and the financial institutions we owe money to are waiting for our payments. Some of us have been threatened by providers to whom we owe money. We are hopeful that we will not have any more disruptions by federal agents, but if there's any sign of return of this operation, we may never be able to recuperate. In the meantime, we ask that you support our businesses' needs to stabilize.

We appreciate Chair Xiong's leadership on H.F. 4477 and Rep. Frazier's leadership on H.F. 4342, which create a small business support fund for those who were impacted by increased immigration enforcement over last year and especially during Operation Metro Surge. We hope Chair Baker, who represents some of our businesses, and the Committee will support this bill proposal and amendments that support our suggested additions below, and work with colleagues in the Senate to ensure this bill or similar supports pass. While some of our businesses would not qualify for this fund as written, we know the level of damage done to our colleagues in the sector, and we hope they will be given support soon.

We provide jobs and economic opportunities for Minnesotans in both the metro area and Greater MN cities. Our businesses together collect millions in sales tax for local governments, employ hundreds of people every year, and contribute in so many other taxes and ways. We do our part to grow Minnesota and we hope you will support us now that we need it, in order to continue doing so.

Please see our business names listed below, in support of H.F. 4477, H.F. 4342 and any Amendment including our additional changes proposed above.

Thank you for hearing us,

1. **La Michoacana Purépecha 1** – Willmar, St. Cloud, Shakopee, Lakeville, Brooklyn Park, Bloomington, Apple Valley, Eagan, East Lake Street-Minneapolis
2. **La Michoacana Purépecha 3** –Rochester
3. **El Potro Mexican Restaurant**–Grand Rapids
4. **El Potro Mexican Restaurant 2** – Brainerd
5. **Señor Patrón Mexican Restaurant** – Anoka
6. **Cinco de Mayo Mexican Restaurant** –Roseau
7. **Latinx Imports** – Eastside St. Paul, serving the region
8. **CentroMex Supermercado** – Eastside St. Paul
9. **Los Gallos VIII** – Eastside, St. Paul
10. **Los Gallos XI** – Eastside, St. Paul
11. **La Michoacana Purépecha 2** – Eastside St. Paul
12. **Los Ocampo Restaurant & Bar** – Eastside St. Paul - Arcade and Battle Creek, Frogtown St. Paul., Merrium Park St. Paul, East Lake Street-Minneapolis, Downtown West-Minneapolis
13. **El Guanaco Bakery y Cafe** – St. Paul, Minneapolis, Bloomington, Savage
14. **Minisuper La Chiquis** – Northend, St. Paul
15. **Taco H, dba Tromperia el Zac** – Northend, St. Paul
16. **El Burrito Mercado** – St. Paul
17. **La Mexicana Supermercado** - Minneapolis
18. **The Perfect Coffee** – Northend, St. Paul



Representative Dave Pinto and Representative Dave Baker
Chairs, Workforce, Labor, and Economic Development Finance and Policy
Centennial Office Building
St. Paul, MN 55155

April 8th, 2026

Chairs and Members of the Committee,

On behalf of Start Early Funders Coalition, we are writing in response to HF4477 to provide relief funding for small businesses negatively impacted by federal enforcement activity. We are very glad to see this focus to address the impact across the State, and are pleased to see the broad inclusion of eligible programs that ensures child care and early learning programs are eligible recipients.

Access to quality child care and early learning programs has been a top priority for the Start Early Funders Coalition for over a decade. All families deserve access to child care and early learning. These programs, in addition to the lifelong impact on the development of young children, are a critical economic driver in our state. Access to child care is what allows parents with young children the ability to work and contribute to our economy. A resourced and supported early childhood system is one of the most impactful way our state can make towards a healthier and more vibrant future for all Minnesotans.

The impact of Metro Surge has been devastating to our children and to our child care and early learning system, which is comprised of many independently owned and operated small businesses. The financial model of operating a child care program is precarious under ideal conditions, and the first few months of 2026 have been extremely disruptive. A recent study conducted by Think Small showed that over a quarter of programs in the twin cities metro closed unexpectedly for at least a day, one reporting needing to close for four weeks. 1 in 3 providers are worried about needing to close permanently in the next 6 months. These small businesses provide some of the most critical services in our state, and should be supported when addressing business relief packages.

Our vision as a Coalition is that every child in Minnesota is physically, socially, emotionally and cognitively prepared for school and lifelong success. A robust and supported early childhood system is essential in making this a reality.

Sincerely,
Allison Corrado,
Start Early Funders Coalition
Public Policy Committee Chair



MINNESOTA COUNCIL
ON FOUNDATIONS

a community of grantmakers

April 8, 2026

Re: Support for HF 4477

Dear Chair Pinto, Chair Baker, and members of the committee,

The Minnesota Council on Foundations (MCF) is the statewide association of approximately 170 grantmakers in Minnesota, ranging from community foundations to private foundations to corporate giving programs and other grantmaking intermediaries, such as CDFIs.

We support HF4477, which would allocate \$100 million to provide grants to small businesses that have been economically impacted by the increased federal presence in Minnesota.

At MCF, we sit in a unique position – we get to see, and help inform and shape, the breadth and depth of philanthropic activity that happens in response to emerging issues and events. In the case of the harmful economic impact caused by the increased federal presence in Minnesota, we have seen Minnesota grantmakers step up and support small businesses impacted across the state.

MCF has been convening regular meetings of funders concerned about small business impacts, and we are tracking 11 pooled funding efforts organized by community foundations, CDFIs, and other intermediaries that have collectively raised over \$9 million to support impacted small businesses. The largest effort to date has been that of The Minneapolis Foundation, which has stood up the Economic Response Fund and the Salt Cure Fund and represents more than half of all the dollars we are tracking.

These philanthropic efforts are important and meaningful, and, along with individual giving and mutual aid, often are the first dollars that go out when the community is facing a crisis. But, these dollars alone are not nearly enough, given the scale of the harm caused. My testimony includes a one pager that shows philanthropic and individual giving in relation to the state budget to give legislators a sense of the scope and scale of the philanthropic sector. We are grateful to see local government entities stepping up to support small business recovery as well.

When the community is facing significant economic harm, a multi-sector approach is needed. We are proud of how philanthropy has stepped up, and **we need state resources to come alongside these efforts to help achieve the scale of resources needed to support small business relief and recovery.** We respectfully ask for your support for HF 4477.

Sincerely,

Katina Mortensen
Minnesota Council on Foundations

The Minnesota Council on Foundations is the statewide association of grantmakers, representing 170+ foundations across the state that collectively provide nearly four billion dollars to nonprofits annually.

April 8, 2026

RE: Support for Small Business Recovery Investments

Co-Chair Pinto and Baker and Members of the House Workforce, Labor, and Economic Development:

Cities for Safe and Stable Communities is a nonpartisan coalition of 26 Minnesota cities united to restore economic stability, public trust, and effective local governance following Operation Metro Surge. Together, our member cities represent more than 850,000 residents, including an estimated 150,000 immigrant and foreign-born community members who have been among the most acutely affected by this federal operation. We write today in support of legislative investments in small business recovery, including the HF 4477 proposal before this committee to establish loan and grant programs for Minnesota businesses harmed by federal enforcement activity.

The economic damage to our small businesses is substantial and well-documented. Across our coalition cities, hundreds of local businesses have reported revenue losses of 50 to 100 percent. Small business owners have described this period as "worse than COVID." Restaurants, markets, and salons saw foot traffic vanish. Businesses fell \$15,000 to \$45,000 behind in rent. One shop owner lost \$20,000 in product that expired on shelves while customers were too afraid to leave home. Owners maxed out credit cards trying to hold on, and some cannot pay their commercial mortgages. When tenants cannot pay rent, landlords too are affected—compounding the damage across the local economy.

The broader economic toll is extensive. Coalition cities have incurred over \$400,000 in direct costs from police overtime, staff responses, and communications. Emergency grant support has totaled \$1.4 million, with an additional \$180,000 requested and still pending. Beauty and personal care services, grocery stores, and restaurants have been especially hard hit—businesses that are the backbone of our neighborhoods and local tax base.

Our coalition supports investments and stabilization tools in small business recovery that help business owners harmed by federal enforcement activity get back on their feet. We are encouraged that Governor Walz has also prioritized small business support in his 2026 supplemental budget. There is broad recognition that Minnesota's small businesses need help now, and we urge this committee to act with urgency.

Our small businesses cannot wait. We respectfully and strongly urge this committee to advance meaningful small business recovery investments this session.

Sincerely, Cities for Safe and Stable Communities

Our coalition includes: Arden Hills, Bloomington, Brooklyn Center, Brooklyn Park, Columbia Heights, Crystal, Eden Prairie, Edina, Falcon Heights, Golden Valley, Hopkins, Lauderdale, Little Canada, Maplewood, Minnetonka, Mounds View, New Brighton, New Hope, Orono, Plymouth, Richfield, Robbinsdale, Roseville, Saint Anthony Village, Shoreview, St. Louis Park, Vadnais Heights

April 6, 2026

To whom it may concern:

Recent immigration enforcement actions by U.S. Immigration and Customs Enforcement in Minnesota have had significant negative economic impacts on our business.

Due to the impact of the treatment on our community, we have lost revenue. It was at a time when our sales increased due to the holiday season. Our sales compared to the previous year during the same period were low. In the month of December revenue declines of over 50% due to reduced customer activity. We had to close our location in Minneapolis due to the lack of sales. We stayed closed for 6 weeks without sales or any other income to support bills that still come even when not operating.

We had many customers impacted. Many are afraid to leave their homes for the essentials. Fear of raids caused people to avoid shopping, dining, and public spaces. Our customers were not the only ones; our employees were also affected. Due to decreased sales, it was necessary to reduce work hours for those employees who felt comfortable coming in. Some of them decided to quit their jobs due to the situation increased in unsafe enforcements. Today we remain short staffed as some are still not comfortable, others are coping with personal situations, some leave the state for a safer community.

All of this plus also feeling targeted as a person of Latino community has not helped our family. Personally, we have been impacted economically and emotionally. Having seen sales dropped, bills still showing up, collectors not giving a break was a lot of emotional pressure. We felt at points we could not make it. We felt day by day we were sinking deeper in a whole where we did not see an end. We had to decide which bill to cover and hope we had income to cover next month. Living in Minnesota for 27 years I have never felt more helpless than I did during this time. Knowing our business has overcome difficult times during COVID it did not feel the same this time. Seeing my community targeted, other neighboring businesses closed, my family and friends afraid was not easy.

In conclusion, recent immigration enforcement actions in Minnesota have caused serious financial and emotional harm to our business, our employees, and our community. We experienced major revenue loss, were forced to close temporarily, and continue to face staffing shortages due to ongoing fear and instability.

Beyond the financial damage, this situation has deeply affected our family and sense of security after 27 years of living and working in Minnesota. Unlike past challenges, this has directly impacted on the well-being of our community and the survival of our business.

We respectfully ask that these economic and human impacts be fully considered in your legislative decisions to provide support to businesses like ours.

Sincerely,

El Guanaco Bakery

Amilton Garcia

April 8, 2026

Co-Chair Dave Baker
Co-Chair Dave Pinto
House Workforce, Labor, and Economic Development Finance and Policy
Capitol G3
St. Paul, MN 55155

Dear Co-Chairs Baker and Pinto, and committee members:

I'm writing this letter of support for Rep. Jay Xiong's legislation (HF 4477) to assist small businesses affected by the ICE surge that not only impacted the metro area of Minneapolis and St. Paul but also those of us who have small businesses in rural communities.

My husband Tomas and I own Kerkhoven Country Butcher, a small meat processing facility in Kerkhoven near Willmar, MN. We are both legal immigrants. I came to this country from Venezuela 35 years ago. My husband came from Cuba 31 years ago.

We started Kerkhoven Country Butcher in 2019, got our 1st license for custom butchery in early 2020 and our Equal II license – which allows us to produce and process meat and poultry products for wholesale within the state – in late 2020. We are Halal. We specialize in sheep, goat, and beef. In starting our business, we had help from our farmer neighbor who helped us get our permits and build our meat shop.

The Minnesota Department of Agriculture (MDA) helped us with a small Meat and Poultry Processing Grant and their inspection division that guided us on how to comply with MDA rules for meat safety. Our meat is sold locally in Willmar and St. Cloud. Meat Processing supports farmers and our local community.

Operation Metro Surge significantly hurt outstate Minnesota communities like in Willmar and St. Cloud.

Our small meat processing plant, because of ICE, had a reduction in sales to our main retail outlets of about \$6,500. Our weekend traffic from immigrant friends and neighbors who would stop by our processing plant significantly declined, costing us about \$5,350. Our customers were afraid to come out. This threatens our ability to stay in business and serve the community we love so dearly.

We love this country! Our ability to start this small business would only be a dream in the countries we came from. We urge this committee to provide relief to the small businesses across this state that were negatively impacted by ICE.

Thanks to Rep. Xiong for sponsoring this bill, and thank you to the committee for the opportunity to share our support for HF 4477 to provide relief to the small business entrepreneurs in our state impacted by ICE.

Giorgia Gallardo

A handwritten signature in cursive script that reads "Giorgia Gallardo".

Kerkhoven Country Butcher

1015 145th Ave SE

Kerkhoven, MN 56252



March 20, 2026

Dear Chair Pinto and Committee Members,

The Minnesota Council on Latino Affairs is a state agency that advises and informs the state legislature and government on issues relevant to our diverse Latine communities. The Council wishes to express its strong support for HF4477, with particular emphasis on the urgent need to support Latino-owned businesses, workers, and families in Minnesota who have been disproportionately impacted by recent immigration enforcement actions.

In recent months, the federal immigration enforcement surge has led to negative impacts on local Latino-owned businesses, causing a notable drop in revenue, consumer spending as well as worker availability. These impacts affect not only individual business owners, but they also ripple across local economies, reducing employment opportunities and destabilizing families that are already contributing significantly to Minnesota's workforce and economic growth.

Latino small businesses and entrepreneurs are a vital and growing part of Minnesota's economy. Minnesota is home to at least 1,768 Latino-owned businesses supporting approximately 17,200 jobs, as well as more than 10,500 self-employed Latino entrepreneurs¹. Recent reports show that Latino-serving businesses have experienced sharp declines in economic activity, with many reporting drops in sales of 40% to 90%, as workers and customers stay home due to fear and uncertainty². Moreover, between August and November of 2025, even months before the immigration surge, MCLA surveyed more than 250 Latino Minnesotans. The survey results indicated that employment (38%) and small business needs (28%) were main areas of concern for the respondents. When asked what they could fix, if anything, 20% said the climate for small businesses. In recent conversations with members of our communities, we have learned of the difficulties that Latino small businesses experience in accessing the financial support needed to preserve and sustain their operations.

HF4477 is both timely and necessary. It goes beyond an "aid" package; it represents a strategic investment in the resilience of a community that has long contributed to Minnesota's growth. By providing \$100 million in relief, through funding loans and/or grants, the State acknowledges that the stability of the small businesses, many of them owned by and serving to Latino and other immigrant communities, is directly tied to the strength of Minnesota's economy. Minnesota cannot afford to leave Latino businesses, entrepreneurs, workers and families behind. MCLA urges the committee to advance this bill to support a full and equitable recovery for all.

Thank you for your time and attention to this important matter.

Respectfully,

Sonia Reyes | Executive Director

¹ DEED. Hispanic and Latino Minnesotans: An analysis of employment, educational and other economic trends and disparities related to the labor force. <https://mn.gov/deed/newscenter/publications/trends/march-2023/hispanic-latino.isp> Accessed on 03/20/2026

² Testimony from Latino Economic Development Center, Neighborhood Development Center, and Community Development Financial Institutions Coalition to the Senate Jobs and Economic Development Committee on 02/19/2026



651.757.1762



mn.gov/MCLA



MNLatinoAffairs



658 Cedar Street Suite G-56 St. Paul, MN 55155

An Equal Opportunity Employer



Chair Frazier and Members of the Committee,

My name is Mike Hang, and I serve as Chair of the Minnesota Hmong Chamber of Commerce. I am here today in strong support of HF 4477.

Across Minnesota, particularly in the Twin Cities and culturally rooted commercial corridors, we are experiencing a real and measurable economic disruption impacting small businesses. This disruption is not theoretical. It is visible, immediate, and ongoing.

At Hmong town Marketplace, over 110 vendors have seen business activity drop to as low as 5–10% of normal operations, with many losing up to \$1,000 per day. At Hmong Village in Saint Paul, foot traffic has declined by more than 60%, with nearly 80% of storefronts vacant on peak business days.

One of our community's cornerstone event venues, Unison banquet hall, has lost over \$80,000 in a single month due to the impact of Operation Metro Surge resulting in widespread cancellations, reduced bookings, and declining customer confidence.

These are not isolated incidents. They represent a broader pattern of economic disruption across multiple sectors.

It is important to emphasize this is not a failure of entrepreneurship. These are resilient, hardworking business owners who have built their businesses over years, often decades. What we are seeing is disruption driven by external forces, including workforce instability and reduced customer access tied to increased enforcement activity.

HF 4477 is a necessary and appropriate response.

What businesses need right now is flexible support that allows them to stabilize operations, retain employees, and rebuild customer confidence. Many are already operating on thin margins, and without timely intervention, we are not looking at temporary slowdowns we are looking at permanent closures.

Let me be clear: these businesses are not asking for a handout they are asking for a hand up.

This bill is targeted and is accountable. It requires demonstrated revenue loss, prioritizes businesses in good standing, and leverages trusted community-based partners to ensure effective and equitable delivery. With clear reporting and oversight, resources can be deployed responsibly while allowing policymakers to track outcomes.

When small businesses fail, the impact extends far beyond the storefront. Jobs are lost. Commercial corridors decline. Property values and local tax bases are affected. Community stability is weakened. We are already seeing early signs of this cycle begin.



MINNESOTA HMONG
CHAMBER of COMMERCE

1068 Payne Ave E
St. Paul, MN 55130
mnhmongchamber.org

By contrast, timely intervention stabilizes these corridors, preserves jobs, and protects Minnesota's broader economic infrastructure.

It is also important to recognize that many of the most impacted businesses are owned by immigrants and entrepreneurs from underserved communities many of whom face additional barriers to accessing traditional capital. This makes targeted, community-driven solutions even more critical.

HF 4477 reflects Minnesota's values are practical, responsive, and grounded in real economic conditions.

The cost of inaction will be far greater than the investment before you today. If we act now, we stabilize communities, protect jobs, and preserve the small businesses that define Minnesota's economy. If we do not, we risk losing them and the recovery will cost far more.

On behalf of the Minnesota Hmong Chamber of Commerce, I respectfully urge your support for HF 4477.

Thank you for your time and consideration.



House Workforce, Labor and Economic Development Finance and Policy Committee
Minnesota House of Representatives
Saint Paul, MN 55103

April 7, 2026

RE: Support HF 4447 - Minnesota business recovery loan program established, report required, and money appropriated

Dear Co-Chair Pinto, Co-Chair Baker and Members:

I am writing on behalf of our roughly 1,000 members that do business in Minneapolis, Bloomington, and across the western metro of the Twin Cities to express our conditional support for HF 4447.

The increased federal presence in our state during the early months of this year has left an economic ripple effect that we're just beginning to quantify, let alone feel, as a region.

The months of January and February brought significant disruption for operators and workers alike, impacting their ability to run their businesses through predictable staff scheduling. Combine severely impacted daily operations with the public perception of lack of safety and decreased foot traffic, it is estimated that in the City of Minneapolis alone experienced over \$201 million in economic impact.

Nearly 70% of our members are small businesses, and the immediate crisis that the increased federal enforcement in our state caused is being felt by many that realized an immediate decline in revenue of 40%-60% over the first few months of 2026. That blow is still being felt and without some relief we expect to see potential closures ripple into the summer.

While we are supportive of immediate relief, the Chamber simultaneously implores you cultivate a more business-friendly environment in our state overall. This bill draws on general funds drawn from collecting existing tax on these businesses to begin with, in addition to the myriad of Minnesota regulatory burdens that seem to expand annually. We need to stem the flow of closures, but more importantly we need to see policies that make Minnesota a more attractive place in which to invest and expand.

With access to these funds, some businesses in this region will make it out of this difficult time and for that we support HF 4777, but we also highly encourage you to consider how you can ensure that all businesses in Minnesota can thrive now and long into the future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike Logan', with a long, sweeping horizontal line extending to the right.

Mike Logan
President and CEO
Minneapolis Regional Chamber

Total Grant Applications

Eligibility Result (All)

Row Labels	Count of Amount Reque	Sum of Total Employees	Sum of Amount Requested (\$)
East Side Saint Paul	61	402.00	809,505.00
Greater Minnesota	84	345.00	845,830.00
Minneapolis	268	1,266.00	3,086,080.40
Saint Paul	100	497.00	967,196.73
Suburbs	155	780.00	2,508,022.89
Grand Total	668	3,290.00	8,216,635.02

Revenue Impact (%)

Business Location (All)
Eligibility Result (All)

Row Labels	Count of Amount Reque	Sum of Total Employees	Sum of Amount Requested (\$)
<10%	70	331.00	817,599.00
10-25%	39	260.00	360,360.00
26%-50%	138	1,027.00	1,449,264.28
>50%	421	1,672.00	5,589,411.74
Grand Total	668	3,290.00	8,216,635.02

Business currently open?

Business Location (All)
Eligibility Result (All)

Row Labels	Count of Amount Reque	Sum of Total Employees	Sum of Amount Requested (\$)
No, closed before ICE	5	10.00	40,550.00
No, temporarily closed due to ICE raids	207	867	1,851,377.40
Yes, operating normally	77	458	1,782,184.00
Yes, operating with	379	1,955	4,542,523.62
Grand Total	668	3,290.00	8,216,635.02

Type of Business

Business Location (All)
Eligibility Result (All)

Row Labels	Count of Amount Reque	Sum of Total Employees	Sum of Amount Requested (\$)
Childcare	5	23.00	29,223.00
Cultural / Artisan	13	25.00	98,750.00
Health / Wellness	15	83.00	122,500.00

Personal Services (salon,	267	924.00	3,417,504.00
Restaurant/Food	201	1,535.00	2,816,478.62
Retail	121	484.00	1,219,514.40
Other	46	216.00	512,665.00
Grand Total	668	3,290.00	8,216,635.02

Business Location	(All)
Eligibility Result	(All)

Row Labels	Count of Amount Reque	Sum of Total Employees	Sum of Amount Requested (\$)2
Owned	124	491.00	1,313,948.00
Rented	543	2,795.00	6,892,687.02
0	1	4.00	10,000.00
Grand Total	668	3,290.00	8,216,635.02

Ownership Demographics

Business Location	(All)
Eligibility Result	(All)

Row Labels	Count of Amount Reque	Sum of Total Employees	Sum of Amount Requested (\$)2
Asian-owned	53	277.00	486,453.00
East African-owned	34	94.00	303,500.00
Latino-owned	536	2,677.00	7,016,545.02
Other (with text field)	45	242.00	410,137.00
Grand Total	668	3,290.00	8,216,635.02

With your current monthly income, how much cash do you have to cover monthly expenses?

Business Location	(All)
Eligibility Result	(All)

Row Labels	Count of Amount Reque	Sum of Total Employees	Sum of Amount Requested (\$)2
Less than one month	107	661.00	2,118,776.00
No cash reserves, and			
my personal finances	333	1,486.00	3,856,145.62
No cash reserves; I rely			
on regular business	213	1,090.00	2,126,164.40
Other	15	53.00	115,549.00
Grand Total	668	3,290.00	8,216,635.02