



May 2, 2023

Chair Champion, Chair Hassan, and Members of the Omnibus Jobs and Labor Conference Committee,

On behalf of the 837 member cities of the League of Minnesota Cities, we thank you for the opportunity to submit comments as the Conference Committee considers differences between the third engrossment of SF 3035 and the second unofficial engrossment of SF 3035. Below are our comments regarding the appropriations for the Department of Employment & Economic Development workforce development programs and policy provisions contained in the bill as of May 1, 2023.

The League appreciates the attention in both the House and Senate language on workforce readiness and business development programs that will continue to help support local and regional economies in cities across the state. We encourage the conference committee to prioritize sustainable funding for programs that help assist local communities and businesses in creating, growing, and retaining jobs.

Greater Minnesota Business Development Public Infrastructure Grant Program – Senate: Article 1, Sec. 2

The League supports the Senate appropriations language in Article 1, Section 2, Subd. 2 on Page R2 of the side-by-side that provides an additional \$1 million in FY 24-25 and FY 26-27 for the Greater Minnesota Development Public Infrastructure Grant Program. This program helps bolster local economic growth by providing assistance to greater Minnesota cities for the cost of public infrastructure needed to retain and create jobs.

Local Community Child Care Grants – House and Senate Article 1, Sec. 2

The League appreciates the inclusion in both the House and Senate Language in Article 1, Section 2, Subd. 2 on Page R6 of the side-by-side that authorizes \$13 million in FY 24-25 for Local Community Childcare Assistance Grants. Availability and affordability of childcare options continues to be a challenge for cities and their residents and lack of availability can severely limit local economic growth and workforce expansion, especially in greater Minnesota communities. An additional \$10 million over the next biennium will build on the success of the current program and help implement solutions to reduce the child care shortage in communities across the state.

Minnesota Investment Fund (MIF) and Job Creation Fund (JCF) – House and Senate: Article 1, Section 2

MIF and JCF are crucial programs that provide funding opportunities for communities and businesses to develop local and regional economies by creating infrastructure, revitalizing property, and generating jobs. Full base-level funding included in both the House and Senate language on Page R9 of the side-by-side for these two programs would continue to bolster local community efforts to create, grow, and retain jobs. We prefer the House language that allows the funding for MIF to be made available until expended.

Redevelopment Grant Program – Senate: Article 1, Section 2

We strongly support the Senate appropriations language in Article 1 that provides \$4 million in funding for FY 24-25 for the Redevelopment Grant Program. Redevelopment is a critical part of local economic

development, and this program helps cities demolish obsolete buildings, develop infrastructure, and make necessary site improvements for new construction. Unfortunately, the program seldomly receives a base appropriation since and has relied on internal fund transfers from already oversubscribed economic development grant programs.

Airport Infrastructure Renewal (AIR) Grants—House and Senate: Article 1, Section 2

The League supports the language in the Article 1, Section 2 of the Senate bill that provides \$1 million in one-time funding for the AIR grant program. The program provides grants to counties, airport authorities, or cities to keep or enhance jobs in the area, increase the tax base, or expand or create new economic development. Investments in airports allow existing businesses to remain and grow, help attract new businesses, increase employment, and lower product and service costs for the benefit of the region. We encourage the inclusion of this appropriation in the final bill.

Office of New Americans – House and Senate: Article 1, Sec. 2 and Article 5

The League supports the appropriations language in Article 1, Section 2 of both the House and Senate language to provide resources to the Department of Employment and Economic Development to establish the Office of New Americans. The office’s responsibilities to develop and deliver career readiness services to Minnesota’s immigrant workers will help bolster local workforces and fill job gaps in communities across the state by ensuring new immigrants have the skills and job training needed to succeed.

Community Energy Transition Grants – House: Article 1, Sec. 2

The League appreciates the inclusion of \$10 million for FY 24-25 in Article 1, Section 2 of the House language on page R5 lines 8.31-9.2 of the side-by-side for Community Energy Transition Grants. Robust funding for this critical resource will help assist communities with recovering from loss of tax base and jobs resulting from power plant closures.

Construction Worker Wage Protection Liability – House: Article 15

The League has concerns about the assumption of liability provisions in House Article 15 related to construction contracts. Under the new definitions in Section 6, a city, as a public project owner, could be deemed a “contractor” and directly liable for claims as such. Because public projects are funded with taxpayer dollars, municipalities are subject to unique requirements under the state’s Chapter 471 Uniform Municipal Contracting Law and other statutes. These statutes provide a competitive bidding process to limit officials’ discretion and avoid favoritism or bias in awarding public contracts, and require contractors to obtain payment bonds to protect workers and subcontractors. Payment bonds are required for projects over \$175,000 under Minn. Stat. 574.26 and provide a remedy for workers to make a claim against the bond for wages they are owed. We would request that language be added to the bill stating that the new provisions in House Article 15 would not apply when a city has required a contractor to obtain a payment bond.

Thank you again for the opportunity to provide comments on House and Senate provisions as the conference committee deliberates the differences between the two bills.

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