

May 2, 2025

Re: HF2440 (Jobs Omnibus)

Dear Chairs Pinto and Baker and members of the Workforce, Labor and Economic Development Finance and Policy Committee,

On behalf of the Economic Development Association of Minnesota (EDAM), we are reaching out with concerns about the proposed base budget cuts included in HF2440, the House Jobs Omnibus budget bill. EDAM's membership is comprised of over 550 of the leading economic developers in the state of Minnesota. Our members use the programs in DEED's Business and Community Development portfolio every day to support the attraction, retention and expansion of businesses that are key to the state's economic vitality. This portfolio of programs supports key community needs, and these programs include guardrails that ensure that the investment of taxpayer dollars supports the creation of good jobs that pay family-sustaining wages.

It is therefore concerning to our membership that HF2440 makes cuts to the base funding for key programs across the next two biennium. The base budget cuts that our membership are most concerned about include:

- Job Creation Fund – funding eliminated over both biennium
- Minnesota Investment Fund - funding eliminated over both biennium
- Contaminated Site Cleanup & Investigation Grants - \$1.5 million cut over both biennium
- Redevelopment Grant Program - \$2 million cut over both biennium
- Business Development Public Infrastructure (BDPI) Program - \$2.5 million cut over both biennium

These reductions will have impacts in communities throughout the state:

- With zero Job Creation Fund and Minnesota Investment Fund dollars available, there will be significantly less resources to attract and retain businesses who pay family-sustaining wages and leverage significant private investment. Minnesota will lose out in both supporting our current business growth and in attracting new businesses to our state.
- With a cut of more than half of the base funding for the Contaminated Site Cleanup and Investigation Grant program, and about half as many Redevelopment grant program funds, communities will receive significantly less resources to put contaminated and disinvested sites into productive use. More dilapidated and deteriorating structures will remain in communities and the state will lose out on the property tax increases, private investments and job creation and retention this program leverages.
- Finally, cutting the Business Development Public Infrastructure program by more than half will leave little available to support Greater Minnesota communities with the capital costs associated with attracting and retaining businesses and jobs in their communities. This program is functionally out of funding today and funding it at the level proposed in this bill would seriously constrain the number of funding awards that could be made with these resources.



EDAM's members work every day to support community needs and to make public investments that support good jobs and economic vitality. Funding these tools at the levels needed to sustain this work is critical to the state's future economic success and we urge the Committee to reconsider the base funding cuts included in this bill.

Thank you,

Eric Maass, AICP, EDFP
Community Development Director, City of Chanhassen
EDAM President