



April 29, 2021

Senator Eric Pratt  
3219 Minnesota Senate Building  
95 University Avenue West  
Saint Paul, MN 55155

Representative Mohamud Noor  
379 State Office Building  
100 Rev. Martin Luther King Jr. Blvd  
Saint Paul, MN 55155

Dear Senator Pratt and Representative Noor:

Let us begin by thanking both the Senate and the House for passing strong workforce and business development finance and policy omnibus bills. In normal times, this is a critically important bill. These are not normal times, and as we continue to recover from the COVID-19 pandemic and the ensuing economic recession, the investments contained in your omnibus bill will play an especially vital role in helping our economy recover.

On behalf of our two organizations, which represent local governments and employers throughout Greater Minnesota, we offer the following on the key investments for Greater Minnesota contained in the two proposals and their differences:

#### **Pandemic Relief for Small Businesses**

We commend both chambers for advancing proposals to provide additional financial support for small businesses impacted by the COVID-19 pandemic, the recession it induced, and the financial impacts borne by certain industries as a result of executive orders aimed at mitigating the public health impact of the pandemic. Our small businesses are the lifeblood of our communities and the economic engine of Greater Minnesota, yet many are still fighting to remain in business due to the financial damage experienced over the last 14 months. The investments proposed by both the House and Senate will go a long way toward helping them keep their doors open.

We support the level of investment included in the Senate bill, but we believe the grant proposal included in the House position creates the better path for the chambers' shared goal. Based on experience from the previous efforts to support businesses during the pandemic, small businesses recognize they need financial assistance, but are hesitant to take on the risk of debt in these uncertain times. In fact, in the previous round of state-supported guaranteed loans, loan providers in Greater Minnesota were unable to distribute all the available guaranteed loan funds, while at the same time demand for business grants and forgivable loans far outpaced the available funds. Based on our experience over the past 14 months, the most effective way to support our small businesses is to make funds available as outlined in the House proposal.

We do have a concern about the requirement in the House proposal that the business receiving the grant "be owned by a resident of the State of Minnesota." In the previous round of COVID grants, businesses that were not majority-owned by residents of Minnesota were deemed ineligible for support. Unfortunately, this led to situations where family businesses half-owned by non-residents were unable to get the financial support needed to keep a local, Minnesota-based business that employs Minnesotans open through the pandemic. We believe the purpose of the business support proposal is to help keep Minnesota businesses open and Minnesotans employed, and that the ownership structure should not determine eligibility.

**Child Care in Greater Minnesota**

Child care, or lack thereof, has become the top economic barrier holding back employers throughout Greater Minnesota from hiring the workforce they need and growing their businesses. We commend both the House and Senate for proposing significant investment to support efforts to reduce the child care shortage, which in Greater Minnesota is almost 40,000 slots.

Given the severity of the issue across Minnesota, we support the House position of investing \$12 million for support grants to help child care providers access the training and technical support they need to operate successful, sustainable child care businesses, and for community planning support to help communities identify and enact solutions to address their child care needs.

**Business Development Public Infrastructure (BDPI)**

BDPI is one of the most successful economic development and job creation grant programs in Greater Minnesota, and we appreciate both chambers supporting the continued investment in the base appropriation. Additionally, we appreciate both chambers adopting policy language that makes the program more flexible and able to address the needs of the community beneficiaries. While the House and Senate versions of this language are similar, we encourage the conference committee to adopt the Senate’s position, which incorporates language changes requested by DEED following the House Workforce and Business Development Policy and Finance Committee’s hearing of HF426, where this language was first heard.

**Job Training Investment Program (JTIP) and Automation Incentive Program (AIP)**

We support the House proposal to invest \$500,000 in the Job Training Incentive Program and to expand investment in the Automation Incentive Program. These programs have proven records of supporting businesses who need to “reskill” their employees to take advantage of new production technologies or to incorporate more automation into their production processes.

**Airport Infrastructure Renewal (AIR) Grants**


We support the Senate’s position to invest \$1 million in the Airport Infrastructure Renewal grant program. These grants, which were first established last biennium, have demonstrated success in encouraging economic development linked to regional airfields.

We commend both the House and Senate for providing significant new investment in support of stabilizing Greater Minnesota’s economy as we recover from the pandemic, as well as strategic investments that will encourage and support economic expansion in all corners of the state. We look forward to working with members of the conference committee as you reconcile differences between the two bills, and we are here to assist in any way that we can.

With gratitude,



Bradley Peterson  
Executive Director  
Coalition of Greater Minnesota Cities



Scott H. McMahon  
Executive Director  
Greater Minnesota Partnership

cc: Workforce and Business Development Finance and Policy Bill Conference Committee members  
Commissioner Steve Grove, DEED  
Kevin McKinnon, DEED  
Darielle Dannen, DEED  
Hue Nguyen, Office of Governor Walz  
Sasha Bergman, Office of Governor Walz  
Patrick Tanis, Office of Governor Walz