

Subject Workforce development and economic development finance bill

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Date May 1, 2024

Overview

This bill, as amended by A24-0318, is a combination of the House Workforce Development Finance and Policy Committee's finance bill and the House Economic Development Finance and Policy Committee's finance bill.

Article 1: Economic Development Appropriations

This article modifies 2023 appropriations to the Department of Employment And Economic Development (DEED) and to Explore Minnesota Tourism and appropriates new money to both entities.

Section Description – Article 1: Economic Development Appropriations

- 1 **Total appropriation.**
Modifies fiscal year 2025 appropriation amounts listed in the 2023 jobs act.
- 2 **Business and community development.**
Modifies fiscal year 2025 appropriation amounts listed in the 2023 jobs act.
- 3 **Explore Minnesota Tourism.**
Modifies fiscal year 2024 appropriation amounts listed in the 2023 jobs act.
- 4 **Appropriations.**
 - Subd. 1. Department of Employment and Economic Development.** Appropriates onetime funding in fiscal year 2025 to DEED.
 - Subd. 2. Explore Minnesota Tourism.** Appropriates funding in fiscal year 2025 to Explore Minnesota Tourism, including ongoing funding to fund operations of the Explore Minnesota Film office established in this bill.
- 5 **Cancellations.**
Cancels a \$5,000,000 fiscal year 2024 appropriation.

Article 2: Economic Development

This article modifies existing DEED programs, establishes the Explore Minnesota Film office within Explore Minnesota Tourism, increases maximum grant amounts for certain Public Facilities Authority grant programs, and provides special legislative authority to the city of Brooklyn Park.

Section Description – Article 2: Economic Development

- 1 Grant program established.**
Modifies the innovative business development public infrastructure grant program so that its grants need not be competitive. Sets the maximum amount for a grant at 50 percent of the cost. Removes a provision allowing the commissioner of employment and economic development to waive eligibility requirements under certain circumstances.
- 2 Application.**
Modifies standards for applying to the innovative business development public infrastructure grant program and requires an applicant to submit a resolution finding it met the standards.
- 3 Membership.**
Adds to the Energy Transition Advisory Committee one representative of a school district facing revenue loss due to energy transition.
- 4 Definitions.**
Modifies the definition of “partner organization” for the purposes of the small business assistance partnerships program to include Tribal economic development entities.
- 5 Small business assistance partnerships grants.**
Allows up to 15 percent of the amount of a grant through the small business assistance partnerships program to be used on administrative costs.
- 6 Minnesota expanding opportunity fund program.**
Modifies the Minnesota expanding opportunity fund program to allow funding for Tribal economic development entities and community development financial institutions. Allows for fee-based loans. Sets the interest rates for loans under the program to ten percent. Allows lenders under the program to keep an amount equal to one percent of each loan for administrative costs.
- 7 Expiration.**
Expires Launch Minnesota on June 30, 2027.

Section Description – Article 2: Economic Development

- 8 **Minnesota emerging entrepreneur program.**
Modifies the Minnesota emerging entrepreneur program to allow funding for Tribal economic development entities and community development financial institutions. Requires opening the program to new applicants every two years. Exempts preferred partners from requirements to get approval from DEED to issue a loan and requires decisions on loans within 20 days for other participants seeking to issue a loan. Adds a minimum two-year period to receive ten percent loan forgiveness. Requires DEED to develop criteria for borrowers seeking the forgiveness. Modifies maximum microenterprise loan amounts. Allows lenders under the program to keep an amount equal to one percent of each loan for administrative costs.
- 9 **Explore Minnesota Film.**
Establishes a new office within Explore Minnesota to facilitate development of the film and television industry.
- 10 **Film production jobs program.**
Transfers responsibility for administering the film production jobs program from the Minnesota Film and TV Board to Explore Minnesota Film.
- 11 **Definitions.**
Conforms the definitions of the film production credit to the changes establishing Explore Minnesota Film. Exempts commercials funded by the credit from a requirement to display a logo promoting Minnesota within its end credits.
- 12 **Applications; allocations.**
Conforms the film production credit to the changes establishing Explore Minnesota Film.
- 13 **Report required.**
Conforms the film production credit to the changes establishing Explore Minnesota Film.
- 14 **Administrative costs.**
Allows Northland Foundation to use up to five percent of an appropriation made in Laws 2023 for administrative costs.
- 15 **Loans to community businesses.**
Modifies the community wealth-building grant pilot program to allow forgiveness of loans to community businesses. Allows for fee-based loans.

Section Description – Article 2: Economic Development

- 16 **Reports.**
Extends reporting deadlines for the community wealth-building grant pilot program.
- 17 **Brooklyn Park biotech innovation district.**
Requires Brooklyn Park’s economic development authority (EDA) to prepare a development plan for a biotech innovation district, requiring notice to and approval by the city. In developing the plan, requires prioritization of projects that will pay a living wage. Allows the Brooklyn Park EDA to exercise the powers of a port authority. Requires the city to provide financial support to the EDA and allows it to appropriate money to the EDA. For development of the district, allows the city to take on debt that would be exempt both from net debt limits and from requirements for voter approval. Allows the city to select developers of parking facilities and other public improvements to implement the development plan without using competitive bidding. Requires an annual report to the legislature on the development plan and its implementation.
- 18 **Promise Act grants; 2023 appropriation.**
Retroactively allows use of Promise Act grants on certain areas in South Minneapolis.
- 19 **Promise Act loans; 2023 appropriation.**
Retroactively allows use of Promise Act loans on certain areas in South Minneapolis.
- 20 **Repealer.**
Repeals a subdivision providing how to prioritize among applicants for the innovative business development public infrastructure grant program.

Article 3: Workforce Development Appropriations

This article appropriates money to the Department of Employment and Economic Development (DEED) and to the University of Minnesota and modifies appropriations made to DEED in Laws 2023.

Section Description – Article 3: Workforce Development Appropriations

- 1 **General supports services.**
Specifies the sources of base funding for DEED’s support services division.
- 2 **Vocational rehabilitation.**
Cancels a \$5,055,000 fiscal year 2025 general fund appropriation to DEED.

Section Description – Article 3: Workforce Development Appropriations

- 3 Appropriations; Department of Employment and Economic Development.**
Makes a onetime \$16,750,000 appropriation from the workforce development fund to DEED.
- 4 Appropriation; University of Minnesota; the Center for Nursing Equity and Excellence.**
Appropriates \$250,000 from the workforce development fund to the University of Minnesota to operate the Center for Nursing Equity and Excellence established in this bill.
- 5 Appropriations.**
Reappropriates the \$5,055,000 general fund appropriation cancelled in the vocational rehabilitation section of this article to the program to which it was originally appropriated. Extends the availability of the appropriation.

Article 4: Workforce Development

This article modifies DEED programs and the governance of some of its accounts, modifies the definition of noncovered employment for the purposes of unemployment insurance, modifies certain appropriations made in Laws 2023, and establishes the Change Starts With Community Violence Prevention Program, the Center for Nursing Equity and Excellence, and the Shakopee area workforce development scholarships pilot.

Section Description – Article 4: Workforce Development

- 1 Definitions.**
Modifies definitions for the purposes of the Minnesota job creation fund so that provisions for new full-time employees also apply to full-time equivalent employees.
- 2 Minnesota job creation fund business designation; requirements.**
Makes a conforming change so that provisions for new full-time employees also apply to full-time equivalent employees.
- 3 Certification; benefits.**
Makes a conforming change so that provisions for new full-time employees also apply to full-time equivalent employees.
- 4 Job creation award.**
Makes a conforming change so that provisions for new full-time employees also apply to full-time equivalent employees.

Section Description – Article 4: Workforce Development

5 Definitions.

Expands the definition of “dislocated worker” for the purposes of the state dislocated worker program to include: certain spouses of active duty United States armed forces members; injured and ill individuals without workers’ compensation cases needing support to re-enter or remain in the workforce; and adults with low income, adults receiving public assistance, and adults deficient in basic skills.

6 Definitions.

Modifies the definition of “community based organization” for the purposes of target populations workforce grants to remove a requirement that a qualifying nonprofit organization have an annual organizational budget of no more than \$1,000,000.

7 Noncovered employment.

Expands the definition of “noncovered employment” to include employment of a foreign agricultural worker working on an H-2A visa for the purposes of the chapter of law governing unemployment insurance. Employers would not pay unemployment insurance taxes on the wages of a temporary agricultural worker on an H-2A visa, and such wages would not be included in the worker’s wage credits for the purposes of unemployment insurance.

8 Employment and training programs.

Modifies an appropriation for a grant to Sanneh Foundation made in Laws 2023 to extend its availability until June 30, 2027, and to allow use of the program on out-of-school and summer programs.

9 Transfers.

Removes a deadline for the commissioner of Minnesota Management and Budget, in consultation with the commissioner of the employment and economic development, to transfer monies between the Minnesota forward fund account, the Minnesota climate innovation authority account, and the state competitiveness fund account.

10 Change Starts With Community Violence Prevention Program.

Provides rules for use of the grant to Change Starts with Community. Requires Change Starts With Community to develop and implement job training programs for at-risk youth and adults and to create on-site job opportunities at Shiloh Cares Food Shelf. Requires that the grant be used to employ workers for the entity’s programs. Requires that the grantee partner with the Cargill Foundation to support services for youth and with Hennepin County juvenile corrections and the Minneapolis Police Department to receive referrals for at-risk youth. Requires a report on use of the grant.

Section Description – Article 4: Workforce Development

11 Center for Nursing Equity and Excellence.

Establishes a Center for Nursing Equity and Excellence within the University of Minnesota. Requires the center to develop a plan for nursing workforce supply, to collect data on nursing faculty and employment, to improve and modify the practices for educating nurses and prospective nurses, and to promote recognition, reward, and renewal activities for nurses. Requires an annual report to the legislature on the center.

12 Shakopee area workforce development scholarships pilot.

Establishes a pilot program within DEED that would award grants to the Shakopee Chamber of Commerce for scholarships to students in programs approved by the Dakota-Scott Workforce Development Board. Requires partnerships with Minnesota State College and Universities and local employers so that at least 25 percent of the scholarship is matched with employer or foundation funds. Students receiving the scholarship would need to adhere to any promulgated program requirements and also sign a contract agreeing to fulfill a three-year full-time employment commitment in the service area of the Shakopee Chamber of Commerce. Requires that employment be either with an employer who provided a 25 percent match for the scholarship or in a high-demand occupation as determined by the Dakota-Scott Workforce Development Board. Scholarships would meet the costs of college attendance not covered through tuition waivers, grants, or other scholarships. Requires an annual report on the program.

13 Revisor instruction.

Requires the revisor's office to codify the paragraph modified in the section authorizing the transfer of monies between the Minnesota forward fund account, the Minnesota climate innovation authority account, and the state competitiveness fund account.

14 Repealer.

Repeals limitations on administrative costs, training assistance costs, and support services costs for the purposes of the dislocated worker program.



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