

105.11 **ARTICLE 6**  
105.12 **EQUITY**

105.13Section 1. **APPROPRIATIONS.**

105.14 The sums shown in the columns marked "Appropriations" are appropriated to the  
105.15 agencies and for the purposes specified in this article. The appropriations are from the  
105.16 general fund, or another named fund, and are available for the fiscal year indicated  
105.17 for each purpose. The figures "2016" and "2017" used in this article mean that the  
105.18 appropriations listed under them are available for the fiscal year ending June 30, 2016,  
105.19 or June 30, 2017, respectively.

105.20 **APPROPRIATIONS**

105.21 **Available for the Year**

105.22 **Ending June 30**

105.23 **2016** **2017**

105.24Sec. 2. **EQUITY APPROPRIATIONS**

105.25Subdivision 1. **Total Appropriation** \$ **-0-** \$ **87,130,000**

105.26Subd. 2. **Department of Employment and**  
105.27**Economic Development** **-0-** **60,557,000**

105.28 (a) \$1,420,000 in fiscal year 2017 is for  
 105.29 grants to the Neighborhood Development  
 105.30 Center for small business programs. This is a  
 105.31 onetime appropriation and is available until  
 105.32 June 30, 2019.

53.7 (d) \$1,000,000 in fiscal year 2017 is from the  
 53.8 workforce development fund for a grant to  
 53.9 the Neighborhood Development Center for  
 53.10 developing and supporting entrepreneurial  
 53.11 skills and job creation in communities served  
 53.12 by the Neighborhood Development Center.  
 53.13 Funds may be used for activities including but  
 53.14 not limited to business plan training, business  
 53.15 workshops, technical assistance to small  
 53.16 business owners, development and support  
 53.17 of business incubators, entrepreneurial  
 53.18 network development, and the expansion  
 53.19 of entrepreneurial capacity in communities.  
 53.20 This is a onetime appropriation.

**THIS HOUSE LANGUAGE IS DUPLICATED IN THE SIDE BY SIDE  
 COMPARISON FOR UEH2749-1, ARTICLE 2**

105.33 Of this amount, \$770,000 is for the small  
 105.34 business development program, including:

106.1 (1) \$600,000 for training, lending, and  
 106.2 business services for aspiring business  
 106.3 owners, and expansion of services for  
 106.4 immigrants in suburban communities; and

106.5 (2) \$170,000 is for Neighborhood  
 106.6 Development Center model outreach and  
 106.7 training activities in greater Minnesota.

106.8 Of this amount, \$650,000 is for grants for the  
 106.9 small business incubator program, including:

106.10 (1) \$400,000 for capital improvements to  
 106.11 existing small business incubators; and

106.12 (2) \$250,000 for the creation of two  
 106.13 additional small business incubators.

106.14 (b) \$2,500,000 in fiscal year 2017 is for  
 106.15 the Minnesota Initiative program under  
 106.16 Minnesota Statutes, section 116M.18.  
 106.17 Priority for loans made from this  
 106.18 appropriation shall be given to businesses  
 106.19 operated by women of color. This is a  
 106.20 onetime appropriation and is available until  
 106.21 June 30, 2019.

106.22 (c) \$5,550,000 in fiscal year 2017 is for  
 106.23 a competitive grant program to provide  
 106.24 grants to organizations that provide support  
 106.25 services for individuals, such as job training,  
 106.26 employment preparation, internships,  
 106.27 assistance to fathers in supporting their  
 106.28 children, financial literacy, academic and  
 106.29 behavioral interventions for low-performing  
 106.30 students, and youth intervention. Grants  
 106.31 made under this section must focus on  
 106.32 low-income communities, young adults from  
 106.33 families with a history of intergenerational  
 106.34 poverty, and communities of color. All grant  
 106.35 recipients are subject to the requirements of  
 107.1 section 35. This is a onetime appropriation  
 107.2 and is available until June 30, 2019.

107.3 (d) \$2,100,000 in fiscal year 2017 is for  
 107.4 grants to YWCA organizations to provide job  
 107.5 training services and workforce development  
 107.6 programs and services, including job skills  
 107.7 training and counseling necessary to secure  
 107.8 a child development associate credential and  
 107.9 to develop a career path in early childhood  
 107.10 education. This is a onetime appropriation  
 107.11 and is available until June 30, 2019.

58.12 (f) \$500,000 in fiscal year 2017 is  
 58.13 appropriated from the workforce  
 58.14 development fund for a grant to the YWCA  
 58.15 of Minneapolis to provide economically  
 58.16 challenged individuals the jobs skills  
 58.17 training, career counseling, and job  
 58.18 placement assistance necessary to secure  
 58.19 a child development associate credential  
 58.20 and to have a career path in early childhood  
 58.21 education. This is a onetime appropriation.

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 COMPARISON FOR UEH2749-1, ARTICLE 2**

107.12 (e) \$4,250,000 in fiscal year 2017 is for a  
107.13 grant to EMERGE Community Development,  
107.14 in collaboration with community partners, for  
107.15 services targeting Minnesota communities  
107.16 with the highest concentrations of African  
107.17 and African-American joblessness to provide  
107.18 employment readiness training, credentialed  
107.19 training placement, job placement and  
107.20 retention services, supportive services for  
107.21 hard-to-employ individuals, and a general  
107.22 education development fast track and  
107.23 adult diploma program. This is a onetime  
107.24 appropriation and is available until June 30,  
107.25 2019.

107.26 (f) \$5,050,000 in fiscal year 2017 is for  
107.27 a grant to the Metropolitan Economic  
107.28 Development Association (MEDA) for  
107.29 statewide business development and  
107.30 assistance services, including services to  
107.31 entrepreneurs with businesses that have  
107.32 the potential to create job opportunities for  
107.33 unemployed and underemployed people. The  
107.34 grants must be awarded with an emphasis  
107.35 on minority-owned businesses. This is a  
108.1 onetime appropriation and is available until  
108.2 June 30, 2019.

108.3 Of this appropriation, \$3,250,000 is for a  
108.4 revolving loan fund to provide additional  
108.5 minority-owned businesses with access to  
108.6 capital.

108.7 (g) \$1,500,000 in fiscal year 2017 is for a  
108.8 grant to the Minneapolis Foundation for  
108.9 a strategic intervention program designed  
108.10 to target and connect program participants  
108.11 to meaningful, sustainable living-wage  
108.12 employment. This is a onetime appropriation  
108.13 and is available until June 30, 2019.

108.14 (h) \$407,000 in fiscal year 2017 is for a  
 108.15 grant to Twin Cities RISE, in collaboration  
 108.16 with Metro Transit and Hennepin Technical  
 108.17 College, for the Metro Transit technician  
 108.18 training program. This is a onetime  
 108.19 appropriation and is available until June 30,  
 108.20 2019.

108.21 (i) \$4,800,000 in fiscal year 2017 is for  
 108.22 the creation of additional multiemployer,  
 108.23 sector-based career connections pathways.  
 108.24 This is a onetime appropriation and is  
 108.25 available until June 30, 2019. \$4,500,000 of  
 108.26 this amount is for a grant to Hennepin County  
 108.27 to establish pathways using the Hennepin  
 108.28 Career Connections framework. \$300,000  
 108.29 of this amount is for a grant to Hennepin  
 108.30 County to establish a pilot program based on  
 108.31 the career connections pathways framework  
 108.32 outside the seven-county metropolitan area,  
 108.33 in collaboration with another local unit of  
 108.34 government.

109.1 (j) \$1,500,000 in fiscal year 2017 is for the  
 109.2 high-wage, high-demand, nontraditional  
 109.3 jobs grant program under Minnesota  
 109.4 Statutes, section 116L.99. This is a onetime  
 109.5 appropriation and is available until June 30,  
 109.6 2019.

109.7 (k) \$8,000,000 in fiscal year 2017 is for the  
 109.8 youth-at-work competitive grant program  
 109.9 under Minnesota Statutes, section 116L.562,  
 109.10 subdivision 3. This is a onetime appropriation  
 109.11 and is available until June 30, 2019. Of  
 109.12 this amount, \$6,000,000 is for increases to  
 109.13 existing applicants who were awarded grants  
 109.14 in fiscal year 2016 and 2017, and \$2,000,000  
 109.15 is to fund existing or new eligible applicants.

58.5 (e) \$400,000 in fiscal year 2017 is from the  
 58.6 general fund for the Youth at Work youth  
 58.7 workforce development competitive grant  
 58.8 program. Of this amount, up to five percent  
 58.9 is for administration and monitoring of the  
 58.10 program. This is a onetime appropriation and  
 58.11 is available until June 30, 2018.

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COMPARISON FOR UEH2749-1, ARTICLE 2**

109.16 (l) \$4,000,000 in fiscal year 2017 is for a  
 109.17 competitive grant program for grants to  
 109.18 organizations providing services to relieve  
 109.19 economic disparities in the Southeast Asian  
 109.20 community through workforce recruitment,  
 109.21 development, job creation, assistance of  
 109.22 smaller organizations to increase capacity,  
 109.23 and outreach. Grant recipients under this  
 109.24 paragraph are subject to the requirements of  
 109.25 section 35. This is a onetime appropriation  
 109.26 and is available until June 30, 2019.

109.27 (m) \$1,500,000 in fiscal year 2017 is for  
 109.28 a grant to Latino Communities United  
 109.29 in Service (CLUES) to expand culturally  
 109.30 tailored programs that address employment  
 109.31 and education skill gaps for working parents  
 109.32 and underserved youth by providing new  
 109.33 job skills training to stimulate higher wages  
 109.34 for low-income people, family support  
 109.35 systems designed to reduce intergenerational  
 110.1 poverty, and youth programming to promote  
 110.2 educational advancement and career  
 110.3 pathways. At least 50 percent of this amount  
 110.4 must be used for programming targeted  
 110.5 at greater Minnesota. This is a onetime  
 110.6 appropriation and is available until June 30,  
 110.7 2019.

56.1 (b) \$800,000 in fiscal year 2017 is from the  
 56.2 workforce development fund for a grant  
 56.3 to Latino Communities United in Service  
 56.4 (CLUES) to expand culturally tailored  
 56.5 programs that address employment and  
 56.6 education skill gaps for working parents  
 56.7 and underserved youth. Funds must be  
 56.8 used to provide new job skills training to  
 56.9 stimulate higher wages for low-income  
 56.10 people, family support systems designed  
 56.11 to reduce generational poverty, and youth  
 56.12 programming to promote educational  
 56.13 advancement and career pathways. At  
 56.14 least 50 percent of the total grant funds  
 56.15 must be used for programming in greater  
 56.16 Minnesota. CLUES shall submit a report to  
 56.17 the chairs and ranking minority members of  
 56.18 the legislative committees and divisions of  
 56.19 the senate and house of representatives with  
 56.20 primary jurisdiction over jobs with findings  
 56.21 of program outcomes by March 1, 2018. The  
 56.22 report must include the type, duration, and  
 56.23 attendance of each program and quantifiable  
 56.24 measures of success. This is a onetime  
 56.25 appropriation and is available until June 30,  
 56.26 2019.

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COMPARISON FOR UEH2749-1, ARTICLE 2**

110.8 (n) \$880,000 in fiscal year 2017 is for a grant  
110.9 to the American Indian Opportunities and  
110.10 Industrialization Center, in collaboration  
110.11 with the Northwest Indian Community  
110.12 Development Center, to reduce academic  
110.13 disparities for American Indian students  
110.14 and adults. The grant funds may be used to  
110.15 provide:

110.16 (1) student tutoring and testing support  
110.17 services;

110.18 (2) training in information technology;

110.19 (3) assistance in obtaining a GED;

110.20 (4) remedial training leading to enrollment in  
110.21 a postsecondary higher education institution;

110.22 (5) real-time work experience in information  
110.23 technology fields; and

110.24 (6) contextualized adult basic education.

110.25 This is a onetime appropriation and is  
110.26 available until June 30, 2019.

110.27 (o) \$1,000,000 in fiscal year 2017 is for  
110.28 a grant to the White Earth Nation for the  
110.29 White Earth Nation Integrated Business  
110.30 Development System to provide business  
110.31 assistance with workforce development,  
110.32 outreach, technical assistance, infrastructure  
110.33 and operational support, financing, and other  
110.34 business development activities. This is a  
111.1 onetime appropriation and is available until  
111.2 June 30, 2019.

111.3 (p) \$6,000,000 is for the emerging  
111.4 entrepreneur fund program. This is a onetime  
111.5 appropriation and is available until June 30,  
111.6 2019. Of this amount, \$5,000,000 is for  
111.7 small business lending and shall be deposited  
111.8 in the emerging entrepreneur fund special  
111.9 revenue account under Minnesota Statutes,  
111.10 section 116J.55, and \$1,000,000 is for grants  
111.11 for small business technical assistance.

111.12 (q) \$5,100,000 is for the Pathways to  
111.13 Prosperity adult workforce development  
111.14 competitive grant program. When  
111.15 awarding grants under this paragraph, the  
111.16 commissioner must give preference to any  
111.17 previous grantee with demonstrated success  
111.18 in job training and placement for hard-to-train  
111.19 individuals. A portion of the grants must  
111.20 provide year-end educational and experiential  
111.21 learning opportunities for teens and young  
111.22 adults that provide careers in the construction  
111.23 industry. This is a onetime appropriation and  
111.24 is available until June 30, 2019.

111.25 (r) \$3,000,000 is for the capacity  
111.26 building grant program to assist nonprofit  
111.27 organizations offering or seeking to offer  
111.28 workforce development and economic  
111.29 development programming. This is a  
111.30 onetime appropriation and is available until  
111.31 June 30, 2019.



111.32 (s) \$2,000,000 in fiscal year 2017 is for a grant  
 111.33 to Youthprise for positive youth development,  
 111.34 community engagement, legal services, and  
 111.35 capacity building for community-based  
 112.1 organizations serving Somali youth,  
 112.2 including youth engagement, prevention,  
 112.3 and intervention activities that help build  
 112.4 the resiliency of the Somali Minnesotan  
 112.5 community and address challenges facing  
 112.6 Somali youth. Funded projects must provide  
 112.7 culturally and linguistically relevant services.  
 112.8 To the maximum extent possible, 50 percent  
 112.9 of the funding must be distributed in greater  
 112.10 Minnesota, and 50 percent of funding must  
 112.11 be distributed within the metropolitan area,  
 112.12 as defined in Minnesota Statutes, section  
 112.13 473.121, subdivision 2. This is a onetime  
 112.14 appropriation and is available until June 30,  
 112.15 2019.

112.16 Subd. 3. **Department of Administration** -0- 2,500,000

112.17 \$2,500,000 is to assess, upgrade, and enhance  
 112.18 accounting and procurement software to  
 112.19 facilitate targeted group business utilization  
 112.20 and data reporting. This is a onetime  
 112.21 appropriation and is available until June 30,  
 112.22 2019.

112.23 Subd. 4. **Department of Corrections** -0- 350,000

112.24 \$350,000 is for a grant to a nonprofit  
 112.25 organization to provide job skills training  
 112.26 to individuals who have been released from  
 112.27 incarceration for a felony-level offense in the  
 112.28 preceding 12 months. To be eligible for the  
 112.29 grant, the organization shall:

112.30 (1) provide housing or rental assistance for  
 112.31 program participants;

112.32 (2) provide employment opportunities for  
 112.33 program participants;

113.1 (3) require program participants, when  
 113.2 appropriate, to receive counseling for alcohol  
 113.3 or chemical dependency; and

113.4 (4) serve a primarily minority population.

113.5 This is a onetime appropriation and is  
 113.6 available until June 30, 2019.

113.7 Subd. 5. **Minnesota Housing Finance Agency**                    -0-                    500,000

113.8 \$500,000 is for a grant to Build Wealth MN to  
 113.9 provide a family stabilization plan program  
 113.10 including program outreach, financial  
 113.11 literacy education, and budget and debt  
 113.12 counseling. This is a onetime appropriation  
 113.13 and is available until June 30, 2019.

113.14 Subd. 6. **Department of Agriculture**                    -0-                    5,000,000

113.15 \$5,000,000 shall be deposited in the good  
 113.16 food access account created in Minnesota  
 113.17 Statutes, section 17.1017, subdivision 3. This  
 113.18 is a onetime appropriation and is available  
 113.19 until June 30, 2019.

113.20 Subd. 7. **Department of Education**                    -0-                    10,200,000

**H2749-2**

113.21 (a) \$1,500,000 in fiscal year 2017 is for a first  
 113.22 class city school district or any other school  
 113.23 district with more than 40 percent minority  
 113.24 students to provide tuition scholarships  
 113.25 or stipends to eligible employees for a  
 113.26 nonconventional teacher residency pilot  
 113.27 program established under Minnesota  
 113.28 Statutes, section 122A.09, subdivision 10,  
 113.29 paragraph (a). The program shall provide  
 113.30 tuition scholarships or stipends to enable  
 113.31 education or teaching assistants or other  
 113.32 nonlicensed employees of a first class city  
 113.33 school district or any other school district  
 113.34 with more than 40 percent minority students  
 114.1 who hold a bachelor's degree from an  
 114.2 accredited college or university and who seek  
 114.3 an education license to participate in a Board  
 114.4 of Teaching-approved nonconventional  
 114.5 teacher residency program under Minnesota  
 114.6 Statutes, section 122A.09, subdivision 10,  
 114.7 paragraph (a). Any funds not awarded by  
 114.8 June 1, 2017, may be reallocated among the  
 114.9 remaining districts if the total cost of the  
 114.10 program exceeds the original allocation. This  
 114.11 is a onetime appropriation and is available  
 114.12 until June 30, 2019.

114.13 (b) \$3,200,000 in fiscal year 2017 is for grants  
 114.14 as provided under this paragraph. This is a  
 114.15 onetime appropriation and is available until  
 114.16 June 30, 2019. Of this amount, \$1,200,000  
 114.17 is for grants to adult basic education (ABE)  
 114.18 program providers to establish up to four  
 114.19 college readiness academies. A college  
 114.20 readiness academy is a partnership between  
 114.21 ABE programs, with support from Minnesota  
 114.22 State Colleges and Universities, to prepare  
 114.23 ABE students to successfully enter college  
 114.24 and complete credit-bearing courses needed  
 114.25 for career-related credentials. The academies

121.1 Sec. 85. **GROW YOUR OWN TEACHER RESIDENCY PILOT PROGRAM.**

121.2 (a) For fiscal years 2017, 2018, and 2019 only, a nonconventional teacher residency  
 121.3 pilot program under Minnesota Statutes, section 122A.09, subdivision 10, paragraph (a),  
 121.4 is established to provide tuition scholarships or stipends to enable education or teaching  
 121.5 assistants or other nonlicensed district employees who hold a bachelor's degree from an  
 121.6 accredited college or university and who seek an elementary education license or a license  
 121.7 in a subject area for which a shortage exists under Minnesota Statutes, section 127A.05,  
 121.8 subdivision 6, to participate in a Board of Teaching-approved nonconventional teacher  
 121.9 residency program under this section.

121.10 (b) School districts or charter schools not participating under paragraph (a) may  
 121.11 use funds under this section to pay for tuition scholarships or stipends on behalf of  
 121.12 paraprofessionals employed in the school or district who are enrolled in a Board of  
 121.13 Teaching-approved teacher preparation program and who are making satisfactory progress  
 121.14 toward attaining teacher licensure.

121.15 (c) The commissioner of education and the commissioner of the Office of Higher  
 121.16 Education must evaluate the outcomes and efficacy of the program and, by February 1,  
 121.17 2017, submit written program recommendations to the committees of the legislature with  
 121.18 jurisdiction over kindergarten through grade 12 education and higher education, including  
 121.19 how to continue and expand the program throughout Minnesota.

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 COMPARISON FOR UEH2749-1, ARTICLE 13**

114.26 must include academic skill building for  
114.27 college success, integrated sector-specific  
114.28 academic training when applicable, and  
114.29 intensive navigation and educational  
114.30 support for the program participants. The  
114.31 commissioner must award one grant to the  
114.32 International Institute of Minnesota. The  
114.33 remaining grant awards must be based on the  
114.34 following criteria:

114.35 (1) program capacity;

115.1 (2) program need for funding; and

115.2 (3) geographic balance of programs around  
115.3 the state.

115.4 Of the amount appropriated under this  
115.5 paragraph, \$1,200,000 is for grants to  
115.6 ABE program providers that establish  
115.7 a contextualized GED or adult diploma  
115.8 program to prepare adults for successful  
115.9 GED or adult diploma completion and  
115.10 successful entry into credentialing programs  
115.11 leading to careers. The programs must:

115.12 (1) provide program navigation and academic  
115.13 supports;

115.14 (2) be connected to an ABE consortium and  
115.15 partner with the Department of Employment  
115.16 and Economic Development;

115.17 (3) provide instruction in one of the state's six  
115.18 demand sectors identified by the Department  
115.19 of Employment and Economic Development,  
115.20 serving participants in the top three ABE  
115.21 levels of ABE intermediate high, adult  
115.22 secondary education (ASE) low, or ASE  
115.23 high;

115.24 (4) have a history of success working with  
115.25 the target populations; and

115.26 (5) demonstrate how a GED or an adult  
115.27 diploma plus the designated postsecondary  
115.28 credential will lead to a career.

115.29 The commissioner shall award grants to  
115.30 four contextualized GED or adult diploma  
115.31 programs based on program capacity, need,  
115.32 and geographic balance of programs around  
115.33 the state. One grant must be awarded to  
115.34 Summit Academy OIC.

116.1 Of the amount appropriated under this  
116.2 paragraph, \$800,000 is for grants to eight  
116.3 ABE programs to provide ABE navigating  
116.4 and advising support services. The programs  
116.5 must help ABE students:

116.6 (1) explore careers;

116.7 (2) develop personalized learning;

116.8 (3) plan for a postsecondary education and  
116.9 career;

116.10 (4) attain personal learning goals;

116.11 (5) complete a standard adult high school  
116.12 diploma under Minnesota Statutes, section  
116.13 124D.52, subdivisions 8 and 9, or complete  
116.14 a GED;

116.15 (6) develop time management and study  
116.16 skills;

116.17 (7) develop critical academic and  
116.18 career-related skills needed to enroll in a  
116.19 postsecondary program without need for  
116.20 remediation;

116.21 (8) navigate the registration process for a  
 116.22 postsecondary program;

116.23 (9) understand postsecondary program  
 116.24 requirements and instruction expectations;  
 116.25 and

116.26 (10) resolve personal issues related to mental  
 116.27 health, domestic abuse, chemical abuse,  
 116.28 homelessness, and other issues that, if left  
 116.29 unaddressed, are barriers to enrolling in and  
 116.30 completing a postsecondary program.

116.31 The commissioner must award ABE  
 116.32 navigating and advising support services  
 116.33 grants to eight ABE programs. The  
 117.1 commissioner shall award grants to programs  
 117.2 based on program capacity, need, and  
 117.3 geographic balance of programs around  
 117.4 the state. The commissioner shall give  
 117.5 priority to ABE programs already providing  
 117.6 navigating and advising support services.  
 117.7 The commissioner shall allocate the grant  
 117.8 funding based on the number of ABE  
 117.9 program participants the program served in  
 117.10 the prior year.

117.11 (c) \$2,750,000 is for the Minnesota's  
 117.12 future teachers grant program under  
 117.13 Minnesota Statutes, section 136A.123.  
 117.14 The commissioner of management and  
 117.15 budget shall transfer this amount to the  
 117.16 Office of Higher Education for the purposes  
 117.17 of this appropriation. This is a onetime  
 117.18 appropriation and is available until June 30,  
 117.19 2019.

126.26 Sec. 92. **APPROPRIATION; FUTURE TEACHERS GRANT PROGRAM.**

126.27 \$4,500,000 in fiscal year 2017 is appropriated from the general fund to the  
 126.28 commissioner of the Office of Higher Education for the Minnesota future teachers grant  
 126.29 program. This is a onetime appropriation. This appropriation is available until June 30,  
 126.30 2019.

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 COMPARISON FOR UEH2749-1, ARTICLE 13.**

117.11 (c) \$2,750,000 is for the Minnesota's  
 117.12 future teachers grant program under  
 117.13 Minnesota Statutes, section 136A.123.  
 117.14 The commissioner of management and  
 117.15 budget shall transfer this amount to the  
 117.16 Office of Higher Education for the purposes  
 117.17 of this appropriation. This is a onetime  
 117.18 appropriation and is available until June 30,  
 117.19 2019.

117.20 (d) \$2,750,000 is for the stepping up for kids  
 117.21 financial assistance account under section  
 117.22 33. The commissioner of management and  
 117.23 budget shall transfer this amount to the  
 117.24 Office of Higher Education for the purposes  
 117.25 of this appropriation. This is a onetime  
 117.26 appropriation and is available until June 30,  
 117.27 2019.

117.28 Subd. 8. **Minnesota Management and Budget**                     -0-                     3,615,000

117.29 \$3,615,000 is for administrative expenses  
 117.30 related to grants appropriated in this article.  
 117.31 The commissioner shall transfer funds in an  
 117.32 amount to be determined by the commissioner  
 117.33 to agencies administering competitive grant  
 117.34 programs and serving as fiscal agents for  
 117.35 grants appropriated in this article. The  
 118.1 transfer to each agency may not exceed four  
 118.2 percent of the amount appropriated to that  
 118.3 agency. This is a onetime appropriation and  
 118.4 is available until June 30, 2019.

118.5 Subd. 9. **Department of Human Services**                     -0-                     8,000

118.6 \$8,000 is for the MAXIS system. This is a  
 118.7 onetime appropriation.

118.8 Sec. 3. Minnesota Statutes 2014, section 16C.10, subdivision 6, is amended to read:

118.9 Subd. 6. **Expenditures under specified amounts.** A competitive solicitation  
118.10 process described in this chapter is not required for the acquisition of goods, services,  
118.11 construction, and utilities in an amount of \$5,000 or less or as authorized by section  
118.12 16C.16, subdivisions 6, paragraph (b), 6a, paragraph (b), and 7, paragraph (b).

118.13 Sec. 4. Minnesota Statutes 2014, section 16C.16, subdivision 6, is amended to read:

118.14 Subd. 6. **Purchasing methods.** (a) The commissioner may award up to a six  
118.15 percent preference ~~in the amount bid~~ for specified goods or services to small targeted  
118.16 group businesses.

118.17 (b) The commissioner may award a contract for goods, services, or construction  
118.18 directly to a small business or small targeted group business without going through a  
118.19 competitive solicitation process up to a total contract award value, including extension  
118.20 options, of \$25,000.

118.21 ~~(b)~~ (c) The commissioner may designate a purchase of goods or services for  
118.22 award only to small businesses or small targeted group businesses if the commissioner  
118.23 determines that at least three small businesses or small targeted group businesses are likely  
118.24 to ~~bid~~ respond to a solicitation.

118.25 ~~(e)~~ (d) The commissioner, as a condition of awarding a construction contract or  
118.26 approving a contract for professional or technical services, may set goals that require  
118.27 the prime contractor to subcontract a portion of the contract to small businesses or  
118.28 small targeted group businesses. The commissioner must establish a procedure for  
118.29 granting waivers from the subcontracting requirement when qualified small businesses  
118.30 or small targeted group businesses are not reasonably available. The commissioner may  
118.31 establish financial incentives for prime contractors who exceed the goals for use of small  
118.32 business or small targeted group business subcontractors and financial penalties for prime  
118.33 contractors who fail to meet goals under this paragraph. The subcontracting requirements  
119.1 of this paragraph do not apply to prime contractors who are small businesses or small  
119.2 targeted group businesses.

119.3 Sec. 5. Minnesota Statutes 2015 Supplement, section 16C.16, subdivision 6a, is  
119.4 amended to read:

119.5 Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the  
119.6 federal government as a condition of receiving federal funds, the commissioner shall  
119.7 award up to a six percent preference, but no less than the percentage awarded to any  
119.8 other group under this section, ~~in the amount bid~~ on state procurement to certified small  
119.9 businesses that are majority-owned and operated by veterans.

119.10 (b) The commissioner may award a contract for goods, services, or construction  
119.11 directly to a veteran-owned small business without going through a competitive solicitation  
119.12 process up to a total contract award value, including extension options, of \$25,000.



119.13 (c) The commissioner may designate a purchase of goods or services for award only  
119.14 to a veteran-owned small business if the commissioner determines that at least three  
119.15 veteran-owned small businesses are likely to respond to a solicitation.

119.16 (d) The commissioner, as a condition of awarding a construction contract or  
119.17 approving a contract for professional or technical services, may set goals that require  
119.18 the prime contractor to subcontract a portion of the contract to a veteran-owned small  
119.19 business. The commissioner must establish a procedure for granting waivers from the  
119.20 subcontracting requirement when qualified veteran-owned small businesses are not  
119.21 reasonably available. The commissioner may establish financial incentives for prime  
119.22 contractors who exceed the goals for use of veteran-owned small business subcontractors  
119.23 and financial penalties for prime contractors who fail to meet goals under this paragraph.  
119.24 The subcontracting requirements of this paragraph do not apply to prime contractors  
119.25 who are veteran-owned small businesses.

119.26 ~~(b)~~ (e) The purpose of this designation is to facilitate the transition of veterans from  
119.27 military to civilian life, and to help compensate veterans for their sacrifices, including but  
119.28 not limited to their sacrifice of health and time, to the state and nation during their military  
119.29 service, as well as to enhance economic development within Minnesota.

119.30 ~~(e)~~ (f) Before the commissioner certifies that a small business is majority-owned and  
119.31 operated by a veteran, the commissioner of veterans affairs must verify that the owner of  
119.32 the small business is a veteran, as defined in section 197.447.

119.33 Sec. 6. Minnesota Statutes 2014, section 16C.16, subdivision 7, is amended to read:

120.1 Subd. 7. **Economically disadvantaged areas.** (a) ~~Except as otherwise provided in~~  
120.2 ~~paragraph (b),~~ The commissioner may award up to a six percent preference in the amount  
120.3 ~~bid~~ on state procurement to small businesses located in an economically disadvantaged area.

120.4 ~~(b) The commissioner may award up to a four percent preference in the amount bid~~  
120.5 ~~on state construction to small businesses located in an economically disadvantaged area.~~

120.6 (b) The commissioner may award a contract for goods, services, or construction  
120.7 directly to a small business located in an economically disadvantaged area without going  
120.8 through a competitive solicitation process up to a total contract award value, including  
120.9 extension options, of \$25,000.

120.10 (c) The commissioner may designate a purchase of goods or services for award only  
120.11 to a small business located in an economically disadvantaged area if the commissioner  
120.12 determines that at least three small businesses located in an economically disadvantaged  
120.13 area are likely to respond to a solicitation.

120.14 (d) The commissioner, as a condition of awarding a construction contract or  
120.15 approving a contract for professional or technical services, may set goals that require the  
120.16 prime contractor to subcontract a portion of the contract to a small business located in  
120.17 an economically disadvantaged area. The commissioner must establish a procedure for  
120.18 granting waivers from the subcontracting requirement when qualified small businesses  
120.19 located in an economically disadvantaged area are not reasonably available. The  
120.20 commissioner may establish financial incentives for prime contractors who exceed the  
120.21 goals for use of subcontractors that are small businesses located in an economically  
120.22 disadvantaged area and financial penalties for prime contractors who fail to meet goals  
120.23 under this paragraph. The subcontracting requirements of this paragraph do not apply to  
120.24 prime contractors who are small businesses located in an economically disadvantaged area.

120.25 (e) (e) A business is located in an economically disadvantaged area if:

120.26 (1) the owner resides in or the business is located in a county in which the median  
120.27 income for married couples is less than 70 percent of the state median income for married  
120.28 couples;

120.29 (2) the owner resides in or the business is located in an area designated a labor  
120.30 surplus area by the United States Department of Labor; or

120.31 (3) the business is a certified rehabilitation facility or extended employment provider  
120.32 as described in chapter 268A.

120.33 ~~(d)~~ (f) The commissioner may designate one or more areas designated as targeted  
120.34 neighborhoods under section 469.202 or as border city enterprise zones under section  
120.35 469.166 as economically disadvantaged areas for purposes of this subdivision if the  
120.36 commissioner determines that this designation would further the purposes of this section.  
121.1 If the owner of a small business resides or is employed in a designated area, the small  
121.2 business is eligible for any preference provided under this subdivision.

121.3 ~~(e)~~ (g) The Department of Revenue shall gather data necessary to make the  
121.4 determinations required by paragraph ~~(e)~~ (e), clause (1), and shall annually certify counties  
121.5 that qualify under paragraph ~~(e)~~ (e), clause (1). An area designated a labor surplus area  
121.6 retains that status for 120 days after certified small businesses in the area are notified of  
121.7 the termination of the designation by the United States Department of Labor.

121.8 Sec. 7. Minnesota Statutes 2014, section 16C.16, is amended by adding a subdivision  
121.9 to read:

121.10 Subd. 7a. **Designated purchases and subcontractor goals.** (a) When designating  
121.11 purchases directly to a business in accordance with this section, the commissioner may  
121.12 also designate a purchase of goods or services directly to any combination of small  
121.13 businesses, small targeted group businesses, veteran-owned small businesses or small  
121.14 businesses located in an economically disadvantaged area if the commissioner determines  
121.15 that at least three businesses in two or more of the disadvantaged business categories  
121.16 are likely to respond.

121.17 (b) When establishing subcontractor goals under this section, the commissioner may  
121.18 set goals that require the prime contractor to subcontract a portion of the contract to any  
121.19 combination of a small business, small targeted group business, veteran-owned small  
121.20 business, or small business located in an economically disadvantaged area.

121.21 Sec. 8. Minnesota Statutes 2014, section 16C.16, subdivision 11, is amended to read:

121.22 Subd. 11. **Procurement procedures.** All laws and rules pertaining to solicitations,  
121.23 bid evaluations, contract awards, and other procurement matters apply equally to  
121.24 procurements designated for small businesses or small targeted group businesses involving  
121.25 any small business, small targeted group business, veteran-owned business, or small  
121.26 business located in an economically disadvantaged area. In the event of conflict with other  
121.27 rules, section 16C.15 and rules adopted under it govern, if section 16C.15 applies. If it  
121.28 does not apply, sections 16C.16 to 16C.21 and rules adopted under those sections govern.

121.29 Sec. 9. **[17.1017] GOOD FOOD ACCESS PROGRAM.**

121.30 Subdivision 1. **Definitions.** (a) For purposes of this section, unless the language  
121.31 or context indicates that a different meaning is intended, the following terms have the  
121.32 meanings given them.

121.33 (b) "Account" means the good food access account established in subdivision 3.

122.1 (c) "Commissioner" means the commissioner of agriculture.

122.2 (d) "Economic or community development financial institution (ECDFI)" means  
122.3 a lender, including but not limited to a community development financial institution  
122.4 (CDFI), an economic development district (EDD), a political subdivision of the state, a  
122.5 microenterprise firm, or a nonprofit community lending organization that has previous  
122.6 experience lending to a food retailer, producer, or another healthy food enterprise in an  
122.7 underserved community in a low-income or moderate-income area, as defined in this  
122.8 section; has been in existence and operating prior to January 1, 2014; has demonstrated  
122.9 the ability to raise matching capital and in-kind services to leverage appropriated money;  
122.10 has the demonstrated ability to underwrite loans and grants; and has partnered previously  
122.11 with nonprofit healthy food access, public health, or related governmental departments or  
122.12 community organizations.

122.13 (e) "Farmers' market" means an association of three or more persons who assemble  
122.14 at a defined location that is open to the public for the purpose of selling directly to the  
122.15 consumer the products of a farm or garden occupied and cultivated by the person selling  
122.16 the product.

122.17 (f) "Financing" means loans, including low-interest loans, zero-interest loans,  
122.18 forgivable loans, and other types of financial assistance other than grants.

- 122.19 (g) "Food hub" means a centrally located facility with a business management  
122.20 structure that facilitates the aggregation, storage, processing, distribution, marketing, and  
122.21 sale of locally or regionally produced food products, and which may include a small-scale  
122.22 retail grocery operation.
- 122.23 (h) "Good Food Access Program Advisory Committee" means the Good Food  
122.24 Access Program Advisory Committee under section 17.1018.
- 122.25 (i) "Grocery store" means a for-profit, not-for-profit, or cooperative self-service retail  
122.26 establishment that sells primarily meat, fish, seafood, fruits, vegetables, dry groceries,  
122.27 and dairy products and may also sell household products, sundries, and other products.  
122.28 Grocery store includes a supermarket or a large-, mid-, or small-scale retail grocery  
122.29 establishment and may include a mobile food market or a delivery service operation.
- 122.30 (j) "Low-income area" means a census tract as reported in the most recently  
122.31 completed decennial census published by the United States Bureau of the Census that has  
122.32 a poverty rate of at least 20 percent or in which the median family income does not exceed  
122.33 80 percent of the greater of the statewide or metropolitan median family income.
- 122.34 (k) "Moderate-income area" means a census tract as reported in the most recently  
122.35 completed decennial census published by the United States Bureau of the Census in which  
123.1 the median family income is between 81 percent and 95 percent of the median family  
123.2 income for that area.
- 123.3 (l) "Mobile food market" means a self-contained for-profit, not-for-profit, or  
123.4 cooperative retail grocery operation located in a movable new or renovated truck, bus, or  
123.5 other vehicle that is used to store, prepare, display, and sell primarily meat, fish, seafood,  
123.6 fruits, vegetables, dry groceries, and dairy products and may also be used to sell a nominal  
123.7 supply of cooking utensils and equipment and other household products and sundries.
- 123.8 (m) "Program" means the good food access program established in this section.
- 123.9 (n) "Small food retailer" means a small-scale retail food outlet, other than a grocery  
123.10 store as defined in this section. Small food retailer includes, but is not limited to, a corner  
123.11 store, convenience store, farmers' market, mobile food market, and a retail food outlet  
123.12 operated by an emergency food program or food hub.
- 123.13 (o) "Technical assistance" means needs-based project assistance provided through  
123.14 the program, including sustainability-focused individualized guidance, presentations,  
123.15 workshops, trainings, printed materials, mentorship opportunities, peer-to-peer  
123.16 opportunities, or other guidance and resources on relevant topics such as business  
123.17 planning, sales projections, cash flow, succession planning, financing, fund-raising,  
123.18 marketing, food preparation demonstrations, and workforce training.

123.19 (p) "Underserved community" means a census tract that is federally designated  
123.20 as a food desert by the United States Department of Agriculture, or a census tract in a  
123.21 low-income or moderate-income area that includes a substantial subpopulation such as  
123.22 the elderly or the disabled that has low supermarket access, regardless of distance, due  
123.23 to lack of transportation.

123.24 Subd. 2. **Program established.** (a) A good food access program is established within  
123.25 the Department of Agriculture to increase the availability of and access to affordable,  
123.26 nutritious, and culturally appropriate food, including fresh fruits and vegetables, for  
123.27 underserved communities in low-income and moderate-income areas by providing financial  
123.28 support and sustainable public-private projects to open, renovate, or expand the operations  
123.29 of grocery stores and small food retailers; expanding access to credit and reducing barriers  
123.30 to investment in underserved communities in low- and moderate-income areas; and to  
123.31 provide technical assistance, primarily for small food retailers with demonstrated need,  
123.32 to increase availability and sustainable sales of affordable, nutritious, and culturally  
123.33 appropriate food, including fresh fruits and vegetables, to underserved communities in  
123.34 low-income and moderate-income areas. The commissioner, in cooperation with public  
123.35 and private partners, shall establish and implement the program as provided in this section.

124.1 (b) The good food access program shall be comprised of state or private grants, loans,  
124.2 or other types of financial and technical assistance for the establishment, construction,  
124.3 expansion of operations, or renovation of grocery stores and small food retailers to increase  
124.4 the availability of and access to affordable fresh produce and other nutritious, culturally  
124.5 appropriate food to underserved communities in low-income and moderate-income areas.

124.6 Subd. 3. **Good food access account.** A good food access account is established in  
124.7 the agricultural fund. The account consists of money appropriated by the legislature to the  
124.8 commissioner, as provided by law, and any other money donated, allotted, transferred,  
124.9 or otherwise provided to the account. Money in the account may only be expended on  
124.10 projects receiving financing, grants, or other financial and technical assistance as provided  
124.11 under this section, and shall be used, to the extent practicable, to leverage other forms of  
124.12 public and private financing or financial assistance for the projects.

124.13 Subd. 4. **Program administration.** (a) The commissioner shall be the administrator  
124.14 of the account for auditing purposes and shall establish program requirements and a  
124.15 competitive process for projects applying for financial and technical assistance.

124.16 (b) The commissioner may receive money or other assets from any source, including  
124.17 but not limited to philanthropic foundations and financial investors, for deposit into the  
124.18 account, and shall direct the investment of the account and credit to the account interest  
124.19 and earnings from account investments.

124.20 (c) Through issuance of requests for proposals, the commissioner may contract  
124.21 with one or more qualified economic or community development financial institutions  
124.22 to manage the financing component of the program and with one or more qualified  
124.23 organizations or public agencies with financial or other program-related expertise to  
124.24 manage the provision of technical assistance to project grantees.

124.25 (d) Money in the account at the close of each fiscal year shall remain in the account  
124.26 and shall not cancel. In each biennium, the commissioner shall determine the appropriate  
124.27 proportion of money to be allocated to loans, grants, technical assistance, and any other  
124.28 types of financial assistance.

124.29 (e) To encourage public-private, cross-sector collaboration and investment in the  
124.30 account and program and to ensure that the program intent is maintained throughout  
124.31 implementation, the commissioner shall convene and maintain the Good Food Access  
124.32 Program Advisory Committee.

124.33 (f) The commissioner, in cooperation with the Good Food Access Program Advisory  
124.34 Committee, shall manage the program, establish program criteria, facilitate leveraging of  
124.35 additional public and private investment, and promote the program statewide.

125.1 (g) The commissioner, in cooperation with the Good Food Access Program Advisory  
125.2 Committee, shall establish annual monitoring and accountability mechanisms for all  
125.3 projects receiving financing or other financial or technical assistance through this program.

125.4 Subd. 5. **Eligible projects.** (a) The commissioner, in cooperation with the program  
125.5 partners and advisors, shall establish project eligibility guidelines and application  
125.6 processes to be used to review and select project applicants for financing or other financial  
125.7 or technical assistance. All projects must be located in an underserved community or must  
125.8 serve primarily underserved communities in low-income and moderate-income areas.

125.9 (b) Projects eligible for financing include, but are not limited to, new construction,  
125.10 renovations, expansions of operations, and infrastructure upgrades of grocery stores and  
125.11 small food retailers to improve the availability of and access to affordable, nutritious food,  
125.12 including fresh fruits and vegetables, and build capacity in areas of greatest need.

125.13 (c) Projects eligible for other types of financial assistance such as grants or  
125.14 technical assistance are primarily projects throughout the state, including, but not limited  
125.15 to, feasibility studies, new construction, renovations, expansion of operations, and  
125.16 infrastructure upgrades of small food retailers.

125.17 Subd. 6. **Qualifications for receipt of financing and other financial or technical**  
125.18 **assistance.** (a) An applicant for receipt of financing through an economic or community  
125.19 development financial institution, or an applicant for a grant or other financial or technical  
125.20 assistance, may be a for-profit or not-for-profit entity, including, but not limited to, a sole  
125.21 proprietorship, limited liability company, corporation, cooperative, nonprofit organization,  
125.22 or nonprofit community development organization. Each applicant must:

- 125.23 (1) demonstrate community engagement in and support for the project;
- 125.24 (2) demonstrate the capacity to successfully implement the project;
- 125.25 (3) demonstrate a viable plan for long-term sustainability, including the ability to
- 125.26 increase the availability of and access to affordable, nutritious, and culturally appropriate
- 125.27 food, including fresh fruits and vegetables, for underserved communities in low-income
- 125.28 and moderate-income areas; and
- 125.29 (4) demonstrate the ability to repay the debt, to the extent that the financing requires
- 125.30 repayment.
- 125.31 (b) Each applicant must also agree to comply with the following conditions for a
- 125.32 period of at least five years, except as otherwise specified in this section:
- 125.33 (1) accept Supplemental Nutrition Assistance Program (SNAP) benefits;
- 125.34 (2) apply to accept Special Supplemental Nutrition Program for Women, Infants,
- 125.35 and Children (WIC) benefits and, if approved, accept WIC benefits;
- 126.1 (3) allocate at least 30 percent of retail space for the sale of affordable, nutritious,
- 126.2 and culturally appropriate foods, including fruits and vegetables, low-fat and nonfat
- 126.3 dairy, fortified dairy substitute beverages such as soy-based or nut-based dairy substitute
- 126.4 beverages, whole grain-rich staple foods, meats, poultry, fish, seafood, and other proteins,
- 126.5 consistent with nutrition standards in national guidelines described in the current United
- 126.6 States Department of Agriculture Dietary Guidelines for Americans;
- 126.7 (4) comply with all data collection and reporting requirements established by the
- 126.8 commissioner; and
- 126.9 (5) promote the hiring, training, and retention of local or regional residents from
- 126.10 low-income and moderate-income areas that reflect area demographics, including
- 126.11 communities of color.
- 126.12 (c) A selected project that is a small food retailer is not subject to the allocation
- 126.13 agreement under paragraph (b), clause (3), and may use financing, grants, or other financial
- 126.14 or technical assistance for refrigeration, displays, or onetime capital expenditures for the
- 126.15 promotion and sale of perishable foods, including a combination of affordable, nutritious,
- 126.16 and culturally appropriate fresh or frozen dairy, dairy substitute products, produce, meats,
- 126.17 poultry, and fish, consistent with nutrition standards in national guidelines described in the
- 126.18 current United States Department of Agriculture Dietary Guidelines for Americans.
- 126.19 Subd. 7. **Additional selection criteria.** In determining which qualified projects to
- 126.20 finance, and in determining which qualified projects to provide with grants or other types
- 126.21 of financial or technical assistance, the commissioner, in cooperation with any entities
- 126.22 with which the commissioner contracts for those purposes and the Good Food Access
- 126.23 Program Advisory Committee, shall also consider:

126.24 (1) the level of need in the area to be served;

126.25 (2) the degree to which the project requires an investment of public support, or

126.26 technical assistance where applicable, to move forward, build capacity, create community

126.27 impact, or be competitive;

126.28 (3) the likelihood that the project will have positive economic and health impacts on

126.29 the underserved community, including creation and retention of jobs for local or regional

126.30 residents from low-income and moderate-income areas that reflect area demographics,

126.31 including communities of color;

126.32 (4) the degree to which the project will participate in state and local health department

126.33 initiatives to educate consumers on nutrition, promote healthy eating and healthy weight,

126.34 and support locally grown food products through programs such as Minnesota Grown; and

126.35 (5) any other criteria that the commissioner, in cooperation with public and private

126.36 partners, determines to be consistent with the purposes of this chapter.

127.1 Subd. 8. **Eligible costs.** Financing for project loans, including low-interest,

127.2 zero-interest, and forgivable loans, grants, and other financial or technical assistance, may

127.3 be used to support one or more of the following purposes:

127.4 (1) site acquisition and preparation;

127.5 (2) predevelopment costs, including but not limited to feasibility studies, market

127.6 studies, and appraisals;

127.7 (3) construction and build-out costs;

127.8 (4) equipment and furnishings;

127.9 (5) workforce or retailer training; and

127.10 (6) working capital.

127.11 Subd. 9. **Legislative report.** The commissioner, in cooperation with any economic

127.12 or community development financial institution and any other entity with which it

127.13 contracts, shall submit an annual report on the good food access program by January 15 of

127.14 each year to the chairs and ranking minority members of the house of representatives and

127.15 senate committees and divisions with jurisdiction over agriculture policy and finance. The

127.16 annual report shall include, but not be limited to, a summary of the following metrics:

127.17 (1) the number and types of projects financed;

127.18 (2) the amount of dollars leveraged or matched per project;

127.19 (3) the geographic distribution of financed projects;

127.20 (4) the number and types of technical assistance recipients;

127.21 (5) any market or commodity expansion associated with increased access;



- 127.22 (6) the demographics of the areas served;
- 127.23 (7) the costs of the program;
- 127.24 (8) the number of SNAP and WIC dollars spent;
- 127.25 (9) any increase in retail square footage;
- 127.26 (10) the number of loans or grants to minority-owned or female-owned businesses;
- 127.27 and
- 127.28 (11) measurable economic and health outcomes, including, but not limited to,
- 127.29 increases in sales and consumption of locally sourced and other fresh fruits and vegetables,
- 127.30 the number of construction and retail jobs retained or created, and any health initiatives
- 127.31 associated with the program.
- 127.32 **Sec. 10. [17.1018] GOOD FOOD ACCESS PROGRAM ADVISORY**
- 127.33 **COMMITTEE.**
- 127.34 Subdivision 1. **Definitions.** As used in this section, the following terms have the
- 127.35 meanings given them:
- 128.1 (1) "program" means the good food access program under section 17.1017; and
- 128.2 (2) "commissioner" means the commissioner of agriculture.
- 128.3 Subd. 2. **Creation.** The Good Food Access Program Advisory Committee consists
- 128.4 of the following members, appointed by the commissioner of agriculture, unless otherwise
- 128.5 specified:
- 128.6 (1) the commissioners of health, employment and economic development, and
- 128.7 human services, or their respective designees;
- 128.8 (2) one person representing the grocery industry;
- 128.9 (3) two people representing economic or community development, one rural
- 128.10 member and one urban or suburban member;
- 128.11 (4) two people representing political subdivisions of the state;
- 128.12 (5) one person designated by the Council for Minnesotans of African Heritage;
- 128.13 (6) one person designated by the Minnesota Indian Affairs Council;
- 128.14 (7) one person designated by the Council on Asian Pacific Minnesotans;
- 128.15 (8) one person designated by the Chicano Latino Affairs Council;
- 128.16 (9) one person designated by the Minnesota Farmers Union;
- 128.17 (10) one person representing public health experts;
- 128.18 (11) one person representing philanthropic foundations;

- 128.19 (12) one person representing economic or community development financial  
128.20 institutions;
- 128.21 (13) one person representing the University of Minnesota Regional Sustainable  
128.22 Development Partnerships;
- 128.23 (14) two people representing organizations engaged in addressing food security,  
128.24 one representative from a statewide hunger relief organization and one from a  
128.25 community-based organization;
- 128.26 (15) one person representing immigrant farmer-led organizations;
- 128.27 (16) one person representing small business technical assistance with experience  
128.28 in food retail; and
- 128.29 (17) up to four additional members with economic development, health equity,  
128.30 financial, or other relevant expertise.
- 128.31 At least half of the members must reside in or their organizations must serve rural  
128.32 Minnesota. The commissioner may remove members and fill vacancies as provided in  
128.33 section 15.059, subdivision 4.
- 128.34 Subd. 3. **Duties.** The advisory committee must advise the commissioner of  
128.35 agriculture on managing the program, establishing program criteria, establishing project  
128.36 eligibility guidelines, establishing application processes and additional selection criteria,  
129.1 establishing annual monitoring and accountability mechanisms, facilitating leveraging of  
129.2 additional public and private investments, and promoting the program statewide.
- 129.3 Subd. 4. **Meetings.** The commissioner must convene the advisory committee at  
129.4 least two times per year to achieve the committee's duties.
- 129.5 Subd. 5. **Administrative support.** The commissioner of agriculture must provide  
129.6 staffing, meeting space, and administrative services for the advisory committee.
- 129.7 Subd. 6. **Chair.** The commissioner of agriculture or the commissioner's designee  
129.8 shall serve as chair of the committee.
- 129.9 Subd. 7. **Compensation.** The public members of the advisory committee serve  
129.10 without compensation or payment of expenses.
- 129.11 Subd. 8. **Expiration.** The advisory committee does not expire.
- 129.12 Sec. 11. **[116J.55] EMERGING ENTREPRENEUR FUND PROGRAM.**

- 129.13 Subdivision 1. **Program created.** The emerging entrepreneur fund program is  
129.14 created to provide, through partnership with nonprofit corporations, financial and technical  
129.15 assistance for small businesses owned by minorities, women, veterans, or persons with  
129.16 disabilities, or businesses located in low-income areas in the seven-county metropolitan  
129.17 area. Loans and business development services must promote job creation and economic  
129.18 development in low-income areas and encourage private investment and strengthen  
129.19 businesses owned by minorities, women, veterans, and persons with disabilities.
- 129.20 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.
- 129.21 (b) "Commissioner" means the commissioner of employment and economic  
129.22 development.
- 129.23 (c) "Department" means the Department of Employment and Economic  
129.24 Development.
- 129.25 (d) "Disability-owned business" means a small business that is majority owned and  
129.26 operated by a person with a disability who is eligible to receive Supplemental Security  
129.27 Income (SSI) or Social Security Disability Insurance (SSDI) based on the person's own  
129.28 disability or is eligible for services from the department's vocational rehabilitation services  
129.29 or State Services for the Blind programs.
- 129.30 (e) "Emerging Entrepreneur Fund Advisory Council" or "council" means the  
129.31 advisory council created under subdivision 9.
- 129.32 (f) "Emerging entrepreneur fund program" or "program" means the program  
129.33 established under this section.
- 130.1 (g) "Emerging entrepreneur fund qualified small business" means a small business  
130.2 that is majority owned and operated by a racial or ethnic minority, woman, veteran, or a  
130.3 person with a disability, solely or in any combination thereof.
- 130.4 (h) "Greater Minnesota" means the area of the state that excludes the metropolitan  
130.5 area, as defined in section 473.121, subdivision 2.
- 130.6 (i) "Low-income area" means:
- 130.7 (1) those cities in the metropolitan area that have an average income that is below  
130.8 80 percent of the median income for a four-person family as of the latest report by the  
130.9 United States Census Bureau; or
- 130.10 (2) those cities in the metropolitan area that contain two or more contiguous census  
130.11 tracts in which the average family income is less than 80 percent of the median family  
130.12 income for the Twin Cities metropolitan area.
- 130.13 (j) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

- 130.14 (k) "Minority-owned business" means a small business that is majority owned and  
130.15 operated by persons belonging to a racial or ethnic minority as defined in Minnesota  
130.16 Rules, part 1230.0150, subpart 24.
- 130.17 (l) "Nonprofit corporation" means a nonprofit lender or a nonprofit technical  
130.18 assistance provider operating in the state.
- 130.19 (m) "Nonprofit lender" means a nonprofit corporation that has been certified as a  
130.20 participating lender under subdivision 3.
- 130.21 (n) "Nonprofit technical assistance provider" means a nonprofit corporation that  
130.22 provides consulting services to assist businesses under the program.
- 130.23 (o) "Small business" means an enterprise as defined in section 645.445, subdivision 2.
- 130.24 (p) "Veteran-owned business" means a small business that is majority owned and  
130.25 operated by a veteran as defined in section 197.447.
- 130.26 (q) "Woman-owned business" means a small business that is majority owned and  
130.27 operated by a woman.
- 130.28 Subd. 3. **Nonprofit lender application.** (a) The commissioner shall provide funds  
130.29 to nonprofit lenders for the purpose of making loans to businesses that are (1) located in a  
130.30 low-income area or (2) emerging entrepreneur fund qualified small businesses.
- 130.31 (b) A nonprofit corporation wishing to be certified as a nonprofit lender in the program  
130.32 must apply using the form prescribed by the commissioner. The application must include:
- 130.33 (1) an assurance signed by the nonprofit lender's chair that the applicant will comply  
130.34 with all applicable state and federal laws, guidelines, and requirements;
- 131.1 (2) a resolution passed by the nonprofit lender's board of directors approving the  
131.2 submission of an application and authorizing execution of the grant agreement if funds  
131.3 are made available;
- 131.4 (3) a plan demonstrating the nonprofit lender's approach to assisting small businesses  
131.5 that are majority owned and operated by a racial or ethnic minority, woman, veteran, or a  
131.6 person with disabilities and the expected outcomes from the corporation's participation  
131.7 in the program;
- 131.8 (4) the geographic area served by the nonprofit lender's loan programs; and
- 131.9 (5) any additional information that the commissioner deems necessary to clarify the  
131.10 applicant's ability to achieve the program's objectives.
- 131.11 (c) The commissioner must enter into agreements with nonprofit lenders to fund  
131.12 loans under this section. The commissioner shall select and certify participating nonprofit  
131.13 lenders based on the organization's ability to demonstrate:

- 131.14 (1) a board of directors or management team that includes citizens experienced in  
131.15 business development; financing small businesses that are majority owned and operated  
131.16 by a racial or ethnic minority, woman, veteran, or a person with disabilities; financing  
131.17 businesses located in low-income areas; and creating jobs in low-income areas;
- 131.18 (2) the technical skills needed to analyze projects;
- 131.19 (3) familiarity with other available public and private funding sources and economic  
131.20 development programs;
- 131.21 (4) ability to initiate and implement business finance projects;
- 131.22 (5) capacity to establish and administer a revolving loan account;
- 131.23 (6) experience working with job referral networks that assist small businesses that  
131.24 are majority owned and operated by a racial or ethnic minority, woman, veteran, or a  
131.25 person with disabilities or persons in low-income areas; and
- 131.26 (7) any other criteria the commissioner deems necessary.
- 131.27 (d) The commissioner shall solicit applications by participating and nonparticipating  
131.28 lenders at least every five years.
- 131.29 **Subd. 4. Business loan criteria.** (a) A participating nonprofit corporation must use  
131.30 the criteria in this subdivision when making loans under the program.
- 131.31 (b) Loans must be made to small businesses that are not likely to undertake a project  
131.32 for which loans are sought without assistance from the program.
- 131.33 (c) A loan may be used for a project for an emerging entrepreneur fund qualified  
131.34 small business (1) located anywhere in Minnesota or (2) that is not an emerging  
131.35 entrepreneur fund qualified small business but is located in a low-income area.
- 132.1 (d) If a loan involves a small business that is not an emerging entrepreneur fund  
132.2 qualified small business, the state contribution must be matched by at least an equal  
132.3 amount of new private investment funded and provided by the nonprofit lender. If the loan  
132.4 does not exceed \$50,000, private matching funds are not required.
- 132.5 (e) The state contribution may represent up to 75 percent of the project's financing if  
132.6 the applicant is an emerging entrepreneur fund qualified small business with the nonprofit  
132.7 lender funding and providing 25 percent of the financing.
- 132.8 (f) The minimum state contribution to a loan is \$2,000, and the maximum is \$150,000.
- 132.9 (g) A loan may not be used for a retail development project unless the loan does  
132.10 not exceed \$25,000.
- 132.11 (h) The participating small business must agree to work with job referral networks  
132.12 that focus on minority, women, veteran, and disabled applicants.

132.13 (i) The loan funds may be used for normal operating business expenses including  
132.14 but not limited to business or site acquisition, new construction, renovation, machinery  
132.15 and equipment, inventory, or working capital.

132.16 (j) The loan funds may not be used for any of the following:

132.17 (1) costs incurred by applicants not meeting the eligibility requirements in this  
132.18 subdivision;

132.19 (2) lending, passive real estate investment purposes, or land speculation;

132.20 (3) management fees, financing costs, debt consolidation, or refinancing existing  
132.21 business or personal debt;

132.22 (4) any activity deemed illegal by federal, state, or local law or ordinance; and

132.23 (5) other purposes or activities determined by the commissioner to not be in the  
132.24 best interests of the state.

132.25 (k) An applicant must be in compliance with all applicable local, state, and federal  
132.26 laws and must not be subject to any judgments, liens, or other actions that would prevent  
132.27 loan repayment.

132.28 (l) Other factors that the commissioner deems important shall be incorporated as  
132.29 part of the agreement between the department and the nonprofit lender required under  
132.30 subdivision 3.

132.31 **Subd. 5. Loan administration.** (a) An eligible small business may make an  
132.32 application to the nonprofit corporation for an emerging entrepreneur fund loan. The  
132.33 application must be in the form approved by the nonprofit lender and the commissioner.

132.34 (b) The nonprofit corporation must review the application and may give preliminary  
132.35 approval for the loan based on criteria in subdivision 4. Loan applications given  
132.36 preliminary approval by the nonprofit lender must be forwarded to the commissioner  
133.1 for approval. The commissioner shall disburse funds for each approved emerging  
133.2 entrepreneur fund loan made by the nonprofit corporation for which funding is available.

133.3 (c) In cases where the nonprofit lender fails to demonstrate that it has met the  
133.4 requirements of this section, the commissioner must disapprove the application. The  
133.5 commissioner shall inform the nonprofit corporation of the decision, in writing, stating  
133.6 the reasons for the denial.

133.7 (d) The nonprofit lender must use a loan agreement for each emerging entrepreneur  
133.8 fund loan. Each agreement must identify specific loan terms and include, at a minimum, the  
133.9 maximum loan period, repayment terms, and default terms. The commissioner may pursue  
133.10 any course of action authorized by statute, rule, or loan agreement to remedy default.

- 133.11 (1) Nonprofit lenders may structure project financing using interest or an equivalent  
133.12 approach using other allowable charges if the borrower has limitations or restrictions on  
133.13 the type of project financing used.
- 133.14 (2) If interest is charged, the rate on a loan shall be established by the nonprofit  
133.15 lender, but may be no less than two percent per annum nor more than seven percent per  
133.16 annum or four percent above the prime rate, as published in the Wall Street Journal at the  
133.17 time the loan is closed, whichever is greater.
- 133.18 (3) The nonprofit lender may charge a loan origination fee equal to or less than  
133.19 one percent of the loan value. The nonprofit corporation may retain the amount of the  
133.20 origination fee.
- 133.21 (4) The nonprofit lender may only charge the participating small business  
133.22 out-of-pocket administrative expenses connected with originating the loan at the time  
133.23 of closing.
- 133.24 (5) For emerging entrepreneur fund loans made by the nonprofit lender, the principal  
133.25 payments shall be submitted to the commissioner. These funds must be deposited in the  
133.26 emerging entrepreneur fund account in the special revenue fund as defined in subdivision 6.
- 133.27 (6) The commissioner may allow the nonprofit lender to keep interest payments for  
133.28 a loan in order to pay for the nonprofit lender's administrative expenses associated with  
133.29 that loan.
- 133.30 (7) The nonprofit lender shall attempt to have applicants provide security for the loan  
133.31 equal to the loan value. Security may be a lien on real property owned by the applicant or  
133.32 other security satisfactory to the agency such as a lien on other assets of the applicant or  
133.33 other individuals affiliated with the applicant or business, or a guaranty by the business  
133.34 owners or other individuals affiliated with the applicant or business.
- 133.35 Subd. 6. **Special revenue account.** (a) The emerging entrepreneur fund account  
133.36 is established as a separate account in the special revenue fund in the state treasury.  
134.1 The commissioner shall transfer to the account appropriations made for loans. Loan  
134.2 principal repayments must be deposited in the account. Any interest not used for lenders  
134.3 for administrative expenses and repaid to the commissioner or earned on money in the  
134.4 account accrues to the account. Funds remaining in the account at the end of a fiscal  
134.5 year are not canceled to the general fund, but remain in the account until expended. The  
134.6 commissioner shall manage the account.
- 134.7 (b) Amounts in the emerging entrepreneur fund account in the special revenue fund  
134.8 are appropriated to the commissioner for providing, through partnership with nonprofit  
134.9 organizations, financial assistance for small businesses owned by minorities, women,  
134.10 veterans, or persons with disabilities or located in low-income areas.

134.11 (c) The balance in any accounts authorized under chapter 116M shall be transferred  
134.12 to the emerging entrepreneur fund account in the special revenue fund. Loan repayments  
134.13 made under chapter 116M shall be transferred to the emerging entrepreneur fund account  
134.14 in the special revenue fund.

134.15 **Subd. 7. Business development technical assistance.** (a) The commissioner shall  
134.16 award grants to organizations to provide technical assistance services.

134.17 (b) The commissioner shall select participating nonprofit technical assistance  
134.18 providers for competitive grants under this subdivision based on the organization's ability  
134.19 to provide services to small businesses owned by minorities, women, veterans, or persons  
134.20 with disabilities, or businesses located in low-income areas by demonstrating:

134.21 (1) a need for funding;

134.22 (2) clear and measurable activities and outcomes within a service delivery area  
134.23 and schedule;

134.24 (3) partnerships that will support the service delivery;

134.25 (4) organizational capacity and related experience providing technical assistance;

134.26 (5) a clear and detailed budget;

134.27 (6) methods to evaluate the success of reaching proposed outcomes; and

134.28 (7) any additional information that the commissioner finds is necessary to clarify  
134.29 the applicant's ability to achieve the program's objectives.

134.30 **Subd. 8. Reporting requirements.** (a) A nonprofit corporation that receives  
134.31 funding from the emerging entrepreneur fund for loans or technical services must report to  
134.32 the commissioner by March 1 of each year in a format prescribed by the commissioner.  
134.33 The report shall include the information in this subdivision and any other information  
134.34 deemed necessary by the commissioner.

134.35 (b) Nonprofit corporations that receive funding to provide lending shall submit a  
134.36 report containing: a description of all projects supported by the program; an account of  
135.1 any loans made during the calendar year; the project's assets and liabilities; an explanation  
135.2 of administrative expenses; and the project's impact on small businesses owned by  
135.3 minorities, women, veterans, or persons with disabilities.

135.4 (c) Nonprofit corporations that receive funding to provide lending shall provide  
135.5 for an independent annual audit to be performed in accordance with generally accepted  
135.6 accounting practices and auditing standards and submit a copy of each annual audit report  
135.7 to the commissioner.



135.8 (d) Nonprofit corporations that receive a grant to provide business development  
135.9 technical assistance shall provide an account of the number of businesses served during  
135.10 the calendar year, the program's impact on small businesses owned by minorities, women,  
135.11 veterans, or persons with disabilities, and an explanation of administrative expenses.

135.12 Subd. 9. **Emerging Entrepreneur Fund Advisory Council.** (a) The Emerging  
135.13 Entrepreneur Fund Advisory Council is created and consists of the commissioner, the  
135.14 chair of the Metropolitan Council, the commissioner of the Department of Human Rights,  
135.15 and ten members from the general public appointed by the governor. Appointments must  
135.16 ensure balanced geographic representation. At least half of the public members must have  
135.17 experience working to address racial disparities.

135.18 (b) The membership terms, compensation, removal, and filling of vacancies of  
135.19 public members of the council are as provided in section 15.0575.

135.20 (c) The commissioner shall serve as chair of the council. The council may elect other  
135.21 officers as necessary from its members.

135.22 (d) The commissioner shall provide staff, consultant support, materials, and  
135.23 administrative services necessary for the council's activities. The emerging entrepreneur  
135.24 fund account in the special revenue fund may be used for council expenses.

135.25 (e) The governor must make initial appointments to the council by November 15,  
135.26 2016, and the chair must convene the first meeting of the council by December 15, 2016.

135.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

135.28 Sec. 12. **[116L.562] YOUTH-AT-WORK GRANT PROGRAM.**

135.29 Subdivision 1. **Establishment.** The commissioner shall award grants to eligible  
135.30 organizations for the purpose of providing workforce development and training  
135.31 opportunities to economically disadvantaged or at-risk youth ages 14 to 24.

135.32 Subd. 2. **Definitions.** For purposes of this section:

135.33 (1) "eligible organization" or "eligible applicant" means a local government unit,  
135.34 nonprofit organization, community action agency, or a public school district;

136.1 (2) "at-risk youth" means youth classified as at-risk under section 116L.56,  
136.2 subdivision 2; and

136.3 (3) "economically disadvantaged" means youth who are economically disadvantaged  
136.4 as defined in United States Code, title 29, section 1503.

136.5 Subd. 3. **Competitive grant awards.** (a) In awarding competitive grants, priority  
136.6 shall be given to programs that:

136.7 (1) provide students with information about education and training requirements for  
136.8 careers in high-growth, in-demand occupations;

136.9 (2) serve youth from communities of color who are under represented in the  
136.10 workforce; or

136.11 (3) serve youth with disabilities.

136.12 (b) Eligible organizations must have demonstrated effectiveness in administering  
136.13 youth workforce programs and must leverage nonstate or private sector funds.

136.14 (c) New eligible applicants must be youth-serving organizations with significant  
136.15 capacity and demonstrable youth development experience and outcomes to operate a  
136.16 youth workforce development project.

136.17 (d) If a program is not operated by a local unit of government or a workforce  
136.18 development board, the grant recipient must coordinate the program with the local  
136.19 workforce development board.

136.20 Subd. 4. **Reports.** Each grant recipient shall report to the commissioner in a format  
136.21 to be determined by commissioner.

136.22 Sec. 13. Minnesota Statutes 2014, section 116L.99, is amended to read:

136.23 **116L.99 WOMEN AND HIGH-WAGE, HIGH-DEMAND,**  
136.24 **NONTRADITIONAL JOBS GRANT PROGRAM.**

136.25 Subdivision 1. **Definitions.** (a) For the purpose of this section, the following terms  
136.26 have the meanings given.

136.27 (b) "Commissioner" means the commissioner of employment and economic  
136.28 development.

136.29 (c) "Eligible organization" includes, but is not limited to:

136.30 (1) community-based organizations experienced in serving women;

136.31 (2) employers;

136.32 (3) business and trade associations;

136.33 (4) labor unions and employee organizations;

136.34 (5) registered apprenticeship programs;

136.35 (6) secondary and postsecondary education institutions located in Minnesota; and

137.1 (7) workforce and economic development agencies.

137.2 (d) "High-wage, high-demand" means occupations that represent at least 0.1 percent  
137.3 of total employment in the base year, have an annual median salary which is higher than  
137.4 the average for the current year, and are projected to have more total openings as a share  
137.5 of employment than the average.

137.6 (e) "Low-income" means income less than 200 percent of the federal poverty  
137.7 guideline adjusted for a family size of four.

137.8 (f) "Nontraditional occupations" means those occupations in which women make  
137.9 up less than 25 percent of the workforce as defined under United States Code, title 20,  
137.10 section 2302.

137.11 (g) "Registered apprenticeship program" means a program registered under United  
137.12 States Code, title 29, section 50.

137.13 (h) "STEM" means science, technology, engineering, and math.

137.14 (i) "Women of color" means females age 18 and older who are American Indian,  
137.15 Asian, Black, or Hispanic.

137.16 (j) "Girls of color" means females under age 18 who are American Indian, Asian,  
137.17 Black, or Hispanic.

137.18 Subd. 2. **Grant program.** The commissioner shall establish the women and  
137.19 high-wage, high-demand, nontraditional jobs grant program to increase the number of  
137.20 women in high-wage, high-demand, nontraditional occupations. The commissioner shall  
137.21 make grants to eligible organizations for programs that encourage and assist women to enter  
137.22 high-wage, high-demand, nontraditional occupations including but not limited to those in  
137.23 the skilled trades, ~~science, technology, engineering, and math~~ (STEM) STEM occupations.  
137.24 The commissioner must give priority to programs that encourage and assist women of color  
137.25 to enter high-wage, high-demand, nontraditional occupations and STEM occupations.

137.26 Subd. 3. **Use of funds.** (a) Grant funds awarded under this section may be used for:

137.27 (1) recruitment, preparation, placement, and retention of women, including women  
137.28 of color, low-income women and women over 50 years old, in registered apprenticeships,  
137.29 postsecondary education programs, on-the-job training, and permanent employment in  
137.30 high-wage, high-demand, nontraditional occupations;

137.31 (2) secondary or postsecondary education or other training to prepare women  
137.32 to succeed in high-wage, high-demand, nontraditional occupations. Activities under  
137.33 this clause may be conducted by the grantee or in collaboration with another institution,  
137.34 including but not limited to a public or private secondary or postsecondary school;

137.35 (3) innovative, hands-on, best practices that stimulate interest in high-wage,  
137.36 high-demand, nontraditional occupations among girls, increase awareness among  
138.1 girls about opportunities in high-wage, high-demand, nontraditional occupations, or  
138.2 increase access to secondary programming leading to jobs in high-wage, high-demand,  
138.3 nontraditional occupations. Best practices include but are not limited to mentoring,  
138.4 internships, or apprenticeships for girls in high-wage, high-demand, nontraditional  
138.5 occupations;

138.6 (4) training and other staff development for job seeker counselors and Minnesota  
138.7 family investment program (MFIP) caseworkers on opportunities in high-wage,  
138.8 high-demand, nontraditional occupations;

138.9 (5) incentives for employers and sponsors of registered apprenticeship programs  
138.10 to retain women in high-wage, high-demand, nontraditional occupations for more than  
138.11 one year;

138.12 (6) training and technical assistance for employers to create a safe and healthy  
138.13 workplace environment designed to retain and advance women, including best practices  
138.14 for addressing sexual harassment, and to overcome gender inequity among employers  
138.15 and registered apprenticeship programs;

138.16 (7) public education and outreach activities to overcome stereotypes about women  
138.17 in high-wage, high-demand, nontraditional occupations, including the development of  
138.18 educational and marketing materials; ~~and~~

138.19 (8) services to support for women in high-wage, high-demand, nontraditional  
138.20 occupations including but not limited to assistance with balancing work responsibilities;  
138.21 skills training and education; family caregiving; financial assistance for child care,  
138.22 transportation, and safe and stable housing; workplace issues resolution; and access to  
138.23 advocacy assistance and services; and

138.24 (9) recruitment, participation, and support of girls of color in approved training  
138.25 programs or a valid apprenticeship program subject to section 181A.07, subdivision 7.

138.26 (b) Grant applications must include detailed information about how the applicant  
138.27 plans to:

138.28 (1) increase women's participation in high-wage, high-demand occupations in which  
138.29 women are currently underrepresented in the workforce;

138.30 (2) comply with the requirements under subdivision 3; ~~and~~

138.31 (3) use grant funds in conjunction with funding from other public or private  
138.32 sources; and

138.33 (4) collaborate with existing, successful programs for training, education,  
138.34 recruitment, preparation, placement, and retention of women of color in high-wage,  
138.35 high-demand, nontraditional occupations and STEM occupations.

139.1 (c) In awarding grants under this subdivision, the commissioner shall give priority  
139.2 to eligible organizations:

139.3 (1) with demonstrated success in recruiting and preparing women, especially  
139.4 low-income women, women of color, and women over 50 years old, for high-wage,  
139.5 high-demand, nontraditional occupations; and

139.6 (2) that leverage additional public and private resources.

139.7 (d) At least 50 percent of total grant funds must be awarded to programs providing  
139.8 services and activities targeted to low-income women and women of color.

139.9 (e) The commissioner of employment and economic development in conjunction  
139.10 with the commissioner of labor and industry shall monitor the use of funds under this  
139.11 section, collect and compile information on the activities of other state agencies and public  
139.12 or private entities that have purposes similar to those under this section, and identify other  
139.13 public and private funding available for these purposes.

139.14 (f) By January 15, 2019, and each January 15 thereafter, the commissioner must  
139.15 submit a report to the chairs and ranking minority members of the committees of the  
139.16 house of representatives and the senate having jurisdiction over workforce development  
139.17 that details the use of grant funds. If data is available, the report must contain data that is  
139.18 disaggregated by race, cultural groups, family income, age, geographical location, migrant  
139.19 or foreign immigrant status, primary language, whether the participant is an English  
139.20 learner under Minnesota Statutes, section 124D.59, disability, and status of homelessness.

139.21 Sec. 14. Minnesota Statutes 2014, section 116M.14, subdivision 2, is amended to read:

139.22 Subd. 2. **Board.** "Board" means the Urban Minnesota Initiative Board.

139.23 Sec. 15. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
139.24 subdivision to read:

139.25 Subd. 3a. **Department.** "Department" means the Department of Employment and  
139.26 Economic Development.

139.27 Sec. 16. Minnesota Statutes 2014, section 116M.14, subdivision 4, is amended to read:

139.28 Subd. 4. **Low-income area.** "Low-income area" means:

139.29 (1) Minneapolis, St. Paul;

139.30 (2) those cities in the metropolitan area as defined in section 473.121, subdivision  
139.31 2, that have an average income that is below 80 percent of the median income for a  
139.32 four-person family as of the latest report by the United States Census Bureau; and

140.1 ~~(3)~~ (2) those cities in the metropolitan area, which contain two or more contiguous  
 140.2 census tracts in which the average family income is less than 80 percent of the median  
 140.3 family income for the Twin Cities metropolitan area as of the latest report by the United  
 140.4 States Census Bureau.

140.5 Sec. 17. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
 140.6 subdivision to read:

140.7 Subd. 4a. **Low-income person.** "Low-income person" means a person who has an  
 140.8 annual income, adjusted for family size, of not more than 80 percent of the area median  
 140.9 family income for the Twin Cities metropolitan area as of the latest report by the United  
 140.10 States Census Bureau.

140.11 Sec. 18. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
 140.12 subdivision to read:

140.13 Subd. 4b. **Metropolitan area.** "Metropolitan area" has the meaning given in section  
 140.14 473.121, subdivision 2.

140.15 Sec. 19. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
 140.16 subdivision to read:

140.17 Subd. 6. **Minority person.** "Minority person" means a person belonging to a racial  
 140.18 or ethnic minority as defined in Code of Federal Regulations, title 49, section 23.5.

140.19 Sec. 20. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
 140.20 subdivision to read:

140.21 Subd. 7. **Program.** "Program" means the Minnesota Initiative program created  
 140.22 by this chapter.

140.23 Sec. 21. Minnesota Statutes 2014, section 116M.15, subdivision 1, is amended to read:

140.24 Subdivision 1. ~~Creation; membership~~ **Membership.** The Urban Minnesota  
 140.25 Initiative Board is created and consists of the commissioner of employment and economic  
 140.26 development, the chair of the Metropolitan Council, the commissioner of human rights,  
 140.27 and eight 12 members from the general public appointed by the governor. Six Nine of the  
 140.28 public members must be representatives from minority business enterprises. No more than  
 140.29 four six of the public members may be of one gender. Appointments must ensure balanced  
 140.30 geographic representation. At least half of the public members must have experience  
 141.1 working to address racial income disparities. All public members must be experienced in  
 141.2 business or economic development.

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75.17 Sec. 8. Minnesota Statutes 2014, section 116M.15, subdivision 1, is amended to read:

75.18 Subdivision 1. **Creation; membership.** The Urban Initiative Board is created and  
 75.19 consists of the commissioner of employment and economic development, the commissioner  
 75.20 of human rights, the chair of the Metropolitan Council, and eight members from the general  
 75.21 public appointed by the governor. Six of the public members must be representatives from  
 75.22 minority business enterprises. No more than four of the public members may be of one  
 75.23 gender. All public members must be experienced in business or economic development.

**THIS HOUSE LANGUAGE IS DUPLICATED IN THE SIDE BY SIDE  
COMPARISON FOR UEH2749-1, ARTICLE 2**

141.3 Sec. 22. Minnesota Statutes 2014, section 116M.17, subdivision 2, is amended to read:

141.4 Subd. 2. **Technical assistance.** The board through the department, shall provide  
141.5 technical assistance and ~~development information services to state agencies, regional~~  
141.6 ~~agencies, special districts, local governments, and the public, with special emphasis on~~  
141.7 ~~minority communities~~ informational outreach about the program to lenders, nonprofit  
141.8 corporations, and low-income and minority communities throughout the state that support  
141.9 the development of business enterprises and entrepreneurs.

141.10 Sec. 23. Minnesota Statutes 2014, section 116M.17, subdivision 4, is amended to read:

141.11 Subd. 4. **Reports.** The board shall submit an annual report to the legislature of an  
141.12 accounting of loans made under section 116M.18, including information on loans to  
141.13 ~~minority business enterprises made, the number of jobs created by the program, the impact~~  
141.14 on low-income areas, and recommendations concerning minority business development  
141.15 and jobs for persons in low-income areas.

141.16 Sec. 24. Minnesota Statutes 2014, section 116M.18, is amended to read:

141.17 ~~116M.18 URBAN CHALLENGE GRANTS MINNESOTA INITIATIVE~~  
141.18 **PROGRAM.**

141.19 Subdivision 1. **Establishment.** The Minnesota Initiative program is established to  
141.20 award grants to nonprofit corporations to fund loans to businesses owned by minority or  
141.21 low-income persons or women.

141.22 Subd. 1a. **Statewide loans.** To the extent there is sufficient eligible demand,  
141.23 loans shall be made so that an approximately equal dollar amount of loans are made to  
141.24 businesses in the metropolitan area as in the nonmetropolitan area. If funds remain after  
141.25 the ninth month of the fiscal year, those funds shall revert to the general loan pool and may  
141.26 be lent in any part of the state.

141.27 ~~Subdivision 1~~ Subd. 1b. **Eligibility rules Grants.** The board shall make urban  
141.28 ~~challenge grants for use in low-income areas to nonprofit corporations to fund loans to~~  
141.29 ~~businesses owned by minority or low-income persons or women, to encourage private~~  
141.30 ~~investment, to provide jobs for minority and low-income persons and others in low-income~~  
141.31 ~~areas, to create and strengthen minority business enterprises, and to promote economic~~  
141.32 ~~development in a low-income area. The board shall adopt rules to establish criteria for~~  
141.33 ~~determining loan eligibility.~~

142.1 Subd. 2. **Challenge Grant eligibility; nonprofit corporation.** (a) The board  
142.2 may enter into agreements with nonprofit corporations to fund ~~and guarantee~~ loans the  
142.3 nonprofit corporation makes ~~in low-income areas under subdivision 4. A corporation must~~  
142.4 ~~demonstrate that to businesses owned by minority or low-income persons or women. The~~  
142.5 board shall evaluate applications from nonprofit corporations. In evaluating applications,  
142.6 ~~the board must consider, among other things, whether the nonprofit corporation:~~

142.7 (1) ~~its has a board of directors that includes citizens experienced in business~~  
142.8 ~~and community development, minority business enterprises, addressing racial income~~  
142.9 ~~disparities, and creating jobs in low-income areas for low-income and minority persons;~~

142.10 (2) ~~it has the technical skills to analyze projects;~~

142.11 (3) ~~it is familiar with other available public and private funding sources and~~  
142.12 ~~economic development programs;~~

142.13 (4) ~~it can initiate and implement economic development projects;~~

142.14 (5) ~~it can establish and administer a revolving loan account or has operated a~~  
142.15 ~~revolving loan account; and~~

142.16 (6) ~~it can work with job referral networks which assist minority and other persons in~~  
142.17 ~~low-income areas low-income persons; and~~

142.18 (7) ~~has established relationships with minority communities.~~

142.19 (b) The department shall review existing agreements with nonprofit corporations  
142.20 every five years and may renew or terminate the agreement based on the review. In making  
142.21 its review, the department shall consider, among other criteria, the criteria in paragraph (a).

142.22 Subd. 3. **Revolving loan fund.** (a) The board shall establish a revolving loan fund to  
142.23 make grants to nonprofit corporations for the purpose of making loans ~~and loan guarantees~~  
142.24 ~~to new and expanding businesses in a low-income area to promote~~ owned by minority  
142.25 or low-income persons or women and to support minority business enterprises and job  
142.26 creation for minority and other persons in low-income areas low-income persons.

142.27 (b) Nonprofit corporations that receive grants from the department under the  
142.28 program must establish a commissioner-certified revolving loan fund for the purpose  
142.29 of making eligible loans.

142.30 (c) Eligible business enterprises include, but are not limited to, technologically  
142.31 innovative industries, value-added manufacturing, and information industries. Loan  
142.32 applications given preliminary approval by the nonprofit corporation must be forwarded to  
142.33 the board for approval. The commissioner must give final approval for each loan or loan  
142.34 guarantee made by the nonprofit corporation. The amount of the state funds contributed to  
142.35 any loan or loan guarantee may not exceed 50 percent of each loan.



- 143.1 Subd. 4. **Business loan criteria.** (a) The criteria in this subdivision apply to loans  
143.2 made ~~or guaranteed~~ by nonprofit corporations under the ~~urban challenge grant~~ program.
- 143.3 (b) Loans ~~or guarantees~~ must be made to businesses that are not likely to undertake  
143.4 a project for which loans are sought without assistance from the ~~urban challenge grant~~  
143.5 program.
- 143.6 (c) A loan ~~or guarantee~~ must be used for a project designed to benefit persons in  
143.7 ~~low-income areas through the creation of job or business opportunities for them to support~~  
143.8 a business owned by a minority or a low-income person or woman. Priority must be  
143.9 given for loans to the lowest income areas.
- 143.10 (d) The minimum state contribution to a loan ~~or guarantee~~ is \$5,000 and the  
143.11 maximum is \$150,000.
- 143.12 (e) The state contribution must be matched by at least an equal amount of new  
143.13 private investment.
- 143.14 (f) A loan may not be used for a retail development project.
- 143.15 (g) The business must agree to work with job referral networks that focus on  
143.16 minority and low-income applicants ~~from low-income areas.~~
- 143.17 Subd. 4a. **Microenterprise loan.** ~~Urban challenge Program~~ grants may be  
143.18 used to make microenterprise loans to small, beginning businesses, including a sole  
143.19 proprietorship. Microenterprise loans are subject to this section except that:
- 143.20 (1) they may also be made to qualified retail businesses;
- 143.21 (2) they may be made for a minimum of ~~\$1,000~~ \$5,000 and a maximum of ~~\$25,000~~  
143.22 \$35,000; and
- 143.23 (3) in a low-income area, they may be made for a minimum of \$5,000 and a  
143.24 maximum of \$50,000; and
- 143.25 ~~(3)~~ (4) they do not require a match.
- 143.26 Subd. 5. **Revolving fund administration; rules.** (a) The board shall establish a  
143.27 minimum interest rate for loans or guarantees to ensure that necessary loan administration  
143.28 costs are covered.
- 143.29 (b) Loan repayment ~~amounts equal to one-half of the principal and interest must be~~  
143.30 ~~deposited in a revolving fund created by the board for challenge grants. The remaining~~  
143.31 ~~amount of the loan repayment may be paid to the department for deposit in the revolving~~  
143.32 loan fund. Loan interest payments must be deposited in a revolving loan fund created  
143.33 by the nonprofit corporation originating the loan being repaid for further distribution,  
143.34 consistent with the loan criteria specified in subdivision 4 of this section.

143.35 (c) Administrative expenses of the ~~board and~~ nonprofit corporations with whom  
143.36 the board enters into agreements ~~under subdivision 2~~, including expenses incurred by  
144.1 a nonprofit corporation in providing financial, technical, managerial, and marketing  
144.2 assistance to a business enterprise receiving a loan under subdivision 4, may be paid out of  
144.3 the interest earned on loans and out of interest earned on money invested by the state Board  
144.4 of Investment under section 116M.16, subdivision 2, as may be provided by the board.

144.5 Subd. ~~6~~. **Rules.** ~~The board shall adopt rules to implement this section.~~

144.6 Subd. 6a. **Nonprofit corporation loans.** The board may make loans to a nonprofit  
144.7 corporation with which it has entered into an agreement under subdivision ~~4~~ 2. ~~These~~  
144.8 ~~loans must be used to support a new or expanding business.~~ This support may include  
144.9 such forms of financing as the sale of goods to the business on installment or deferred  
144.10 payments, lease purchase agreements, or royalty investments in the business. The interest  
144.11 rate charged by a nonprofit corporation for a loan under this subdivision must not exceed  
144.12 the Wall Street Journal prime rate plus four percent. For a loan under this subdivision, the  
144.13 nonprofit corporation may charge a loan origination fee equal to or less than one percent  
144.14 of the loan value. The nonprofit corporation may retain the amount of the origination fee.  
144.15 The nonprofit corporation must provide at least an equal match to the loan received by the  
144.16 board. The maximum loan available to the nonprofit corporation under this subdivision is  
144.17 \$50,000. Loans made to the nonprofit corporation under this subdivision may be made  
144.18 without interest. Repayments made by the nonprofit corporation must be deposited in the  
144.19 revolving fund created for ~~urban initiative~~ program grants.

144.20 Subd. 7. **Cooperation.** A nonprofit corporation that receives an ~~urban challenge~~ a  
144.21 program grant shall cooperate with other organizations, including but not limited to,  
144.22 community development corporations, community action agencies, and the Minnesota  
144.23 small business development centers.

144.24 Subd. 8. **Reporting requirements.** A nonprofit corporation that receives a  
144.25 ~~challenge program~~ grant shall:

144.26 (1) submit an annual report to the board by ~~September~~ March 30 of each year that  
144.27 includes a description of ~~projects~~ businesses supported by the ~~urban challenge~~ grant  
144.28 program, an account of loans made during the calendar year, the program's impact on  
144.29 minority business enterprises and job creation for minority persons and low-income  
144.30 persons ~~in low-income areas~~, the source and amount of money collected and distributed by  
144.31 the ~~urban challenge grant~~ program, the program's assets and liabilities, and an explanation  
144.32 of administrative expenses; and

144.33 (2) provide for an independent annual audit to be performed in accordance with  
144.34 generally accepted accounting practices and auditing standards and submit a copy of each  
144.35 annual audit report to the board.

145.1 Sec. 25. Minnesota Statutes 2014, section 124D.55, is amended to read:

145.2 **124D.55 GENERAL EDUCATION DEVELOPMENT (GED) TEST FEES.**

145.3 The commissioner shall pay 60 percent of the fee that is charged to an eligible  
145.4 individual for the full battery of a general education development (GED) test, but not  
145.5 more than \$40 for an eligible individual.

145.6 For fiscal year 2017 only, the commissioner shall pay 100 percent of the fee that is  
145.7 charged to an eligible individual for the full battery of a general education development  
145.8 (GED) test, but not more than the cost of one full battery per year for any individual.

145.9 Sec. 26. **[136A.123] MINNESOTA'S FUTURE TEACHERS GRANT PROGRAM.**

145.10 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms  
145.11 have the meanings given.

145.12 (b) "Eligible institution" means a postsecondary institution under section 136A.101,  
145.13 subdivision 4, located in Minnesota.

145.14 (c) "High needs area" means a high needs area as defined by the Department of  
145.15 Education biannual teacher supply and demand report under section 127A.05, subdivision  
145.16 6, or other surveys conducted by the Department of Education that provide indicators for  
145.17 teacher supply and demand needs not captured by the teacher supply and demand report.

145.18 (d) "High needs school" means a school that:

145.19 (1) has been designated a low performing school under the most recently passed  
145.20 version of the federal Elementary and Secondary Education Act; or

145.21 (2) is above the state average in concentration of students qualifying for free and  
145.22 reduced-price lunch.

145.23 (e) "Qualified candidate" means a student enrolled in an eligible institution with an  
145.24 approved teacher preparation program that meets the program eligibility requirements in  
145.25 subdivision 3.

145.26 Subd. 2. **Program requirements.** (a) The commissioner of the Office of Higher  
145.27 Education shall award grants to eligible institutions to facilitate undergraduate and  
145.28 graduate students, beginning in the 2017-2018 academic year, to become licensed  
145.29 teachers. The commissioner of the Office of Higher Education shall determine the  
145.30 maximum grant amount per institution and the maximum amount of the grant available  
145.31 for administrative and support services.

145.32 (b) Grants must be awarded to programs at eligible institutions that demonstrate:

145.33 (1) a majority of the grant will be used to reduce the tuition, fees, and costs for  
145.34 qualified candidates;

146.1 (2) the ability of the program to perform outreach activities to encourage historically  
146.2 underserved students, students of color, and students interested in teaching in a high needs  
146.3 area or high needs school to participate in the program;

146.4 (3) participating students will be provided with support services to ensure persistence  
146.5 and completion in their program and successful teacher licensure;

146.6 (4) participating students will be provided with experiential opportunities to explore  
146.7 teacher and educator experiences;

146.8 (5) participating students will provide a letter of intent, demonstrating their interest  
146.9 in teaching in a high needs area or high needs school, upon completing their teacher  
146.10 preparation program and receiving their teaching license.

146.11 (c) A grantee must be provided mentoring. Mentoring must include, but is not  
146.12 limited to:

146.13 (1) communicating frequently and consistently throughout program participation;

146.14 (2) developing a personalized student success plan, which must include concrete  
146.15 steps towards program completion and job placement and identify and make contingency  
146.16 plans for potential obstacles to program completion;

146.17 (3) connecting grantees to on-campus resources and personal development  
146.18 opportunities; and

146.19 (4) financial planning.

146.20 Sec. 27. Minnesota Statutes 2014, section 256D.051, is amended to read:  
146.21 **256D.051 FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM.**

146.22 Subdivision 1. **Food stamp employment and training program.** The  
146.23 commissioner shall implement a food stamp employment and training program in order to  
146.24 meet the food stamp employment and training participation requirements of the United  
146.25 States Department of Agriculture. ~~Unless exempt under subdivision 3a, each adult~~  
146.26 ~~recipient in the unit must participate in the food stamp employment and training program~~  
146.27 ~~each month that the person is eligible for food stamps. The person's participation in~~  
146.28 ~~food stamp employment and training services must begin no later than the first day of~~  
146.29 ~~the calendar month following the determination of eligibility for food stamps. With the~~  
146.30 ~~county agency's consent, and To the extent of available resources, the person a recipient~~  
146.31 ~~may voluntarily continue volunteer to participate in food stamp employment and training~~  
146.32 ~~services for up to three additional consecutive months immediately following termination~~  
146.33 ~~of food stamp benefits in order to complete the provisions of the person's employability~~  
146.34 ~~development plan. A recipient who volunteers for employment and training services is~~  
146.35 ~~subject to work requirements in Code of Federal Regulations, title 7, section 273.7.~~

147.1 Subd. 1a. ~~Notices and sanctions.~~ (a) At the time the county agency notifies the  
147.2 household that it is eligible for food stamps, the county agency must: ~~(1) inform all~~  
147.3 ~~mandatory employment and training services participants as identified in subdivision 1~~  
147.4 ~~in the household that they must comply with all food stamp employment and training~~  
147.5 ~~program requirements each month, including the requirement to attend an initial~~  
147.6 ~~orientation to the food stamp employment and training program and that food stamp~~  
147.7 ~~eligibility will end unless the participants comply with the requirements specified in the~~  
147.8 ~~notice adults of the opportunity to volunteer for and participate in SNAP employment~~  
147.9 ~~and training activities; (2) provide plain language material that explains the benefits of~~  
147.10 ~~voluntary participation; and (3) provide the name and address of the county's designated~~  
147.11 ~~employment and training service provider.~~

147.12 (b) ~~A participant who fails without good cause to comply with food stamp~~  
147.13 ~~employment and training program requirements of this section, including attendance~~  
147.14 ~~at orientation, will lose food stamp eligibility for the following periods: The county~~  
147.15 ~~must inform all recipients who are able-bodied adults without dependents that SNAP~~  
147.16 ~~benefits are time limited to three months in a 36-month period from the first full month~~  
147.17 ~~of application unless the recipient meets the work requirements in Code of Federal~~  
147.18 ~~Regulations, title 7, section 273.7.~~

147.19 ~~(1) for the first occurrence, for one month or until the person complies with the~~  
147.20 ~~requirements not previously complied with, whichever is longer;~~

147.21 ~~(2) for the second occurrence, for three months or until the person complies with the~~  
147.22 ~~requirements not previously complied with, whichever is longer; or~~

147.23 ~~(3) for the third and any subsequent occurrence, for six months or until the person~~  
147.24 ~~complies with the requirements not previously complied with, whichever is longer.~~

147.25 ~~If the participant is not the food stamp head of household, the person shall be~~  
147.26 ~~considered an ineligible household member for food stamp purposes. If the participant is~~  
147.27 ~~the food stamp head of household, the entire household is ineligible for food stamps as~~  
147.28 ~~provided in Code of Federal Regulations, title 7, section 273.7(g). "Good cause" means~~  
147.29 ~~circumstances beyond the control of the participant, such as illness or injury, illness or~~  
147.30 ~~injury of another household member requiring the participant's presence, a household~~  
147.31 ~~emergency, or the inability to obtain child care for children between the ages of six and~~  
147.32 ~~12 or to obtain transportation needed in order for the participant to meet the food stamp~~  
147.33 ~~employment and training program participation requirements.~~

~~147.34 (e) The county agency shall mail or hand deliver a notice to the participant not later  
147.35 than five days after determining that the participant has failed without good cause to  
147.36 comply with food stamp employment and training program requirements which specifies  
148.1 the requirements that were not complied with, the factual basis for the determination of  
148.2 noncompliance, and the right to reinstate eligibility upon a showing of good cause for  
148.3 failure to meet the requirements. The notice must ask the reason for the noncompliance  
148.4 and identify the participant's appeal rights. The notice must request that the participant  
148.5 inform the county agency if the participant believes that good cause existed for the failure  
148.6 to comply and must state that the county agency intends to terminate eligibility for food  
148.7 stamp benefits due to failure to comply with food stamp employment and training program  
148.8 requirements.~~

~~148.9 (d) If the county agency determines that the participant did not comply during the  
148.10 month with all food stamp employment and training program requirements that were in  
148.11 effect, and if the county agency determines that good cause was not present, the county  
148.12 must provide a ten-day notice of termination of food stamp benefits. The amount of  
148.13 food stamps that are withheld from the household and determination of the impact of  
148.14 the sanction on other household members is governed by Code of Federal Regulations,  
148.15 title 7, section 273.7.~~

~~148.16 (e) The participant may appeal the termination of food stamp benefits under the  
148.17 provisions of section 256.045.~~

148.18 Subd. 2. **County agency duties.** (a) The county agency shall provide to food stamp  
148.19 recipients a food stamp employment and training program. The program must include:

148.20 (1) orientation to the food stamp employment and training program;

148.21 (2) an individualized employability assessment and an individualized employability  
148.22 development plan that includes assessment of literacy, ability to communicate in the  
148.23 English language, educational and employment history, and that estimates the length of  
148.24 time it will take the participant to obtain employment. The employability assessment and  
148.25 development plan must be completed in consultation with the participant, must assess the  
148.26 participant's assets, barriers, and strengths, and must identify steps necessary to overcome  
148.27 barriers to employment. A copy of the employability development plan must be provided  
148.28 to the registrant;

148.29 (3) referral to available accredited remedial or skills training or career pathway  
148.30 programs designed to address participant's barriers to employment;

148.31 (4) referral to available programs that provide subsidized or unsubsidized  
148.32 employment as necessary;

148.33 (5) a job search program, including job seeking skills training; and

148.34 (6) other activities, to the extent of available resources designed by the county  
148.35 agency to prepare the participant for permanent employment.

149.1 ~~In order to allow time for job search, the county agency may not require an individual~~  
149.2 ~~to participate in the food stamp employment and training program for more than 32 hours~~  
149.3 ~~a week. The county agency shall require an individual to spend at least eight hours a week~~  
149.4 ~~in job search or other food stamp employment and training program activities.~~

149.5 (b) The county agency shall prepare an annual plan for the operation of its food  
149.6 stamp employment and training program. The plan must be submitted to and approved by  
149.7 the commissioner of employment and economic development. The plan must include:

149.8 (1) a description of the services to be offered by the county agency;

149.9 (2) a plan to coordinate the activities of all public and private nonprofit entities  
149.10 providing employment-related services in order to avoid duplication of effort and to  
149.11 provide a wide range of allowable activities and services more efficiently;

149.12 (3) a description of the factors that will be taken into account when determining a  
149.13 client's employability development plan; and

149.14 (4) provisions to ensure that the county agency's employment and training service  
149.15 ~~provider provides~~ providers provide each recipient with an orientation, employability  
149.16 assessment, and employability development plan as specified in paragraph (a), clauses (1)  
149.17 and (2), within 30 days of the recipient's eligibility for assistance request to participate in  
149.18 employment and training.

149.19 Subd. 2a. **Duties of commissioner.** In addition to any other duties imposed by law,  
149.20 the commissioner shall:

149.21 (1) based on this section and section 256D.052 and Code of Federal Regulations,  
149.22 title 7, section 273.7, supervise the administration of food stamp employment and training  
149.23 services to county agencies;

149.24 (2) disburse money appropriated for food stamp employment and training services  
149.25 to county agencies based upon the county's costs as specified in section 256D.051,  
149.26 subdivision 6c;

149.27 (3) accept and supervise the disbursement of any funds that may be provided by the  
149.28 federal government or from other sources for use in this state for ~~food stamp~~ employment  
149.29 and training services;

149.30 (4) cooperate with other agencies including any agency of the United States or of  
149.31 another state in all matters concerning the powers and duties of the commissioner under  
149.32 this section and section 256D.052; and

149.33 (5) in cooperation with the commissioner of employment and economic  
149.34 development, ensure that each component of an employment and training program carried  
149.35 out under this section is delivered through a statewide workforce development system,  
149.36 unless the component is not available locally through such a system.

150.1 Subd. 3. **Participant duties.** In order to receive food stamp assistance employment  
 150.2 and training services, a registrant participant who volunteers shall: (1) cooperate with  
 150.3 the county agency in all aspects of the food stamp employment and training program;  
 150.4 and (2) accept any suitable employment, including employment offered through the Job  
 150.5 Training Partnership Act, and other employment and training options; and (3) participate  
 150.6 in food stamp employment and training activities assigned by the county agency. The  
 150.7 county agency may terminate employment and training assistance to a registrant voluntary  
 150.8 participant who fails to cooperate in the food stamp employment and training program, as  
 150.9 provided in subdivision 1a unless good cause is provided.

150.10 Subd. 3a. **Requirement to register work.** (a) To the extent required under Code  
 150.11 of Federal Regulations, title 7, section 273.7(a), each applicant for and recipient of  
 150.12 food stamps is required to register for work as a condition of eligibility for food stamp  
 150.13 benefits. Applicants and recipients are registered by signing an application or annual  
 150.14 reapplication for food stamps, and must be informed that they are registering for work  
 150.15 by signing the form.

150.16 (b) The commissioner shall determine, within federal requirements, persons required  
 150.17 to participate in the food stamp employment and training (FSET) program.

150.18 (c) The following food stamp recipients are exempt from mandatory participation in  
 150.19 food stamp employment and training services:

150.20 (1) recipients of benefits under the Minnesota family investment program, Minnesota  
 150.21 supplemental aid program, or the general assistance program;

150.22 (2) a child;

150.23 (3) a recipient over age 55;

150.24 (4) a recipient who has a mental or physical illness, injury, or incapacity which is  
 150.25 expected to continue for at least 30 days and which impairs the recipient's ability to obtain  
 150.26 or retain employment as evidenced by professional certification or the receipt of temporary  
 150.27 or permanent disability benefits issued by a private or government source;

150.28 (5) a parent or other household member responsible for the care of either a  
 150.29 dependent child in the household who is under age six or a person in the household who is  
 150.30 professionally certified as having a physical or mental illness, injury, or incapacity. Only  
 150.31 one parent or other household member may claim exemption under this provision;

150.32 (6) a recipient receiving unemployment insurance or who has applied for  
 150.33 unemployment insurance and has been required to register for work with the Department  
 150.34 of Employment and Economic Development as part of the unemployment insurance  
 150.35 application process;



151.1 ~~(7) a recipient participating each week in a drug addiction or alcohol abuse treatment~~  
 151.2 ~~and rehabilitation program, provided the operators of the treatment and rehabilitation~~  
 151.3 ~~program, in consultation with the county agency, recommend that the recipient not~~  
 151.4 ~~participate in the food stamp employment and training program;~~

151.5 ~~(8) a recipient employed or self-employed for 30 or more hours per week at~~  
 151.6 ~~employment paying at least minimum wage, or who earns wages from employment equal~~  
 151.7 ~~to or exceeding 30 hours multiplied by the federal minimum wage; or~~

151.8 ~~(9) a student enrolled at least half time in any school, training program, or institution~~  
 151.9 ~~of higher education. When determining if a student meets this criteria, the school's,~~  
 151.10 ~~program's or institution's criteria for being enrolled half time shall be used.~~

151.11 Subd. 3b. **Orientation.** The county agency or its employment and training service  
 151.12 ~~provider~~ providers must provide an orientation to food stamp employment and training  
 151.13 services to each nonexempt food stamp recipient within 30 days of the date that food  
 151.14 stamp eligibility is determined recipient within 30 days of the date that they agree to  
 151.15 volunteer. The orientation must inform the participant of the requirement to participate  
 151.16 benefits of participating in services, the date, time, and address to report to for services,  
 151.17 the name and telephone number of the food stamp employment and training service  
 151.18 provider, the consequences for failure without good cause to comply, the services and  
 151.19 support services available through food stamp employment and training services and other  
 151.20 providers of similar services, and must encourage the participant to view the food stamp  
 151.21 program as a temporary means of supplementing the family's food needs until the family  
 151.22 achieves self-sufficiency through employment. The orientation may be provided through  
 151.23 audio-visual methods, but the participant must have the opportunity for face-to-face  
 151.24 interaction with county agency staff.

**H3467-3**

82.19 Sec. 6. Minnesota Statutes 2014, section 256D.051, subdivision 6b, is amended to read:

151.25 Subd. 6b. **Federal reimbursement.** Federal financial participation from the United  
 151.26 States Department of Agriculture for food stamp employment and training expenditures  
 151.27 that are eligible for reimbursement through the food stamp employment and training  
 151.28 program are dedicated funds and are annually appropriated to the commissioner of human  
 151.29 services for the operation of the food stamp employment and training program. Funds  
 151.30 appropriated under this subdivision must be used for skill attainment through employment,  
 151.31 training, and support services for food stamp participants. Up to ten percent of the funds  
 151.32 may be used for the administrative costs of capturing additional federal reimbursement  
 151.33 dollars. By February 15, 2017, the commissioner shall report to the legislative committees  
 151.34 having jurisdiction over the food stamp program on the progress of securing additional  
 151.35 federal reimbursements dollars. Federal financial participation for the nonstate portion of  
 151.36 food stamp employment and training costs must be paid to the county agency or services  
 152.1 provider that incurred the costs at a rate to be determined by the Departments of Human  
 152.2 Services and Employment and Economic Development.

82.20 Subd. 6b. **Federal reimbursement.** (a) Federal financial participation from  
 82.21 the United States Department of Agriculture for food stamp employment and training  
 82.22 expenditures that are eligible for reimbursement through the food stamp employment and  
 82.23 training program are dedicated funds and are annually appropriated to the commissioner  
 82.24 of human services for the operation of the food stamp employment and training program.

82.25 (b) The appropriation must be used for skill attainment through employment,  
 82.26 training, and support services for food stamp participants. By February 15, 2017, the  
 82.27 commissioner shall report to the chairs and ranking minority members of the legislative  
 82.28 committees having jurisdiction over the food stamp program on the progress of securing  
 82.29 additional federal reimbursement dollars under this program.

82.30 (c) Federal financial participation for the nonstate portion of food stamp employment  
 82.31 and training costs must be paid to the county agency or service provider that incurred  
 82.32 the costs.

**THIS HOUSE LANGUAGE IS DUPLICATED IN THE SIDE BY SIDE  
 COMPARISON FOR UEH2749-1, ARTICLE 21.**

152.3 Subd. 6c. **Program funding.** Within the limits of available resources, the  
 152.4 commissioner shall reimburse the actual costs of county agencies and their employment  
 152.5 and training service providers for the provision of food stamp employment and training  
 152.6 services, including participant support services, direct program services, and program  
 152.7 administrative activities. The cost of services for each county's food stamp employment and  
 152.8 training program shall not exceed the annual allocated amount. No more than 15 percent of  
 152.9 program funds may be used for administrative activities. The county agency may expend  
 152.10 county funds in excess of the limits of this subdivision without state reimbursement.

152.11 Program funds shall be allocated based on the county's average number of food  
 152.12 stamp cases as compared to the statewide total number of such cases. The average number  
 152.13 of cases shall be based on counts of cases as of March 31, June 30, September 30, and  
 152.14 December 31 of the previous calendar year. The commissioner may reallocate unexpended  
 152.15 money appropriated under this section to those county agencies that demonstrate a need  
 152.16 for additional funds.

152.17 Subd. 7. **Registrant status.** A registrant under this section is not an employee for  
 152.18 the purposes of workers' compensation, unemployment benefits, retirement, or civil service  
 152.19 laws, and shall not perform work ordinarily performed by a regular public employee.

152.20 Subd. 8. **Voluntary quit.** A person who is required to participate in food stamp  
 152.21 employment and training services is not eligible for food stamps if, without good cause,  
 152.22 the person refuses a legitimate offer of, or quits, suitable employment within 60 days  
 152.23 before the date of application. A person who is required to participate in food stamp  
 152.24 employment and training services and, without good cause, voluntarily quits suitable  
 152.25 employment or refuses a legitimate offer of suitable employment while receiving food  
 152.26 stamps shall be terminated from the food stamp program as specified in subdivision 1a.

152.27 Subd. 9. **Subcontractors.** A county agency may, at its option, subcontract any or all  
 152.28 of the duties under this section to a public or private entity approved by the commissioner  
 152.29 of employment and economic development.

152.30 Subd. 18. **Work experience Workfare placements.** (a) To the extent of available  
 152.31 resources, each county agency must establish and operate a ~~work experience~~ workfare  
 152.32 component in the food stamp employment and training program for recipients who are  
 152.33 subject to a federal limit of three months of food stamp eligibility in any 36-month period.  
 152.34 The purpose of the ~~work experience~~ workfare component is to enhance the participant's  
 152.35 employability, self-sufficiency, and to provide meaningful, productive work activities.

153.1 (b) The commissioner shall assist counties in the design and implementation of these  
 153.2 components. The commissioner must ensure that job placements under a ~~work experience~~  
 153.3 workfare component comply with section 256J.72. Written or oral concurrence with job  
 153.4 duties of persons placed under the ~~community work experience~~ workfare program shall be  
 153.5 obtained from the appropriate exclusive bargaining representative.

153.6 (c) Worksites developed under this section are limited to projects that serve a useful  
 153.7 public service such as health, social service, environmental protection, education, urban  
 153.8 and rural development and redevelopment, welfare, recreation, public facilities, public  
 153.9 safety, community service, services to aged or disabled citizens, and child care. To the  
 153.10 extent possible, the prior training, skills, and experience of a recipient must be used in  
 153.11 making appropriate ~~work experience~~ workfare assignments.

153.12 (d) Structured, supervised ~~volunteer~~ uncompensated work with an agency or  
 153.13 organization that is monitored by the county service provider may, with the approval of  
 153.14 the county agency, be used as a ~~work experience~~ workfare placement.

153.15 (e) As a condition of placing a person receiving food stamps in a program under this  
 153.16 subdivision, the county agency shall first provide the recipient the opportunity:

153.17 (1) for placement in suitable subsidized or unsubsidized employment through  
 153.18 participation in job search under section 256D.051; ~~or~~

153.19 (2) for placement in suitable employment through participation in ~~on-the-job training~~  
 153.20 a paid work experience, if such employment is available; ~~or~~

153.21 (3) for placement in an educational program designed to increase job skills and  
 153.22 employability.

153.23 (f) The county agency shall limit the maximum monthly number of hours that any  
 153.24 participant may work in a ~~work-experience~~ workfare placement to a number equal to the  
 153.25 amount of the family's monthly food stamp allotment divided by the greater of the federal  
 153.26 minimum wage or the applicable state minimum wage.

153.27 After a participant has been assigned to a position for ~~nine~~ six months, the participant  
 153.28 may not continue in that assignment unless the maximum number of hours a participant  
 153.29 works is no greater than the amount of the food stamp benefit divided by the rate of pay  
 153.30 for individuals employed in the same or similar occupations by the same employer at  
 153.31 the same site.

153.32 (g) The participant's employability development plan must include the length  
 153.33 of time needed in the ~~work-experience~~ workfare program, the need to continue job  
 153.34 seeking activities while participating in ~~work-experience~~ the workfare program, and the  
 153.35 participant's employment goals.

154.1 (h) After each six months of a recipient's participation in a ~~work-experience job~~  
 154.2 workfare placement, and at the conclusion of each ~~work-experience~~ workfare assignment  
 154.3 under this section, the county agency shall reassess and revise, as appropriate, the  
 154.4 participant's employability development plan.

154.5 (i) A participant has good cause for failure to cooperate with a ~~work-experience job~~  
 154.6 workfare placement if, in the judgment of the employment and training service provider,  
 154.7 the reason for failure is reasonable and justified. ~~Good cause for purposes of this section is~~  
 154.8 ~~defined in subdivision 1a, paragraph (b).~~

154.9 (j) A recipient who has failed without good cause to participate in or comply with the  
 154.10 ~~work-experience job~~ workfare placement shall be terminated from participation in ~~work~~  
 154.11 ~~experience job~~ workfare activities. ~~If the recipient is not exempt from mandatory food~~  
 154.12 ~~stamp employment and training program participation under subdivision 3a, the recipient~~  
 154.13 ~~will be assigned to other mandatory program activities. If the recipient is exempt from~~  
 154.14 ~~mandatory participation but is participating as a volunteer, the person shall be terminated~~  
 154.15 ~~from the food stamp employment and training program.~~

154.16 Sec. 28. Laws 2013, chapter 108, article 14, section 2, subdivision 1, as amended by  
 154.17 Laws 2014, chapter 312, article 31, section 3, is amended to read:

154.18 Subdivision 1. **Total Appropriation**                    \$    **6,437,815,000**    \$    **6,456,311,000**

154.19 Appropriations by Fund		
154.20	2014	2015
154.21General	5,654,095,000	5,676,652,000
154.22State Government		
154.23Special Revenue	4,099,000	4,510,000
154.24Health Care Access	519,816,000	518,446,000
154.25Federal TANF	257,915,000	254,813,000
154.26Lottery Prize Fund	1,890,000	1,890,000

154.27 **Receipts for Systems Projects.**

154.28 Appropriations and federal receipts for  
 154.29 information systems projects for MAXIS,  
 154.30 PRISM, MMIS, and SSIS must be deposited  
 154.31 in the state system account authorized  
 154.32 in Minnesota Statutes, section 256.014.  
 154.33 Money appropriated for computer projects  
 154.34 approved by the commissioner of Minnesota  
 154.35 information technology services, funded  
 154.36 by the legislature, and approved by the  
 155.1 commissioner of management and budget,  
 155.2 may be transferred from one project to  
 155.3 another and from development to operations  
 155.4 as the commissioner of human services  
 155.5 considers necessary. Any unexpended  
 155.6 balance in the appropriation for these  
 155.7 projects does not cancel but is available for

155.8 ongoing development and operations.

155.9 **Nonfederal Share Transfers.** The  
155.10 nonfederal share of activities for which  
155.11 federal administrative reimbursement is  
155.12 appropriated to the commissioner may be  
155.13 transferred to the special revenue fund.

155.14 **ARRA Supplemental Nutrition Assistance**  
155.15 **Benefit Increases.** The funds provided for  
155.16 food support benefit increases under the  
155.17 Supplemental Nutrition Assistance Program  
155.18 provisions of the American Recovery and  
155.19 Reinvestment Act (ARRA) of 2009 must be  
155.20 used for benefit increases beginning July 1,  
155.21 2009.

155.22 **Supplemental Nutrition Assistance**  
155.23 **Program Employment and Training.**  
155.24 (1) Notwithstanding Minnesota Statutes,  
155.25 sections 256D.051, subdivisions 1a, 6b,  
155.26 and 6c, and 256J.626, federal Supplemental  
155.27 Nutrition Assistance employment and  
155.28 training funds received as reimbursement of  
155.29 MFIP consolidated fund grant expenditures  
155.30 for diversionary work program participants  
155.31 and child care assistance program  
155.32 expenditures must be deposited in the general  
155.33 fund. The amount of funds must be limited to  
155.34 \$4,900,000 per year in fiscal years 2014 and  
155.35 2015, and to \$4,400,000 ~~per year~~ in fiscal  
156.1 ~~years~~ year 2016 ~~and 2017~~, contingent on  
156.2 approval by the federal Food and Nutrition  
156.3 Service.

156.4 (2) Notwithstanding Minnesota Statutes,  
156.5 sections 256D.051, subdivisions 1a, 6b, and  
156.6 6c, and 256J.626, in fiscal year 2017, up to  
156.7 \$4,400,000 in federal Supplemental Nutrition  
156.8 Assistance employment and training  
156.9 funds received as reimbursement of MFIP  
156.10 consolidated fund grant expenditures for  
156.11 diversionary work program participants and  
156.12 child care assistance program expenditures  
156.13 is appropriated to the commissioner of  
156.14 human services to expand the Supplemental  
156.15 Nutrition Assistance Program Employment  
156.16 and Training Program, including  
156.17 administrative costs, contingent on approval  
156.18 by the federal Food and Nutrition Service.

156.19 ~~(2)~~ (3) Consistent with the receipt of the  
156.20 federal funds, the commissioner may  
156.21 adjust the level of working family credit  
156.22 expenditures claimed as TANF maintenance  
156.23 of effort. Notwithstanding any contrary  
156.24 provision in this article, this rider expires  
156.25 June 30, 2017.

156.26 **TANF Maintenance of Effort.** (a) In order  
156.27 to meet the basic maintenance of effort  
156.28 (MOE) requirements of the TANF block grant  
156.29 specified under Code of Federal Regulations,  
156.30 title 45, section 263.1, the commissioner may  
156.31 only report nonfederal money expended for  
156.32 allowable activities listed in the following  
156.33 clauses as TANF/MOE expenditures:

157.1 (1) MFIP cash, diversionary work program,  
157.2 and food assistance benefits under Minnesota  
157.3 Statutes, chapter 256J;

157.4 (2) the child care assistance programs  
157.5 under Minnesota Statutes, sections 119B.03  
157.6 and 119B.05, and county child care  
157.7 administrative costs under Minnesota  
157.8 Statutes, section 119B.15;

157.9 (3) state and county MFIP administrative  
157.10 costs under Minnesota Statutes, chapters  
157.11 256J and 256K;

157.12 (4) state, county, and tribal MFIP  
157.13 employment services under Minnesota  
157.14 Statutes, chapters 256J and 256K;

157.15 (5) expenditures made on behalf of legal  
157.16 noncitizen MFIP recipients who qualify for  
157.17 the MinnesotaCare program under Minnesota  
157.18 Statutes, chapter 256L;

157.19 (6) qualifying working family credit  
157.20 expenditures under Minnesota Statutes,  
157.21 section 290.0671;

157.22 (7) qualifying Minnesota education credit  
157.23 expenditures under Minnesota Statutes,  
157.24 section 290.0674; and

157.25 (8) qualifying Head Start expenditures under  
157.26 Minnesota Statutes, section 119A.50.

157.27 (b) The commissioner shall ensure that  
157.28 sufficient qualified nonfederal expenditures  
157.29 are made each year to meet the state's  
157.30 TANF/MOE requirements. For the activities  
157.31 listed in paragraph (a), clauses (2) to  
157.32 (8), the commissioner may only report  
157.33 expenditures that are excluded from the  
158.1 definition of assistance under Code of  
158.2 Federal Regulations, title 45, section 260.31.



158.3 (c) For fiscal years beginning with state fiscal  
158.4 year 2003, the commissioner shall ensure  
158.5 that the maintenance of effort used by the  
158.6 commissioner of management and budget  
158.7 for the February and November forecasts  
158.8 required under Minnesota Statutes, section  
158.9 16A.103, contains expenditures under  
158.10 paragraph (a), clause (1), equal to at least 16  
158.11 percent of the total required under Code of  
158.12 Federal Regulations, title 45, section 263.1.

158.13 (d) The requirement in Minnesota Statutes,  
158.14 section 256.011, subdivision 3, that federal  
158.15 grants or aids secured or obtained under that  
158.16 subdivision be used to reduce any direct  
158.17 appropriations provided by law, do not apply  
158.18 if the grants or aids are federal TANF funds.

158.19 (e) For the federal fiscal years beginning on  
158.20 or after October 1, 2007, the commissioner  
158.21 may not claim an amount of TANF/MOE in  
158.22 excess of the 75 percent standard in Code  
158.23 of Federal Regulations, title 45, section  
158.24 263.1(a)(2), except:

158.25 (1) to the extent necessary to meet the 80  
158.26 percent standard under Code of Federal  
158.27 Regulations, title 45, section 263.1(a)(1),  
158.28 if it is determined by the commissioner  
158.29 that the state will not meet the TANF work  
158.30 participation target rate for the current year;

158.31 (2) to provide any additional amounts  
158.32 under Code of Federal Regulations, title 45,  
158.33 section 264.5, that relate to replacement of  
158.34 TANF funds due to the operation of TANF  
158.35 penalties; and

159.1 (3) to provide any additional amounts that  
 159.2 may contribute to avoiding or reducing  
 159.3 TANF work participation penalties through  
 159.4 the operation of the excess MOE provisions  
 159.5 of Code of Federal Regulations, title 45,  
 159.6 section 261.43(a)(2).

159.7 (f) For the purposes of paragraph (e), clauses  
 159.8 (1) to (3), the commissioner may supplement  
 159.9 the MOE claim with working family credit  
 159.10 expenditures or other qualified expenditures  
 159.11 to the extent such expenditures are otherwise  
 159.12 available after considering the expenditures  
 159.13 allowed in this subdivision and subdivisions  
 159.14 subdivision 2 and 3.

159.15 (f) (g) Notwithstanding any contrary  
 159.16 provision in this article, paragraphs (a) to (e)  
 159.17 expire June 30, ~~2017~~ 2019.

159.18 **Working Family Credit Expenditures**  
 159.19 **as TANF/MOE.** The commissioner may  
 159.20 claim as TANF maintenance of effort up to  
 159.21 \$6,707,000 per year of working family credit  
 159.22 expenditures in each fiscal year.

159.23 Sec. 29. Laws 2015, First Special Session chapter 1, article 1, section 3, subdivision 5,  
 159.24 is amended to read:

159.25			8,519,000
159.26	Subd. 5. <b>Family Homeless Prevention</b>	8,519,000	<u>8,769,000</u>

**H3931-3**

60.8	<u>Subd. 3. <b>Family Homeless Prevention</b></u>	<u>250,000</u>
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159.27 This appropriation is for the family homeless  
 159.28 prevention and assistance programs under  
 159.29 Minnesota Statutes, section 462A.204. Of  
 159.30 this amount, \$250,000 in the second year  
 159.31 is a onetime appropriation for grants to  
 159.32 eligible applicants to create or expand risk  
 159.33 mitigation programs to reduce landlord  
 159.34 financial risks for renting to persons eligible  
 160.1 under Minnesota Statutes, section 462A.204.  
 160.2 Eligible programs may reimburse landlords  
 160.3 for costs including but not limited to  
 160.4 nonpayment of rent, or damage costs above  
 160.5 those costs covered by security deposits. The  
 160.6 agency may give higher priority to applicants  
 160.7 that can demonstrate a matching amount  
 160.8 of money by a local unit of government,  
 160.9 business, or nonprofit organization. Grantees  
 160.10 must establish a procedure to review and  
 160.11 validate claims and reimbursements under  
 160.12 this grant program.

60.9 \$250,000 in fiscal year 2017 is from the  
 60.10 general fund for grants to eligible applicants  
 60.11 to create or expand risk mitigation programs  
 60.12 to reduce landlord financial risks for renting  
 60.13 to persons eligible under Minnesota Statutes,  
 60.14 section 462A.204. Eligible programs may  
 60.15 reimburse landlords for costs including but  
 60.16 not limited to nonpayment of rent, or damage  
 60.17 costs above those costs covered by security  
 60.18 deposits. The agency may give higher  
 60.19 priority to applicants that can demonstrate  
 60.20 a matching amount of money by a local  
 60.21 unit of government, business, or nonprofit  
 60.22 organization. Grantees must establish a  
 60.23 procedure to review and validate claims and  
 60.24 reimbursements under this grant program.  
 60.25 This is a onetime appropriation.

**THIS HOUSE LANGUAGE IS DUPLICATED IN THE SIDE BY SIDE  
 COMPARISON FOR UEH2749-1, ARTICLE 2**

160.13 Sec. 30. Laws 2015, First Special Session chapter 1, article 1, section 3, subdivision 6,  
 160.14 is amended to read:

160.15		<del>885,000</del>
160.16 Subd. 6. <b>Home Ownership Assistance Fund</b>	885,000	<u>3,885,000</u>

160.17 This appropriation is for the home ownership  
 160.18 assistance program under Minnesota  
 160.19 Statutes, section 462A.21, subdivision 8.  
 160.20 The agency shall continue to strengthen  
 160.21 its efforts to address the disparity gap in  
 160.22 the homeownership rate between white  
 160.23 households and indigenous American Indians  
 160.24 and communities of color.

160.25 Sec. 31. Laws 2015, First Special Session chapter 1, article 1, section 3, subdivision  
 160.26 10, is amended to read:

160.27		375,000
160.28	Subd. 10. <b>Capacity Building Grants</b>	<u>875,000</u>

160.29 (a) This appropriation is for nonprofit  
 160.30 capacity building grants under Minnesota  
 160.31 Statutes, section 462A.21, subdivision 3b.  
 160.32 Of this amount, \$125,000 each year is  
 160.33 for support of the Homeless Management  
 160.34 Information System (HMIS).

161.1 (b) \$500,000 is a onetime appropriation  
 161.2 for competitive grants to nonprofit housing  
 161.3 organizations, housing and redevelopment  
 161.4 authorities, or other political subdivisions  
 161.5 to provide intensive financial education and  
 161.6 coaching services to individuals or families  
 161.7 who have the goal of homeownership.  
 161.8 Financial education and coaching services  
 161.9 include but are not limited to asset building,  
 161.10 development of spending plans, credit report  
 161.11 education, repair and rebuilding, consumer  
 161.12 protection training, and debt reduction.  
 161.13 Priority must be given to organizations  
 161.14 that have experience serving underserved  
 161.15 populations.

161.16 Sec. 32. Laws 2015, First Special Session chapter 3, article 11, section 3, subdivision  
 161.17 3, is amended to read:

161.18 Subd. 3. **GED tests.** For payment of 60 percent of the costs of GED tests as  
 161.19 provided under Minnesota Statutes, section 124D.55:

161.20	\$	125,000	.....	2016
161.21		<del>125,000</del>		
161.22	\$	<u>245,000</u>	.....	2017

161.23 The base appropriation for fiscal year 2018 and later is \$125,000.

161.24 Sec. 33. STEPPING UP FOR KIDS; FINANCIAL ASSISTANCE.

161.25 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms  
161.26 have the meanings given.

161.27 (b) "High needs area" means a high needs area as defined in the Department of  
161.28 Education biannual teacher supply and demand report under Minnesota Statutes, section  
161.29 127A.05, subdivision 6, or other surveys conducted by the Department of Education  
161.30 that provide indicators for teacher supply and demand needs not captured by the teacher  
161.31 supply and demand report.

161.32 (c) "High needs school" means a school that:  
161.33 (1) is identified as a low performing school under federal expectations; and  
162.1 (2) is above the state average in concentration of students qualifying for free and  
162.2 reduced-price lunch.

162.3 (d) "Qualified candidate" means a paraprofessional employed in a Minnesota school  
162.4 currently or within the past three years who has been admitted to an institution as defined  
162.5 under Minnesota Statutes, section 136A.101, subdivision 4, located in Minnesota with  
162.6 an approved Minnesota teacher licensure program and meets the program eligibility  
162.7 requirements in subdivision 3 and in policies adopted under subdivision 5.

162.8 Subd. 2. **Eligibility.** (a) A qualified candidate may apply, beginning in the  
162.9 2017-2018 academic year, to the commissioner of the Office of Higher Education to  
162.10 receive financial assistance under this section. The commissioner of the Office of Higher  
162.11 Education shall award financial assistance to paraprofessionals employed in high needs  
162.12 areas or high needs schools based on shortages, geographical distribution, or other surveys  
162.13 conducted by the Department of Education and must take into consideration diversifying  
162.14 the teacher workforce. The application must include a letter of support from the designated  
162.15 school district administrator where the paraprofessional is employed.

162.16 (b) A candidate must commit to remain employed in a Minnesota school district for  
162.17 four years upon completion of teacher preparation as verified through the Staff Automated  
162.18 Reporting (STAR) system maintained by the Department of Education. A candidate  
162.19 who does not complete the four-year service commitment may be required to repay the  
162.20 financial assistance.

162.21 (c) A candidate must provide a letter of intent, demonstrating an interest in teaching  
162.22 in a high needs area or high needs school, upon completing the teacher preparation  
162.23 program and receiving a teaching license.

162.24 Subd. 3. **Usage.** The financial assistance may only be used for tuition and related  
162.25 living and miscellaneous expenses required to complete teacher preparation and attain  
162.26 licensure.

162.27 Subd. 4. **Policymaking.** The commissioner of education with assistance from the  
162.28 commissioner of the Office of Higher Education shall adopt policies or procedures to  
162.29 implement this section, including:

162.30 (1) additional eligibility and renewal criteria;

162.31 (2) annual and lifetime maximum awards per student; and

162.32 (3) service fulfillment and repayment criteria.

162.33 Sec. 34. **GOOD FOOD ACCESS ADVISORY COMMITTEE.**

162.34 The commissioner of agriculture and designating authorities must make their initial

162.35 appointments and designations by July 1, 2016, for the Good Food Access Advisory

163.1 Committee established under Minnesota Statutes, section 17.1018. The commissioner of

163.2 agriculture or the commissioner's designee must convene the first meeting of the Good

163.3 Food Access Advisory Committee by September 1, 2016.

163.4 Sec. 35. **REQUIREMENTS FOR GRANTS TO INDIVIDUALLY SPECIFIED**

163.5 **RECIPIENTS.**

163.6 **(a) Application.** This section applies to any grant funded under this act where the

163.7 recipient of the grant is individually specified in this act. The commissioner serving as the

163.8 fiscal agent for the grant must ensure compliance with the requirements of this section, and

163.9 all applicable requirements under existing law, including applicable grants management

163.10 policies and procedures established by the Office of Grants Management.

163.11 **(b) Prerequisites.** Before any funding is provided to the grant recipient, the

163.12 recipient must provide the fiscal agent with a description of the following information in

163.13 a grant application:

163.14 (1) the purpose of the grant, including goals, priorities, and measurable outcomes;

163.15 (2) eligibility requirements for individuals who will be served by the grant program;

163.16 (3) the proposed geographic service areas for individuals served by the grant; and

163.17 (4) the reporting requirements.

163.18 These requirements are in addition to any requirements under existing laws and policies.

163.19 **(c) Financial Review.** Office of Grants Management Operating Policy and

163.20 Procedure number 08-06, titled "Policy on the Financial Review of Nongovernmental

163.21 Organizations" applies in pertinent part to all grants covered by paragraph (a).

163.22 **(d) Reporting to Fiscal Agent.** In addition to meeting any reporting requirements

163.23 included in the grant agreement, grant recipients subject to this section must provide the

163.24 following information to the commissioner serving as fiscal agent:

163.25 (1) a detailed accounting of the use of any grant proceeds;

163.26 (2) a description of program outcomes to date, including performance measured  
163.27 against indicators specified in the grant agreement, including, but not limited to, job  
163.28 creation, employment activity, wage information, business formation or expansion, and  
163.29 academic performance; and

163.30 (3) the portion of the grant, if any, spent on the recipient's operating expenses.

163.31 Grant recipients must report the information required under this paragraph to the fiscal  
163.32 agent within one year after receiving any portion of the grant, annually thereafter, and  
163.33 within 30 days following the use of all funds provided under the grant.

163.34 (e) **Reporting to Legislature.** Beginning January 15, 2017, a commissioner serving  
163.35 as a fiscal agent for a grant subject to this section must submit a report containing the  
164.1 information provided by the grant recipients to the chairs and ranking minority members  
164.2 of the legislative committees and budget divisions with jurisdiction over the agency  
164.3 serving as fiscal agent for the grant. The report submitted under this section must also  
164.4 include the commissioner's summary of the use of grant proceeds, and an analysis of  
164.5 the grant recipients' success in meeting the goals, priorities, and measurable outcomes  
164.6 specified for the grant. An updated version of this report must be submitted on January  
164.7 15 of each succeeding year until January 15 in the year following the date when all of  
164.8 the grant funds have been spent.

164.9 Sec. 36. **ETHNIC COUNCIL REVIEW.**

164.10 The commissioners of each agency appropriated money in this article may consult  
164.11 with the four ethnic councils under Minnesota Statutes, sections 3.922 and 15.0145,  
164.12 regarding implementation of the programs funded under this article. Any request for  
164.13 proposals developed by a state agency as a result of this article may be reviewed by the  
164.14 four ethnic councils prior to public submission.

164.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

164.16 Sec. 37. **REVISOR'S INSTRUCTION.**

164.17 In the next editions of Minnesota Statutes and Minnesota Rules, the Revisor of  
164.18 Statutes shall change the term "Urban Initiative Board" to "Minnesota Initiative Board,"  
164.19 "board," or similar terms as the context requires.

164.20 Sec. 38. **REPEALER.**

164.21 Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 8, is  
164.22 repealed.

164.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.