

May 12, 2022

The Honorable Eric Pratt
Chair, Omnibus Jobs, Energy and Commerce
Policy and Supplemental Appropriations
95 University Ave West
Minnesota Senate Building
St. Paul, MN 55155

The Honorable Mohamud Noor
Chair, Omnibus Jobs, Energy and Commerce
Policy and Supplemental Appropriations
379 State Office Building
St. Paul, MN 55155



*On behalf of the below
undersigned organizations*

Re: Small Business Partnership Grant Program to provide technical assistance to Minnesota small businesses

Dear Chair Pratt, Chair Noor, and Conference Committee Members,

As the Conference Committee on SF 4091/HF 4355 convenes to consider policies and programs for the omnibus jobs and economic growth finance and policy bill, we, the twenty-three undersigned organizations request that you to include a permanent based funding increase to the Small Business Partnership Grant Program (formerly the Business Development Competitive Grant Program) in your final omnibus bill. Collectively, we represent organizations across Minnesota working to support small businesses and helping to strengthen and stabilize the communities we all call home.

Importance of the Small Business Partnership Grant Program: The Department of Employment and Economic Development (DEED) does not work directly with business owners, and DEED relies heavily on our network of economic development organizations and CDFIs as partners to deploy assistance funds and work directly with small businesses.

Throughout the pandemic, the statewide network of business advisors at these organizations stepped up during the pandemic to distribute over \$200 million in federal, state, and local aid to businesses, and worked with small business owners to adjust and adapt their business models to the ever-changing environment the past two years. This program helps leverage other public and private resources, while setting small businesses up for success for years to come.

The \$7 million one-time in additional funding during the 2021 legislative session allowed for the number of grantees to go from 14 to 37. This means more small businesses have greater access to technical assistance help that is culturally friendly, located in their actual communities and have a trusted advisor they can turn to for help and advice. **We urge the conference committee to include permanent funding of \$10 million (up from \$2.85 million) per biennium** as requested by the Governor, and we thank Chair Noor for including \$7 million per biennium for this important program in his bill. Ongoing funding for the Small Business Partnership Grant Program will ensure valuable technical assistance services are around for years to come.

As you approach negotiations, we hope that you recognize the value that CDFIs and economic development organizations play in the strength and success of our state's economy. We look forward to working with the committee to secure investments to support small business technical assistance funding in the conference committee's final bill. Please reach out to Kari Johnson (kjohnson@mccdmn.org), should you need any further information.

Sincerely,

African Career Education & Resource, Inc
African Development Center
African Economic Development Solutions
Asian Economic Development Association
Entrepreneur Fund
Greater Bemidji
Initiative Foundation
Kandiyohi County & City of Wilmar EDC
Latino Economic Development Center

Lake Street Council
Lunar Inc. dba Lunar Startup
Metropolitan Consortium of Community Developers (MCCD)
MEDA
New American Development Center (NADC)
NextStage
Northland SBDC
Northside Economic Opportunity Network
Red Wing Ignite
Redesign, Inc.
Springboard for the Arts
SE MN SBDC, Hosted by RAEDI, Inc.
SW MN SBDC
WomenVenture

Enclosed: SF 4252 Small Business Partnership Handout
2021 Small Business Partnership Grantee List

Cc: Governor Tim Walz & Lt. Governor Peggy Flanagan
DEED Commissioner Steve Grove

Statewide Network of Organizations

Growing and maintaining the network of non-profit economic development organizations and CDFIs is extremely important. Without these network of organizations Minnesota would not have been able to distribute hundreds of millions in economic relief.



Business Advisor Technical Assistance

Business advisors provide technical assistance to entrepreneurs that are Black, Indigenous, People of Color, women, veterans or people with disabilities. Support for new and existing businesses includes marketing, management, finance, strategic planning, COVID-19 relief assistance and accounting.



3,500

BUSINESSES HELPED

\$40

MILLION

On average 3,500 entrepreneurs or small businesses are helped and the program leverages \$40 million in private financing a year.

Last year's one-time funding increase allowed 37 organizations to receive funding compared to 14 in previous grant cycles.

164% Increase



The Small Business Partnership Grants have been around for 10+ years with out a base funding increase.



Examples of Small Business Sectors Helped

- Bakeries & Coffee Shops
- Restaurants & Breweries
- Construction Companies
- Health & Wellness Businesses
- Professional Services
- Pet Retailers & Services
- Arts & Entertainment
- Small Manufacturing Companies

The Ask

Seeking one-time funding for current grantees = \$10 million for FY23 and then \$20 million in the base going forward.

Kari Jonson
 kjohnson@mccdmmn.org



MCCDMN.ORG

News



Find news from prior years in [DEED's digital library](https://deed.contentdm.oclc.org/digital/collection/p16105coll1).
(<https://deed.contentdm.oclc.org/digital/collection/p16105coll1>).

[View entire list](#)

DEED Announces Small Business Partnership Grant Awardees

Grants will partner with nonprofits and public entities to help entrepreneurs and small businesses who have been impacted by COVID, civil unrest and other challenges over the past two years

November 12, 2021 | [Economic Development](#)

St. Paul – Today, the Department of Employment and Economic Development is announcing recipients of the Small Business Partnership Grant Program: non-profits and public entities who will provide and facilitate business development and technical assistance to entrepreneurs and small businesses. This program was increased by \$7M to \$9.8M by the legislature and signed by Governor Walz to provide resources to businesses across Minnesota who have faced unprecedented challenges over the past two years.

The purpose of this grant is to support the start-up, growth, and success of Minnesota's entrepreneurs and small business owners through the delivery of high quality free or low-cost professional business development and technical assistance services.

The successful implementation of these grant funded projects will help facilitate an economic environment that produces job growth and supports the economic success of Minnesota individuals, businesses, and communities by providing opportunities for growth. Over half this funding is being directed towards organizations and projects that will focus almost exclusively on Black, Indigenous and People of Color (BIPOC) business owners and entrepreneurs.

"This period of disruption in our economy is fertile ground to start a new business – evidenced by the big surge in new business starts we're seeing in Minnesota," said DEED Commissioner Steve Grove. "Over the next few months, winners of these grants will be setting up and executing programs that will provide support for entrepreneurs, particularly those run by BIPOC leaders."

The recipients of the grants include:

- 4-Directions Development, Red Lake, \$120,000
- African Career, Education & Resource, Brooklyn Center, \$120,000
- African Development Center, Minneapolis, \$393,750
- African Economic Development Solutions, Saint Paul, \$198,000
- Asian Economic Development Association, Saint Paul, \$348,000
- Austin Community Charitable Fund, Austin, \$65,000
- BETA Group, Minneapolis, \$150,000
- Clues, Minneapolis, \$231,052
- Concordia College Small Business Development Center, Moorhead, \$73,114
- Entrepreneur Fund, Duluth, \$600,000
- Greater Bemidji, Bemidji, \$379,100
- Hmong American Partnerships, Saint Paul, \$300,000
- Initiative Foundation, Little Falls, \$200,000
- Kandiyohi County & City of Willmar Economic Development Commission, Willmar, \$76,000
- Lake Street Council, Minneapolis, \$200,000
- Latino Economic Development Center, Saint Paul, \$600,000
- Leech Lake Financial Services, Cass Lake \$120,000
- Lunar Inc, Saint Paul, \$120,000
- Metropolitan Consortium of Community Developers, Minneapolis, \$480,000
- Metropolitan Economic Development Association, Minneapolis, \$600,000
- Minnesota American Indian Chamber of Commerce, Roseville, \$120,000
- MNSBIR, Minneapolis, \$120,000
- New American Development Center, Minneapolis, \$350,991
- NextStage, Minneapolis, \$221,250
- North Central Small Business Development Central Lakes College, Brainerd, \$400,000
- Northland Foundation Small Business Development Center, Duluth, \$350,000
- Northside Economic Opportunity Network, Minneapolis, \$300,000
- Red Wing Ignite, Red Wing, \$352,154
- Scott County CDA-CFE, Shakopee, \$105,075
- Seward Redesign Inc, Minneapolis, \$120,000
- South Central Small Business Development Center Mankato State University, Mankato, \$296,000
- Southern Minnesota Initiative Foundation, Owatonna, \$150,000
- Southwest State University Small Business Development Center, Marshall, \$200,000
- Springboard for the Arts, Saint Paul, \$112,047
- St Cloud State University Small Business Development Center, Saint Cloud, \$120,000
- University of Minnesota Crookston Small Business Development Center, Crookston, \$237,217
- WomenVenture, Minneapolis, \$600,000

Earlier this fall, DEED opened the competitive process to receive applications. We held several webinars and outreach sessions regarding the grant opportunity. Once grant contracts are completed later this year, these organizations can begin work serving businesses.

DEED is the state's principal economic development agency, promoting business recruitment, expansion and retention, workforce development, international trade and community development. For more details about the agency and its services, visit the [DEED website](https://mn.gov/deed/), the [JoinUsMn.com](https://joinusmn.com/) website, or follow us on [Twitter](https://twitter.com/mndeed).

Permalink: <http://mn.gov/deed/newscenter/press-releases/index.jsp?id=1045-508677>

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