

Budget for One Minnesota



Community Prosperity Grants

\$2 million

These grants will provide local and regional communities the ability to engage in innovative economic development projects that will support economic growth and equitable prosperity, focusing on communities with a population of 5,000 or under.

Border-to-Border Broadband Development Grant

\$70 million

Broadband is critical infrastructure for rural areas of the state and is essential so they can grow and thrive. The Border-to-Border Broadband grant program funded in this recommendation is a competitive matching-fund program designed to act as a catalyst to spur public and private investments in broadband infrastructure in unserved and underserved areas of the state.

Minnesota Innovation Collaborative

\$9 million

The MIC will contain a series of initiatives focused on growing Minnesota's innovation economy by accelerating the growth of our startup ecosystem and attracting top technology talent to the state. Comprised of a collection of new grant programs, a physical space for education and training, and a new apprenticeship program, the MIC will create a touch-stone for the state to support and enhance our visibility and interest in the innovation ecosystem.

Angel Tax Credit

\$20 million

The Angel Tax Credit provides a tax credit to investors or investment funds that put money into early stage companies focused on high technology, a new proprietary technology, or a new proprietary product, process, or service in specified fields. The Angel Tax Credit program has resulted in over \$421 million in private investment in Minnesota startups, leveraged by the state's issuance of \$101 million in tax credits to angel investors.

Family and Medical Leave Insurance Placeholder

\$68 million

This program will provide wage replacement for family and medical leaves and will provide job protections for recipients so they are assured of continued employment with their

employer upon their return. Funding is intended for the development of an IT system for collecting premiums and paying benefits, staff and administrative resources at DEED and other state agencies, and an actuarial study to support program development.

Closing the Opportunity Gap

\$24.797 million

In recognition of Minnesota's deep and persistent disparities and the momentum that has been created around addressing those disparities, this funding will make investments in some of the direct appropriations made in the prior biennial budget to continue the work. In addition, This proposal increases funding to the Youth-at-Work competitive grant program, and adds funding for additional grantee support.

Child Care Economic Development Grants Program

\$1 million

This funding will provide grants to communities to increase the supply of quality child care in order to reduce regional child care shortages, support increased workforce participation, business expansion and retention and new business development.

Nonprofit Assistance Grant Program

\$1 million

This program is intended to support the infrastructure of small nonprofit organizations that serve historically underserved cultural communities.

Vocational Rehabilitation Services

\$8 million

This funding will allow the Vocational Rehabilitation program to provide services for individuals with the most significant disabilities to obtain or advance in competitive, integrated employment. Absent this proposal, the Vocational Rehabilitation program will be required to establish a wait list for Minnesotans with the most significant disabilities to receive services, and those individuals will be unable to access timely competitive, integrated employment opportunities.



Job Creation Fund Policy Changes

The Governor recommends a technical change to the Job Creation Fund to ensure consistency with statutory changes made during the 2017 legislative session.

Minnesota Investment Fund Policy Changes

The Governor recommends modifying the Minnesota Investment Fund (MIF) to enable existing local funds the expanded ability to use those funds for other community and economic development purposes. The Governor further recommends continuing DEED's limited authority to transfer funding from the MIF program to the Redevelopment Grant program.



**EMPLOYMENT AND
ECONOMIC DEVELOPMENT**

MN.GOV/DEED