

1.1 moves to amend H.F. No. 4355 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1
1.4 APPROPRIATIONS

1.5 Section 1. APPROPRIATIONS.

1.6 The sums shown in the columns under "Appropriations" are added to the appropriations
1.7 in Laws 2021, First Special Session chapter 10, or other law to the specified agencies. The
1.8 appropriations are from the general fund, or another named fund, and are available for the
1.9 fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article
1.10 mean that the appropriations listed under them are available for the fiscal year ending June
1.11 30, 2022, or June 30, 2023, respectively. Appropriations for the fiscal year ending June 30,
1.12 2022, are effective the day following final enactment.

1.13 APPROPRIATIONS

1.14 Available for the Year

1.15 Ending June 30

1.16 2022

2023

1.17 Sec. 2. DEPARTMENT OF EMPLOYMENT
1.18 AND ECONOMIC DEVELOPMENT

1.19 Subdivision 1. Total Appropriation \$ -0- \$ 186,500,000

1.20 Appropriations by Fund

1.21 2020

2021

1.22 General Fund -0- 161,000,000

1.23 Workforce

1.24 Development -0- 25,500,000

2.1 The amounts that may be spent for each
 2.2 purpose are specified in the following
 2.3 subdivisions.

2.4 **Subd. 2. Business and Community Development** -0- 160,000,000

2.5 (a) \$470,000 in fiscal year 2023 is for
 2.6 activities associated with the office for new
 2.7 Americans in Minnesota Statutes, section
 2.8 116J.4231. Beginning in fiscal year 2024, the
 2.9 base amount is \$500,000.

2.10 (b) \$20,000,000 in fiscal year 2023 is for the
 2.11 main street economic revitalization program
 2.12 under Minnesota Statutes, section 116J.8749.
 2.13 This is a onetime appropriation.

2.14 (c) \$45,000,000 in fiscal year 2023 is for the
 2.15 spark small business loan program under
 2.16 Minnesota Statutes, section 116J.9926. Of this
 2.17 amount, \$10,000,000 is for loans to
 2.18 community businesses as defined in Minnesota
 2.19 Statutes, section 116J.9926. Beginning in
 2.20 fiscal year 2024, the base amount is
 2.21 \$3,000,000.

2.22 (d) \$25,230,000 in fiscal year 2023 is for the
 2.23 targeted community capital project grant
 2.24 program under Minnesota Statutes, section
 2.25 116J.9924. This is a onetime appropriation.

2.26 (e) \$20,000,000 in fiscal year 2023 is for
 2.27 deposit in the emerging developer fund
 2.28 account in the special revenue fund. Of this
 2.29 amount, up to five percent is for the
 2.30 administration and monitoring of the emerging
 2.31 developer fund program under Minnesota
 2.32 Statutes, section 116J.8751. Beginning in
 2.33 fiscal year 2024, the base amount is
 2.34 \$1,000,000.

- 3.1 (f) \$7,500,000 in fiscal year 2023 is for the
3.2 Canadian border counties economic relief
3.3 program. This is a onetime appropriation.
- 3.4 (g) \$35,000,000 in fiscal year 2023 is for the
3.5 pandemic relief grant program. This is a
3.6 onetime appropriation.
- 3.7 (h) \$800,000 in fiscal year 2023 is for a grant
3.8 to Enterprise Minnesota, Inc., for the small
3.9 business growth acceleration program under
3.10 Minnesota Statutes, section 116O.115. This
3.11 is a onetime appropriation.
- 3.12 (i) \$1,000,000 in fiscal year 2023 is for Join
3.13 Us Minnesota campaign to market the state of
3.14 Minnesota to businesses and potential workers.
3.15 This appropriation is available until June 30,
3.16 2024. Of this amount, up to five percent is for
3.17 administration and monitoring of the program.
3.18 Beginning in fiscal year 2024, the base amount
3.19 is \$500,000.
- 3.20 (j) \$2,000,000 in fiscal year 2023 is for a grant
3.21 to the Center for Economic Inclusion for
3.22 strategic, data-informed investments in job
3.23 creation strategies that respond to the needs
3.24 of underserved populations statewide. This
3.25 may include pay-for-performance contracts
3.26 with nonprofit organizations to provide
3.27 outreach, training, and support services for
3.28 dislocated and chronically underemployed
3.29 people, as well as forgivable loans,
3.30 revenue-based financing, and equity
3.31 investments for entrepreneurs with barriers to
3.32 growth. Of this amount, up to ten percent may
3.33 be used for the center's technical assistance
3.34 and administrative costs. This is a onetime
3.35 appropriation.

4.1 (k)(1) \$1,000,000 in fiscal year 2023 is for a
 4.2 grant to the Coalition of Asian American
 4.3 Leaders to address employment and economic
 4.4 disparities for Asian Minnesotan communities
 4.5 in response to the COVID-19 pandemic and
 4.6 incidents of bias by conducting and
 4.7 disseminating research and by providing
 4.8 grants, outreach, and technical assistance to
 4.9 Asian Minnesotan individuals, small
 4.10 businesses, and nonprofit organizations to
 4.11 navigate state programs and grants related to
 4.12 COVID-19 pandemic health and economic
 4.13 recovery challenges. This is a onetime
 4.14 appropriation and is available until December
 4.15 31, 2024.

4.16 (2) The Coalition of Asian American Leaders
 4.17 must issue a report on the outcomes of the
 4.18 grant to the commissioner of employment and
 4.19 economic development by December 15, 2024.

4.20 (l) \$2,000,000 in fiscal year 2023 is for a grant
 4.21 to Women's Foundation of Minnesota to invest
 4.22 in economic structures that educate, mobilize,
 4.23 and equip Black women with the necessary
 4.24 tools to build, retain, and strengthen the
 4.25 capacity to build generational wealth. This is
 4.26 a onetime appropriation.

4.27 **Subd. 3. Employment and Training Programs** -0- 26,500,000

| | | |
|------------------------------|-------------------------------|-------------------|
| | <u>Appropriations by Fund</u> | |
| 4.29 <u>General Fund</u> | <u>-0-</u> | <u>1,000,000</u> |
| 4.30 <u>Workforce</u> | | |
| 4.31 <u>Development Fund</u> | <u>-0-</u> | <u>25,500,000</u> |

4.32 (a) \$1,000,000 in fiscal year 2023 is for grants
 4.33 to organizations providing support services to
 4.34 new Americans in order to facilitate successful
 4.35 community integration and entry into the

5.1 workforce. Services may include case
5.2 management, job training and employment
5.3 services, education programs, and legal
5.4 services. Of this amount:
5.5 (1) \$325,000 is for a grant to the International
5.6 Institute of Minnesota;
5.7 (2) \$325,000 is for a grant to the Minnesota
5.8 Council of Churches;
5.9 (3) \$223,000 is for a grant to Arrive
5.10 Ministries; and
5.11 (4) \$127,000 is for a grant to Catholic
5.12 Charities of the Diocese of Winona, Inc.
5.13 This is a onetime appropriation.
5.14 (b) \$500,000 in fiscal year 2023 is from the
5.15 workforce development fund for a grant to the
5.16 Minneapolis Park and Recreation Board's Teen
5.17 Teamworks youth employment and training
5.18 programs. This is a onetime appropriation and
5.19 is available until spent.
5.20 (c)(1) \$20,000,000 in fiscal year 2023 is from
5.21 the workforce development fund for grants to
5.22 Minnesota's 16 local workforce development
5.23 boards for strategies identified in local
5.24 Workforce Innovation and Opportunity Act
5.25 plans to address Minnesota's current workforce
5.26 shortages by supporting training for
5.27 unemployed and underemployed Minnesotans
5.28 and the earning of industry-recognized
5.29 credentials to equip workers with in-demand
5.30 skills. Allowable uses of money include but
5.31 are not limited to helping job seekers prepare
5.32 for and find jobs, providing services to
5.33 employers, supporting CareerForce locations,
5.34 and conducting marketing and outreach for

6.1 CareerForce services. Grant money must not
6.2 be used for administrative costs. Grants shall
6.3 be distributed consistent with the distribution
6.4 and utilization of money under federal
6.5 legislation regarding job training and related
6.6 services. This is a onetime appropriation and
6.7 is available until expended.

6.8 (2) By January 15 of each year that grant
6.9 money is used, beginning in 2023, all grant
6.10 recipients shall submit a report to the
6.11 governor's Workforce Development Board
6.12 that details the use of grant money, including
6.13 the number of businesses, job seekers, and
6.14 other stakeholders served.

6.15 (d) \$5,000,000 in fiscal year 2023 is from the
6.16 workforce development fund for a youth
6.17 technology competitive training grant program
6.18 to prepare people who are Black, Indigenous,
6.19 people of color, or women to meet the growing
6.20 labor needs in Minnesota's technology
6.21 industry. This is a onetime appropriation and
6.22 money is available until June 30, 2024. Of this
6.23 amount, up to five percent is for administration
6.24 and monitoring of the program. Grant money
6.25 must be used to:

6.26 (1) provide career education, wraparound
6.27 support services, and job skills training for
6.28 high school aged youth in the technology
6.29 industry;

6.30 (2) increase the number of summer internship
6.31 opportunities in the technology industry;

6.32 (3) support outreach activities to businesses
6.33 and create pathways for employment and

7.1 internships for youth in the technology
 7.2 industry; and
 7.3 (4) increase the number of young adults
 7.4 employed in the technology industry and
 7.5 ensure that they reflect Minnesota's diverse
 7.6 workforce.

7.7 Programs and services supported by grant
 7.8 money must give priority to individuals and
 7.9 groups that are economically disadvantaged
 7.10 or historically underrepresented in the
 7.11 technology industry, including but not limited
 7.12 to women, veterans, and members of minority
 7.13 and immigrant groups.

7.14 Sec. 3. Laws 2021, First Special Session chapter 10, article 1, section 2, subdivision 2, is
 7.15 amended to read:

| | | | |
|------|--|-------------|-------------------|
| 7.16 | | | <u>44,741,000</u> |
| 7.17 | Subd. 2. Business and Community Development | 208,015,000 | <u>58,741,000</u> |

| | | | |
|------|------------------------|-------------|-------------------|
| 7.18 | Appropriations by Fund | | |
| 7.19 | | | 41,941,000 |
| 7.20 | General | 205,215,000 | <u>55,941,000</u> |
| 7.21 | Remediation | 700,000 | 700,000 |
| 7.22 | Workforce | | |
| 7.23 | Development | 2,100,000 | 2,100,000 |

7.24 (a) \$1,787,000 each year is for the greater
 7.25 Minnesota business development public
 7.26 infrastructure grant program under Minnesota
 7.27 Statutes, section 116J.431. This appropriation
 7.28 is available until June 30, 2025.

7.29 (b) \$8,425,000 in the first year and ~~\$1,425,000~~
 7.30 \$6,425,000 in the second year are for the
 7.31 small business partnership grant program
 7.32 formerly known as the business development
 7.33 competitive grant program. Of this amount,
 7.34 up to five percent is for administration and
 7.35 monitoring of the ~~business development~~

8.1 ~~competitive grant~~ program and \$7,000,000 in
8.2 the first year is and \$5,000,000 in the second
8.3 year are for technical assistance to small
8.4 businesses. Funding for technical assistance
8.5 to small businesses in the second year shall
8.6 be divided proportionately between program
8.7 grantees from the first year. Except for awards
8.8 for technical assistance for small businesses,
8.9 all grant awards shall be for two consecutive
8.10 years. Grants and shall be awarded in the first
8.11 year. The small business partnership grant
8.12 program shall also provide business
8.13 development assistance and services to
8.14 commercial cooperatives, employee-owned
8.15 businesses, and commercial land trusts.
8.16 Beginning in fiscal year 2024, the base amount
8.17 is \$4,925,000 of which \$1,500,000 is for
8.18 technical assistance to small businesses
8.19 participating in the spark small business loan
8.20 program under Minnesota Statutes, section
8.21 116J.8751.

8.22 (c) \$1,772,000 each year is for contaminated
8.23 site cleanup and development grants under
8.24 Minnesota Statutes, sections 116J.551 to
8.25 116J.558. This appropriation is available until
8.26 expended.

8.27 (d) \$700,000 each year is from the remediation
8.28 fund for contaminated site cleanup and
8.29 development grants under Minnesota Statutes,
8.30 sections 116J.551 to 116J.558. This
8.31 appropriation is available until expended.

8.32 (e) \$139,000 each year is for the Center for
8.33 Rural Policy and Development.

8.34 (f) \$25,000 each year is for the administration
8.35 of state aid for the Destination Medical Center

9.1 under Minnesota Statutes, sections 469.40 to
9.2 469.47.

9.3 (g) \$875,000 each year is for the host
9.4 community economic development program
9.5 established in Minnesota Statutes, section
9.6 116J.548.

9.7 (h)(1) ~~\$2,500,000 each year is~~ the first year
9.8 and \$6,500,000 the second year are for grants
9.9 to local communities to increase the number
9.10 of quality child care providers to support
9.11 economic development. This appropriation is
9.12 available through June 30, 2023. Fifty percent
9.13 of grant funds must go to communities located
9.14 outside the seven-county metropolitan area as
9.15 defined in Minnesota Statutes, section
9.16 473.121, subdivision 2. In fiscal year 2024
9.17 and beyond, the base amount is \$1,500,000.

9.18 (2) Grant recipients must obtain a 50 percent
9.19 nonstate match to grant funds in either cash
9.20 or in-kind contribution, unless the
9.21 commissioner waives the requirement. Grant
9.22 funds available under this subdivision must
9.23 be used to implement projects to reduce the
9.24 child care shortage in the state, including but
9.25 not limited to funding for child care business
9.26 start-ups or expansion, training, facility
9.27 modifications, direct subsidies or incentives
9.28 to retain employees, or improvements required
9.29 for licensing, and assistance with licensing
9.30 and other regulatory requirements. In awarding
9.31 grants, the commissioner must give priority
9.32 to communities that have demonstrated a
9.33 shortage of child care providers.

9.34 (3) Within one year of receiving grant funds,
9.35 grant recipients must report to the

10.1 commissioner on the outcomes of the grant
10.2 program, including but not limited to the
10.3 number of new providers, the number of
10.4 additional child care provider jobs created, the
10.5 number of additional child care slots, and the
10.6 amount of cash and in-kind local funds
10.7 invested. Within one month of all grant
10.8 recipients reporting on program outcomes, the
10.9 commissioner must report the grant recipients'
10.10 outcomes to the chairs and ranking members
10.11 of the legislative committees with jurisdiction
10.12 over early learning and child care and
10.13 economic development.

10.14 (i) \$1,500,000 each year is for a grant to the
10.15 Minnesota Initiative Foundations. This
10.16 appropriation is available until June 30, 2025.
10.17 In fiscal year 2024 and beyond, the base
10.18 amount is \$1,000,000. The Minnesota
10.19 Initiative Foundations must use grant funds
10.20 under this section to:

10.21 (1) facilitate planning processes for rural
10.22 communities resulting in a community solution
10.23 action plan that guides decision making to
10.24 sustain and increase the supply of quality child
10.25 care in the region to support economic
10.26 development;

10.27 (2) engage the private sector to invest local
10.28 resources to support the community solution
10.29 action plan and ensure quality child care is a
10.30 vital component of additional regional
10.31 economic development planning processes;

10.32 (3) provide locally based training and technical
10.33 assistance to rural child care business owners
10.34 individually or through a learning cohort.
10.35 Access to financial and business development

11.1 assistance must prepare child care businesses
11.2 for quality engagement and improvement by
11.3 stabilizing operations, leveraging funding from
11.4 other sources, and fostering business acumen
11.5 that allows child care businesses to plan for
11.6 and afford the cost of providing quality child
11.7 care; and

11.8 (4) recruit child care programs to participate
11.9 in quality rating and improvement
11.10 measurement programs. The Minnesota
11.11 Initiative Foundations must work with local
11.12 partners to provide low-cost training,
11.13 professional development opportunities, and
11.14 continuing education curricula. The Minnesota
11.15 Initiative Foundations must fund, through local
11.16 partners, an enhanced level of coaching to
11.17 rural child care providers to obtain a quality
11.18 rating through measurement programs.

11.19 The Minnesota Initiative Foundations are
11.20 authorized to subgrant their allocation to
11.21 partner organizations who are assisting in their
11.22 child care work.

11.23 (j) \$8,000,000 each year is for the Minnesota
11.24 job creation fund under Minnesota Statutes,
11.25 section 116J.8748. Of this amount, the
11.26 commissioner of employment and economic
11.27 development may use up to three percent for
11.28 administrative expenses. This appropriation
11.29 is available until expended.

11.30 (k) \$10,029,000 the first year and \$10,028,000
11.31 the second year are for the Minnesota
11.32 investment fund under Minnesota Statutes,
11.33 section 116J.8731. Of this amount, the
11.34 commissioner of employment and economic
11.35 development may use up to three percent for

- 12.1 administration and monitoring of the program.
- 12.2 In fiscal year 2024 and beyond, the base
- 12.3 amount is \$12,370,000. This appropriation is
- 12.4 available until expended. Notwithstanding
- 12.5 Minnesota Statutes, section 116J.8731, money
- 12.6 appropriated to the commissioner for the
- 12.7 Minnesota investment fund may be used for
- 12.8 the redevelopment program under Minnesota
- 12.9 Statutes, sections 116J.575 and 116J.5761, at
- 12.10 the discretion of the commissioner. Grants
- 12.11 under this paragraph are not subject to the
- 12.12 grant amount limitation under Minnesota
- 12.13 Statutes, section 116J.8731.
- 12.14 (1) ~~\$0 each~~ \$5,000,000 in the second year is
- 12.15 for the redevelopment program under
- 12.16 Minnesota Statutes, sections 116J.575 and
- 12.17 116J.5761. In fiscal year 2024 and beyond,
- 12.18 the base amount is ~~\$2,246,000~~ \$3,996,000.
- 12.19 (2) For funding in fiscal year 2023, the
- 12.20 commissioner shall prioritize applications
- 12.21 from development authorities located in
- 12.22 low-income areas, defined as:
- 12.23 (i) a census tract that has a poverty rate of at
- 12.24 least 20 percent, as reported by the United
- 12.25 States Bureau of the Census in the most recent
- 12.26 American Community Survey;
- 12.27 (ii) a qualified census tract, as defined under
- 12.28 United States Code, title 26, section 42; or
- 12.29 (iii) a census tract, city, township, or county
- 12.30 in which ten percent of the population have
- 12.31 an annual income of 200 percent or less of the
- 12.32 federal poverty level.
- 12.33 (3) Notwithstanding any other law to the
- 12.34 contrary, no local matching funds shall be

13.1 required from development authorities located
13.2 in low-income areas in fiscal year 2023.

13.3 (m) \$1,000,000 each year is for the Minnesota
13.4 emerging entrepreneur loan program under
13.5 Minnesota Statutes, section 116M.18. Funds
13.6 available under this paragraph are for transfer
13.7 into the emerging entrepreneur program
13.8 special revenue fund account created under
13.9 Minnesota Statutes, chapter 116M, and are
13.10 available until expended. Of this amount, up
13.11 to four percent is for administration and
13.12 monitoring of the program.

13.13 (n) \$325,000 each year is for the Minnesota
13.14 Film and TV Board. The appropriation in each
13.15 year is available only upon receipt by the
13.16 board of \$1 in matching contributions of
13.17 money or in-kind contributions from nonstate
13.18 sources for every \$3 provided by this
13.19 appropriation, except that each year up to
13.20 \$50,000 is available on July 1 even if the
13.21 required matching contribution has not been
13.22 received by that date.

13.23 (o) \$12,000 each year is for a grant to the
13.24 Upper Minnesota Film Office.

13.25 (p) \$500,000 each year is for a grant to the
13.26 Minnesota Film and TV Board for the film
13.27 production jobs program under Minnesota
13.28 Statutes, section 116U.26. This appropriation
13.29 is available until June 30, 2025.

13.30 (q) \$4,195,000 each year is for the Minnesota
13.31 job skills partnership program under
13.32 Minnesota Statutes, sections 116L.01 to
13.33 116L.17. If the appropriation for either year
13.34 is insufficient, the appropriation for the other

- 14.1 year is available. This appropriation is
14.2 available until expended.
- 14.3 (r) \$1,350,000 each year from the workforce
14.4 development fund is for jobs training grants
14.5 under Minnesota Statutes, section 116L.41.
- 14.6 (s) \$2,500,000 each year is for Launch
14.7 Minnesota. This appropriation is available
14.8 until June 30, 2025. The base in fiscal year
14.9 2026 is \$0. Of this amount:
- 14.10 (1) \$1,500,000 each year is for innovation
14.11 grants to eligible Minnesota entrepreneurs or
14.12 start-up businesses to assist with their
14.13 operating needs;
- 14.14 (2) \$500,000 each year is for administration
14.15 of Launch Minnesota; and
- 14.16 (3) \$500,000 each year is for grantee activities
14.17 at Launch Minnesota.
- 14.18 (t) \$1,148,000 the first year is for a grant to
14.19 the Northeast Entrepreneur Fund, a small
14.20 business administration microlender and
14.21 community development financial institution
14.22 operating in northern Minnesota. Grant funds
14.23 must be used as capital for accessing
14.24 additional federal lending for small businesses
14.25 impacted by COVID-19 and must be returned
14.26 to the commissioner for deposit in the general
14.27 fund if the Northeast Entrepreneur Fund fails
14.28 to secure such federal funds before January 1,
14.29 2022.
- 14.30 (u) \$80,000,000 the first year is for the Main
14.31 Street Economic Revitalization Loan Program.
14.32 Of this amount, up to \$300,000 is for the
14.33 commissioner's administration and monitoring

15.1 of the program. This appropriation is available
15.2 until June 30, 2025.

15.3 (v) \$70,000,000 the first year is for the Main
15.4 Street COVID-19 Relief Grant Program. Of
15.5 this amount, up to:

15.6 (1) \$34,950,000 is for grants to the Minnesota
15.7 Initiative Foundations to serve businesses
15.8 outside of the metropolitan area as defined in
15.9 Minnesota Statutes, section 473.121,
15.10 subdivision 2;

15.11 (2) \$34,950,000 is for grants to partner
15.12 organizations to serve businesses inside the
15.13 metropolitan area as defined in Minnesota
15.14 Statutes, section 473.121, subdivision 2; and

15.15 (3) \$100,000 is for the commissioner's
15.16 administration and monitoring of the program.

15.17 (w) \$250,000 each year is for the publication,
15.18 dissemination, and use of labor market
15.19 information under Minnesota Statutes, section
15.20 116J.401.

15.21 (x) \$500,000 each year is for the airport
15.22 infrastructure renewal (AIR) grant program
15.23 under Minnesota Statutes, section 116J.439.
15.24 In awarding grants with this appropriation, the
15.25 commissioner must prioritize eligible
15.26 applicants that did not receive a grant pursuant
15.27 to the appropriation in Laws 2019, First
15.28 Special Session chapter 7, article 1, section 2,
15.29 subdivision 2, paragraph (q).

15.30 (y) \$750,000 each year is from the workforce
15.31 development fund for grants to the
15.32 Neighborhood Development Center for small
15.33 business programs, including:

- 16.1 (1) training, lending, and business services;
 16.2 (2) model outreach and training in greater
 16.3 Minnesota; and
 16.4 (3) development of new business incubators.

16.5 This is a onetime appropriation.

- 16.6 (z) \$5,000,000 in the first year is for a grant
 16.7 to Lake of the Woods County for the
 16.8 forgivable loan program for remote
 16.9 recreational businesses. This appropriation is
 16.10 available until April 1, 2022.

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

16.12 Sec. 4. Laws 2021, First Special Session chapter 14, article 11, section 42, is amended to
 16.13 read:

16.14 Sec. 42. **APPROPRIATION; MEAT PROCESSING BUSINESSES IN**
 16.15 **REDEVELOPMENT AREA.**

16.16 Of an appropriation in fiscal year 2022 for the targeted community capital project grant
 16.17 program under Minnesota Statutes, section 116J.9924, the commissioner of employment
 16.18 and economic development must grant \$6,000,000 ~~for one or more grants to any business~~
 16.19 ~~engaged in the meat processing industry and currently conducting operations in a building~~
 16.20 ~~or buildings constructed on or before January 1, 1947, and located in a city of the second~~
 16.21 ~~class that was designated as a redevelopment area by the United States Department of~~
 16.22 ~~Commerce under the Public Works and Economic Development Act of 1965, Public Law~~
 16.23 ~~89-136, title IV, section 401(a)(4). This appropriation includes: site acquisition costs;~~
 16.24 ~~relocation costs; predesign; design; sewer, water, and stormwater infrastructure; site~~
 16.25 ~~preparation; engineering; and the cost of improvements to real property locally zoned to~~
 16.26 ~~allow a meat processing land use that are incurred by any qualified business under this~~
 16.27 ~~section. A grantee under this section must work in consultation with a local government~~
 16.28 ~~unit with jurisdiction over the area where the property is located on activities funded by the~~
 16.29 ~~grant. This is a onetime appropriation. A grant issued under this section is not subject to~~
 16.30 ~~the grant requirements under Minnesota Statutes, section 116J.9924. to the city of South~~
 16.31 St. Paul for economic development, redevelopment, and job creation and retention programs

17.1 and projects. This grant is not subject to the requirements under Minnesota Statutes, chapter
17.2 116J.

17.3 **Sec. 5. CANCELLATION AND APPROPRIATION.**

17.4 (a) All unspent money, estimated to be \$889,000, appropriated under Laws 2015, First
17.5 Special Session chapter 1, article 1, section 2, subdivision 2, paragraphs (k) and (l), is
17.6 canceled to the general fund.

17.7 (b) All money canceled under paragraph (a) is appropriated in fiscal year 2023 to the
17.8 commissioner of employment and economic development for the targeted community capital
17.9 project grant program under Minnesota Statutes, section 116J.9924. This is a onetime
17.10 appropriation.

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

17.12 **ARTICLE 2**

17.13 **ECONOMIC DEVELOPMENT POLICY**

17.14 **Section 1. [116J.015] EXPIRATION OF REPORT MANDATES.**

17.15 (a) If the submission of a report by the commissioner of employment and economic
17.16 development to the legislature is mandated by law and the enabling legislation does not
17.17 include a date for the submission of a final report, the mandate to submit the report expires
17.18 according to this section.

17.19 (b) If the mandate requires the submission of an annual report and the mandate was
17.20 enacted before January 1, 2021, the mandate expires January 1, 2023. If the mandate requires
17.21 the submission of a biennial or less frequent report and the mandate was enacted before
17.22 January 1, 2021, the mandate expires January 1, 2024.

17.23 (c) Any reporting mandate enacted on or after January 1, 2021, expires three years after
17.24 the date of enactment if the mandate requires the submission of an annual report and expires
17.25 five years after the date of enactment if the mandate requires the submission of a biennial
17.26 or less frequent report unless the enacting legislation provides for a different expiration
17.27 date.

17.28 (d) The commissioner shall submit to the chairs and ranking minority members of the
17.29 legislative committees with jurisdiction over employment and economic development by
17.30 February 15 of each year, beginning February 15, 2022, a list of all reports set to expire
17.31 during the following calendar year according to this section.

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

18.2 Sec. 2. **[116J.4231] OFFICE OF NEW AMERICANS.**

18.3 Subdivision 1. **Office established; purpose.** (a) The Office of New Americans is
18.4 established within the Department of Employment and Economic Development. The governor
18.5 must appoint an executive director who serves in the unclassified service. The executive
18.6 director must hire a program manager and an office assistant, as well as any staff necessary
18.7 to carry out the office's duties under subdivision 2.

18.8 (b) The purpose of the office is to serve immigrants and refugees in Minnesota by:

18.9 (1) addressing challenges that face immigrants and refugees in Minnesota, and creating
18.10 access in economic development and workforce programs and services;

18.11 (2) providing interstate agency coordination, policy reviews, and guidance that assist in
18.12 creating access to immigrants and refugees.

18.13 Subd. 2. **Duties.** (a) The office has the duty to:

18.14 (1) create and implement a statewide strategy to support immigrant and refugee integration
18.15 into Minnesota communities;

18.16 (2) address the state's workforce needs by connecting employers and job seekers within
18.17 the immigrant and refugee community;

18.18 (3) identify strategies to reduce employment barriers for immigrants and refugees;

18.19 (4) ensure equitable opportunities and access to services within state government for
18.20 immigrants and refugees;

18.21 (5) work with state agencies and community and foundation partners to undertake studies
18.22 and research and analyze economic and demographic trends to better understand and serve
18.23 the state's immigrant and refugee communities;

18.24 (6) coordinate and establish best practices for language access initiatives to all state
18.25 agencies;

18.26 (7) convene stakeholders and make policy recommendations to the governor on issues
18.27 impacting immigrants and refugees;

18.28 (8) promulgate rules necessary to implement and effectuate this section;

18.29 (9) provide an annual report, as required by subdivision 3;

18.30 (10) perform any other activities consistent with the office's purpose.

19.1 Subd. 3. **Reporting.** (a) Beginning January 15, 2024, and each year thereafter, the Office
19.2 of New Americans shall report to the legislative committees with jurisdiction over the
19.3 office's activities during the previous year.

19.4 (b) The report shall contain, at a minimum:

19.5 (1) a summary of the office's activities;

19.6 (2) suggested policies, incentives, and legislation designed to accelerate the achievement
19.7 of the duties under subdivision 2;

19.8 (3) any proposed legislative and policy initiatives;

19.9 (4) the amount and types of grants awarded under subdivision 6; and

19.10 (5) any other information deemed necessary and requested by the legislative committees
19.11 with jurisdiction over the office.

19.12 (c) The report may be submitted electronically and is subject to section 3.195, subdivision
19.13 1.

19.14 Subd. 4. **Interdepartmental Coordinating Council on Immigrant and Refugee**
19.15 **Affairs.** (a) An interdepartmental Coordinating Council on Immigrant and Refugee Affairs
19.16 is established to advise the Office of New Americans.

19.17 (b) The purpose of the council is to identify and establish ways in which state departments
19.18 and agencies can work together to deliver state programs and services effectively and
19.19 efficiently to Minnesota's immigrant and refugee populations. The council shall implement
19.20 policies, procedures, and programs requested by the governor through the state departments
19.21 and offices.

19.22 (c) The council shall be chaired by the executive director of the Office of New Americans
19.23 and shall be comprised of the commissioners, department directors, or designees, from the
19.24 following state departments and offices:

19.25 (1) the governor's office;

19.26 (2) the Department of Administration;

19.27 (3) the Department of Employment and Economic Development;

19.28 (4) the Department of Human Services;

19.29 (5) the Department of Human Services Resettlement Program Office;

19.30 (6) the Department of Labor and Industry;

20.1 (7) the Department of Health;

20.2 (8) the Department of Education;

20.3 (9) the Office of Higher Education;

20.4 (10) the Department of Public Safety;

20.5 (11) the Department of Corrections; and

20.6 (12) the Office of New Americans.

20.7 (d) Each department or office serving as a member of the council shall designate one
 20.8 staff member as an immigrant and refugee services liaison. The liaisons' responsibilities
 20.9 shall include:

20.10 (1) preparation and dissemination of information and services available to immigrants
 20.11 and refugees;

20.12 (2) interfacing with the Office of New Americans on issues that impact immigrants and
 20.13 refugees and their communities; and

20.14 (3) where applicable, serving as the point of contact for immigrants and refugees accessing
 20.15 resources both within the department and with boards charged with oversight of a profession.

20.16 Subd. 5. **No right of action.** Nothing in this section shall be construed to create any
 20.17 right or benefit, substantive or procedural, enforceable at law or in equity by any party
 20.18 against the state; its departments, agencies, or entities; its officers, employees, or agents;
 20.19 or any other person.

20.20 Subd. 6. **Grants.** Within the limits of available appropriations, the office may apply for
 20.21 grants for interested state agencies, community partners, and stakeholders under this section
 20.22 to carry out the duties under subdivision 2.

20.23 Sec. 3. Minnesota Statutes 2020, section 116J.552, subdivision 6, is amended to read:

20.24 Subd. 6. **Municipality.** "Municipality" means the statutory or home rule charter city,
 20.25 town, federally recognized Tribe, or, in the case of unorganized territory, the county in
 20.26 which the site is located.

20.27 Sec. 4. Minnesota Statutes 2020, section 116J.8747, is amended to read:

20.28 **116J.8747 JOB TRAINING PROGRAM GRANT.**

20.29 Subdivision 1. **Grant allowed.** The commissioner may provide a grant to a qualified
 20.30 job training program from money appropriated for the purposes of this section as follows:

21.1 ~~(1) an \$11,000 placement grant paid to a job training program upon placement in~~
 21.2 ~~employment of a qualified graduate of the program; and~~

21.3 ~~(2) an \$11,000 retention grant paid to a job training program upon retention in~~
 21.4 ~~employment of a qualified graduate of the program for at least one year.~~

21.5 (1) up to ten percent of the appropriation may be allocated for administrative expenses
 21.6 by the program;

21.7 (2) up to 20 percent of the appropriation may be allocated for direct service expenses
 21.8 by the program;

21.9 (3) a placement grant paid to a job training program upon placement in employment of
 21.10 a qualified graduate of the job training program as follows:

21.11 (i) \$2,500 for placement in part-time employment (20 hours a week or more) of at least
 21.12 150 percent of the state minimum wage hourly;

21.13 (ii) \$2,500 for placement in full-time employment (32 hours a week or more) at the state
 21.14 minimum wage but below 150 percent of the state minimum wage hourly; and

21.15 (iii) \$5,000 for placement in full-time employment (32 hours a week or more) of at least
 21.16 150 percent of the state minimum wage hourly; and

21.17 (4) a retention grant paid to a job training program upon retention in employment of a
 21.18 qualified graduate of the job training program for at least one year as follows:

21.19 (i) \$5,000 for one year of retained part-time employment (20 hours a week or more) of
 21.20 at least 150 percent of the state minimum wage;

21.21 (ii) \$5,000 for one year of retained full-time employment (32 hours a week or more) at
 21.22 the state minimum wage but below 150 percent of the state minimum wage; and

21.23 (iii) \$10,000 for one year of retained full-time employment (32 hours a week or more)
 21.24 of at least 150 percent of the state minimum wage hourly.

21.25 **Subd. 2. Qualified job training program.** To qualify for grants under this section, a
 21.26 job training program must satisfy the following requirements:

21.27 (1) the program must be operated by a nonprofit corporation that qualifies under section
 21.28 501(c)(3) of the Internal Revenue Code;

21.29 (2) the program may spend up to \$5,500 in total training per participant;

21.30 (3) the program must provide education and training in:

22.1 (i) basic skills, such as reading, writing, financial literacy, digital literacy, mathematics,
22.2 and communications;

22.3 (ii) long-term plans for success including participant coaching for two years after
22.4 placement;

22.5 (iii) soft skills, including skills critical to success on the job; and

22.6 (iv) access to internships, technology training, personal and emotional intelligence skill
22.7 development, and other support services;

22.8 (4) the program may provide ~~income supplements not to exceed \$2,000 per participant~~
22.9 support services, when needed, to participants for housing, counseling, tuition, and other
22.10 basic needs;

22.11 (5) individuals served by the program must be 18 years of age or older as of the date of
22.12 enrollment, and have household income in the six months immediately before entering the
22.13 program that is 200 percent or less of the federal poverty guideline for Minnesota, based
22.14 on family size; and

22.15 (6) the program must be certified by the commissioner of employment and economic
22.16 development, or the commissioner's designee, as meeting the requirements of this subdivision.

22.17 Subd. 3. ~~Graduation and retention grant~~ **Employment requirements**. For purposes
22.18 ~~of a placement grant under this section, a qualified graduate is a graduate of a job training~~
22.19 ~~program qualifying under subdivision 2 who is placed in a job in Minnesota that pays at~~
22.20 ~~least the current state minimum wage. To qualify for a retention grant under this section for~~
22.21 ~~a retention fee, a job in which the graduate is retained must pay at least the current state~~
22.22 ~~minimum wage. (a) For employment to qualify under subdivision 1, the employment must~~
22.23 ~~be permanent, unsubsidized, private or public sector employment, eligible for unemployment~~
22.24 ~~insurance under section 268.035, or otherwise eligible for unemployment insurance under~~
22.25 ~~section 268.035 if hours were above 32 per week.~~

22.26 (b) Programs are limited to one placement and one retention payment for a qualified
22.27 graduate in a performance program within the two years following a placement or retention
22.28 payment made under this section.

22.29 Subd. 4. **Duties of program.** (a) A program certified by the commissioner under
22.30 subdivision 2 must comply with the requirements of this subdivision.

22.31 (b) A program must maintain and provide upon request records for each qualified
22.32 graduate. The records must include information sufficient to verify the graduate's eligibility

23.1 under this section, identify the employer, and describe the job including its compensation
23.2 rate ~~and~~, benefits, and average hours per week.

23.3 (c) A program is subject to the reporting requirements under section 116L.98.

23.4 Sec. 5. Minnesota Statutes 2021 Supplement, section 116J.8749, subdivision 1, is amended
23.5 to read:

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

23.8 (b) "Borrower" means an eligible recipient receiving a loan guaranteed under this section.

23.9 (c) "Commissioner" means the commissioner of employment and economic development.

23.10 (d) "Eligible project" means the development, redevelopment, demolition, site preparation,
23.11 predesign, design, engineering, repair, or renovation of real property or capital improvements.
23.12 Eligible projects must be designed to address the greatest economic development and
23.13 redevelopment needs that have arisen in the community surrounding that real property since
23.14 March 15, 2020. Eligible project includes but is not limited to the construction of buildings,
23.15 infrastructure, and related site amenities, landscaping, or street-scaping. Eligible project
23.16 does not include the purchase of real estate or business operations or business operating
23.17 expenses, such as inventory, wages, or working capital.

23.18 (e) "Eligible recipient" means a:

23.19 (1) business;

23.20 (2) nonprofit organization; or

23.21 (3) developer

23.22 that is seeking funding to complete an eligible project. Eligible recipient does not include
23.23 a partner organization or a local unit of government.

23.24 (f) "Guaranteed loan" means a loan guaranteed by the state for 80 percent of the loan
23.25 amount for a maximum period of 15 years from the origination of the loan.

23.26 (g) "Leveraged grant" means a grant that is matched by the eligible recipient's
23.27 commitment to the eligible project of nonstate funds at a level of 200 percent of the grant
23.28 amount. The nonstate match may include but is not limited to funds contributed by a partner
23.29 organization and insurance proceeds.

23.30 (h) "Loan guarantee trust fund" means a dedicated account established under this section
23.31 for the purpose of compensation for defaulted loan guarantees.

24.1 (i) "Low-income area" means a census tract that has a poverty rate of at least 20 percent
 24.2 as reported in the most recently completed decennial census published by the United States
 24.3 Bureau of the Census.

24.4 ~~(j)~~ (j) "Partner organizations" or "partners" means:

24.5 (1) foundations engaged in economic development;

24.6 (2) community development financial institutions; and

24.7 (3) community development corporations.

24.8 ~~(k)~~ (k) "Program" means the Main Street Economic Revitalization Program under this
 24.9 section.

24.10 ~~(l)~~ (l) "Subordinated loan" means a loan secured by a lien that is lower in priority than
 24.11 one or more specified other liens.

24.12 Sec. 6. Minnesota Statutes 2021 Supplement, section 116J.8749, subdivision 5, is amended
 24.13 to read:

24.14 **Subd. 5. Leveraged grants to eligible recipients.** (a) A leveraged grant to an eligible
 24.15 recipient shall be for no more than \$750,000.

24.16 (b) A leveraged grant may be used to finance no more than 30 percent of an eligible
 24.17 project.

24.18 (c) An eligible project must have secured commitments for all required matching funds
 24.19 and all required development approvals before a leveraged grant may be distributed.

24.20 (d) The commissioner may waive the matching fund requirement for projects located
 24.21 in low-income areas.

24.22 **Sec. 7. [116J.8751] SPARK SMALL BUSINESS LOAN PROGRAM.**

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

24.25 (b) "Account" means the spark small business loan program account created under
 24.26 subdivision 5.

24.27 (c) "Commissioner" means the commissioner of employment and economic development.

24.28 (d) "Community business" means a cooperative, an employee-owned business, or a
 24.29 commercial land trust that is at least 51 percent owned by individuals from targeted groups.

25.1 (e) "Partner organization" means a community development financial institution or
 25.2 nonprofit corporation.

25.3 (f) "Program" means the spark small business loan program established under this section.

25.4 (g) "Targeted groups" means people who are Black, Indigenous, People of Color,
 25.5 immigrants, low income, women, veterans, or people with disabilities.

25.6 Subd. 2. **Establishment.** The spark small business loan program is established to award
 25.7 grants to partner organizations to fund loans statewide to businesses that employ the
 25.8 equivalent of 50 full-time workers or less, to encourage private investment, provide jobs,
 25.9 create and strengthen business enterprises, and promote economic development.

25.10 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall award grants to
 25.11 partner organizations through a competitive grant process where applicants apply using a
 25.12 form designed by the commissioner. In evaluating applications, the commissioner must
 25.13 consider, among other things, whether the applicant:

25.14 (1) has a board of directors that includes citizens experienced in business and community
 25.15 development and creating jobs;

25.16 (2) has the technical skills to analyze projects;

25.17 (3) is familiar with other available public and private funding sources and economic
 25.18 development programs;

25.19 (4) can initiate and implement economic development projects;

25.20 (5) can establish and administer a revolving loan account or has operated a revolving
 25.21 loan account; and

25.22 (6) can work with job referral networks.

25.23 (b) The commissioner shall ensure that, to the extent there is sufficient eligible demand,
 25.24 loans are made so that an approximately equal dollar amount of loans are made to businesses
 25.25 inside and outside the metropolitan area, as defined in section 473.121, subdivision 2. After
 25.26 March 31 of each fiscal year, the commissioner may allow loans to be made anywhere in
 25.27 the state without regard to geographic area.

25.28 (c) Partner organizations that receive grants under this subdivision may use up to ten
 25.29 percent of the award for administrative expenses, including providing specialized technical
 25.30 and legal assistance, either directly or through partnership with nonprofit organizations, to
 25.31 businesses eligible to apply for loans under this program.

26.1 (d) The commissioner shall review existing agreements with partner organizations every
26.2 five years and may renew or terminate the agreement based on that review. In making the
26.3 review, the commissioner shall consider, among other criteria, the criteria in paragraph (a).

26.4 Subd. 4. Loans to businesses. (a) A partner organization that receives a grant under
26.5 subdivision 3 shall establish a plan for making loans to businesses. The plan requires approval
26.6 by the commissioner.

26.7 (b) Under the plan:

26.8 (1) the partner organization shall establish a commissioner-certified revolving loan fund
26.9 for the purpose of making loans to businesses;

26.10 (2) loans shall be for projects that are unlikely to be undertaken unless a loan is received
26.11 under the program;

26.12 (3) a partner organization may not make a loan to a project in which it has an ownership
26.13 interest;

26.14 (4) the state contribution to each loan shall be no less than \$5,000 and no more than:

26.15 (i) \$35,000 if the loan is for a retail development project;

26.16 (ii) \$600,000 if the loan is for a community business; and

26.17 (iii) \$150,000 for all other loans;

26.18 (5) the interest rate on a loan shall not be higher than the Wall Street Journal prime rate
26.19 and may be zero;

26.20 (6) loans shall be for a maximum term of seven years;

26.21 (7) the partner organization may charge a loan origination fee of no more than one
26.22 percent of the loan value and may retain that origination fee;

26.23 (8) a loan application given preliminary approval by the partner organization must be
26.24 forwarded to the commissioner for final approval;

26.25 (9) repayments may be deferred for up to one year if justified by the project proposed
26.26 and approved by the commissioner;

26.27 (10) all repayments of interest on loans shall be deposited in the partner organization's
26.28 revolving loan fund for use in making further loans consistent with this section;

26.29 (11) all repayments of loan principal must be paid to the commissioner for deposit in
26.30 the spark small business loan program account; and

27.1 (12) up to ten percent of a loan's principal amount may be forgiven if the commissioner
 27.2 approves and the borrower has met lender criteria, including being current with all payments.

27.3 Subd. 5. **Creation of account.** A spark small business loan program account is created
 27.4 in the special revenue fund in the state treasury. Money in the account is appropriated to
 27.5 the commissioner for the grants under this section. Annually, the commissioner may use
 27.6 an amount equal to no more than four percent of the value of grants made in the previous
 27.7 year for the administrative costs of the program. Notwithstanding section 16A.28, money
 27.8 deposited in the account from any source is available until expended.

27.9 Subd. 6. **Reporting requirements.** (a) A partner organization that receives a grant shall:

27.10 (1) submit an annual report to the commissioner by February 15 of each year, beginning
 27.11 in 2024, that includes a description of businesses supported by the program, an account of
 27.12 loans made during the calendar year, the program's impact on business enterprises and job
 27.13 creation, the source and amount of money collected and distributed by the program, the
 27.14 program's assets and liabilities, and an explanation of administrative expenses; and

27.15 (2) provide for an independent annual audit to be performed in accordance with generally
 27.16 accepted accounting practices and auditing standards and submit a copy of each annual
 27.17 audit report to the commissioner.

27.18 (b) By March 1 of each year, beginning in 2024, the commissioner shall submit a report
 27.19 to the chairs and ranking minority members of the legislative committees with jurisdiction
 27.20 over economic development on program outcomes, including copies of all reports and audits
 27.21 received under paragraph (a).

27.22 Sec. 8. Minnesota Statutes 2020, section 116J.8770, is amended to read:

27.23 **116J.8770 EQUITY INVESTMENTS.**

27.24 The commissioner may invest funds from the capital access account to make equity
 27.25 investments in ~~community development~~ early stage and venture capital funds for the purpose
 27.26 of providing capital for small and emerging businesses. The ~~community development~~ early
 27.27 stage and venture capital fund must have experience in equity investments with small
 27.28 businesses and the ability to raise private capital.

27.29 Sec. 9. Minnesota Statutes 2021 Supplement, section 116J.9924, subdivision 4, is amended
 27.30 to read:

27.31 **Subd. 4. Grant amount; project phasing.** (a) The commissioner shall award grants in
 27.32 an amount not to exceed ~~\$1,500,000~~ \$3,000,000 per grant.

28.1 (b) A grant awarded under this section must be no less than the amount required to
28.2 complete one or more phases of the project, less any nonstate funds already committed for
28.3 such activities.

28.4 Sec. 10. [116J.9926] EMERGING DEVELOPER FUND PROGRAM.

28.5 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
28.6 the meanings given.

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

28.8 (c) "Eligible project" means a project that is based in Minnesota and meets one or more
28.9 of the following criteria:

28.10 (1) it will stimulate community stabilization or revitalization;

28.11 (2) it will be located within a census tract identified as a disadvantaged community or
28.12 low-income community;

28.13 (3) it will directly benefit residents of a low-income household;

28.14 (4) it will increase the supply and improve the condition of affordable housing and
28.15 homeownership;

28.16 (5) it will support the growth needs of new and existing community-based enterprises
28.17 that promote economic stability or improve the supply or quality of job opportunities; or

28.18 (6) it will promote wealth creation, including by being a project in a neighborhood
28.19 traditionally not served by real estate developers.

28.20 (d) "Emerging developer" means a developer who:

28.21 (1) has limited access to loans from traditional financial institutions; or

28.22 (2) is a new or smaller developer who has engaged in educational training in real estate
28.23 development; and

28.24 (3) is either a:

28.25 (i) minority as defined in section 116M.14, subdivision 6;

28.26 (ii) woman;

28.27 (iii) person with a disability, as defined in section 116M.14, subdivision 9; or

28.28 (iv) low-income person.

28.29 (e) "Low-income person" means a person who:

29.1 (1) has a household income at or below 200 percent of the federal poverty level; or

29.2 (2) has a family income that does not exceed 60 percent of the area median income as
29.3 determined by the United States Department of Housing and Urban Development.

29.4 (f) "Program" means the emerging developer fund program created under this section.

29.5 Subd. 2. **Establishment.** The commissioner shall establish an emerging developer fund
29.6 program to make loans to emerging developers for eligible projects to transform
29.7 neighborhoods statewide and promote economic development and the creation and retention
29.8 of jobs in Minnesota. The program must also reduce racial and socioeconomic disparities
29.9 by growing the financial capacity of emerging developers.

29.10 Subd. 3. **Loan program.** (a) Through the program, the commissioner shall offer emerging
29.11 developers predevelopment, construction, and bridge loans for eligible projects.

29.12 (b) Predevelopment loans must be for no more than \$50,000. All other types of loans
29.13 must be for no more than \$500,000.

29.14 (c) Loans must be for a term set by the commissioner of no less than six months and no
29.15 more than five years, depending on the use of loan proceeds.

29.16 (d) Loans must be for zero interest or a low interest rate, as determined by the
29.17 commissioner based on the individual project risk and type of loan sought.

29.18 (e) Loans must have flexible collateral requirements, but may require a personal guaranty
29.19 from the emerging developer and may be largely unsecured when the appraised value of
29.20 the real estate is low.

29.21 (f) Loans must have no prepayment penalties and are expected to be repaid from
29.22 permanent financing or a conventional loan, once that is secured.

29.23 (g) Loans must have the ability to bridge many types of receivables, such as tax credits,
29.24 grants, developer fees, and other forms of long-term financing.

29.25 (h) At the commissioner's discretion, an emerging developer may be required to work
29.26 with an experienced developer or professional services consultant who can offer expertise
29.27 and advice throughout the development of the project.

29.28 (i) All loan repayments must be paid into the emerging developer fund account created
29.29 in this section to fund additional loans.

29.30 Subd. 4. **Eligible expenses.** (a) The following are eligible expenses for a predevelopment
29.31 loan under the program:

- 30.1 (1) earnest money or purchase deposit;
- 30.2 (2) building inspection fees and environmental reviews;
- 30.3 (3) appraisal and surveying;
- 30.4 (4) design and tax credit application fees;
- 30.5 (5) title and recording fees;
- 30.6 (6) site preparation, demolition, and stabilization;
- 30.7 (7) interim maintenance and project overhead;
- 30.8 (8) property taxes and insurance;
- 30.9 (9) construction bonds or letters of credit;
- 30.10 (10) market and feasibility studies; and
- 30.11 (11) professional fees.

30.12 (b) The following are eligible expenses for a construction or bridge loan under the
 30.13 program:

- 30.14 (1) land or building acquisition;
- 30.15 (2) construction-related expenses;
- 30.16 (3) developer and contractor fees;
- 30.17 (4) site preparation and demolition;
- 30.18 (5) financing fees, including title and recording;
- 30.19 (6) professional fees;
- 30.20 (7) carrying costs;
- 30.21 (8) construction period interest;
- 30.22 (9) project reserves; and
- 30.23 (10) leasehold improvements and equipment purchase.

30.24 Subd. 5. **Emerging developer fund account.** An emerging developer fund account is
 30.25 created in the special revenue fund in the state treasury. Money in the account is appropriated
 30.26 to the commissioner for loans under this section.

30.27 Subd. 6. **Reports to the legislature.** By February 15 of each year, beginning in 2024,
 30.28 the commissioner shall submit a report to the chairs of the house of representatives and

31.1 senate committees with jurisdiction over economic development on loans made under the
31.2 program.

31.3 Sec. 11. Minnesota Statutes 2020, section 116J.993, subdivision 3, is amended to read:

31.4 Subd. 3. **Business subsidy.** "Business subsidy" or "subsidy" means a state or local
31.5 government agency grant, contribution of personal property, real property, infrastructure,
31.6 the principal amount of a loan at rates below those commercially available to the recipient,
31.7 any reduction or deferral of any tax or any fee, any guarantee of any payment under any
31.8 loan, lease, or other obligation, or any preferential use of government facilities given to a
31.9 business.

31.10 The following forms of financial assistance are not a business subsidy:

31.11 (1) a business subsidy of less than \$150,000;

31.12 (2) assistance that is generally available to all businesses or to a general class of similar
31.13 businesses, such as a line of business, size, location, or similar general criteria;

31.14 (3) public improvements to buildings or lands owned by the state or local government
31.15 that serve a public purpose and do not principally benefit a single business or defined group
31.16 of businesses at the time the improvements are made;

31.17 (4) redevelopment property polluted by contaminants as defined in section 116J.552,
31.18 subdivision 3;

31.19 (5) assistance provided for the sole purpose of renovating old or decaying building stock
31.20 or bringing it up to code and assistance provided for designated historic preservation districts,
31.21 provided that the assistance is equal to or less than 50 percent of the total cost;

31.22 (6) assistance to provide job readiness and training services if the sole purpose of the
31.23 assistance is to provide those services;

31.24 (7) assistance for housing;

31.25 (8) assistance for pollution control or abatement, including assistance for a tax increment
31.26 financing hazardous substance subdistrict as defined under section 469.174, subdivision
31.27 23;

31.28 (9) assistance for energy conservation;

31.29 (10) tax reductions resulting from conformity with federal tax law;

31.30 (11) workers' compensation and unemployment insurance;

31.31 (12) benefits derived from regulation;

- 32.1 (13) indirect benefits derived from assistance to educational institutions;
- 32.2 (14) funds from bonds allocated under chapter 474A, bonds issued to refund outstanding
32.3 bonds, and bonds issued for the benefit of an organization described in section 501(c)(3)
32.4 of the Internal Revenue Code of 1986, as amended through December 31, 1999;
- 32.5 (15) assistance for a collaboration between a Minnesota higher education institution and
32.6 a business;
- 32.7 (16) assistance for a tax increment financing soils condition district as defined under
32.8 section 469.174, subdivision 19;
- 32.9 (17) redevelopment when the recipient's investment in the purchase of the site and in
32.10 site preparation is 70 percent or more of the assessor's current year's estimated market value;
- 32.11 (18) general changes in tax increment financing law and other general tax law changes
32.12 of a principally technical nature;
- 32.13 (19) federal assistance until the assistance has been repaid to, and reinvested by, the
32.14 state or local government agency;
- 32.15 (20) funds from dock and wharf bonds issued by a seaway port authority;
- 32.16 (21) business loans and loan guarantees of \$150,000 or less;
- 32.17 (22) federal loan funds provided through the United States Department of Commerce,
32.18 Economic Development Administration, Department of the Treasury; and
- 32.19 (23) property tax abatements granted under section 469.1813 to property that is subject
32.20 to valuation under Minnesota Rules, chapter 8100.

32.21 Sec. 12. Minnesota Statutes 2020, section 116L.04, subdivision 1a, is amended to read:

32.22 Subd. 1a. **Pathways program.** The pathways program may provide grants-in-aid for
32.23 developing programs which assist in the transition of persons from welfare to work and
32.24 assist individuals at or below 200 percent of the federal poverty guidelines. The program
32.25 is to be operated by the board. The board shall consult and coordinate with program
32.26 administrators at the Department of Employment and Economic Development to design
32.27 and provide services for temporary assistance for needy families recipients.

32.28 Pathways grants-in-aid may be awarded to educational or other nonprofit training
32.29 institutions or to workforce development intermediaries for education and training programs
32.30 and services supporting education and training programs that serve eligible recipients.

32.31 Preference shall be given to projects that:

33.1 (1) provide employment with benefits paid to employees;

33.2 (2) provide employment where there are defined career paths for trainees;

33.3 (3) pilot the development of an educational pathway that can be used on a continuing
33.4 basis for transitioning persons from welfare to work; and

33.5 (4) demonstrate the active participation of Department of Employment and Economic
33.6 Development workforce centers, Minnesota State College and University institutions and
33.7 other educational institutions, and local welfare agencies.

33.8 Pathways projects must demonstrate the active involvement and financial commitment
33.9 of ~~private~~ participating business. Pathways projects must be matched with cash or in-kind
33.10 contributions on at least a one-half-to-one ratio by participating ~~private~~ business.

33.11 A single grant to any one institution shall not exceed \$400,000. A portion of a grant may
33.12 be used for preemployment training.

33.13 Sec. 13. Minnesota Statutes 2020, section 116L.17, subdivision 1, is amended to read:

33.14 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
33.15 the meanings given them in this subdivision.

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

33.17 (c) "Dislocated worker" means an individual who is a resident of Minnesota at the time
33.18 employment ceased or was working in the state at the time employment ceased and:

33.19 (1) has been permanently separated or has received a notice of permanent separation
33.20 from public or private sector employment and is eligible for or has exhausted entitlement
33.21 to unemployment benefits, and is unlikely to return to the previous industry or occupation;

33.22 (2) has been long-term unemployed and has limited opportunities for employment or
33.23 reemployment in the same or a similar occupation in the area in which the individual resides,
33.24 including older individuals who may have substantial barriers to employment by reason of
33.25 age;

33.26 (3) has been terminated or has received a notice of termination of employment as a result
33.27 of a plant closing or a substantial layoff at a plant, facility, or enterprise;

33.28 (4) has been self-employed, including farmers and ranchers, and is unemployed as a
33.29 result of general economic conditions in the community in which the individual resides or
33.30 because of natural disasters;

34.1 (5) is a veteran as defined by section 197.447, has been discharged or released from
 34.2 active duty under honorable conditions within the last 36 months, and (i) is unemployed or
 34.3 (ii) is employed in a job verified to be below the skill level and earning capacity of the
 34.4 veteran;

34.5 (6) is an individual determined by the United States Department of Labor to be covered
 34.6 by trade adjustment assistance under United States Code, title 19, sections 2271 to 2331,
 34.7 as amended; or

34.8 (7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent
 34.9 a substantial number of years in the home providing homemaking service and (i) has been
 34.10 dependent upon the financial support of another; and ~~now~~ due to divorce, separation, death,
 34.11 or disability of that person, must now find employment to self support; or (ii) derived the
 34.12 substantial share of support from public assistance on account of dependents in the home
 34.13 and no longer receives such support. To be eligible under this clause, the support must have
 34.14 ceased while the worker resided in Minnesota.

34.15 For the purposes of this section, "dislocated worker" does not include an individual who
 34.16 was an employee, at the time employment ceased, of a political committee, political fund,
 34.17 principal campaign committee, or party unit, as those terms are used in chapter 10A, or an
 34.18 organization required to file with the federal elections commission.

34.19 (d) "Eligible organization" means a state or local government unit, nonprofit organization,
 34.20 community action agency, business organization or association, or labor organization.

34.21 (e) "Plant closing" means the announced or actual permanent shutdown of a single site
 34.22 of employment, or one or more facilities or operating units within a single site of
 34.23 employment.

34.24 (f) "Substantial layoff" means a permanent reduction in the workforce, which is not a
 34.25 result of a plant closing, and which results in an employment loss at a single site of
 34.26 employment during any 30-day period for at least 50 employees excluding those employees
 34.27 that work less than 20 hours per week.

34.28 Sec. 14. Minnesota Statutes 2020, section 116L.98, subdivision 2, is amended to read:

34.29 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this
 34.30 subdivision have the meanings given.

34.31 (b) "Credential" means ~~postsecondary~~ degrees, diplomas, licenses, and certificates
 34.32 awarded in recognition of an individual's attainment of measurable technical or occupational
 34.33 skills necessary to obtain employment or advance with an occupation. This definition does

35.1 ~~not include certificates awarded by workforce investment boards or work-readiness~~
 35.2 ~~certificates.~~

35.3 (c) "Exit" means to have not received service under a workforce program for 90
 35.4 consecutive calendar days. The exit date is the last date of service.

35.5 (d) "Net impact" means the use of matched control groups and regression analysis to
 35.6 estimate the impacts attributable to program participation net of other factors, including
 35.7 observable personal characteristics and economic conditions.

35.8 (e) "Pre-enrollment" means the period of time before an individual was enrolled in a
 35.9 workforce program.

35.10 Sec. 15. Minnesota Statutes 2020, section 116L.98, subdivision 3, is amended to read:

35.11 Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December
 35.12 31 of each even-numbered year, the commissioner must report to the chairs and ranking
 35.13 minority members of the committees of the house of representatives and the senate having
 35.14 jurisdiction over economic development and workforce policy and finance the following
 35.15 information separately for each of the previous two fiscal or calendar years, for each program
 35.16 subject to the requirements of subdivision 1:

35.17 (1) the total number of participants enrolled;

35.18 (2) the median pre-enrollment wages based on participant wages for the second through
 35.19 the fifth calendar quarters immediately preceding the quarter of enrollment excluding those
 35.20 with zero income;

35.21 (3) the total number of participants with zero income in the second through fifth calendar
 35.22 quarters immediately preceding the quarter of enrollment;

35.23 (4) the total number of participants enrolled in training;

35.24 (5) the total number of participants enrolled in training by occupational group;

35.25 (6) the total number of participants that exited the program and the average enrollment
 35.26 duration of participants that have exited the program during the year;

35.27 (7) the total number of exited participants who completed training;

35.28 (8) the total number of exited participants who attained a credential;

35.29 (9) the total number of participants employed during three consecutive quarters
 35.30 immediately following the quarter of exit, by industry;

36.1 (10) the median wages of participants employed during three consecutive quarters
 36.2 immediately following the quarter of exit;

36.3 (11) the total number of participants employed during eight consecutive quarters
 36.4 immediately following the quarter of exit, by industry; and

36.5 (12) the median wages of participants employed during eight consecutive quarters
 36.6 immediately following the quarter of exit;

36.7 ~~(13) the total cost of the program;~~

36.8 ~~(14) the total cost of the program per participant;~~

36.9 ~~(15) the cost per credential received by a participant; and~~

36.10 ~~(16) the administrative cost of the program.~~

36.11 (b) The report to the legislature must contain participant information by education level,
 36.12 race and ethnicity, gender, and geography, and a comparison of exited participants who
 36.13 completed training and those who did not.

36.14 (c) The requirements of this section apply to programs administered directly by the
 36.15 commissioner or administered by other organizations under a grant made by the department.

36.16 Sec. 16. **CANADIAN BORDER COUNTIES ECONOMIC RELIEF PROGRAM.**

36.17 Subdivision 1. Relief program established. The Northland Foundation and the Northwest
 36.18 Minnesota Foundation must develop and implement a Canadian border counties economic
 36.19 relief program to assist businesses adversely affected by the 2021 closure of the Boundary
 36.20 Waters Canoe Area Wilderness or the closures of the Canadian border since 2020.

36.21 Subd. 2. Available relief. (a) The economic relief program established under this section
 36.22 may include grants provided in this section to the extent that funds are available. Before
 36.23 awarding grants to the Northland Foundation and the Northwest Minnesota Foundation for
 36.24 the relief program under this section:

36.25 (1) the Northland Foundation and the Northwest Minnesota Foundation must develop
 36.26 criteria, procedures, and requirements for:

36.27 (i) determining eligibility for assistance;

36.28 (ii) evaluating applications for assistance;

36.29 (iii) awarding assistance; and

36.30 (iv) administering the grant program authorized under this section;

37.1 (2) the Northland Foundation and the Northwest Minnesota Foundation must submit
37.2 criteria, procedures, and requirements developed under clause (1) to the commissioner of
37.3 employment and economic development for review; and

37.4 (3) the commissioner must approve the criteria, procedures, and requirements submitted
37.5 under clause (2).

37.6 (b) The maximum grant to a business under this section is \$50,000 per business.

37.7 Subd. 3. **Qualification requirements.** To qualify for assistance under this section, a
37.8 business must:

37.9 (1) be located within a county that shares a border with Canada;

37.10 (2) document a reduction of at least 20 percent in gross receipts in 2021 compared to
37.11 2019; and

37.12 (3) provide a written explanation for how the 2021 closure of the Boundary Waters
37.13 Canoe Area Wilderness or the closures of the Canadian border since 2020 resulted in the
37.14 reduction in gross receipts documented under clause (2).

37.15 Subd. 4. **Monitoring.** (a) The Northland Foundation and the Northwest Minnesota
37.16 Foundation must establish performance measures, including but not limited to the following
37.17 components:

37.18 (1) the number of grants awarded and award amounts for each grant;

37.19 (2) the number of jobs created or retained as a result of the assistance, including
37.20 information on the wages and benefit levels, the status of the jobs as full time or part time,
37.21 and the status of the jobs as temporary or permanent;

37.22 (3) the amount of business activity and changes in gross revenues of the grant recipient
37.23 as a result of the assistance; and

37.24 (4) the new tax revenue generated as a result of the assistance.

37.25 (b) The commissioner of employment and economic development must monitor the
37.26 Northland Foundation's and the Northwest Minnesota Foundation's compliance with this
37.27 section and the performance measures developed under paragraph (a).

37.28 (c) The Northland Foundation and the Northwest Minnesota Foundation must comply
37.29 with all requests made by the commissioner under this section.

37.30 Subd. 5. **Business subsidy requirements.** Minnesota Statutes, sections 116J.993 to
37.31 116J.995, do not apply to assistance under this section. Businesses in receipt of assistance

38.1 under this section must provide for job creation and retention goals and wage and benefit
38.2 goals.

38.3 Subd. 6. **Administrative costs.** The commissioner of employment and economic
38.4 development may use up to one percent of the appropriation made for this section for
38.5 administrative expenses of the department.

38.6 **EFFECTIVE DATE.** This section is effective July 1, 2022, and expires June 30, 2023.

38.7 Sec. 17. **PANDEMIC RELIEF GRANT PROGRAM.**

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

38.10 (b) "Business" means both for-profit businesses and nonprofit organizations that earn
38.11 revenue in ways similar to businesses, including but not limited to ticket sales and
38.12 membership fees.

38.13 (c) "Commissioner" means the commissioner of employment and economic development.

38.14 (d) "Partner organization" or "partner" means the Minnesota Initiative Foundations and
38.15 nonprofit corporations on the certified lenders list that the commissioner determines to be
38.16 qualified to provide grants to businesses under this section.

38.17 (e) "Program" means the pandemic relief grant program under this section.

38.18 Subd. 2. **Establishment.** The commissioner shall establish the pandemic relief grant
38.19 program to make grants to partner organizations to provide grants to businesses that have
38.20 been directly or indirectly impacted by the COVID-19 pandemic.

38.21 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall make grants to
38.22 partner organizations to provide grants to businesses under subdivision 4 using criteria,
38.23 forms, applications, and reporting requirements developed by the commissioner.

38.24 (b) The commissioner must, to the degree practical, grant an equal amount of money to
38.25 partner organizations serving the seven-county metropolitan area, as defined under Minnesota
38.26 Statutes, section 473.121, subdivision 2, as the commissioner grants to organizations serving
38.27 greater Minnesota.

38.28 (c) Up to four percent of a grant under this subdivision may be used by the partner
38.29 organization for administration and monitoring of the program.

38.30 (d) Any money not spent by partner organizations by December 31, 2022, must be
38.31 returned to the commissioner and canceled back to the general fund.

39.1 Subd. 4. **Grants to businesses.** (a) Partners shall make grants to businesses using criteria,
 39.2 forms, applications, and reporting requirements developed by the commissioner.

39.3 (b) To be eligible for a grant under this subdivision, a business must:

39.4 (1) have primary business operations located in Minnesota;

39.5 (2) be at least 50 percent owned by a resident of Minnesota;

39.6 (3) employ the equivalent of 50 full-time workers or less;

39.7 (4) be able to demonstrate financial hardship during 2022 as a result of the COVID-19
 39.8 outbreak;

39.9 (5) include as part of the application a business plan for continued operation; and

39.10 (6) primarily do business in one or more of the industries listed under subdivision 5.

39.11 (c) Grants under this subdivision shall be awarded by randomized selection process after
 39.12 applications are collected over a period of no more than ten calendar days.

39.13 (d) Grants under this subdivision must be for up to \$25,000 per business.

39.14 (e) No business may receive more than one grant under this section.

39.15 (f) Grant money must be used for working capital to support payroll expenses, rent or
 39.16 mortgage payments, utility bills, and other similar expenses that occur or have occurred
 39.17 since January 1, 2022, in the regular course of business, but not to refinance debt that existed
 39.18 at the time of the governor's COVID-19 peacetime emergency declaration.

39.19 Subd. 5. **Eligible industries.** To be eligible for a grant under subdivision 4, a business
 39.20 must primarily do business in one or more of the following industries:

39.21 (1) serving food or beverages, such as restaurants, cafes, bars, breweries, wineries, and
 39.22 distilleries;

39.23 (2) personal services, such as hair care, nail care, skin care, or massage;

39.24 (3) indoor entertainment, such as a business providing arcade games, escape rooms, or
 39.25 indoor trampoline parks;

39.26 (4) indoor fitness and recreational sports centers, such as gyms, fitness studios, indoor
 39.27 ice rinks, and indoor swimming pools; or

39.28 (5) wellness and recreation, such as the teaching of yoga, dance, or martial arts.

39.29 Subd. 6. **Distribution of awards.** Of grant funds awarded under subdivision 4, a
 39.30 minimum of:

40.1 (1) \$15,000,000 must be awarded to businesses that employ the equivalent of six full-time
 40.2 workers or less;

40.3 (2) \$10,000,000 must be awarded to minority business enterprises, as defined in
 40.4 Minnesota Statutes, section 116M.14, subdivision 5;

40.5 (3) \$2,500,000 must be awarded to businesses that are majority owned and operated by
 40.6 veterans as defined in Minnesota Statutes, section 197.447; and

40.7 (4) \$2,500,000 must be awarded to businesses that are majority owned and operated by
 40.8 women.

40.9 Subd. 7. **Exemptions.** All grants and grant-making processes under this section are
 40.10 exempt from Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98,
 40.11 subdivisions 5, 7, and 8. The commissioner must audit the use of grant money under this
 40.12 section in accordance with standard accounting practices. This subdivision expires on
 40.13 December 31, 2022.

40.14 Subd. 8. **Reports.** (a) By January 31, 2023, partner organizations participating in the
 40.15 program must provide a report to the commissioner that includes descriptions of the
 40.16 businesses supported by the program, the amounts granted, and an explanation of
 40.17 administrative expenses.

40.18 (b) By February 15, 2023, the commissioner must report to the legislative committees
 40.19 in the house of representatives and senate with jurisdiction over economic development
 40.20 about grants made under this section based on the information received under paragraph
 40.21 (a).

40.22 **Sec. 18. REPEALER.**

40.23 Minnesota Statutes 2021 Supplement, section 116J.9924, subdivision 6, is repealed."

40.24 Delete the title and insert:

40.25 "A bill for an act

40.26 relating to state government; appropriating money for the Department of
 40.27 Employment and Economic Development; making policy and technical changes;
 40.28 requiring reports; amending Minnesota Statutes 2020, sections 116J.552,
 40.29 subdivision 6; 116J.8747; 116J.8770; 116J.993, subdivision 3; 116L.04, subdivision
 40.30 1a; 116L.17, subdivision 1; 116L.98, subdivisions 2, 3; Minnesota Statutes 2021
 40.31 Supplement, sections 116J.8749, subdivisions 1, 5; 116J.9924, subdivision 4; Laws
 40.32 2021, First Special Session chapter 10, article 1, section 2, subdivision 2; Laws
 40.33 2021, First Special Session chapter 14, article 11, section 42; proposing coding
 40.34 for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes
 40.35 2021 Supplement, section 116J.9924, subdivision 6."