

CHAPTER 120--S.F.No. 5289

An act relating to state government; making supplemental appropriations for jobs and economic development; making various policy and technical changes; modifying occupational licensing requirements; modifying programs managed by the Department of Employment and Economic Development; modifying vocational rehabilitation programs; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2022, sections 116J.435, subdivisions 3, 4; 116J.5492, subdivision 2; 116J.8731, subdivision 10; 116J.8748, subdivision 1; 116M.18; 116U.26; 116U.27, subdivisions 5, 6; 155A.27, subdivision 2; 268.035, subdivision 20; 268A.11; 326.10, subdivision 8; Minnesota Statutes 2023 Supplement, sections 116J.682, subdivisions 1, 3; 116J.8733; 116J.8748, subdivisions 3, 4, 6; 116L.17, subdivision 1; 116L.43, subdivision 1; 116U.27, subdivisions 1, 4; 155A.2705, subdivision 3; Laws 2023, chapter 53, article 15, sections 32, subdivision 6; 33, subdivisions 4, 5; article 20, sections 2, subdivisions 1, 2, 3, 4, 6; 3; article 21, sections 6; 7; proposing coding for new law in Minnesota Statutes, chapter 116U; repealing Minnesota Statutes 2022, sections 116J.435, subdivision 5; 116J.439; 116L.17, subdivision 5.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1**APPROPRIATIONS****Section 1. APPROPRIATIONS.**

(a) The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2023, chapter 53, or are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

(b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioners of the agencies receiving grant appropriations in this article must not use any amount of the grant appropriations for administrative costs unless otherwise appropriated or stated in Minnesota Statutes, section 116J.035, subdivision 7.

APPROPRIATIONS
Available for the Year
Ending June 30
2024 **2025**

Sec. 2. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>23,851,000</u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>-0-</u>	<u>11,694,000</u>
<u>Workforce Development</u>	<u>-0-</u>	<u>12,157,000</u>

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

Subd. 2. <u>Business and Community Development</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>6,589,000</u>
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(a) \$500,000 the second year is for a grant to the Asian Economic Development Association for asset building and financial empowerment for entrepreneurs and small business owners, small business development and technical assistance, and cultural placemaking. This is a onetime appropriation and is available until June 30, 2027.

(b) \$1,000,000 the second year is for a grant to the New American Development Center to provide small businesses and entrepreneurs with technical assistance, financial education, training, and lending and to build the grantee's capacity. This is a onetime appropriation.

(c) \$1,000,000 the second year is for a grant to the Entrepreneur Fund to capitalize their revolving loan funds to address unmet financing needs in northeast Minnesota of for-profit business startups, expansions, and ownership transitions. This is a onetime appropriation.

(d) \$200,000 the second year is for a grant to the Coalition of Asian American Leaders to support outreach, training, technical assistance, peer network development, and direct financial assistance for Asian Minnesotan women entrepreneurs and Asian-owned businesses. This is a onetime appropriation and is available until June 30, 2026.

(e) \$300,000 the second year is for a grant to Fortis Capital for a revolving loan fund to provide risk-mitigating capital for commercial development activities in underserved communities and to entrepreneurs from disadvantaged groups statewide. This is a onetime appropriation and is available until

June 30, 2027. Up to ten percent of the amount may be used for administrative costs.

(f) \$2,500,000 the second year is for Launch Minnesota and is available until June 30, 2027. This is a onetime appropriation. Of this amount:

(1) \$1,500,000 is for innovation grants to eligible Minnesota entrepreneurs or start-up businesses to assist with their operating needs;

(2) \$500,000 is for administration of Launch Minnesota; and

(3) \$500,000 is for grantee activities at Launch Minnesota.

(g) \$400,000 the second year is for a grant to the Somali Museum of Minnesota for capacity building. This a onetime appropriation.

(h) \$489,000 the second year is for a grant to the Center for Community Resources for a financial literacy program. This is a onetime appropriation.

(i) \$200,000 the second year is for grants to community butcher shops for costs associated with relocation of community butcher shops. This is a onetime appropriation. In order to be eligible for a grant:

(1) the community butcher shop must cater to residents and families that reside within census tracts, based on the most recent data published by the United States Census Bureau, where:

(i) 50 percent or more of the population are persons of color; or

(ii) 25 percent or more of the households have an income at or below 200 percent of the federal poverty level; and

(2) the relocation of the community butcher shop is as a result of reducing the environmental impact of the city business.

Subd. 3. Employment and Training Programs	\$	-0-	\$	<u>12,207,000</u>
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Appropriations by Fund

2024

2025

<u>General</u>	<u>-0-</u>	<u>50,000</u>
<u>Workforce Development</u>	<u>-0-</u>	<u>12,157,000</u>

(a) \$400,000 the second year is from the workforce development fund for a grant to Sabathani Community Center for specialized community outreach and engagement, a marketing and communication plan, program evaluation, personal empowerment training for men, empowerment and truancy curriculum for youth, wellness training for seniors, a workforce strategies mentorship and jobs training program, a 15-passenger van, and service kiosks for the Sabathani Community Center, including a onetime paid internship to support these programs. This is a onetime appropriation.

(b) \$700,000 the second year is from the workforce development fund for a grant to the Shakopee Chamber Foundation for the Shakopee area workforce development scholarship pilot program. This is a onetime appropriation and is available until June 30, 2027. The commissioner of employment and economic development may enter into an interagency agreement with the Office of Higher Education, including agreements to transfer funds and to administer the program.

(c) \$100,000 the second year is from the workforce development fund for a grant to Inspire Change Clinic for their health care fellowship program designed to create pathways to medicine for high school and college students interested in pursuing a career in the health care workforce. The health care fellowship program is intended to remove barriers for minority students, foster inclusivity and diversity in the health care sector, and provide valuable opportunities for students, including mentorship programs, access to renowned health institutions in the state of Minnesota, and hands-on work experience. In addition to the reporting requirements in section 14, the commissioner must include the number of participants served by the grant and provide information about program outcomes. This is a onetime appropriation.

(d) \$250,000 the second year is from the workforce development fund for a grant to Bolder Options Youth Mentoring Program to provide disadvantaged youth ages 12 to 22 with intensive one-to-one wellness,

goal-setting, and academic-focused mentorship; programming that teaches life and job-seeking skills; career and college achievement coaches; and connections to employment, job training, and education opportunities. The grant must serve youth in the Bolder Options program in the Twin Cities and the city of Rochester. In addition to the reporting requirements in section 14, the commissioner must include the number of participants served by the grant. This is a onetime appropriation.

(e) \$1,000,000 the second year is from the workforce development fund for a grant to Change Starts With Community for a violence prevention program. Grant money must be used to establish a comprehensive workforce development initiative, specifically tailored for at-risk youth and adults, located on site at Shiloh Cares Food Shelf in the city of Minneapolis. This is a onetime appropriation.

(f) \$100,000 the second year is from the workforce development fund for a grant to InspireMSP to develop programming to assist middle school-aged children in Minneapolis and St. Paul to develop an interest in and connect with the creative industry in Minnesota. Money must be used for program development and career exploration in the creative industry for historically excluded youth by providing access to essential resources, networks, and hands-on experience. This is a onetime appropriation.

(g) \$100,000 the second year is from the workforce development fund for a grant to Lake County Ambulance Service to establish a training program for Cook County and Lake County high school students interested in pursuing careers as emergency medical technicians. This is a onetime appropriation.

(h) \$350,000 the second year is from the workforce development fund for a grant to the city of Austin to develop and implement training programs for water operators and wastewater operators. Riverland Community College must offer the training programs. This is a onetime appropriation and is available until June 30, 2027. Of this amount, the city of Austin may use up to five percent for administration of the program. The commissioner must provide an annual report by January 5 of each year until January 5, 2028, regarding the use of grant funds under this paragraph

to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development and higher education. The report must include the number of students enrolled and number of students who have completed courses funded by this appropriation.

(i) \$250,000 the second year is from the workforce development fund for a grant to the Greater Minneapolis Council of Churches for a STEM training and career preparation program targeted at the needs of BIPOC youth. The program shall serve youth who are at least 11 years of age and less than 24 years of age and shall provide career training, job skills development, mentorship, and employment opportunities. This is a onetime appropriation and is available until June 30, 2027.

(j) \$200,000 the second year is from the workforce development fund and is for a grant to the Jobs Foundation for direct training, support services, safety enhancements, and economic support for formerly incarcerated individuals participating in the Repowered work readiness program. This is a onetime appropriation.

(k) \$100,000 the second year is from the workforce development fund for a grant to the North Minneapolis Pet Resource Center, also known as Mypitbullsfamilycom.Inc, Community Animal Medicine Professionals (CAMP) program to provide training, professional development workshops, mentorship and leadership programs, and develop recruitment and retention strategies. This is a onetime appropriation.

(l) \$1,000,000 the second year is from the workforce development fund and is for a grant to African Immigrants Community Services for workforce development for new Americans. This is a onetime appropriation.

(m) \$1,000,000 the second year is from the workforce development fund and is for a grant to WomenVenture for supporting child care providers by providing business training, mentorship, services, and educational materials, by facilitating shared administrative staff and pooled management of services such as banking and payroll, by providing child care management software and software training, and by distributing

subgrants and loans, which may be forgivable at WomenVenture's discretion. This is a onetime appropriation and is available until June 30, 2027.

(n) \$1,000,000 the second year is from the workforce development fund and is for a grant to the Black Chamber of Commerce for technical support to Black-owned small businesses, for implementing initiatives to address barriers facing the Black business community, and for networking, mentorship, and training programs. This is a onetime appropriation and is available until June 30, 2027.

(o) \$250,000 the second year is from the workforce development fund and is for a grant to the Karen Organization of Minnesota for job training and financial support and incentives for job training participants. This is a onetime appropriation.

(p) \$100,000 the second year is from the workforce development fund and is for a grant to Indigenous Roots for soft skills training and career readiness training for youth. This is a onetime appropriation.

(q) \$100,000 the second year is from the workforce development fund and is for a grant to Ramsey County for a subgrant with People in Action to provide workforce development programming. This amount is available until June 30, 2026, and 40 percent of the amount must be expended within the city of St. Paul. Grants provided by People in Action must be awarded through at least two requests for proposals. This is a onetime appropriation.

(r) \$500,000 the second year is from the workforce development fund and is for a grant to the Metro Youth Diversion Center to support its Youth-Care Assessment and Readiness Education program to enhance workforce development opportunities for youth with a focus on underrepresented East African students. This is a onetime appropriation.

(s) \$174,000 the second year is from the workforce development fund and is for a grant to Independent School District No. 709, Duluth, for a software subscription to facilitate the career planning of students. This is a onetime appropriation.

(t) \$171,000 the second year is from the workforce development fund and is for a grant to Independent

School District No. 704, Proctor, to develop a regional career and technical education program to serve Independent School District No. 704, Proctor, Independent School District No. 700, Hermantown, and Independent School District No. 99, Esko. This is a onetime appropriation.

(u) \$1,000,000 the second year is from the workforce development fund and is for a grant to the city of Brooklyn Park for the Brooklyn Park Small Business Center and for the city to expand the workforce development programming of Brooklyn Park and Brooklyn Center through workforce development programs serving primarily underrepresented populations, including such programs as Brooklynk, Career Pathways, Youth Entrepreneurship, and Community Partnership. This is a onetime appropriation and is available until June 30, 2027.

(v) \$500,000 the second year is from the workforce development fund and is for a grant to Riverside Plaza Tenant Association to address employment, economic, and technology access disparities for low-income unemployed or underemployed individuals through training in health care, technology, and construction or skilled trades industries. This is a onetime appropriation.

(w) \$300,000 the second year is from the workforce development fund and is for a grant to African Career, Education, and Resources, Inc., to develop a program for health care skills training and computer skills training in collaboration with the Organization of Liberians in Minnesota. This is a onetime appropriation.

(x) \$75,000 the second year is from the workforce development fund and is for a grant to Equitable Development Action for it to fund programs and provide technical assistance to underserved businesses. This is a onetime appropriation.

(y) \$50,000 the second year is from the workforce development fund and is for a grant to HIRPHA International for use on youth apprenticeships, entrepreneurship training, computer skills, and work readiness training. This is a onetime appropriation.

(z) \$200,000 the second year is from the workforce development fund and is for a grant to YWCA St. Paul

for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living wage employment. This is a onetime appropriation.

(aa) \$50,000 the second year is from the workforce development fund and is for a grant to United Senior Lao American Association to provide job and skills training for an underserved population. This is a onetime appropriation.

(bb) \$100,000 the second year is from the workforce development fund and is for a grant to Hmong American Farmers Association for workforce readiness, employment exploration, and skills development. This is a onetime appropriation.

(cc) \$240,000 the second year is from the workforce development fund and is for a grant to MN Zej Zog for workforce readiness, employment exploration, and skills development. This is a onetime appropriation.

(dd) \$100,000 the second year is from the workforce development fund and is for a grant to Ramsey County for a Justice Impact Navigator to support Ramsey County residents who have a justice impact or who are reentering the community after incarceration to connect to resources with a focus on employment and training supports. Funds must be used for a navigator pilot and other administrative expenses such as outreach, marketing, and resources for residents. This is a onetime appropriation.

(ee) \$100,000 the second year is from the workforce development fund and is for a grant to Ramsey County for a Digital Equity Specialist to support Ramsey County residents with digital literacy resources and skills to connect to employment and training supports. Funds must be used for a digital navigator pilot serving in Ramsey County Career Labs and community-based locations and other administrative expenses, such as outreach, marketing, and resources for residents. This is a onetime appropriation.

(ff) \$100,000 the second year is from the workforce development fund for a grant to Film North to attract a film festival. This is a onetime appropriation. The commissioner of employment and economic development may enter into an interagency agreement

with Explore Minnesota, including agreements to transfer funds and administer the grant.

(gg) \$400,000 the second year is from the workforce development fund for a grant to the Twin Cities Urban League for support, capacity building, and expansion of the Work Readiness Program. This is a onetime appropriation.

(hh) \$500,000 the second year is from the workforce development fund for a grant to Arrowhead Opportunity Agency for the purposes of expanding workforce development opportunities in the region. This is a onetime appropriation.

(ii) \$597,000 the second year is from the workforce development fund for a grant to the Minneapolis Downtown Council for infrastructure and associated costs for the Taste of Minnesota event, including but not limited to buildout, permits, garbage services, staffing, security, equipment rentals, signage, and insurance. This is a onetime appropriation. The commissioner of employment and economic development may enter into an interagency agreement with Explore Minnesota, including agreements to transfer funds and administer the grant.

(jj) \$50,000 the second year is from the general fund for a grant to Block Builders Foundation. This appropriation must be used for programming targeted toward at-risk youth coaching, financial literacy education, juvenile offender diversion programming, and community outreach. This is a onetime appropriation.

Subd. 4. Vocational Rehabilitation \$ -0- \$ 5,055,000

\$5,055,000 the second year is for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. This is a onetime appropriation and is available until June 30, 2027.

Sec. 3. UNIVERSITY OF MINNESOTA. \$ -0- \$ 250,000

\$250,000 the second year is from the workforce development fund to the Board of Regents of the University of Minnesota to perform the duties required to establish and carry out the duties of the Center for

Nursing Equity and Excellence. This is a onetime appropriation.

Sec. 4. **EXPLORE MINNESOTA** \$ -0- \$ 4,475,000

(a) \$825,000 the second year is for Explore Minnesota Film. This appropriation is added to the Explore MN base in fiscal year 2026 and each year thereafter.

(b) \$400,000 the second year is for a grant to Ka Joog for Somali community and cultural festivals and events, including festivals and events in greater Minnesota. This is a onetime appropriation.

(c) \$2,000,000 the second year is for a grant to the 2026 Special Olympics USA Games to expend on providing food and housing to 2026 Special Olympics USA Games athletes. This is a onetime appropriation.

(d) \$1,250,000 the second year is for a grant to the Minneapolis Downtown Council for infrastructure and associated costs for the Taste of Minnesota event, including but not limited to buildout, permits, garbage services, staffing, security, equipment rentals, signage, and insurance. This is a onetime appropriation.

Sec. 5. Laws 2023, chapter 53, article 20, section 2, subdivision 1, is amended to read:

Subdivision 1. **Total Appropriation** \$ **382,802,000** \$ **310,131,000**
309,306,000

Appropriations by Fund

	2024	2025
General	352,525,000	279,854,000 <u>279,029,000</u>
Remediation	700,000	700,000
Workforce Development	30,277,000	30,277,000

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

Sec. 6. Laws 2023, chapter 53, article 20, section 2, subdivision 2, is amended to read:

Subd. 2. **Business and Community Development** 195,061,000 139,929,000
139,104,000

Appropriations by Fund

		137,879,000
General	193,011,000	<u>137,054,000</u>
Remediation	700,000	700,000
Workforce Development	1,350,000	1,350,000

(a) \$2,287,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until June 30, 2027.

(b) \$500,000 each year is for grants to small business development centers under Minnesota Statutes, section 116J.68. Money made available under this paragraph may be used to match funds under the federal Small Business Development Center (SBDC) program under United States Code, title 15, section 648, to provide consulting and technical services or to build additional SBDC network capacity to serve entrepreneurs and small businesses.

(c) \$2,500,000 ~~each the first year~~ is for Launch Minnesota. ~~These are~~ This is a onetime appropriations appropriation. Of this amount:

(1) \$1,500,000 ~~each year~~ is for innovation grants to eligible Minnesota entrepreneurs or start-up businesses to assist with their operating needs;

(2) \$500,000 ~~each year~~ is for administration of Launch Minnesota; and

(3) \$500,000 ~~each year~~ is for grantee activities at Launch Minnesota.

(d)(1) \$500,000 each year is for grants to MNSBIR, Inc., to support moving scientific excellence and technological innovation from the lab to the market for start-ups and small businesses by securing federal research and development funding. The purpose of the grant is to build a strong Minnesota economy and stimulate the creation of novel products, services, and solutions in the private sector; strengthen the role of small business in meeting federal research and development needs; increase the commercial application of federally supported research results; and develop and increase the Minnesota workforce, especially by fostering and encouraging participation

by small businesses owned by women and people who are Black, Indigenous, or people of color. This is a onetime appropriation.

(2) MNSBIR, Inc., shall use the grant money to be the dedicated resource for federal research and development for small businesses of up to 500 employees statewide to support research and commercialization of novel ideas, concepts, and projects into cutting-edge products and services for worldwide economic impact. MNSBIR, Inc., shall use grant money to:

(i) assist small businesses in securing federal research and development funding, including the Small Business Innovation Research and Small Business Technology Transfer programs and other federal research and development funding opportunities;

(ii) support technology transfer and commercialization from the University of Minnesota, Mayo Clinic, and federal laboratories;

(iii) partner with large businesses;

(iv) conduct statewide outreach, education, and training on federal rules, regulations, and requirements;

(v) assist with scientific and technical writing;

(vi) help manage federal grants and contracts; and

(vii) support cost accounting and sole-source procurement opportunities.

(e) \$10,000,000 the first year is for the Minnesota Expanding Opportunity Fund Program under Minnesota Statutes, section 116J.8733. This is a onetime appropriation and is available until June 30, 2025.

(f) \$6,425,000 each year is for the small business assistance partnerships program under Minnesota Statutes, section 116J.682. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year. The department may use up to five percent of the appropriation for administrative purposes. The base for this appropriation is \$2,725,000 in fiscal year 2026 and each year thereafter.

(g) \$350,000 each year is for administration of the community energy transition office.

(h) \$5,000,000 each year is transferred from the general fund to the community energy transition account for grants under Minnesota Statutes, section 116J.55. This is a onetime transfer.

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

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

(k) \$389,000 each year is for the Center for Rural Policy and Development. The base for this appropriation is \$139,000 in fiscal year 2026 and each year thereafter.

(l) \$25,000 each year is for the administration of state aid for the Destination Medical Center under Minnesota Statutes, sections 469.40 to 469.47.

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

(n) \$6,500,000 each year is for grants to local communities to increase the number of quality child care providers to support economic development. Fifty percent of grant money must go to communities located outside the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2. The base for this appropriation is \$1,500,000 in fiscal year 2026 and each year thereafter.

Grant recipients must obtain a 50 percent nonstate match to grant money in either cash or in-kind contribution, unless the commissioner waives the requirement. Grant money available under this subdivision must be used to implement projects to reduce the child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications, direct subsidies or incentives to retain employees, or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority

to communities that have demonstrated a shortage of child care providers.

Within one year of receiving grant money, grant recipients must report to the commissioner on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care openings, and the amount of cash and in-kind local money invested. Within one month of all grant recipients reporting on program outcomes, the commissioner must report the grant recipients' outcomes to the chairs and ranking members of the legislative committees with jurisdiction over early learning and child care and economic development.

(o) \$500,000 each year is for the Office of Child Care Community Partnerships. Of this amount:

(1) \$450,000 each year is for administration of the Office of Child Care Community Partnerships; and

(2) \$50,000 each year is for the Labor Market Information Office to conduct research and analysis related to the child care industry.

(p) \$3,500,000 each year is for grants in equal amounts to each of the Minnesota Initiative Foundations. This appropriation is available until June 30, 2027. The base for this appropriation is \$1,000,000 in fiscal year 2026 and each year thereafter. The Minnesota Initiative Foundations must use grant money under this section to:

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

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

(3) provide locally based training and technical assistance to rural business owners individually or through a learning cohort. Access to financial and business development assistance must prepare child

care businesses for quality engagement and improvement by stabilizing operations, leveraging funding from other sources, and fostering business acumen that allows child care businesses to plan for and afford the cost of providing quality child care; and

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

(q) \$8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8748, money appropriated for the job creation fund may be used for redevelopment under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner.

(r) \$12,370,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8731, money appropriated to the commissioner for the Minnesota investment fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under this paragraph are not subject to the grant amount limitation under Minnesota Statutes, section 116J.8731.

(s) \$4,246,000 each year is for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761. The base for this appropriation is \$2,246,000 in fiscal year 2026 and each year thereafter. This appropriation is available until expended.

(t) \$1,000,000 each year is for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Money available under this paragraph is for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until expended. Of this amount, up to four percent is for administration and monitoring of the program.

(u) \$325,000 ~~each~~ the first year is for the Minnesota Film and TV Board. The appropriation ~~each year~~ is available only upon receipt by the board of \$1 in matching contributions of money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation, except that ~~each year~~ up to \$50,000 is available on July 1 even if the required matching contribution has not been received by that date. This is a onetime appropriation.

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

(w) \$500,000 ~~each~~ the first year is for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(x) \$4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until expended.

(y) \$1,350,000 each year from the workforce development fund is for jobs training grants under Minnesota Statutes, section 116L.41.

(z) \$47,475,000 ~~each~~ the first year is and \$50,475,000 the second year are for the PROMISE grant program. This is a onetime appropriation and is available until June 30, 2027. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year. Of this amount:

(1) \$475,000 each year is for administration of the PROMISE grant program;

(2) \$7,500,000 each year is for grants in equal amounts to each of the Minnesota Initiative Foundations to serve

businesses in greater Minnesota. Of this amount, \$600,000 each year is for grants to businesses with less than \$100,000 in revenue in the prior year; and

(3) \$39,500,000 each the first year is and \$42,500,000 the second year are for grants to the Neighborhood Development Center. Of this amount, the following amounts are designated for the following areas:

(i) \$16,000,000 each year is for North Minneapolis' West Broadway, Camden, or other Northside neighborhoods. Of this amount, \$1,000,000 each year is for grants to businesses with less than \$100,000 in revenue in the prior year;

(ii) \$13,500,000 each year is for South Minneapolis' Lake Street, 38th and Chicago, Franklin, Nicollet, and Riverside corridors. Of this amount, \$750,000 each year is for grants to businesses with less than \$100,000 in revenue in the prior year; ~~and~~

(iii) \$10,000,000 each year is for St. Paul's University Avenue, Midway, Eastside, or other St. Paul neighborhoods. Of this amount, \$750,000 each year is for grants to businesses with less than \$100,000 in revenue in the prior year;

(iv) \$1,000,000 the first year is for South Minneapolis' Hennepin Avenue Commercial corridor, South Hennepin Community corridor, and Uptown Special Service District; and

(v) \$3,000,000 the second year is for grants to businesses in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, excluding the cities of Minneapolis and St. Paul.

(aa) \$15,150,000 each year is for the PROMISE loan program. This is a onetime appropriation and is available until June 30, 2027. Of this amount:

(1) \$150,000 each year is for administration of the PROMISE loan program;

(2) \$3,000,000 each year is for grants in equal amounts to each of the Minnesota Initiative Foundations to serve businesses in greater Minnesota; and

(3) \$12,000,000 each year is for grants to the Metropolitan Economic Development Association (MEDA). Of this amount, the following amounts are designated for the following areas:

(i) \$4,500,000 each year is for North Minneapolis' West Broadway, Camden, or other Northside neighborhoods;

(ii) \$4,500,000 each year is for South Minneapolis' Lake Street, 38th and Chicago, Franklin, Nicollet, and Riverside corridors; and

(iii) \$3,000,000 each year is for St. Paul's University Avenue, Midway, Eastside, or other St. Paul neighborhoods.

(bb) \$1,500,000 each year is for a grant to the Metropolitan Consortium of Community Developers for the community wealth-building grant program pilot project. Of this amount, up to two percent is for administration and monitoring of the community wealth-building grant program pilot project. This is a onetime appropriation.

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

(dd) \$5,000,000 the first year is for a grant to the Bloomington Port Authority to provide funding for the Expo 2027 host organization. The Bloomington Port Authority must enter into an agreement with the host organization over the use of money, which may be used for activities, including but not limited to finalizing the community dossier and staffing the host organization and for infrastructure design and planning, financial modeling, development planning and coordination of both real estate and public private partnerships, and reimbursement of costs the Bloomington Port Authority incurred. In selecting vendors and exhibitors for Expo 2027, the host organization shall prioritize outreach to, collaboration with, and inclusion of businesses that are majority owned by people of color, women, and people with disabilities. The host organization and Bloomington Port Authority may be reimbursed for expenses 90 days prior to encumbrance. This appropriation is contingent on approval of the project by the Bureau International des Expositions. If the project is not approved by the Bureau International des Expositions, the money shall transfer to the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Any unencumbered balance remaining at the end of

the first year does not cancel but is available for the second year.

(ee) \$5,000,000 the first year is for a grant to the Neighborhood Development Center for small business programs, including training, lending, business services, and real estate programming; small business incubator development in the Twin Cities and outside the seven-county metropolitan area; and technical assistance activities for partners outside the seven-county metropolitan area; and for high-risk, character-based loan capital for nonrecourse loans. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

(ff) \$5,000,000 the first year is for transfer to the emerging developer fund account in the special revenue fund. Of this amount, up to five percent is for administration and monitoring of the emerging developer fund program under Minnesota Statutes, section 116J.9926, and the remainder is for a grant to the Local Initiatives Support Corporation - Twin Cities to serve as a partner organization under the program. This is a onetime appropriation.

(gg) \$5,000,000 the first year is for the Canadian border counties economic relief program under article 5. Of this amount, up to \$1,000,000 is for Tribal economic development and \$2,100,000 is for a grant to Lake of the Woods County for the forgivable loan program for remote recreational businesses. This is a onetime appropriation and is available until June 30, 2026.

(hh) \$1,000,000 each year is for a grant to African Economic Development Solutions. This is a onetime appropriation and is available until June 30, 2026. Of this amount:

(1) \$500,000 each year is for a loan fund that must address pervasive economic inequities by supporting business ventures of entrepreneurs in the African immigrant community; and

(2) \$250,000 each year is for workforce development and technical assistance, including but not limited to business development, entrepreneur training, business technical assistance, loan packing, and community development services.

(ii) \$1,500,000 each year is for a grant to the Latino Economic Development Center. This is a onetime appropriation and is available until June 30, 2025. Of this amount:

(1) \$750,000 each year is to assist, support, finance, and launch microentrepreneurs by delivering training, workshops, and one-on-one consultations to businesses; and

(2) \$750,000 each year is to guide prospective entrepreneurs in their start-up process by introducing them to key business concepts, including business start-up readiness. Grant proceeds must be used to offer workshops on a variety of topics throughout the year, including finance, customer service, food-handler training, and food-safety certification. Grant proceeds may also be used to provide lending to business startups.

(jj) \$627,000 the first year is for a grant to Community and Economic Development Associates (CEDA) to provide funding for economic development technical assistance and economic development project grants to small communities across rural Minnesota and for CEDA to design, implement, market, and administer specific types of basic community and economic development programs tailored to individual community needs. Technical assistance grants shall be based on need and given to communities that are otherwise unable to afford these services. Of the amount appropriated, up to \$270,000 may be used for economic development project implementation in conjunction with the technical assistance received. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year.

(kk) \$2,000,000 the first year is for a grant to WomenVenture to:

(1) support child care providers through business training and shared services programs and to create materials that could be used, free of charge, for start-up, expansion, and operation of child care businesses statewide, with the goal of helping new and existing child care businesses in underserved areas of the state become profitable and sustainable; and

(2) support business expansion for women food entrepreneurs throughout Minnesota's food supply chain to help stabilize and strengthen their business operations, create distribution networks, offer technical assistance and support to beginning women food entrepreneurs, develop business plans, develop a workforce, research expansion strategies, and for other related activities.

Eligible uses of the money include but are not limited to:

- (i) leasehold improvements;
- (ii) additions, alterations, remodeling, or renovations to rented space;
- (iii) inventory or supplies;
- (iv) machinery or equipment purchases;
- (v) working capital; and
- (vi) debt refinancing.

Money distributed to entrepreneurs may be loans, forgivable loans, and grants. Of this amount, up to five percent may be used for the Women Venture's technical assistance and administrative costs. This is a onetime appropriation and is available until June 30, 2026.

By December 15, 2026, Women Venture must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and employment and economic development. The report must include a summary of the uses of the appropriation, including the amount of the appropriation used for administration. The report must also provide a breakdown of the amount of funding used for loans, forgivable loans, and grants; information about the terms of the loans issued; a discussion of how money from repaid loans will be used; the number of entrepreneurs assisted; and a breakdown of how many entrepreneurs received assistance in each county.

(II) \$2,000,000 the first year is for a grant to African Career, Education, and Resource, Inc., for operational infrastructure and technical assistance to small businesses. This appropriation is available until June 30, 2025.

(mm) \$5,000,000 the first year is for a grant to the African Development Center to provide loans to purchase commercial real estate and to expand organizational infrastructure. This appropriation is available until June 30, 2025. Of this amount:

- (1) \$2,800,000 is for loans to purchase commercial real estate targeted at African immigrant small business owners;
- (2) \$364,000 is for loan loss reserves to support loan volume growth and attract additional capital;
- (3) \$836,000 is for increasing organizational capacity;
- (4) \$300,000 is for the safe 2 eat project of inclusive assistance with required restaurant licensing examinations; and
- (5) \$700,000 is for a center for community resources for language and technology assistance for small businesses.

(nn) \$7,000,000 the first year is for grants to the Minnesota Initiative Foundations to capitalize their revolving loan funds, which address unmet financing needs of for-profit business start-ups, expansions, and ownership transitions; nonprofit organizations; and developers of housing to support the construction, rehabilitation, and conversion of housing units. Of the amount appropriated:

- (1) \$1,000,000 is for a grant to the Southwest Initiative Foundation;
- (2) \$1,000,000 is for a grant to the West Central Initiative Foundation;
- (3) \$1,000,000 is for a grant to the Southern Minnesota Initiative Foundation;
- (4) \$1,000,000 is for a grant to the Northwest Minnesota Foundation;
- (5) \$2,000,000 is for a grant to the Initiative Foundation of which \$1,000,000 is for redevelopment of the St. Cloud Youth and Family Center; and
- (6) \$1,000,000 is for a grant to the Northland Foundation.

(oo) \$500,000 each year is for a grant to Enterprise Minnesota, Inc., to reach and deliver talent, leadership,

employee retention, continuous improvement, strategy, quality management systems, revenue growth, and manufacturing peer-to-peer advisory services to small manufacturing companies employing 35 or fewer full-time equivalent employees. This is a onetime appropriation. No later than February 1, 2025, and February 1, 2026, Enterprise Minnesota, Inc., must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development that includes:

- (1) the grants awarded during the past 12 months;
- (2) the estimated financial impact of the grants awarded to each company receiving services under the program;
- (3) the actual financial impact of grants awarded during the past 24 months; and
- (4) the total amount of federal funds leveraged from the Manufacturing Extension Partnership at the United States Department of Commerce.

(pp) \$375,000 each year is for a grant to PFund Foundation to provide grants to LGBTQ+-owned small businesses and entrepreneurs. Of this amount, up to five percent may be used for PFund Foundation's technical assistance and administrative costs. This is a onetime appropriation and is available until June 30, 2026. To the extent practicable, money must be distributed by PFund Foundation as follows:

- (1) at least 33.3 percent to businesses owned by members of racial minority communities; and
- (2) at least 33.3 percent to businesses outside of the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.

(qq) \$125,000 each year is for a grant to Quorum to provide business support, training, development, technical assistance, and related activities for LGBTQ+-owned small businesses that are recipients of a PFund Foundation grant. Of this amount, up to five percent may be used for Quorum's technical assistance and administrative costs. This is a onetime appropriation and is available until June 30, 2026.

(rr) \$5,000,000 the first year is for a grant to the Metropolitan Economic Development Association (MEDA) for statewide business development and

assistance services to minority-owned businesses. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year. Of this amount:

(1) \$3,000,000 is for a revolving loan fund to provide additional minority-owned businesses with access to capital; and

(2) \$2,000,000 is for operating support activities related to business development and assistance services for minority business enterprises.

By February 1, 2025, MEDA shall report to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over economic development policy and finance on the loans and operating support activities, including outcomes and expenditures, supported by the appropriation under this paragraph.

(ss) \$2,500,000 each year is for a grant to a Minnesota-based automotive component manufacturer and distributor specializing in electric vehicles and sensor technology that manufactures all of their parts onshore to expand their manufacturing. The grant recipient under this paragraph shall submit reports on the uses of the money appropriated, the number of jobs created due to the appropriation, wage information, and the city and state in which the additional manufacturing activity was located to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development. An initial report shall be submitted by December 15, 2023, and a final report is due by December 15, 2025. This is a onetime appropriation.

(tt)(1) \$125,000 each year is for grants to the Latino Chamber of Commerce Minnesota to support the growth and expansion of small businesses statewide. Funds may be used for the cost of programming, outreach, staffing, and supplies. This is a onetime appropriation.

(2) By January 15, 2026, the Latino Chamber of Commerce Minnesota must submit a report to the legislative committees with jurisdiction over economic development that details the use of grant funds and the grant's economic impact.

(uu) \$175,000 the first year is for a grant to the city of South St. Paul to study options for repurposing the 1927 American Legion Memorial Library after the property is no longer used as a library. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(vv) \$250,000 the first year is for a grant to LatinoLEAD for organizational capacity-building.

(ww) \$80,000 the first year is for a grant to the Neighborhood Development Center for small business competitive grants to software companies working to improve employee engagement and workplace culture and to reduce turnover.

(xx)(1) \$3,000,000 in the first year is for a grant to the Center for Economic Inclusion for strategic, data-informed investments in job creation strategies that respond to the needs of underserved populations statewide. This may include forgivable loans, revenue-based financing, and equity investments for entrepreneurs with barriers to growth. Of this amount, up to five percent may be used for the center's technical assistance and administrative costs. This appropriation is available until June 30, 2025.

(2) By January 15, 2026, the Center for Economic Inclusion shall submit a report on the use of grant funds, including any loans made, to the legislative committees with jurisdiction over economic development.

(yy) \$500,000 ~~each~~ the first year is for a grant to the Asian Economic Development Association for asset building and financial empowerment for entrepreneurs and small business owners, small business development and technical assistance, and cultural placemaking. This is a onetime appropriation.

(zz) \$500,000 each year is for a grant to Isuroon to support primarily African immigrant women with entrepreneurial training to start, manage, and grow self-sustaining microbusinesses, develop incubator space for these businesses, and provide support with financial and language literacy, systems navigation to eliminate capital access disparities, marketing, and other technical assistance. This is a onetime appropriation.

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

Sec. 7. Laws 2023, chapter 53, article 20, section 2, subdivision 3, is amended to read:

Subd. 3. Employment and Training Programs	112,038,000	104,499,000
Appropriations by Fund		
	2024	2025
General	91,036,000	83,497,000
Workforce Development	21,002,000	21,002,000

(a) \$500,000 each year from the general fund and \$500,000 each year from the workforce development fund are for rural career counseling coordinators in the workforce service areas and for the purposes specified under Minnesota Statutes, section 116L.667.

(b) \$25,000,000 each year is for the targeted population workforce grants under Minnesota Statutes, section 116L.43. The department may use up to five percent of this appropriation for administration, monitoring, and oversight of the program. Of this amount:

(1) \$18,500,000 each year is for job and entrepreneurial skills training grants under Minnesota Statutes, section 116L.43, subdivision 2;

(2) \$1,500,000 each year is for diversity and inclusion training for small employers under Minnesota Statutes, section 116L.43, subdivision 3; and

(3) \$5,000,000 each year is for capacity building grants under Minnesota Statutes, section 116L.43, subdivision 4.

The base for this appropriation is \$1,275,000 in fiscal year 2026 and each year thereafter.

(c) \$750,000 each year is for the women and high-wage, high-demand, nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Of this amount, up to five percent is for administration and monitoring of the program.

(d) \$10,000,000 each year is for the Drive for Five Initiative to conduct outreach and provide job skills training, career counseling, case management, and supportive services for careers in (1) technology, (2)

labor, (3) the caring professions, (4) manufacturing, and (5) educational and professional services. This is a onetime appropriation.

(e) Of the amounts appropriated in paragraph (d), the commissioner must make \$7,000,000 each year available through a competitive request for proposal process. The grant awards must be used to provide education and training in the five industries identified in paragraph (d). Education and training may include:

- (1) student tutoring and testing support services;
- (2) training and employment placement in high wage and high growth employment;
- (3) assistance in obtaining industry-specific certifications;
- (4) remedial training leading to enrollment in employment training programs or services;
- (5) real-time work experience;
- (6) career and educational counseling;
- (7) work experience and internships; and
- (8) supportive services.

(f) Of the amount appropriated in paragraph (d), \$2,000,000 each year must be awarded through competitive grants made to trade associations or chambers of commerce for job placement services. Grant awards must be used to encourage workforce training efforts to ensure that efforts are aligned with employer demands and that graduates are connected with employers that are currently hiring. Trade associations or chambers must partner with employers with current or anticipated employment opportunities and nonprofit workforce training partners participating in this program. The trade associations or chambers must work closely with the industry sector training providers in the five industries identified in paragraph (d). Grant awards may be used for:

- (1) employer engagement strategies to align employment opportunities for individuals exiting workforce development training programs. These strategies may include business recruitment, job opening development, employee recruitment, and job

matching. Trade associations must utilize the state's labor exchange system;

(2) diversity, inclusion, and retention training of their members to increase the business' understanding of welcoming and retaining a diverse workforce; and

(3) industry-specific training.

(g) Of the amount appropriated in paragraph (d), \$1,000,000 each year is to hire, train, and deploy business services representatives in local workforce development areas throughout the state. Business services representatives must work with an assigned local workforce development area to address the hiring needs of Minnesota's businesses by connecting job seekers and program participants in the CareerForce system. Business services representatives serve in the classified service of the state and operate as part of the agency's Employment and Training Office. The commissioner shall develop and implement training materials and reporting and evaluation procedures for the activities of the business services representatives. The business services representatives must:

(1) serve as the primary contact for businesses in that area;

(2) actively engage employers by assisting with matching employers to job seekers by referring candidates, convening job fairs, and assisting with job announcements; and

(3) work with the local area board and its partners to identify candidates for openings in small and midsize companies in the local area.

(h) \$2,546,000 each year from the general fund and \$4,604,000 each year from the workforce development fund are for the pathways to prosperity competitive grant program. Of this amount, up to five percent is for administration and monitoring of the program.

(i) \$500,000 each year is from the workforce development fund for current Minnesota affiliates of OIC of America, Inc. This appropriation shall be divided equally among the eligible centers.

(j) \$1,000,000 each year is for competitive grants to organizations providing services to relieve economic disparities in the Southeast Asian community through

workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for administration and monitoring of the program.

(k) \$1,000,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to parents, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to five percent is for administration and monitoring of the program.

(l) \$750,000 each year from the general fund and \$6,698,000 each year from the workforce development fund are for the youth-at-work competitive grant program under Minnesota Statutes, section 116L.562. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year. The base for this appropriation is \$750,000 from the general fund and \$3,348,000 from the workforce development fund beginning in fiscal year 2026 and each year thereafter.

(m) \$1,093,000 each year is from the general fund and \$1,000,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366. The base for this appropriation is \$1,000,000 from the workforce development fund in fiscal year 2026 and each year thereafter.

(n) \$4,511,000 each year from the general fund and \$4,050,000 each year from the workforce development fund are for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561. The base for this appropriation is \$0 from the general fund and \$4,050,000 from the workforce development fund in fiscal year 2026 and each year thereafter.

(o) \$750,000 each year is for the Office of New Americans under Minnesota Statutes, section 116J.4231.

(p) \$1,000,000 each year from the workforce development fund is for a grant to the Minnesota Technology Association to support the SciTech internship program, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students and graduate students in their fields of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in Minnesota having fewer than 250 employees worldwide. At least 325 students must be matched each year. No more than 15 percent of the hires may be graduate students. Selected hiring companies shall receive from the grant 50 percent of the wages paid to the intern, capped at \$3,000 per intern. The program must work toward increasing the participation among women or other underserved populations. This is a onetime appropriation.

(q) \$750,000 each year is for grants to the Minneapolis Park and Recreation Board's Teen Teamworks youth employment and training programs. This is a onetime appropriation and available until June 30, 2027. Any unencumbered balance remaining at the end of the first year does not cancel but is available in the second year.

(r) \$900,000 each year is for a grant to Avivo to provide low-income individuals with career education and job skills training that is fully integrated with chemical and mental health services. Of this amount, up to \$250,000 each year is for a grant to Avivo to provide resources and support services to survivors of sex trafficking and domestic abuse in the greater St. Cloud area as they search for employment. Program resources include but are not limited to costs for day care, transportation, housing, legal advice, procuring documents required for employment, interview clothing, technology, and Internet access. The program shall also include public outreach and corporate training components to communicate to the public and potential employers about the specific struggles faced by survivors as they re-enter the workforce. This is a onetime appropriation.

(s) \$1,000,000 each year is for the getting to work grant program under Minnesota Statutes, section 116J.545. Of this amount, up to five percent is for administration and monitoring of the program. This is a onetime appropriation.

(t) \$400,000 each year is for a grant to the nonprofit 30,000 Feet to fund youth apprenticeship jobs, wraparound services, after-school programming, and summer learning loss prevention efforts targeted at African American youth. This is a onetime appropriation.

(u) \$463,000 the first year is for a grant to the Boys and Girls Club of Central Minnesota. This is a onetime appropriation. Of this amount:

(1) \$313,000 is to fund one year of free full-service programming for a new program in Waite Park that will employ part-time youth development staff and provide community volunteer opportunities for people of all ages. Career exploration and life skills programming will be a significant dimension of programming at this new site; and

(2) \$150,000 is for planning and design for a new multiuse facility for the Boys and Girls Club of Waite Park and other community partners, including the Waite Park Police Department and the Whitney Senior Center.

(v) \$1,000,000 each year is for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills and career development. This project, which may have career guidance components including health and life skills, must be designed to encourage, train, and assist youth in early access to education and job-seeking skills, work-based learning experience, including career pathways in STEM learning, career exploration and matching, and first job placement through local community partnerships and on-site job opportunities. This grant requires a 25 percent match from nonstate resources. This is a onetime appropriation.

(w) \$1,000,000 the first year is for a grant to the Owatonna Area Chamber of Commerce Foundation for the Learn and Earn Initiative to help the Owatonna and Steele County region grow and retain a talented workforce. This is a onetime appropriation and is available until June 30, 2025. Of this amount:

(1) \$900,000 is to develop an advanced manufacturing career pathway program for youth and adult learners with shared learning spaces, state-of-the-art equipment,

and instructional support to grow and retain talent in Owatonna; and

(2) \$100,000 is to create the Owatonna Opportunity scholarship model for the Learn and Earn Initiative for students and employers.

(x) \$250,000 each year from the workforce development fund is for a grant to the White Bear Center for the Arts for establishing a paid internship program for high school students to learn professional development skills through an arts perspective. This is a onetime appropriation.

(y) \$250,000 each year is for the Minnesota Family Resiliency Partnership under Minnesota Statutes, section 116L.96. The commissioner, through the adult career pathways program, shall distribute the money to existing nonprofit and state displaced homemaker programs. This is a onetime appropriation.

(z) \$600,000 each year is for a grant to East Side Neighborhood Services. This is a onetime appropriation of which:

(1) \$300,000 each year is for the senior community service employment program, which provides work readiness training to low-income adults ages 55 and older to provide ongoing support and mentoring services to the program participants as well as the transition period from subsidized wages to unsubsidized wages; and

(2) \$300,000 each year is for the nursing assistant plus program to serve the increased need for growth of medical talent pipelines through expansion of the existing program and development of in-house training.

The amounts specified in clauses (1) and (2) may also be used to enhance employment programming for youth and young adults, ages 14 to 24, to introduce them to work culture, develop essential work readiness skills, and make career plans through paid internship experiences and work readiness training.

(aa) \$1,500,000 each year from the workforce development fund is for a grant to Ujamaa Place to assist primarily African American men with job training, employment preparation, internships, education, vocational housing, and organizational capacity building. This is a onetime appropriation.

(bb) \$500,000 each year is for a grant to Comunidades Organizando el Poder y la Acción Latina (COPAL) for worker center programming that supports primarily low-income, migrant, and Latinx workers with career planning, workforce training and education, workers' rights advocacy, health resources and navigation, and wealth creation resources. This is a onetime appropriation.

(cc) \$2,000,000 each year is for a grant to Propel Nonprofits to provide capacity-building grants and related technical assistance to small, culturally specific organizations that primarily serve historically underserved cultural communities. Propel Nonprofits may only award grants to nonprofit organizations that have an annual organizational budget of less than \$1,000,000. These grants may be used for:

(1) organizational infrastructure improvements, including developing database management systems and financial systems, or other administrative needs that increase the organization's ability to access new funding sources;

(2) organizational workforce development, including hiring culturally competent staff, training and skills development, and other methods of increasing staff capacity; or

(3) creating or expanding partnerships with existing organizations that have specialized expertise in order to increase capacity of the grantee organization to improve services to the community.

Of this amount, up to five percent may be used by Propel Nonprofits for administrative costs. This is a onetime appropriation.

(dd) \$1,000,000 each year is for a grant to Goodwill Easter Seals Minnesota and its partners. The grant must be used to continue the FATHER Project in Rochester, St. Cloud, St. Paul, Minneapolis, and the surrounding areas to assist fathers in overcoming barriers that prevent fathers from supporting their children economically and emotionally, including with community re-entry following confinement. This is a onetime appropriation.

(ee) \$250,000 the first year is for a grant to the ProStart and Hospitality Tourism Management Program for a

well-established, proven, and successful education program that helps young people advance careers in the hospitality industry and addresses critical long-term workforce shortages in that industry.

(ff) \$450,000 each year is for grants to Minnesota Diversified Industries to provide inclusive employment opportunities and services for people with disabilities. This is a onetime appropriation.

(gg) \$1,000,000 the first year is for a grant to Minnesota Diversified Industries to assist individuals with disabilities through the unified work model by offering virtual and in-person career skills classes augmented with virtual reality tools. Minnesota Diversified Industries shall submit a report on the number and demographics of individuals served, hours of career skills programming delivered, outreach to employers, and recommendations for future career skills delivery methods to the chairs and ranking minority members of the legislative committees with jurisdiction over labor and workforce development policy and finance by January 15, 2026. This is a onetime appropriation and is available until June 30, 2025.

(hh) \$1,264,000 each year is for a grant to Summit Academy OIC to expand employment placement, GED preparation and administration, and STEM programming in the Twin Cities, Saint Cloud, and Bemidji. This is a onetime appropriation.

(ii) \$500,000 each year is for a grant to Minnesota Independence College and Community to provide employment preparation, job placement, job retention, and service coordination services to adults with autism and learning differences. This is a onetime appropriation.

(jj) \$1,000,000 the first year and \$2,000,000 the second year are for a clean economy equitable workforce grant program. Money must be used for grants to support partnership development, planning, and implementation of workforce readiness programs aimed at workers who are Black, Indigenous, and People of Color. Programs must include workforce training, career development, workers' rights training, employment placement, and culturally appropriate job readiness and must prepare workers for careers in the high-demand fields of construction, clean energy, and

energy efficiency. Grants must be given to nonprofit organizations that serve historically disenfranchised communities, including new Americans, with preference for organizations that are new providers of workforce programming or which have partnership agreements with registered apprenticeship programs. This is a onetime appropriation.

(kk) \$350,000 the first year and \$25,000 the second year are for a grant to the University of Minnesota Tourism Center for the creation and operation of an online hospitality training program in partnership with Explore Minnesota Tourism. This training program must be made available at no cost to Minnesota residents in an effort to address critical workforce shortages in the hospitality and tourism industries and assist in career development. The base for this appropriation is \$25,000 in fiscal year 2026 and each year thereafter for ongoing system maintenance, management, and content updates.

(ll) \$3,000,000 the first year is for competitive grants to support high school robotics teams and prepare youth for careers in STEM fields. Of this amount, \$2,000,000 is for creating internships for high school students to work at private companies in STEM fields, including the payment of student stipends. This is a onetime appropriation and is available until June 30, 2028.

(mm) \$750,000 each year is for grants to the nonprofit Sanneh Foundation to fund out-of-school and summer programs focused on mentoring and behavioral, social, and emotional learning interventions and enrichment activities directed toward low-income students of color. This is a onetime appropriation and available until June 30, ~~2026~~ 2027.

(nn) \$1,000,000 each year is for a grant to the Hmong American Partnership to expand job training and placement programs primarily serving the Southeast Asian community. This is a onetime appropriation.

(oo) \$1,000,000 each year is for a grant to Comunidades Latinas Unidas En Servicio (CLUES) to address employment, economic, and technology access disparities for low-income unemployed or underemployed individuals. Grant money must support short-term certifications and transferable skills in high-demand fields, workforce readiness, customized

financial capability, and employment supports. At least 50 percent of this amount must be used for programming targeted at greater Minnesota. This is a onetime appropriation.

(pp) \$300,000 each year is for a grant to All Square. The grant must be used to support the operations of All Square's Fellowship and Prison to Law Pipeline programs which operate in Minneapolis, St. Paul, and surrounding correctional facilities to assist incarcerated and formerly incarcerated Minnesotans in overcoming employment barriers that prevent economic and emotional freedom. This is a onetime appropriation.

(qq) \$1,000,000 each year is for a grant to the Redemption Project to provide employment services to adults leaving incarceration, including recruiting, educating, training, and retaining employment mentors and partners. This is a onetime appropriation.

(rr) \$500,000 each year is for a grant to Greater Twin Cities United Way to make grants to partner organizations to provide workforce training using the career pathways model that helps students gain work experience, earn experience in high-demand fields, and transition into family-sustaining careers. This is a onetime appropriation.

(ss) \$3,000,000 each year is for a grant to Community Action Partnership of Hennepin County. This is a onetime appropriation. Of this amount:

(1) \$1,500,000 each year is for grants to 21 Days of Peace for social equity building and community engagement activities; and

(2) \$1,500,000 each year is for grants to A Mother's Love for community outreach, empowerment training, and employment and career exploration services.

(tt) \$750,000 each year is for a grant to Mind the G.A.P.P. (Gaining Assistance to Prosperity Program) to improve the quality of life of unemployed and underemployed individuals by improving their employment outcomes and developing individual earnings potential. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available in the second year.

(uu) \$550,000 each year is for a grant to the International Institute of Minnesota. Grant money must be used for workforce training for new Americans in industries in need of a trained workforce. This is a onetime appropriation.

(vv) \$400,000 each year from the workforce development fund is for a grant to Hired to expand their career pathway job training and placement program that connects lower-skilled job seekers to entry-level and gateway jobs in high-growth sectors. This is a onetime appropriation.

(ww) \$500,000 each year is for a grant to the American Indian Opportunities and Industrialization Center for workforce development programming, including reducing academic disparities for American Indian students and adults. This is a onetime appropriation.

(xx) \$500,000 each year from the workforce development fund is for a grant to the Hmong Chamber of Commerce to train ethnically Southeast Asian business owners and operators in better business practices. Of this amount, up to \$5,000 may be used for administrative costs. This is a onetime appropriation.

(yy) \$275,000 each year is for a grant to Southeast Minnesota Workforce Development Area 8 and Workforce Development, Inc., to provide career planning, career pathway training and education, wraparound support services, and job skills advancement in high-demand careers to individuals with barriers to employment in Steele County, and to help families build secure pathways out of poverty and address worker shortages in the Owatonna and Steele County area, as well as supporting Employer Outreach Services that provide solutions to workforce challenges and direct connections to workforce programming. Money may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. Up to five percent of grant money may be used for Workforce Development, Inc.'s administrative costs. This is a onetime appropriation and is available until June 30, 2027.

(zz) \$589,000 the first year and \$588,000 the second year are for grants to the Black Women's Wealth Alliance to provide low-income individuals with job skills training, career counseling, and job placement assistance. This is a onetime appropriation.

(aaa) \$250,000 each year is for a grant to Abijahs on the Backside to provide equine experiential mental health therapy to first responders suffering from job-related trauma and post-traumatic stress disorder. For purposes of this paragraph, a "first responder" is a peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c); a full-time firefighter as defined in Minnesota Statutes, section 299N.03, subdivision 5; or a volunteer firefighter as defined in Minnesota Statutes, section 299N.03, subdivision 7.

Abijahs on the Backside must report to the commissioner of employment and economic development and the chairs and ranking minority members of the legislative committees with jurisdiction over employment and economic development policy and finance on the equine experiential mental health therapy provided to first responders under this paragraph. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of first responders served by the program, and a list and explanation of the services provided to and benefits received by program participants. An initial report is due by January 15, 2024, and a final report is due by January 15, 2026. This is a onetime appropriation.

(bbb) \$500,000 each year is for a grant to Ramsey County to provide job training and workforce development for underserved communities. Grant money may be subgranted to Milestone Community Development for the Milestone Tech program. This is a onetime appropriation.

(ccc) \$500,000 each year is for a grant to Ramsey County for a technology training pathway program focused on intergenerational community tech work for residents who are at least 18 years old and no more than 24 years old and ~~who live in a census tract that has a poverty rate of at least 20 percent as reported in the most recently completed decennial census published by the United States Bureau of the Census~~

whose household income is at or below 200 percent of the federal poverty level. Grant money may be used for program administration, training, training stipends, wages, and support services. This is a onetime appropriation.

(ddd) \$200,000 each year is for a grant to Project Restore Minnesota for the Social Kitchen project, a pathway program for careers in the culinary arts. This is a onetime appropriation and is available until June 30, 2027.

(eee) \$100,000 each year is for grants to the Minnesota Grocers Association Foundation for Carts to Careers, a statewide initiative to promote careers, conduct outreach, provide job skills training, and award scholarships for students pursuing careers in the food industry. This is a onetime appropriation.

(fff) \$1,200,000 each year is for a grant to Twin Cities R!SE. Of this amount, \$700,000 each year is for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide training to individuals facing barriers to employment; and \$500,000 each year is to increase the capacity of the Empowerment Institute through employer partnerships across Minnesota and expansion of the youth personal empowerment curriculum. This is a onetime appropriation and available until June 30, 2026.

(ggg) \$750,000 each year is for a grant to Bridges to Healthcare to provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in one of Minnesota's most innovative industries. Grants may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant money may be used for Bridges to Healthcare's administrative costs. This is a onetime appropriation.

(hhh) \$500,000 each year is for a grant to Big Brothers Big Sisters of the Greater Twin Cities to provide disadvantaged youth ages 12 to 21 with job-seeking

skills, connections to job training and education opportunities, and mentorship while exploring careers. The grant shall serve youth in the Big Brothers Big Sisters chapters in the Twin Cities, central Minnesota, and southern Minnesota. This is a onetime appropriation.

(iii) \$3,000,000 each year is for a grant to Youthprise to provide economic development services designed to enhance long-term economic self-sufficiency in communities with concentrated African populations statewide. Of these amounts, 50 percent is for subgrants to Ka Joog and 50 percent is for competitive subgrants to community organizations. This is a onetime appropriation.

(jjj) \$350,000 each year is for a grant to the YWCA Minneapolis to provide training to eligible individuals, including job skills training, career counseling, and job placement assistance necessary to secure a child development associate credential and to have a career path in early education. This is a onetime appropriation.

(kkk) \$500,000 each year is for a grant to Emerge Community Development to support and reinforce critical workforce training at the Emerge Career and Technical Center, Cedar Riverside Opportunity Center, and Emerge Second Chance programs in the city of Minneapolis. This is a onetime appropriation.

(lll) \$425,000 each year is for a grant to Better Futures Minnesota to provide job skills training to individuals who have been released from incarceration for a felony-level offense and are no more than 12 months from the date of release. This is a onetime appropriation.

Better Futures Minnesota shall annually report to the commissioner on how the money was spent and what results were achieved. The report must include, at a minimum, information and data about the number of participants; participant homelessness, employment, recidivism, and child support compliance; and job skills training provided to program participants.

(mmm) \$500,000 each year is for a grant to Pillsbury United Communities to provide job training and workforce development services for underserved communities. This is a onetime appropriation.

(nnn) \$500,000 each year is for a grant to Project for Pride in Living for job training and workforce development services for underserved communities. This is a onetime appropriation.

(ooo) \$300,000 each year is for a grant to YMCA of the North to provide career exploration, job training, and workforce development services for underserved youth and young adults. This is a onetime appropriation.

(ppp) \$500,000 each year is for a grant to Al Maa'uun, formerly the North at Work program, for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living wage employment. This is a onetime appropriation.

(qqq) \$500,000 each year is for a grant to CAIRO to provide workforce development services in health care, technology, and transportation (CDL) industries. This is a onetime appropriation.

(rrr) \$500,000 each year is for a grant to the Central Minnesota Community Empowerment Organization for providing services to relieve economic disparities in the African immigrant community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for administration and monitoring of the program. This is a onetime appropriation.

(sss) \$270,000 each year is for a grant to the Stairstep Foundation for community-based workforce development efforts. This is a onetime appropriation.

(ttt) \$400,000 each year is for a grant to Building Strong Communities, Inc, for a statewide apprenticeship readiness program to prepare women, BIPOC community members, and veterans to enter the building and construction trades. This is a onetime appropriation.

(uuu) \$150,000 each year is for prevailing wage staff under Minnesota Statutes, section 116J.871, subdivision 2.

(vvv) \$250,000 each year is for the purpose of awarding a grant to Minnesota Community of African People with Disabilities (MNCAPD), Roots Connect, and Fortune Relief and Youth Empowerment

Organization (FRAYEO). This is a onetime appropriation. MNCAPD, Roots Connect, and FRAYEO must use grant proceeds to provide funding for workforce development activities for at-risk youth from low-income families and unengaged young adults experiencing disabilities, including:

- (1) job readiness training for at-risk youth, including resume building, interview skills, and job search strategies;
- (2) on-the-job training opportunities with local businesses;
- (3) support services such as transportation assistance and child care to help youth attend job training programs; and
- (4) mentorship and networking opportunities to connect youth with professionals in the youth's desired fields.

(www)(1) \$250,000 each year is for a grant to Greater Rochester Advocates for Universities and Colleges (GRAUC), a collaborative organization representing health care, business, workforce development, and higher education institutions, for expenses relating to starting up a state-of-the-art simulation center for training health care workers in southeast Minnesota. Once established, this center must be self-sustaining through user fees. Eligible expenses include leasing costs, developing and providing training, and operational costs. This is a onetime appropriation.

(2) By January 15, 2025, GRAUC must submit a report, including an independent financial audit of the use of grant money, to the chairs and ranking minority members of the legislative committees having jurisdiction over higher education and economic development. This report must include details on the training provided at the simulation center, including the names of all organizations that use the center for training, the number of individuals each organization trained, and the type of training provided.

(xxx)(1) \$350,000 each year is for a grant to the Minnesota Association of Black Lawyers for a pilot program supporting black undergraduate students pursuing admission to law school. This is a onetime appropriation.

(2) The program must:

(i) enroll an initial cohort of ten to 20 black Minnesota resident students attending a baccalaureate degree-granting postsecondary institution in Minnesota full time;

(ii) support each of the program's students with an academic scholarship in the amount of \$4,000 per academic year;

(iii) organize events and programming, including but not limited to one-on-one mentoring, to familiarize enrolled students with law school and legal careers; and

(iv) provide the program's students free test preparation materials, academic support, and registration for the Law School Admission Test (LSAT) examination.

(3) The Minnesota Association of Black Lawyers may use grant funds under clause (1) for costs related to:

(i) student scholarships;

(ii) academic events and programming, including food and transportation costs for students;

(iii) LSAT preparation materials, courses, and registrations; and

(iv) hiring staff for the program.

(4) By January 30, 2024, and again by January 30, 2025, the Minnesota Association of Black Lawyers must submit a report to the commissioner and to the chairs and ranking minority members of legislative committees with jurisdiction over workforce development finance and policy and higher education finance and policy. The report must include an accurate and detailed account of the pilot program, its outcomes, and its revenues and expenses, including the use of all state funds appropriated in clause (1).

(yyy) \$2,000,000 the first year is for a grant to the Power of People Leadership Institute (POPLI) to expand pre- and post-release personal development and leadership training and community reintegration services, to reduce recidivism, and increase access to employment. This is a onetime appropriation and is available until June 30, 2025.

(zzz) \$500,000 the first year is to the Legislative Coordinating Commission for the Working Group on Youth Interventions. This is a onetime appropriation.

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

Sec. 8. Laws 2023, chapter 53, article 20, section 2, subdivision 4, is amended to read:

Subd. 4. General Support Services	18,045,000	8,045,000
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Appropriations by Fund

	2024	2025
General Fund	17,950,000	7,950,000
Workforce Development	95,000	95,000

The base for the general support services division in fiscal year 2026 is \$5,950,000 for the general fund and \$95,000 for the workforce development fund.

(a) \$1,269,000 each year is for transfer to the Minnesota Housing Finance Agency for operating the Olmstead Compliance Office.

(b) \$10,000,000 the first year is for the workforce digital transformation projects. This appropriation is onetime and is available until June 30, 2027.

Sec. 9. Laws 2023, chapter 53, article 20, section 2, subdivision 6, is amended to read:

Subd. 6. Vocational Rehabilitation	45,691,000	<u>45,691,000</u> <u>40,636,000</u>
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Appropriations by Fund

	2024	2025
General	37,861,000	37,861,000 <u>32,806,000</u>
Workforce Development	7,830,000	7,830,000

(a) \$14,300,000 each year is for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A.

(b) \$11,495,000 each year from the general fund and \$6,830,000 each year from the workforce development fund are for extended employment services for persons

with severe disabilities under Minnesota Statutes, section 268A.15. Of the amounts appropriated from the general fund, \$4,500,000 each year is for maintaining prior rate increases to providers of extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15.

(c) \$5,055,000 ~~each year~~ in the first year is for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14, and is available until June 30, 2025. The base for this appropriation is \$2,555,000 in fiscal year 2026 and each year thereafter.

(d) \$7,011,000 each year is for grants to centers for independent living under Minnesota Statutes, section 268A.11. This appropriation is available until June 30, 2027. The base for this appropriation is \$3,011,000 in fiscal year 2026 and each year thereafter.

(e) \$1,000,000 each year is from the workforce development fund for grants under Minnesota Statutes, section 268A.16, for employment services for persons, including transition-age youth, who are deaf, deafblind, or hard-of-hearing. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

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

Sec. 10. Laws 2023, chapter 53, article 20, section 3, is amended to read:

Sec. 3. EXPLORE MINNESOTA TOURISM	\$	40,954,000	\$	21,369,000
		<u>40,554,000</u>		

(a) \$500,000 each year must be matched from nonstate sources to develop maximum private sector involvement in tourism. Each \$1 of state incentive must be matched with \$6 of private sector money. "Matched" means revenue to the state or documented in-kind, soft match, or cash expenditures directly expended to support Explore Minnesota Tourism under Minnesota Statutes, section 116U.05. The incentive in fiscal year 2024 is based on fiscal year 2023 private sector contributions. The incentive in fiscal year 2025 is based on fiscal year 2024 private sector contributions. This incentive is ongoing.

(b) \$11,000,000 the first year is for the development of Explore Minnesota for Business under Minnesota Statutes, section 116U.07, to market the overall livability and economic opportunities of Minnesota. This is a onetime appropriation.

(c) \$5,500,000 each year is for the development of new initiatives for Explore Minnesota Tourism. If the amount in the first year is insufficient, the amount in the second year is available in the first year. This is a onetime appropriation.

(d) ~~\$6,047,000~~ \$5,647,000 the first year and \$600,000 the second year is for grants for infrastructure and associated costs for cultural festivals and events, including but not limited to buildout, permits, sanitation and maintenance services, transportation, staffing, event programming, public safety, facilities and equipment rentals, signage, and insurance. This is a onetime appropriation. Of this amount:

(1) \$1,847,000 the first year is for a grant to the Minneapolis Downtown Council for the Taste of Minnesota event;

(2) \$1,200,000 the first year is for a grant to the Stairstep Foundation for African American cultural festivals and events;

(3) ~~\$1,200,000~~ \$800,000 the first year is for grants for Somali community and cultural festivals and events, including festivals and events in greater Minnesota, as follows:

(i) \$400,000 is for a grant to Ka Joog; and

(ii) \$400,000 is for a grant to the Somali Museum of Minnesota; ~~and~~

~~(iii) \$400,000 is for a grant to ESHARA;~~

(4) \$1,200,000 the first year is for a grant to West Side Boosters for Latino cultural festivals and events; and

(5) \$600,000 the first year and \$600,000 the second year are for grants to the United Hmong Family, Inc. for the Hmong International Freedom Festival event.

(e) Money for marketing grants is available either year of the biennium. Unexpended grant money from the first year is available in the second year.

(f) The base for Explore Minnesota is \$17,023,000 from the general fund in fiscal year 2026 and each year thereafter.

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

Sec. 11. Laws 2023, chapter 53, article 21, section 6, is amended to read:

Sec. 6. TRANSFERS.

(a) In the biennium ending on June 30, 2025, the commissioner of management and budget must transfer \$400,000,000 from the general fund to the Minnesota forward fund account established in Minnesota Statutes, section 116J.8752, subdivision 2. The base for this transfer is \$0.

(b) In the biennium ending on June 30, 2025, the commissioner of management and budget shall transfer \$25,000,000 from the general fund to the Minnesota climate innovation authority account established in Minnesota Statutes, section 216C.441, subdivision 11. The base for this transfer is \$0.

(c) In the biennium ending on June 30, 2025, the commissioner of management and budget must transfer \$75,000,000 from the general fund to the state competitiveness fund account established in Minnesota Statutes, section 216C.391, subdivision 2. Notwithstanding Minnesota Statutes, section 216C.391, subdivision 2, the commissioner of commerce must use this transfer for grants to eligible entities for projects receiving federal loans or tax credits where the benefits are in disadvantaged communities. The base for this transfer is \$0. Up to three percent of money transferred under this paragraph is for administrative costs.

(d) ~~In the biennium ending on June 30, 2027,~~ The commissioners of management and budget, in consultation with the commissioners of employment and economic development and commerce, may transfer money between the Minnesota forward fund account, the Minnesota climate innovation authority account, and the state competitiveness fund account. The commissioner of management and budget must notify the Legislative Advisory Commission within 15 days of making transfers under this paragraph.

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

Sec. 12. Laws 2023, chapter 53, article 21, section 7, is amended to read:

Sec. 7. APPROPRIATIONS.

(a) \$50,000,000 in fiscal year 2024 is appropriated from the Minnesota forward fund account to the commissioner of employment and economic development for providing businesses with matching funds required by federal programs. Money awarded under this program is made retroactive to February 1, 2023, for applications and projects. The commissioner may use up to two percent of this appropriation for administration. This is a onetime appropriation and is available until June 30, 2027. Any funds that remain unspent are canceled to the general fund.

(b) \$100,000,000 in fiscal year 2024 is appropriated from the Minnesota forward fund account to the commissioner of employment and economic development to match existing federal funds made available in the Consolidated Appropriations Act, Public Law 117-328. This appropriation must be used to (1) construct and operate a bioindustrial manufacturing pilot innovation facility, biorefinery, or commercial campus utilizing agricultural feedstocks or (2) for a Minnesota aerospace center for research, development, and testing, or both (1) and (2). This appropriation is not subject to the grant limit requirements of Minnesota

Statutes, section 116J.8752, ~~subdivision~~ subdivisions 4, paragraph (b), and 5. Notwithstanding Minnesota Statutes, section 116J.8752, subdivision 4, paragraph (a), this appropriation may include land acquisition as an eligible use to construct a bioindustrial manufacturing pilot innovation facility, a biorefinery, and an aerospace center for research, development, and testing. The commissioner may use up to two percent of this appropriation for administration. This is a onetime appropriation and is available until June 30, 2027. Any funds that remain unspent are canceled to the general fund.

(c) \$250,000,000 in fiscal year 2024 is appropriated from the Minnesota forward fund account to the commissioner of employment and economic development to match federal funds made available in the Chips and Science Act, Public Law 117-167. Money awarded under this program is made retroactive to February 1, 2023, for applications and projects. This appropriation is not subject to Minnesota Statutes, section 116J.8752, subdivision 5. The commissioner may use up to two percent for administration. This is a onetime appropriation and is available until June 30, 2027. Any funds that remain unspent are canceled to the general fund.

(d) The commissioner may use the appropriation under paragraph (c) to allocate up to 15 percent of the total project cost with a maximum of \$75,000,000 per project for the purpose of constructing, modernizing, or expanding commercial facilities on the front- and back-end fabrication of leading-edge, current-generation, and mature-node semiconductors; funding semiconductor materials and manufacturing equipment facilities; and for research and development facilities.

(e) The commissioner may use the appropriation under paragraph (c) to award:

(1) grants to institutions of higher education for developing and deploying training programs and to build pipelines to serve the needs of industry; and

(2) grants to increase the capacity of institutions of higher education to serve industrial requirements for research and development that coincide with current and future requirements of projects eligible under this section. Grant money may be used to construct and equip facilities that serve the purpose of the industry. The maximum grant award per institution of higher education under this section is \$5,000,000 and may not represent more than 50 percent of the total project funding from other sources. Use of this funding must be supported by businesses receiving funds under clause (1).

(f) Money appropriated in paragraphs (a), (b), and (c) may be transferred between appropriations within the Minnesota forward fund account by the commissioner of employment and economic development with approval of the commissioner of management and budget. The commissioner must notify the Legislative Advisory Commission at least 15 days prior to changing appropriations under this paragraph.

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

Sec. 13. **JOB CREATION FUND; TRANSFER OUT.**

\$3,000,000 in fiscal year 2025 is transferred from the job creation fund under Minnesota Statutes, section 116J.8748, to the general fund. This is a onetime transfer.

Sec. 14. **REPORT TO LEGISLATURE.**

Subdivision 1. **Application.** This section applies to any grant funded under this act whether the recipient of the grant is individually specified, or if not individually specified, will result in a grant to a single recipient.

Subd. 2. Reporting to the commissioner. In addition to meeting any other reporting requirements under existing law, included in a grant agreement, or as specified in an appropriation in this act, a grant recipient subject to this section must provide the information necessary for the commissioner to submit the report required under subdivision 3.

Subd. 3. Report to legislature. By January 15, 2026, the commissioner of employment and economic development must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development or workforce development, as applicable, with the following information:

- (1) a detailed accounting of the use of any grant funds;
- (2) the portion of the grant, if any, spent on the recipient's administrative expenses;
- (3) the number of individuals served by the grant; and
- (4) any other reporting requirement specified for an appropriation under this act.

Sec. 15. **CANCELLATIONS.**

(a) Notwithstanding Laws 2023, chapter 53, article 20, section 2, subdivision 2, paragraph (dd), if the Bureau International des Expositions does not approve the Expo 2027 project, the money appropriated in Laws 2023, chapter 53, article 20, section 2, subdivision 2, paragraph (dd), cancels to the general fund.

(b) The unencumbered balance of the appropriation to the commissioner of employment and economic development for the workforce housing grant program in Laws 2015, First Special Session article 1, section 2, subdivision 2, paragraph (1), is canceled to the general fund.

ARTICLE 2

POLICY

Section 1. Minnesota Statutes 2023 Supplement, section 116L.43, subdivision 1, is amended to read:

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

(b) "Community-based organization" means a nonprofit organization that:

- (1) provides workforce development programming or services;
- ~~(2) has an annual organizational budget of no more than \$1,000,000;~~

~~(3)~~ (2) has its primary office located in a historically underserved community of color or low-income community; and

~~(4)~~ (3) serves a population that generally reflects the demographics of that local community.

(c) "Entry level jobs" means part-time or full-time jobs that an individual can perform without any prior education or experience.

(d) "High wage" means the income needed for a family to cover minimum necessary expenses in a given geographic area, including food, child care, health care, housing, and transportation.

(e) "Industry specific certification" means a credential an individual can earn to show proficiency in a particular area or skill.

(f) "Remedial training" means additional training provided to staff following the identification of a need and intended to increase proficiency in performing job tasks.

(g) "Small business" has the same meaning as section 645.445.

Sec. 2. [116U.255] EXPLORE MINNESOTA FILM.

Subdivision 1. Office established; director. (a) Explore Minnesota Film is established as an office within Explore Minnesota.

(b) The director of Explore Minnesota shall appoint the director of Explore Minnesota Film. The director of Explore Minnesota Film must be qualified by experience with issues related to film and television production and economic development.

(c) The office may employ staff necessary to carry out the duties required in this section.

Subd. 2. Duties. The director of Explore Minnesota Film is authorized to:

(1) administer the film production jobs program and the film production credit program;

(2) promote Minnesota as a location for film and television production;

(3) assist in the establishment and implementation of programs related to film and television production, including but not limited to permitting and workforce development;

(4) improve communication among local, state, federal, and private entities regarding film and television production logistics and best practices;

(5) coordinate the development of statewide policies addressing film and television production; and

(6) act as a liaison to production entities, workers, and state agencies.

Sec. 3. Minnesota Statutes 2022, section 116U.26, is amended to read:

116U.26 FILM PRODUCTION JOBS PROGRAM.

(a) The film production jobs program is created. The program shall be operated by ~~the Minnesota Film and TV Board~~ Explore Minnesota Film with administrative oversight and control by the ~~commissioner of employment and economic development~~ director of Explore Minnesota. The program shall make payment to producers of feature films, national television or Internet programs, documentaries, music videos, and commercials that directly create new film jobs in Minnesota. To be eligible for a payment, a producer must submit documentation to ~~the Minnesota Film and TV Board~~ Explore Minnesota Film of expenditures for production costs incurred in Minnesota that are directly attributable to the production in Minnesota of a film product.

~~The Minnesota Film and TV Board~~ Explore Minnesota Film shall make recommendations to the ~~commissioner of employment and economic development~~ director of Explore Minnesota about program payment, but the ~~commissioner~~ director has the authority to make the final determination on payments. The ~~commissioner's~~ director's determination must be based on proper documentation of eligible production costs

submitted for payments. No more than five percent of the funds appropriated for the program in any year may be expended for administration, including costs for independent audits and financial reviews of projects.

(b) For the purposes of this section:

(1) "production costs" means the cost of the following:

(i) a story and scenario to be used for a film;

(ii) salaries of talent, management, and labor, including payments to personal services corporations for the services of a performing artist;

(iii) set construction and operations, wardrobe, accessories, and related services;

(iv) photography, sound synchronization, lighting, and related services;

(v) editing and related services;

(vi) rental of facilities and equipment;

(vii) other direct costs of producing the film in accordance with generally accepted entertainment industry practice;

(viii) above-the-line talent fees for nonresident talent; or

(ix) costs incurred during postproduction; and

(2) "film" means a feature film, television or Internet pilot, program, series, documentary, music video, or television commercial, whether on film, video, or digital media. Film does not include news, current events, public programming, or a program that includes weather or market reports; a talk show; a production with respect to a questionnaire or contest; a sports event or sports activity; a gala presentation or awards show; a finished production that solicits funds; or a production for which the production company is required under United States Code, title 18, section 2257, to maintain records with respect to a performer portrayed in a single-media or multimedia program.

(c) Notwithstanding any other law to the contrary, ~~the Minnesota Film and TV Board~~ Explore Minnesota Film may make reimbursements of: (1) up to 25 percent of production costs for films that locate production outside the metropolitan area, as defined in section 473.121, subdivision 2, or that incur a minimum Minnesota expenditure of \$1,000,000 in the metropolitan area within a 12-month period; or (2) up to 20 percent of production costs for films that incur less than \$1,000,000 in Minnesota production costs in the metropolitan area within a 12-month period.

Sec. 4. Minnesota Statutes 2023 Supplement, section 116U.27, subdivision 1, is amended to read:

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

(b) "Allocation certificate" means a certificate issued by the commissioner to a taxpayer upon receipt and approval of an initial application for a credit for a project that has not yet been completed.

(c) "Application" means the application for a credit under subdivision 4.

~~(d) "Commissioner" means the commissioner of employment and economic development.~~

~~(e)~~ (d) "Credit certificate" means a certificate issued by the commissioner upon receipt and approval of the cost verification report in subdivision 4, paragraph (e).

(e) "Director" means the director of Explore Minnesota.

(f) "Eligible production costs" means eligible production costs as defined in section 116U.26, paragraph (b), clause (1), incurred in Minnesota that are directly attributable to the production of a film project in Minnesota.

(g) "Film" has the meaning given in section 116U.26, paragraph (b), clause (2).

(h) "Project" means a film:

(1) that includes the promotion of Minnesota;

(2) for which the taxpayer has expended at least \$1,000,000 in any consecutive 12-month period beginning after expenditures are first paid in Minnesota for eligible production costs; and

(3) to the extent practicable, that employs Minnesota residents.

Television commercials are exempt from the requirement under clause (1).

(i) "Promotion of Minnesota" or "promotion" means visible display of a static or animated logo, approved by the ~~commissioner~~ director, that promotes Minnesota within its presentation in the end credits ~~before the below the line crew crawl~~ for the life of the project.

Sec. 5. Minnesota Statutes 2023 Supplement, section 116U.27, subdivision 4, is amended to read:

Subd. 4. **Applications; allocations.** (a) To qualify for a credit under this section, a taxpayer must submit to the ~~commissioner~~ director an application for a credit in the form prescribed by the ~~commissioner~~ director, in consultation with the commissioner of revenue.

(b) Upon approving an application for a credit that meets the requirements of this section, the ~~commissioner~~ director shall issue allocation certificates that:

(1) verify eligibility for the credit;

(2) state the amount of credit anticipated for the eligible project, with the credit amount up to 25 percent of eligible project costs; and

(3) state the taxable year in which the credit is allocated.

~~The commissioner must consult with the Minnesota Film and TV Board prior to issuing an allocation certificate.~~

(c) The ~~commissioner~~ director must not issue allocation certificates for more than \$24,950,000 of credits each year. If the entire amount is not allocated in that taxable year, any remaining amount is available for allocation for the four following taxable years until the entire allocation has been made. The ~~commissioner~~ director must not award any credits for taxable years beginning after December 31, 2030, and any unallocated amounts cancel on that date.

(d) The ~~commissioner~~ director must allocate credits on a first-come, first-served basis.

(e) Upon completion of a project, the taxpayer shall submit to the ~~commissioner~~ director a report prepared by an independent certified public accountant licensed in the state of Minnesota to verify the amount of eligible production costs related to the project. The report must be prepared in accordance with generally accepted accounting principles. Upon receipt and approval of the cost verification report and other documents required by the ~~commissioner~~ director, the ~~commissioner~~ director shall determine the final amount of eligible production costs and issue a credit certificate to the taxpayer. The credit may not exceed the anticipated credit amount on the allocation certificate. If the credit is less than the anticipated amount on the allocation credit, the difference is returned to the amount available for allocation under paragraph (c). To claim the credit under section 290.06, subdivision 39, or 297I.20, subdivision 4, a taxpayer must include a copy of the credit certificate as part of the taxpayer's return.

Sec. 6. Minnesota Statutes 2022, section 116U.27, subdivision 5, is amended to read:

Subd. 5. **Report required.** By January 15, 2025, the commissioner of revenue, in consultation with the ~~commissioner~~ director, must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development and taxes. The report must comply with sections 3.195 and 3.197, and must detail the following:

- (1) the amount of credit certifications issued annually;
- (2) the number of applications submitted, the number of allocation certificates issued, the amount of allocation certificates issued, the number of reports submitted upon completion of a project, and the number of credit certificates issued;
- (3) the types of projects eligible for the credit;
- (4) the total economic impact of the credit in Minnesota, including the calendar year over calendar year percentage changes in the number of jobs held by Minnesota residents in businesses having a primary North American Industry Classification System code of 512110 as reported to the commissioner, for calendar years 2019 through 2023;
- (5) the number of taxpayers per tax type which are assignees of credit certificates under subdivision 3;
- (6) annual Minnesota taxes paid by businesses having a primary North American Industry Classification System code of 512110, for taxable years beginning after December 31, 2018, and before January 1, 2024; and
- (7) any other information the commissioner of revenue, in consultation with the ~~commissioner~~ director, deems necessary for purposes of claiming and administering the credit.

Sec. 7. Minnesota Statutes 2022, section 116U.27, subdivision 6, is amended to read:

Subd. 6. **Appropriation.** Beginning in fiscal year 2022, \$50,000 is annually appropriated from the general fund to the commissioner of revenue for a transfer to ~~the Department of Employment and Economic Development~~ Explore Minnesota for costs associated with personnel and administrative expenses related to administering the credit. This subdivision expires on June 30, 2025.

Sec. 8. Minnesota Statutes 2022, section 268.035, subdivision 20, is amended to read:

Subd. 20. **Noncovered employment.** "Noncovered employment" means:

- (1) employment for the United States government or an instrumentality thereof, including military service;
- (2) employment for a state, other than Minnesota, or a political subdivision or instrumentality thereof;
- (3) employment for a foreign government;
- (4) employment covered under the federal Railroad Unemployment Insurance Act;
- (5) employment for a church or convention or association of churches, or a nonprofit organization operated primarily for religious purposes that is operated, supervised, controlled, or principally supported by a church or convention or association of churches;
- (6) employment for an elementary or secondary school with a curriculum that includes religious education that is operated by a church, a convention or association of churches, or a nonprofit organization that is operated, supervised, controlled, or principally supported by a church or convention or association of churches;
- (7) employment for Minnesota or a political subdivision, or a nonprofit organization, of a duly ordained or licensed minister of a church in the exercise of a ministry or by a member of a religious order in the exercise of duties required by the order;
- (8) employment for Minnesota or a political subdivision, or a nonprofit organization, of an individual receiving rehabilitation of "sheltered" work in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or a program providing "sheltered" work for individuals who because of an impaired physical or mental capacity cannot be readily absorbed in the competitive labor market. This clause applies only to services performed in a facility certified by the Rehabilitation Services Branch of the department or in a day training or habilitation program licensed by the Department of Human Services;
- (9) employment for Minnesota or a political subdivision, or a nonprofit organization, of an individual receiving work relief or work training as part of an unemployment work relief or work training program financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof. This clause does not apply to programs that require unemployment benefit coverage for the participants;
- (10) employment for Minnesota or a political subdivision, as an elected official, a member of a legislative body, or a member of the judiciary;
- (11) employment as a member of the Minnesota National Guard or Air National Guard;
- (12) employment for Minnesota or a political subdivision, or instrumentality thereof, of an individual serving on a temporary basis in case of fire, flood, tornado, or similar emergency;
- (13) employment as an election official or election worker for Minnesota or a political subdivision, if the compensation for that employment was less than \$1,000 in a calendar year;
- (14) employment for Minnesota that is a major policy-making or advisory position in the unclassified service;
- (15) employment for Minnesota in an unclassified position established under section 43A.08, subdivision 1a;

(16) employment for a political subdivision of Minnesota that is a nontenured major policy making or advisory position;

(17) domestic employment in a private household, local college club, or local chapter of a college fraternity or sorority, if the wages paid in any calendar quarter in either the current or prior calendar year to all individuals in domestic employment totaled less than \$1,000.

"Domestic employment" includes all service in the operation and maintenance of a private household, for a local college club, or local chapter of a college fraternity or sorority as distinguished from service as an employee in the pursuit of an employer's trade or business;

(18) employment of an individual by a son, daughter, or spouse, and employment of a child under the age of 18 by the child's father or mother;

(19) employment of an inmate of a custodial or penal institution;

(20) employment for a school, college, or university, by a student who is enrolled and whose primary relation to the school, college, or university is as a student. This does not include an individual whose primary relation to the school, college, or university is as an employee who also takes courses;

(21) employment of an individual who is enrolled as a student in a full-time program at a nonprofit or public educational institution that maintains a regular faculty and curriculum and has a regularly organized body of students in attendance at the place where its educational activities are carried on, taken for credit at the institution, that combines academic instruction with work experience, if the employment is an integral part of the program, and the institution has so certified to the employer, except that this clause does not apply to employment in a program established for or on behalf of an employer or group of employers;

(22) employment of a foreign college or university student who works on a seasonal or temporary basis under the J-1 visa summer work travel program described in Code of Federal Regulations, title 22, section 62.32;

(23) employment of university, college, or professional school students in an internship or other training program with the city of St. Paul or the city of Minneapolis under Laws 1990, chapter 570, article 6, section 3;

(24) employment for a hospital by a patient of the hospital. "Hospital" means an institution that has been licensed by the Department of Health as a hospital;

(25) employment as a student nurse for a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in an accredited nurses' training school;

(26) employment as an intern for a hospital by an individual who has completed a four-year course in an accredited medical school;

(27) employment as an insurance salesperson, by other than a corporate officer, if all the wages from the employment is solely by way of commission. The word "insurance" includes an annuity and an optional annuity;

(28) employment as an officer of a township mutual insurance company or farmer's mutual insurance company under chapter 67A;

(29) employment of a corporate officer, if the officer directly or indirectly, including through a subsidiary or holding company, owns 25 percent or more of the employer corporation, and employment of a member

of a limited liability company, if the member directly or indirectly, including through a subsidiary or holding company, owns 25 percent or more of the employer limited liability company;

(30) employment as a real estate salesperson, other than a corporate officer, if all the wages from the employment is solely by way of commission;

(31) employment as a direct seller as defined in United States Code, title 26, section 3508;

(32) employment of an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

(33) casual employment performed for an individual, other than domestic employment under clause (17), that does not promote or advance that employer's trade or business;

(34) employment in "agricultural employment" unless it is "covered agricultural employment" under subdivision 11; ~~or~~

(35) if employment during one-half or more of any pay period was covered employment, all the employment for the pay period is covered employment; but if during more than one-half of any pay period the employment was noncovered employment, then all of the employment for the pay period is noncovered employment. "Pay period" means a period of not more than a calendar month for which a payment or compensation is ordinarily made to the employee by the employer; or

(36) employment of a foreign agricultural worker who works on a seasonal or temporary basis under the H-2A visa temporary agricultural employment program described in Code of Federal Regulations, title 20, part 655.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 9. CHANGE STARTS WITH COMMUNITY VIOLENCE PREVENTION PROGRAM.

Subdivision 1. Objectives. Change Starts With Community must:

(1) develop and implement year-round job training programs for at-risk youth and adults and provide trusted adult mentorship for at-risk BIPOC youth, providing them with the skills needed for gainful employment and career opportunities; and

(2) create on-site job opportunities at Shiloh Cares Food Shelf, promoting community engagement and economic development.

Subd. 2. Partnerships. (a) Change Starts With Community must partner with the Cargill Foundation to support at-risk youth educational career field trips and mental health check-ins, exposing participants to multiple career paths and preventing further trauma through mental health check-ins for youth.

(b) Change Starts With Community must partner with Hennepin County juvenile corrections and the Minneapolis Police Department to receive referrals for at-risk youth who would benefit from enrollment in the program to prevent risky behaviors and community violence.

Subd. 3. At-risk youth and adult job program positions. Change Starts With Community must use grant proceeds to add positions to the program's complement, including but not limited to youth mentorships, food service workers, an executive director, director, and program director.

Subd. 4. **Report.** Change Starts With Community must report to the commissioner of employment and economic development, outlining the utilization of grant money, program outcomes, and the impact on the targeted population. The report must be submitted no later than six months after the end of fiscal year 2025.

Sec. 10. **CENTER FOR NURSING EQUITY AND EXCELLENCE.**

Subdivision 1. **Establishment.** The Center for Nursing Equity and Excellence is established within the University of Minnesota, in collaboration with Minnesota State Colleges and Universities, to address nursing workforce needs, including issues of health equity, recruitment, retention, and utilization of nursing workforce resources that are within the current scope of the practice of nurses.

Subd. 2. **Duties.** The center shall:

(1) develop a strategic statewide plan for nursing workforce supply based on a detailed analysis of workforce needs by conducting a statistically valid biennial data-driven gap analysis of the supply and demand of the health care workforce. The center shall:

(i) establish and maintain a database on nursing supply and demand in the state, including current supply and demand; and

(ii) analyze the current and future supply and demand in the state;

(2) establish and maintain a database on nursing workforce needs, including current data and future projections;

(3) develop recommendations to increase nurse faculty and clinical preceptors, support nurse faculty development, and promote advanced nurse education;

(4) develop best practices in the academic preparation and continuing education needs of qualified nurse educators, nurse faculty, and clinical preceptors;

(5) collect data on nurse faculty, employment, distribution, and retention;

(6) pilot innovative projects to support the recruitment, development, and retention of qualified nurse faculty and clinical preceptors;

(7) encourage and coordinate the development of academic practice partnerships, including partnerships with hospitals that provide opportunities for nursing students to obtain clinical experience to support nurse faculty employment and advancement;

(8) develop distance learning infrastructure for advancing faculty competencies in the pedagogy of teaching and the evidence-based use of technology, simulation, and distance learning techniques;

(9) enhance and promote recognition, reward, and renewal activities for nurses in the state by:

(i) promoting nursing excellence programs such as magnet recognition by the American Nurses Credentialing Center;

(ii) proposing and creating additional reward, recognition, and renewal activities for nurses; and

(iii) promoting media and positive image-building efforts for nursing; and

(10) routinely convene various groups representative of nurses, health care professionals, business and industry consumers, lawmakers, and educators to:

(i) review and comment on data analysis prepared for the center;

(ii) recommend systemic changes, including strategies for implementation of recommended changes; and

(iii) evaluate and report the results of these efforts to the legislature and other entities.

Subd. 3. **Report.** Beginning in 2025, by no later than January 15 of each year, the center shall submit a report to the governor and the chairs and ranking minority members of the legislative committees having jurisdiction over higher education, health care, and workforce development, providing details of the center's activities during the preceding calendar year in pursuit of its goals and in the execution of its duties.

Sec. 11. **SHAKOPEE AREA WORKFORCE DEVELOPMENT SCHOLARSHIPS PILOT.**

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

(b) "Employer-sponsored applicant" means a student applicant with a local employer scholarship equal to or greater than 25 percent of the workforce development scholarship.

(c) "Local employer" means an employer with a physical location in a county within the service area of the foundation as listed in paragraph (d).

(d) "Shakopee Chamber Foundation" or "foundation" means a nonprofit organization which provides workforce and charitable services to Scott County as well as the Shakopee Mdewakanton Sioux Community.

Subd. 2. **Grants and administration.** (a) The commissioner of employment and economic development must award appropriated grant funds to the foundation to administer the Shakopee area workforce development scholarship pilot program. The foundation may use up to ten percent of grant funds for administrative costs.

(b) The foundation and participating college or university from the Minnesota State Colleges and Universities System must establish an application process and other guidelines for implementing this program.

Subd. 3. **Scholarship recipient requirements.** (a) To be eligible for a scholarship from the foundation, a student must:

(1) be enrolling or enrolled at least half-time in a program at a college or university from the Minnesota State Colleges and Universities System approved by the Dakota-Scott Workforce Development Board under subdivision 4; and

(2) complete the Free Application for Federal Student Aid (FAFSA), if applicable to the program for which they are enrolling or enrolled.

(b) A recipient of a scholarship awarded under this section must:

(1) adhere to any applicable participating local employer program requirements; and

(2) sign a contract agreeing to fulfill the employment obligation under paragraph (c).

(c) A scholarship recipient must make a good faith effort to attain a full-time employment commitment within the service area of the foundation as listed in subdivision 1, paragraph (d). The employment may be with the local employer sponsoring the student or any qualified local employer in a high-demand occupation as defined by the Dakota-Scott Workforce Development Board.

Subd. 4. **Program eligibility.** (a) The Dakota-Scott Workforce Development Board must annually identify eligible undergraduate degree, diploma, or certificate or industry-recognized credential programs in advanced manufacturing, health care, law enforcement, hospitality, or other high-demand occupations. The Dakota-Scott Workforce Development Board must consider data based on a workforce shortage for full-time employment requiring postsecondary education that is unique to the region, as reported in the most recent Department of Employment and Economic Development job vacancy survey data for the economic development region. A workforce shortage area is one in which the job vacancy rate for full-time employment in a specific occupation in the region is higher than the state average vacancy rate for that same occupation.

(b) By December 1, 2024, and annually through December 1, 2029, the Dakota-Scott Workforce Development Board must provide a list of eligible programs administered by each Minnesota state college and university that are eligible for scholarships in the subsequent year.

Subd. 5. **Employer partnerships.** The foundation and Minnesota State Colleges and Universities must establish partnerships with qualified local employers to ensure that 25 percent of the Shakopee area workforce development scholarship is matched with employer or foundation funds.

Subd. 6. **Scholarship awards.** (a) The foundation must coordinate available funds and award scholarships to Minnesota state colleges and universities with programs approved by the Dakota-Scott Workforce Development Board. Scholarships must be coordinated by the individual colleges approved by the Dakota-Scott Workforce Development Board and applied only after all other available tuition waivers and grant and scholarship funding through a last dollar in model. Scholarships are intended to supplement all other tuition waivers and grant and scholarship opportunities and to cover the full cost of attendance to the eligible students.

(b) If the appropriated grant is insufficient to award scholarships to all eligible applicants, priority must first be given to applicants that are program continuing applicants. Priority must then be given to employer-sponsored applicants.

Subd. 7. **Renewal; cap.** A student who has been awarded a scholarship may apply in subsequent academic years until the student completes a qualifying program. A student who successfully completes an eligible program and the subsequent work period requirement is eligible for a scholarship for a second program, but total lifetime awards must not exceed scholarships for two programs.

Subd. 8. **Report required.** The foundation must submit an annual report by December 31 of each year regarding the scholarship program to the chairs and ranking minority members of the legislative committees with jurisdiction over employment and economic development policy. The first report is due no later than December 31, 2025. The annual report must describe the following:

(1) the number of students receiving a scholarship at each participating college during the previous calendar year;

(2) the number of scholarships awarded for each program and definition of type of program during the previous calendar year;

(3) the number of scholarship recipients who completed a program of study or certification;

(4) the number of scholarship recipients who secured employment by their graduation date and those who secured employment within three months of their graduation date;

(5) a list of the colleges that received funding, the amount of funding each institution received, and whether all withheld funds were distributed;

- (6) a list of occupations scholarship recipients are entering;
 - (7) the number of students who were denied a scholarship;
 - (8) a list of participating local employers and amounts of any applicable employer contributions; and
 - (9) a list of recommendations to the legislature regarding potential program improvements.
- EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 12. **BROOKLYN PARK BIOTECH INNOVATION DISTRICT.**

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

- (b) "Authority" means the Brooklyn Park Economic Development Authority.
 - (c) "Biotech innovation district" means a geographic area in the city identified in the development plan.
 - (d) "City" means the city of Brooklyn Park.
 - (e) "Development plan" means the plan adopted under subdivision 2.
 - (f) "Project" means a project to implement the development plan.
 - (g) "Public infrastructure project" means a project financed at least partially with public money to:
 - (1) acquire or remediate real property, including site improvement;
 - (2) demolish, repair, or rehabilitate buildings;
 - (3) install, construct, or reconstruct public infrastructure necessary for the biotech innovation district;
 - (4) acquire, construct, reconstruct, develop, or equip parking facilities and other transit-related facilities;
- and
- (5) acquire, install, construct, reconstruct, develop, or equip recreational, social, cultural, or tourism facilities.

Subd. 2. **Development plan.** (a) The authority must prepare a plan for the development of a biotech innovation district within the city. At least 60 days prior to a hearing on adopting the proposed development plan, the economic development authority must provide copies of the proposed development plan to the city, which the city must make available to the public in its offices and on the city's website. At least ten days before the hearing, the authority must publish notice of the hearing in a newspaper selected by the city for publication of the notice. At the hearing, the authority may only adopt the plan if it finds that:

- (1) the plan provides an outline for the development of the city as a site of biotech innovation;
- (2) the plan identifies the location of the proposed biotech innovation district;
- (3) the plan is sufficiently complete, including the identification of planned and anticipated projects, to indicate its relationship to definite state and local objectives;
- (4) the proposed development affords maximum opportunity, consistent with the needs of the city, county, and state, for the development of the city by private enterprise as a biotech innovation district;

(5) the plan conforms to the general plan for the development of the city; and

(6) the plan includes:

(i) strategic planning consistent with a biotech innovation district;

(ii) a framework to identify and prioritize short- and long-term public investment and public infrastructure project development and to facilitate private investment and development;

(iii) land use planning;

(iv) multimodal transportation planning;

(v) goals, objectives, and strategies to increase racial equity and to create community wealth for city residents, local businesses, and businesses owned by women and people of color, guided by the city's racial equity principles; and

(vi) ongoing market research plans.

(b) In identifying planned and anticipated projects under paragraph (a), clause (2), the authority must prioritize projects that will pay a wage covering the cost of living for Hennepin County, calculated using the most recent report completed pursuant to Minnesota Statutes, section 116J.013.

(c) The city must adopt the development plan within 60 days following its adoption by the authority and may incorporate the development plan into the city's comprehensive plan. Minnesota Statutes, section 15.99, does not apply to review and approval of the development plan.

(d) The authority may modify the development plan at any time and must modify the plan at least once every five years. To modify the development plan, the authority must follow the same procedures set out in paragraph (a) for the development plan.

(e) When preparing the proposed development plan, the authority must seek input from the community and other partners such as biotech trade associations, the City of Brooklyn Park Planning Commission, the City of Brooklyn Park Community Long-Range Improvement Committee, skilled trades, and other regional partners.

Subd. 3. Special powers; requirements; limitations. (a) In implementing the development plan, the city may exercise the powers of a port authority under Minnesota Statutes, sections 469.048 to 469.068.

(b) The city must provide financial and administrative support to the authority and may appropriate city funds to the authority for its work in developing and implementing the development plan.

(c) The city may issue general obligation bonds, revenue bonds, or other obligations to finance the development and implementation of the development project. Debt undertaken pursuant to this paragraph is not subject to the net debt limit in Minnesota Statutes, section 475.53. Approval of the electors is not necessary to issue bonds or other obligations under this paragraph. The city may pledge any of its revenues, including property taxes and state aid issued pursuant to Minnesota Statutes, section 469.47, to the obligations issued pursuant to this paragraph. The city must not issue obligations that are only payable from or secured by state aid issued pursuant to Minnesota Statutes, section 469.47.

(d) Notwithstanding Minnesota Statutes, section 469.068, the city and its authority need not require competitive bidding on a parking facility or other public improvement constructed to implement the development plan.

(e) Except as otherwise specified, all activities to develop and implement the development plan must comply with applicable state law and regulations and city ordinances, zoning, and planning requirements.

Subd. 4. **Report.** Beginning in 2025, by February 15 of each year, the city and authority must submit a joint report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over jobs and economic development. The report must include:

(1) the development plan and any proposed changes to the development plan;

(2) information on the progress of projects identified in the development plan;

(3) costs and financing sources for the costs, including the amount paid with state aid and local contributions of projects completed in the previous two years;

(4) estimated costs and financing sources for projects anticipated to start in the next two years; and

(5) debt service schedules for all outstanding obligations of the city and authority for debt issued for projects identified in the plan.

Sec. 13. **REVISOR INSTRUCTION.**

The revisor of statutes shall codify Laws 2023, chapter 53, article 21, section 6, paragraph (d), as Minnesota Statutes, section 116J.8752, subdivision 4a. The revisor may make any technical, grammatical, or cross-reference changes necessary to effectuate this recodification.

Sec. 14. **REPEALER.**

Minnesota Statutes 2022, section 116J.439, is repealed.

ARTICLE 3

MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 155A.27, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** (a) Qualifications for licensing in each classification shall be determined by the board and established by rule, and shall include educational and experiential prerequisites.

(b) A person applying for an individual license to practice as a cosmetologist, hair technician, manager, or instructor must: (1) successfully complete training on the properties of the hair and all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair; and (2) have experience providing services to individuals with hair of all types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair.

(c) The rules shall require a demonstrated knowledge of procedures necessary to protect the health and safety of the practitioner and the consumer of cosmetology services, including but not limited to infection control, use of implements, apparatuses and other appliances, and the use of chemicals.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 2. Minnesota Statutes 2023 Supplement, section 155A.2705, subdivision 3, is amended to read:

Subd. 3. **Training.** Hair technician training must be completed at a Minnesota-licensed cosmetology school. The training must consist of 900 hours of coursework and planned clinical instruction and experience that includes:

(1) the first 300 hours of the hair technology course that includes:

(i) student orientation;

(ii) preclinical instruction in the theory of sciences, including:

(A) muscle and bone structure and function;

(B) properties of the hair, a study of all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair, and scalp;

(C) disorders and diseases of the hair and scalp;

(D) chemistry as related to hair technology; and

(E) electricity and light related to the practice of hair technology;

(iii) theory and preclinical instruction on client and service safety prior to students offering services;

(iv) introductory service skills that are limited to the observation of an instructor demonstration, student use of mannequins, or student-to-student application of basic services related to hair technology;

(v) Minnesota statutes and rules pertaining to the regulation of hair technology;

(vi) health and safety instruction that includes:

(A) chemical safety;

(B) safety data sheets;

(C) personal protective equipment (PPE);

(D) hazardous substances; and

(E) laws and regulations related to health and public safety; and

(vii) infection control to protect the health and safety of the public and technician that includes:

(A) disinfectants;

(B) disinfectant procedures;

(C) cleaning and disinfection;

(D) single use items;

(E) storage of tools, implements, and linens; and

(F) other implements and equipment used in salons and schools;

(2) 300 hours in hair cutting and styling that includes hair and scalp analysis; providing services to individuals who have all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair; cleaning; scalp and hair conditioning; hair design and shaping; drying; arranging; curling; dressing; waving; and nonchemical straightening; and

(3) 300 hours in chemical hair services that includes hair and scalp analysis; providing services to individuals with all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair; dying; bleaching; reactive chemicals; keratin; hair coloring; permanent straightening; permanent waving; predisposition and strand tests; safety precautions; chemical mixing; color formulation; and the use of dye removers.

EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 3. Minnesota Statutes 2022, section 326.10, subdivision 8, is amended to read:

Subd. 8. **Expiration and renewal.** (a) All licenses and certificates, other than in-training certificates, issued by the board expire at midnight on June 30 of each even-numbered calendar year if not renewed. A holder of a license or certificate issued by the board may renew it by completing and filing with the board an application for renewal consisting of a fully completed form provided by the board and the fee specified in section 326.105. Both the fee and the application must be submitted at the same time and by June 30 of each even-numbered calendar year. The form must be signed by the applicant, contain all of the information requested, and clearly show that the licensee or certificate holder has completed the minimum number of required professional development hours or has been granted an exemption under section 326.107, subdivision 4. An application for renewal that does not comply with the requirements of this subdivision is an incomplete application and must not be accepted by the board.

(b) No later than 30 days before the expiration of a license or certificate, the board must send the holder of the license or certificate a notice by email that the license or certificate is about to expire. The notice must include information on the process and requirements for renewal. The application form for a new or renewed license or certificate issued by the board must request that the applicant provide an email address for the purpose of providing this notice. If the board does not have a record of a license or certificate holder's email address, the board must send the notice to the holder by standard mail.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to licenses and renewals scheduled to expire on or after that date.

ARTICLE 4

STATE DISLOCATED WORKER PROGRAM

Section 1. Minnesota Statutes 2023 Supplement, section 116L.17, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

(8) is the spouse of a member of the United States armed forces who is on active duty and who meets at least one of the following: (i) has lost employment as a direct result of relocation to accommodate a permanent change in the service member's duty station; or (ii) is unemployed or underemployed and facing barriers to obtaining or upgrading employment;

(9) is an individual with non-work-related injuries or illnesses who does not have a workers' compensation case but needs support to reenter or remain in the workforce; or

(10) is an adult with a low income, is a recipient of public assistance, or is deficient in basic skills.

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

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

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

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

Sec. 2. **REPEALER.**

Minnesota Statutes 2022, section 116L.17, subdivision 5, is repealed.

ARTICLE 5

JOB CREATION FUND

Section 1. Minnesota Statutes 2022, section 116J.8731, subdivision 10, is amended to read:

Subd. 10. **Transfer.** The commissioner may transfer up to ~~\$2,000,000~~ \$5,000,000 of a fiscal year's appropriation between the Minnesota job creation fund program and Minnesota investment fund to meet business demand.

Sec. 2. Minnesota Statutes 2022, section 116J.8748, subdivision 1, is amended to read:

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

(b) "Agreement" or "business subsidy agreement" means a business subsidy agreement under section 116J.994 that must include, but is not limited to: specification of the duration of the agreement, job goals and a timeline for achieving those goals over the duration of the agreement, construction and other investment goals and a timeline for achieving those goals over the duration of the agreement, and the value of benefits the firm may receive following achievement of capital investment and employment goals. The local government and business must report to the commissioner on the business performance using the forms developed by the commissioner.

(c) "Business" means an individual, corporation, partnership, limited liability company, association, or other entity.

(d) "Capital investment" means money that is expended for the purpose of building or improving real fixed property where employees under paragraphs (g) and (h) are or will be employed and also includes construction materials, services, and supplies, and the purchase and installation of equipment and machinery as provided under subdivision 4, paragraph (b), clause (5).

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

(f) "Minnesota job creation fund business" means a business that is designated by the commissioner under subdivision 3.

(g) "Minority person" means a person belonging to a racial or ethnic minority as defined in Code of Federal Regulations, title 49, section 23.5.

(h) "New full-time equivalent employee" means an employee who:

(1) begins work at a Minnesota job creation fund business facility noted in a business subsidy agreement and following the designation as a job creation fund business; and

(2) has expected work hours of at least 2,080 hours annually or the equivalent of annualized expected hours of work equal to 2,080 hours of one or more employees.

(i) "Persons with disabilities" means an individual with a disability, as defined under the Americans with Disabilities Act, United States Code, title 42, section 12102.

(j) "Retained job equivalent" means a full-time equivalent position:

(1) that existed at the facility prior to the designation as a job creation fund business; and

(2) has expected work hours of at least 2,080 hours annually or the equivalent of annualized expected hours of work equal to 2,080 hours of one or more employees.

(k) "Veteran" means a veteran as defined in section 197.447.

(l) "Wages" has the meaning given in section 290.92, subdivision 1, clause (1).

Sec. 3. Minnesota Statutes 2023 Supplement, section 116J.8748, subdivision 3, is amended to read:

Subd. 3. **Minnesota job creation fund business designation; requirements.** (a) To receive designation as a Minnesota job creation fund business, a business must satisfy all of the following conditions:

(1) the business is or will be engaged in, within Minnesota, one of the following as its primary business activity:

(i) manufacturing;

(ii) warehousing;

(iii) distribution;

(iv) information technology;

(v) finance;

(vi) insurance; or

(vii) professional or technical services;

(2) the business must not be primarily engaged in lobbying; gambling; entertainment; professional sports; political consulting; leisure; hospitality; or professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants, or primarily engaged in making retail sales to purchasers who are physically present at the business's location;

(3) the business must enter into a binding construction and job creation business subsidy agreement with the commissioner to expend directly, or ensure expenditure by or in partnership with a third party constructing or managing the project, at least \$500,000 in capital investment in a capital investment project that includes a new, expanded, or remodeled facility within one year following designation as a Minnesota job creation fund business or \$250,000 if the project is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability; and:

(i) create at least ten new full-time equivalent employee positions within two years of the benefit date following the designation as a Minnesota job creation fund business or five new full-time equivalent employee positions within two years of the benefit date if the project is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability; or

(ii) expend at least \$25,000,000, which may include the installation and purchase of machinery and equipment, in capital investment and retain at least 100 full-time equivalent employees for projects located

in the metropolitan area as defined in section 200.02, subdivision 24, or expend at least \$10,000,000, which may include the installation and purchase of machinery and equipment, in capital investment and retain at least 50 full-time equivalent employees for projects located outside the metropolitan area;

(4) positions or employees moved or relocated from another Minnesota location of the Minnesota job creation fund business must not be included in any calculation or determination of job creation or new positions under this paragraph; and

(5) a Minnesota job creation fund business must not terminate, lay off, or reduce the working hours of an employee for the purpose of hiring an individual to satisfy job creation goals under this subdivision.

(b) Prior to approving the proposed designation of a business under this subdivision, the commissioner shall consider the following:

(1) the economic outlook of the industry in which the business engages;

(2) the projected sales of the business that will be generated from outside the state of Minnesota;

(3) how the business will build on existing regional, national, and international strengths to diversify the state's economy;

(4) whether the business activity would occur without financial assistance;

(5) whether the business is unable to expand at an existing Minnesota operation due to facility or land limitations;

(6) whether the business has viable location options outside Minnesota;

(7) the effect of financial assistance on industry competitors in Minnesota;

(8) financial contributions to the project made by local governments; and

(9) any other criteria the commissioner deems necessary.

(c) Upon receiving notification of local approval under subdivision 2, the commissioner shall review the determination by the local government and consider the conditions listed in paragraphs (a) and (b) to determine whether it is in the best interests of the state and local area to designate a business as a Minnesota job creation fund business.

(d) If the commissioner designates a business as a Minnesota job creation fund business, the business subsidy agreement shall include the performance outcome commitments and the expected financial value of any Minnesota job creation fund benefits.

(e) The commissioner may amend an agreement once, upon request of a local government on behalf of a business, only if the performance is expected to exceed thresholds stated in the original agreement.

(f) A business may apply to be designated as a Minnesota job creation fund business at the same location more than once only if all goals under a previous Minnesota job creation fund agreement have been met and the agreement is completed.

Sec. 4. Minnesota Statutes 2023 Supplement, section 116J.8748, subdivision 4, is amended to read:

Subd. 4. **Certification; benefits.** (a) The commissioner may certify a Minnesota job creation fund business as eligible to receive a specific value of benefit under paragraphs (b) and (c) when the business has achieved its job creation and capital investment goals noted in its agreement under subdivision 3.

(b) A qualified Minnesota job creation fund business may be certified eligible for the benefits in this paragraph for up to five years for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and seven years for projects located outside the metropolitan area, as determined by the commissioner when considering the best interests of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a), clause (3), or 16B.98, subdivision 5, paragraph (b), grant agreements for projects located outside the metropolitan area may be for up to seven years in length. The eligibility for the following benefits begins the date the commissioner certifies the business as a qualified Minnesota job creation fund business under this subdivision:

(1) up to five percent rebate for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and 7.5 percent for projects located outside the metropolitan area, on capital investment on qualifying purchases as provided in subdivision 5 with the total rebate for a project not to exceed \$500,000;

(2) an award of up to \$500,000 based on full-time job creation and wages paid as provided in subdivision 6 with the total award not to exceed \$500,000;

(3) up to \$1,000,000 in capital investment rebates and \$1,000,000 in job creation awards are allowable for projects that have at least \$25,000,000 in capital investment and 100 new full-time equivalent employees in the metropolitan area as defined in section 200.02, subdivision 24, or at least \$10,000,000 in capital investment and 50 new full-time equivalent employees for projects located outside the metropolitan area;

(4) up to \$1,000,000 in capital investment rebates and up to \$1,000,000 in job creation awards are allowable for projects that have at least \$25,000,000 in capital investment, which may include the installation and purchase of machinery and equipment, and 100 retained full-time equivalent employees for projects located in the metropolitan area as defined in section 200.02, subdivision 24, or at least \$10,000,000 in capital investment, which may include the installation and purchase of machinery and equipment, and 50 retained full-time equivalent employees for projects located outside the metropolitan area; and

(5) for clauses (3) and (4) only, the capital investment expenditure requirements may include the installation and purchases of machinery and equipment. These expenditures are not eligible for the capital investment rebate provided under subdivision 5.

(c) The job creation award may be provided in multiple years as long as the qualified Minnesota job creation fund business continues to meet the job creation goals provided for in its agreement under subdivision 3 and the total award does not exceed \$500,000 except as provided under paragraph (b), clauses (3) and (4). Under paragraph (b), clause (4), a job creation award of \$2,000 per full-time equivalent job retained job may be provided one time if the qualified Minnesota job creation fund business meets the minimum capital investment and retained employee requirement as provided in paragraph (b), clause (4), for at least two years.

(d) No rebates or award may be provided until the Minnesota job creation fund business or a third party constructing or managing the project has at least \$500,000 in capital investment in the project and at least ten full-time equivalent jobs have been created and maintained for at least one year or the retained employees, as provided in paragraph (b), clause (4), remain for at least one year. The agreement may require additional performance outcomes that need to be achieved before rebates and awards are provided. If fewer retained

jobs are maintained, but still above the minimum under this subdivision, the capital investment award shall be reduced on a proportionate basis.

(e) The forms needed to be submitted to document performance by the Minnesota job creation fund business must be in the form and be made under the procedures specified by the commissioner. The forms shall include documentation and certification by the business that it is in compliance with the business subsidy agreement, sections 116J.871 and 116L.66, and other provisions as specified by the commissioner.

(f) Minnesota job creation fund businesses must pay each new full-time equivalent employee added pursuant to the agreement total compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 110 percent of the federal poverty level for a family of four.

(g) A Minnesota job creation fund business must demonstrate reasonable progress on capital investment expenditures within six months following designation as a Minnesota job creation fund business to ensure that the capital investment goal in the agreement under subdivision 1 will be met. Businesses not making reasonable progress will not be eligible for benefits under the submitted application and will need to work with the local government unit to resubmit a new application and request to be a Minnesota job creation fund business. Notwithstanding the goals noted in its agreement under subdivision 1, this action shall not be considered a default of the business subsidy agreement.

Sec. 5. Minnesota Statutes 2023 Supplement, section 116J.8748, subdivision 6, is amended to read:

Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is eligible for an annual award for each new full-time equivalent job created and maintained under subdivision 4, paragraph (b), clauses (2) and (3), by the business using the following schedule: \$1,000 for each job position paying annual wages at least \$26,000 but less than \$35,000; \$2,000 for each job position paying at least \$35,000 but less than \$45,000; \$3,000 for each job position paying at least \$45,000 but less than \$55,000; and \$4,000 for each job position paying at least \$55,000; and as noted in the goals under the agreement provided under subdivision 1. These awards are increased by \$1,000 if the business is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability.

(b) A qualified Minnesota job creation fund business is eligible for a onetime \$2,000 award for each full-time equivalent job retained and maintained under subdivision 4, paragraph (b), clause (4), provided that each retained job pays total compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 150 percent of the federal poverty level for a family of four.

(c) The job creation award schedule must be adjusted annually using the percentage increase in the federal poverty level for a family of four.

(d) Minnesota job creation fund businesses seeking an award credit provided under subdivision 4 must submit forms and applications to the Department of Employment and Economic Development as prescribed by the commissioner.

ARTICLE 6

INNOVATIVE BUSINESS DEVELOPMENT PUBLIC INFRASTRUCTURE GRANT PROGRAM

Section 1. Minnesota Statutes 2022, section 116J.435, subdivision 3, is amended to read:

Subd. 3. **Grant program established.** (a) The commissioner shall make ~~competitive~~ grants to local governmental units to acquire and prepare land on which public infrastructure required to support an eligible project will be located, ~~including demolition of structures and remediation of any hazardous conditions on the land, or to pre-design, design, acquire, and to construct,~~ furnish, and equip public infrastructure required to support an eligible project. The local governmental unit receiving a grant must provide for the remainder of the public infrastructure costs from other sources. ~~The commissioner may waive the requirements related to an eligible project under subdivision 2 if a project would be eligible under this section but for the fact that its location requires infrastructure improvements to residential development.~~

(b) The amount of a grant may not exceed ~~the lesser of the cost of the public infrastructure or 50 percent of the sum of the cost of the public infrastructure plus the cost of the completed eligible project.~~

(c) The purpose of the program is to keep or enhance jobs in the area, increase the tax base, or to expand or create new economic development through the growth of new innovative businesses and organizations.

Sec. 2. Minnesota Statutes 2022, section 116J.435, subdivision 4, is amended to read:

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a local governmental unit must include ~~the following information~~ in its application a resolution certifying that the money required to be supplied by the local governmental unit to complete the public infrastructure project is available and committed. The commissioner must evaluate complete applications for eligible projects using the following criteria:

(1) ~~a resolution of its governing body certifying that the money required to be supplied by the local governmental unit to complete the public infrastructure is available and committed~~ the project is an eligible project as defined under subdivision 2;

(2) ~~a detailed estimate, along with necessary supporting evidence, of the total development costs for the public infrastructure and eligible project~~ the project is expected to result in or will attract substantial public and private capital investment and provide substantial economic benefit to the county or city in which the project would be located;

(3) ~~an assessment of the potential or likely use of the site for innovative business activities after completion of the public infrastructure and eligible project~~ the project is not relocating substantially the same operation from another location in the state, unless the commissioner determines the project cannot be reasonably accommodated within the county or city in which the business is currently located, or the business would otherwise relocate to another state; and

(4) ~~a timeline indicating the major milestones of the public infrastructure and eligible project and their anticipated completion dates;~~ the project is expected to create or retain full-time jobs.

(5) ~~a commitment from the governing body to repay the grant if the milestones are not realized by the completion date identified in clause (4); and~~

(6) ~~any additional information or material the commissioner prescribes.~~

(b) The determination of whether to make a grant ~~under subdivision 3~~ for a site is within the discretion of the commissioner, subject to this section. The commissioner's decisions and application of the ~~priorities criteria~~ are not subject to judicial review, except for abuse of discretion.

Sec. 3. **REPEALER.**

Minnesota Statutes 2022, section 116J.435, subdivision 5, is repealed.

ARTICLE 7

ENERGY TRANSITION ADVISORY COMMITTEE

Section 1. Minnesota Statutes 2022, section 116J.5492, subdivision 2, is amended to read:

Subd. 2. **Membership.** (a) The advisory committee consists of ~~18~~ 19 voting members and eight ex officio nonvoting members.

(b) The voting members of the advisory committee are appointed by the commissioner of employment and economic development, except as specified below:

(1) two members of the senate, one appointed by the majority leader of the senate and one appointed by the minority leader of the senate;

(2) two members of the house of representatives, one appointed by the speaker of the house of representatives and one appointed by the minority leader of the house of representatives;

(3) one representative of the Prairie Island Indian community;

(4) four representatives of impacted communities, of which two must represent counties and two must represent municipalities, and, to the extent possible, of the impacted facilities in those communities, at least one must be a coal plant, at least one must be a nuclear plant, and at least one must be a natural gas plant;

(5) three representatives of impacted workers at impacted facilities;

(6) one representative of impacted workers employed by companies that, under contract, regularly perform construction, maintenance, or repair work at an impacted facility;

(7) one representative with professional economic development or workforce retraining experience;

(8) two representatives of utilities that operate an impacted facility;

(9) one representative from a nonprofit organization with expertise and experience delivering energy efficiency and conservation programs; ~~and~~

(10) one representative of a school district facing revenue loss due to energy transition; and

~~(10)~~ (11) one representative from the Coalition of Utility Cities.

(c) The ex officio nonvoting members of the advisory committee consist of:

(1) the governor or the governor's designee;

(2) the commissioner of employment and economic development or the commissioner's designee;

(3) the commissioner of commerce or the commissioner's designee;

- (4) the commissioner of labor and industry or the commissioner's designee;
- (5) the commissioner of revenue or the commissioner's designee;
- (6) the executive secretary of the Public Utilities Commission or the secretary's designee;
- (7) the commissioner of the Pollution Control Agency or the commissioner's designee; and
- (8) the chancellor of the Minnesota State Colleges and Universities or the chancellor's designee.

ARTICLE 8

TECHNICAL CHANGES

Section 1. Laws 2023, chapter 53, article 15, section 32, subdivision 6, is amended to read:

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

EFFECTIVE DATE. This section is effective retroactively from July 1, 2023.

ARTICLE 9

SMALL BUSINESS PROGRAM MODIFICATIONS

Section 1. Minnesota Statutes 2023 Supplement, section 116J.682, subdivision 1, is amended to read:

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

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

(c) "Partner organizations" or "partners" means:

(1) nonprofit organizations or public entities, including higher education institutions, engaged in business development or economic development;

(2) community development financial institutions; ~~or~~

(3) community development corporations; and

(4) Tribal economic development entities.

(d) "Small business" has the meaning given in section 3 of the Small Business Act, United States Code, title 15, section 632.

(e) "Underserved populations and geographies" means individuals who are Black, Indigenous, people of color, veterans, people with disabilities, people who are LGBTQ+, and low-income individuals and includes people from rural Minnesota.

Sec. 2. Minnesota Statutes 2023 Supplement, section 116J.682, subdivision 3, is amended to read:

Subd. 3. **Small business assistance partnerships grants.** (a) The commissioner shall make small business assistance partnerships grants to local and regional community-based organizations to provide small business development and technical assistance services to entrepreneurs and small business owners. The commissioner must prioritize applications that provide services to underserved populations and geographies.

(b) Grantees shall use the grant funds to provide high-quality, free ~~or low-cost~~ professional business development and technical assistance services that support the start-up, growth, and success of Minnesota's entrepreneurs and small business owners.

(c) Grantees may use up to 15 percent of grant funds for expenses incurred while administering the grant, including but not limited to expenses related to technology, utilities, legal services, training, accounting, insurance, financial management, benefits, reporting, servicing of loans, and audits.

Sec. 3. Minnesota Statutes 2023 Supplement, section 116J.8733, is amended to read:

116J.8733 MINNESOTA EXPANDING OPPORTUNITY FUND PROGRAM.

Subdivision 1. **Establishment.** The Minnesota Expanding Opportunity Fund Program is established to capitalize Minnesota nonprofit corporations, Tribal economic development entities, and community development financial institutions to increase lending activities with Minnesota small businesses.

Subd. 2. **Long-term loans.** The department may make long-term loans of ten to 12 years at 0.5 percent or lower interest rates to nonprofit corporations, Tribal economic development entities, and community development financial institutions to enable nonprofit corporations, Tribal economic development entities, and community development financial institutions to make more loans to Minnesota small businesses. The department may use the interest received to offset the cost of administering small business lending programs.

Subd. 3. **Loan eligibility; ~~nonprofit corporation.~~** (a) The eligible nonprofit corporation, Tribal economic development entity, or community development financial institution must not meet the definition of recipient under section 116J.993, subdivision 6.

(b) The commissioner may enter into loan agreements with Minnesota nonprofit corporations, Tribal economic development entities, and community development financial institutions that apply to participate in the Minnesota Expanding Opportunity Fund Program. The commissioner shall evaluate applications from applicant nonprofit corporations, Tribal economic development entities, and community development financial institutions. In evaluating applications, the department must consider, among other things, whether the nonprofit corporation, Tribal economic development entity, or community development financial institution:

(1) meets the statutory definition of a community development financial institution as defined in section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994, United States Code, title 12, section 4702;

(2) has a board of directors or loan or credit committee that includes citizens experienced in small business services and community development;

(3) has the technical skills to analyze small business loan requests;

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

(5) is enrolled in one or more eligible federally funded state programs; and

(6) has the administrative capacity to manage a loan portfolio.

Subd. 4. Revolving loan fund. (a) The commissioner shall establish a revolving loan fund to make loans to nonprofit corporations, Tribal economic development entities, and community development financial institutions for the purpose of increasing nonprofit corporation, Tribal economic development entity, and community development financial institution capital and lending activities with Minnesota small businesses.

(b) Nonprofit corporations, Tribal economic development entities, and community development financial institutions that receive loans from the commissioner under the program must establish appropriate accounting practices for the purpose of tracking eligible loans.

Subd. 5. Loan portfolio administration. (a) The fee or interest rate charged by a nonprofit corporation, Tribal economic development entity, or community development financial institution for a loan under this subdivision must not exceed the Wall Street Journal prime rate plus two percent, with a maximum of ten percent. A nonprofit corporation, Tribal economic development entity, or community development financial institution participating in the Minnesota Expanding Opportunity Fund Program may charge a loan closing fee equal to or less than two percent of the loan value.

(b) The nonprofit corporation, Tribal economic development entity, or community development financial institution may retain all earnings from fees and interest from loans to small businesses.

(c) The department must provide the nonprofit corporation, Tribal economic development entity, or community development financial institution making the loan with a fee equal to one percent of the loan value for every loan closed to offset related expenses for loan processing, loan servicing, legal filings, and reporting.

Subd. 6. Cooperation. A nonprofit corporation, Tribal economic development entity, or community development financial institution that receives a program loan shall cooperate with other organizations, including but not limited to community development corporations, community action agencies, and the Minnesota small business development centers.

Subd. 7. Reporting requirements. (a) A nonprofit corporation, Tribal economic development entity, or community development financial institution that receives a program loan must submit an annual report to the commissioner by February 15 of each year that includes:

- (1) the number of businesses to which a loan was made;
- (2) a description of businesses supported by the program;
- (3) demographic information, as specified by the commissioner, regarding each borrower;
- (4) an account of loans made during the calendar year;
- (5) the program's impact on job creation and retention;
- (6) the source and amount of money collected and distributed by the program;
- (7) the program's assets and liabilities; and

(8) an explanation of administrative expenses.

(b) A nonprofit corporation, Tribal economic development entity, or community development financial institution that receives a program loan must provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the commissioner.

Sec. 4. Minnesota Statutes 2022, section 116M.18, is amended to read:

116M.18 MINNESOTA EMERGING ENTREPRENEUR PROGRAM.

Subdivision 1. **Establishment.** The Minnesota emerging entrepreneur program is established to award grants to nonprofit corporations, Tribal economic development entities, and community development financial institutions to fund loans to businesses owned by minority or low-income persons, women, veterans, or people with disabilities.

Subd. 1a. **Statewide loans.** To the extent there is sufficient eligible demand, loans shall be made so that an approximately equal dollar amount of loans are made to businesses in the metropolitan area as in the nonmetropolitan area. After March 31 of each fiscal year, the department may allow loans to be made anywhere in the state without regard to geographic area.

Subd. 1b. **Grants.** The department shall make grants to nonprofit corporations, Tribal economic development entities, and community development financial institutions to fund loans to businesses owned by minority or low-income persons, women, veterans, or people with disabilities to encourage private investment, to provide jobs for minority and low-income persons, to create and strengthen minority business enterprises, and to promote economic development in a low-income area.

Subd. 2. **Grant eligibility; ~~nonprofit corporation.~~** (a) The department may enter into agreements with nonprofit corporations, Tribal economic development entities, and community development financial institutions to fund loans the nonprofit corporation, Tribal economic development entity, or community development financial institution makes to businesses owned by minority or low-income persons, women, veterans, or people with disabilities. The department shall evaluate applications from nonprofit corporations, Tribal economic development entities, and community development financial institutions. In evaluating applications, the department must consider, among other things, whether the nonprofit corporation, Tribal economic development entity, or community development financial institution:

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

(2) has the technical skills to analyze projects;

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

(4) can initiate and implement economic development projects;

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

(6) can work with job referral networks which assist minority and low-income persons; and

(7) has established relationships with minority communities.

(b) The department shall review existing agreements with nonprofit corporations, Tribal economic development entities, and community development financial institutions every five years and may renew or terminate the agreement based on the review. In making its review, the department shall consider, among other criteria, the criteria in paragraph (a).

Subd. 3. **Revolving loan fund.** (a) The department shall establish a revolving loan fund to make grants to nonprofit corporations, Tribal economic development entities, and community development financial institutions for the purpose of making loans to businesses owned by minority or low-income persons, women, veterans, or people with disabilities, and to support minority business enterprises and job creation for minority and low-income persons.

(b) Nonprofit corporations, Tribal economic development entities, and community development financial institutions that receive grants from the department under the program must establish a commissioner-certified revolving loan fund for the purpose of making eligible loans.

(c) Eligible business enterprises include, but are not limited to, technologically innovative industries, value-added manufacturing, and information industries.

(d) Loan applications given preliminary approval by the nonprofit corporation, Tribal economic development entity, or community development financial institution must be forwarded to the department for approval. ~~The commissioner must give final approval for each loan made by the nonprofit corporation.~~ Nonprofit corporations, Tribal economic development entities, and community development financial institutions designated as preferred partners do not need final approval by the commissioner. All other loans must be approved by the commissioner and the commissioner must make approval decisions within 20 days of receiving a loan application unless the application contains insufficient information to make an approval decision. The amount of the state funds contributed to any loan may not exceed 50 percent of each loan. The commissioner must develop the criteria necessary to receive loan forgiveness.

Subd. 4. **Business loan criteria.** (a) The criteria in this subdivision apply to loans made by nonprofit corporations, Tribal economic development entities, and community development financial institutions under the program.

(b) Loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the program.

(c) A loan must be used to support a business owned by a minority or a low-income person, woman, veteran, or a person with disabilities. Priority must be given for loans to the lowest income areas.

(d) The minimum state contribution to a loan is \$5,000 and the maximum is \$150,000.

(e) The state contribution must be matched by at least an equal amount of new private investment.

(f) A loan may not be used for a retail development project.

(g) The business must agree to work with job referral networks that focus on minority and low-income applicants.

(h) Up to ten percent of a loan's principal amount may be forgiven if ~~the department approves and the borrower has met lender and agency criteria,~~ including being current with all payments, for at least two years. The commissioner must develop the criteria for receiving loan forgiveness.

Subd. 4a. **Microenterprise loan.** (a) Program grants may be used to make microenterprise loans to small, beginning businesses, including a sole proprietorship. Microenterprise loans are subject to this section except that:

(1) they may also be made to qualified retail businesses;

(2) they may be made for a minimum of \$5,000 and a maximum of ~~\$35,000~~ \$40,000;

(3) in a low-income area, they may be made for a minimum of \$5,000 and a maximum of ~~\$50,000~~ \$55,000; and

(4) they do not require a match.

(b) Up to ten percent of a loan's principal amount may be forgiven if ~~the department approves and the borrower has met lender~~ criteria developed by the lender and the commissioner, including being current with all payments, for at least two years.

Subd. 5. **Revolving fund administration.** (a) The department shall establish a minimum interest rate or fee for loans or guarantees to ensure that necessary loan administration costs are covered. The interest rate charged by a nonprofit corporation, Tribal economic development entity, or community development financial institution for a loan under this subdivision must not exceed the Wall Street Journal prime rate plus ~~four~~ two percent, with a maximum rate of ten percent. For a loan under this subdivision, the nonprofit corporation, Tribal economic development entity, or community development financial institution may charge a loan origination fee equal to or less than one percent of the loan value. The nonprofit corporation, Tribal economic development entity, or community development financial institution may retain the amount of the origination fee.

(b) Loan repayment of principal must be paid to the department for deposit in the revolving loan fund. Loan interest payments must be deposited in a revolving loan fund created by the nonprofit corporation, Tribal economic development entity, or community development financial institution originating the loan being repaid for further distribution or use, consistent with the criteria of this section.

(c) Administrative expenses of the nonprofit corporations, Tribal economic development entities, and community development financial institutions with whom the department enters into agreements, including expenses incurred by a nonprofit corporation, Tribal economic development entity, or community development financial institution in providing financial, technical, managerial, and marketing assistance to a business enterprise receiving a loan under subdivision 4, may be paid out of the interest earned on loans and out of interest earned on money invested by the state Board of Investment under section 116M.16, subdivision 2, as may be provided by the department.

(d) The department must provide the nonprofit corporation, Tribal economic development entity, or community development financial institution making the loan with a fee equal to one percent of the loan value for every loan closed to offset related expenses for loan processing, loan servicing, legal filings, and reporting.

Subd. 7. **Cooperation.** A nonprofit corporation, Tribal economic development entity, or community development financial institution that receives a program grant shall cooperate with other organizations, including but not limited to, community development corporations, community action agencies, and the Minnesota small business development centers.

Subd. 8. **Reporting requirements.** (a) A nonprofit corporation, Tribal economic development entity, or community development financial institution that receives a program grant shall:

(1) submit an annual report to the department by February 15 of each year that includes a description of businesses supported by the grant program, an account of loans made during the calendar year, the program's impact on minority business enterprises and job creation for minority persons and low-income persons, the source and amount of money collected and distributed by the program, the program's assets and liabilities, and an explanation of administrative expenses; and

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

(b) By March 1 of each year, the commissioner must provide a report compiling the information received from nonprofit corporations, Tribal economic development entities, and community development financial institutions under paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over workforce development. The report must also specify any nonprofit corporations, Tribal economic development entities, or community development financial institutions that failed to provide the information required under paragraph (a).

Subd. 9. **Small business emergency loan account.** The small business emergency loan account is created as an account in the special revenue fund.

Sec. 5. Laws 2023, chapter 53, article 15, section 33, subdivision 4, is amended to read:

Subd. 4. **Loans to community businesses.** (a) A partner organization that receives a grant under subdivision 3 shall establish a plan for making low-interest loans to community businesses. The plan requires approval by the commissioner.

(b) Under the plan:

(1) the state contribution to each loan shall be no less than \$50,000 and no more than \$500,000;

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

(3) priority shall be given to loans to businesses in the lowest income areas;

(4) the fee or interest rate on a loan shall not be higher than the Wall Street Journal prime rate plus two percent, with a maximum of ten percent;

(5) 50 percent of all repayments of principal on a loan under the program shall be used to fund additional related lending. The partner organization may retain the remainder of loan repayments to service loans and provide further technical assistance;

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

(7) a partner organization may not make a loan to a project in which it has an ownership interest; and

(8) up to 15 percent of a loan's principal amount may be forgiven by the partner organization if the borrower has met all lending criteria developed by the partner organization and the commissioner, including creating or retaining jobs and being current with all loan payments, for at least two years.

Sec. 6. Laws 2023, chapter 53, article 15, section 33, subdivision 5, is amended to read:

Subd. 5. **Reports.** (a) The partner organization shall submit a report to the commissioner by ~~January~~ December 31 of 2024, 2025, and 2026. The report shall include:

(1) an account of all loans made through the program the preceding calendar year and the impact of those loans on community businesses and job creation for targeted groups;

(2) information on the source and amount of money collected and distributed under the program, its assets and liabilities, and an explanation of administrative expenses; and

(3) an independent audit of grant funds performed in accordance with generally accepted accounting practices and auditing standards.

(b) By February 15 of ~~2024, 2025, and 2026,~~ and 2027, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over workforce and economic development on program outcomes, including copies of all reports received under paragraph (a).

ARTICLE 10

INDEPENDENT LIVING SERVICES

Section 1. Minnesota Statutes 2022, section 268A.11, is amended to read:

268A.11 INDEPENDENT LIVING SERVICES.

Subdivision 1. **Purposes and services.** The purposes of independent living services and the services that are to be provided are those that are consistent with Code of Federal Regulations, title ~~34, parts 365 to 367~~ 45, part 1329.

Subd. 2. **Administration.** This section shall be administered by the Department of Employment and Economic Development through the Vocational Rehabilitation Services Program. The department may employ staff as reasonably required to administer this section and may accept and receive funds from nonstate sources for the purpose of effectuating this section.

Subd. 3. **Certification.** No applicant Center for Independent Living may receive funding under this section unless it has received certification from the Vocational Rehabilitation Services Program.

The Vocational Rehabilitation Services Program shall review the programs of Centers for Independent Living receiving funds from under this section to determine their adherence to compliance with the standards adopted by rule and if the standards are substantially met defined in section 725(b) and assurances in section 725(c) of the Rehabilitation Act of 1973, and, if fulfilled, shall issue appropriate certifications.

Subd. 4. **Application of Centers for Independent Living.** The Vocational Rehabilitation Services Program shall require Centers for Independent Living to complete application forms, expenditure reports, and proposed plans and budgets. These reports must be in the manner and on the form prescribed by the Vocational Rehabilitation Services Program. When applying, the Center for Independent Living shall agree to provide reports and records, and make available records for audit as may be required by the Vocational Rehabilitation Services Program.

The applicant Center for Independent Living shall be notified in writing by the Vocational Rehabilitation Services Program concerning the approval of budgets and plans.

Presented to the governor May 22, 2024

Signed by the governor May 24, 2024, 9:13 a.m.