



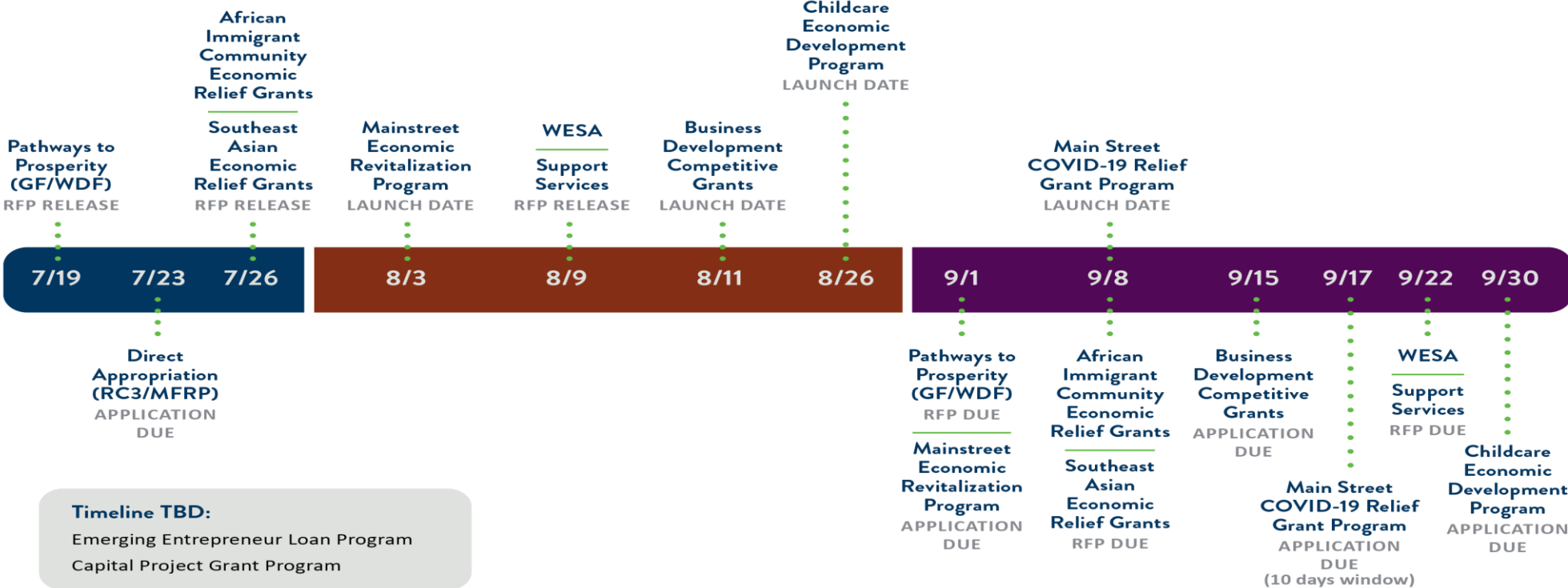
Legislative Session Update for Nonprofits & Foundations

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Agenda

- Big Picture Timeline
- Economic Development
- Workforce Development
- Big Picture Timeline
- Other
- Q & A
- Closing

Program Roll-out Timeline



**We anticipate programs to launch on or around the dates above. Stay tuned on Twitter @mndeed and on our blog at <https://mn.gov/deed/newscenter/social-media/deed-developments/>.

Investments in Economic Development & Workforce

Economic Development Program

- In total, **\$373 million** for Economic Development in the biennium
- \$285 million to ED Programs in FY 22
 - \$205 million Jobs Bill General Fund
 - Additional funds in the Tax Bill, Energy bill, and Agriculture bill
 - \$70 million in Federal Funds (Broadband related)
- \$88 million to ED programs in FY 23

Workforce Development Programs

- In total, **\$74.1 million** over the biennium was appropriated for workforce development funding.
- This is a combination of both competitive grants and direct appropriations. This is a **\$41.59 million increase** from the base.

Economic Development

- Where we've been:
 - Disbursed about \$300m for businesses (includes Revenue, Counties and DEED)
 - Assisted more than 22,000 businesses
 - Regular program demand has remained steady
- Where we are going:
 - \$285m for economic development programs in the budget
 - 4-5X a normal year
 - Regular program demand is now increasing

Business Finance

- Main Programs Jobs Bill:
 - MIF - \$10 million in both years
 - JCF - \$8 million in both years
 - Emerging Entrepreneur Loan Program - \$1 million in both years
 - Film Board/Snobate - \$837,000
- Main Programs Tax Bill:
 - Angel Tax Credit \$15 million (\$10m in TY 21, \$5m in TY 22)
 - NEW Program, Film Tax Credit \$5 million in both years

Launch MN

- Continues at \$2.5 million per year
 - Innovation Grants - \$1.5 million
 - Entrepreneur Education Grants - \$500,000
 - Administration - \$500,000
- Policy Changes:
 - Broader business types eligible – scalable businesses (innovative model or business)
 - Added SBIR Phase 1, deleted Housing and Child Care grants (\$7,500)
 - Board changes, extends deadline for spinning out to 2024.

New Economic Development Investments

- \$80 million Main Street Economic Revitalization Grants
- \$70 million Main Street Business Relief Grants
- \$9.8 million for Small Business Partnership Grants (BDCG)
- \$8 million Child Care Grants

Main Street Economic Revitalization

- Provides funds to Partner Organizations to establish programs to support economic development and redevelopment projects that deliver the most economic impact in communities with the greatest needs
- Partner Organizations are – Foundations, CDFI's, CDC's
- 3 Grant Rounds – Apps due August 31st (closed), before Mar 1/22, after June 30/23
 - 30% Matching Grants up to \$750,000 per project
 - 80% Loan Guarantees for up to a \$2,000,000 loan per project

Main Street Economic Revitalization

Will define a service area that includes one or more commercial corridors impacted by conditions that have arisen since March 2020. Qualifying conditions include but are not limited to

- Widespread arson and civil unrest
- Natural disasters
- Major employer closures and commercial space vacancies
- COVID-19 impacts on travel, tourism, retail and accommodation

Will demonstrate economic impact of investments (leveraged funding, tax base increase, jobs created/retained, wages, reducing disparities)

Will demonstrate that the partner organizations has the qualifications and capacities to successfully implement this program

Describe how partner organization will conduct outreach, solicit request for assistance from eligible recipients and make award decisions

Next Steps & Questions

- Main Street Economic Revitalization next round: Winter/Spring 2022
- Program Website: <https://mn.gov/deed/business/financing-business/deed-programs/emergency-programs/economic-revitalization/index.jsp>
- Email questions to: MSERP.DEED@state.mn.us
- FAQ will be updated frequently

Main Street Business Relief

- SBRG 2.0 – work with MIF’s and ELP Lenders in Metro
- \$70 million total available ranging from \$10,000 - \$25,000 per business based on number of employees
- DEED **Application Portal opens September 20, 2021** and apps collected over a period of 10 days. DEED will conduct randomized selection process
- Priority for applications that have not received support from previous state funded relief programs
- Carve outs for microenterprises, less than 6 employees, and businesses owned by BIPOC, Women, Veterans, Cultural Malls
- Some policy changes (50% ownership, up to 200 employees, self-employed, nonprofits)

Main Street Business Relief

- Minnesotan owned and operated businesses that can demonstrate financial hardship due to the COVID-19 outbreak.
- Nonprofits that “operate like a business” that can demonstrate financial hardship
- The business must be located in Minnesota.
- Fewer than 200 full-time equivalent employees
- Be a currently operating business with plans to continue operations into 2022.
- Be at least 50% owned by one or more permanent resident(s) of Minnesota.
- Minimum total sales or revenue of at least \$10,000 for the 2020 or 2019 tax year.

Next Steps & Questions

- DEED will reach out to and work with our partners for this program to get the word to businesses (MIFs and ELP lenders)
- DEED will host webinars and provide translated materials in Spanish, Hmong, Somali and Vietnamese to share with business owners
- The portal for applications will go up on DEED's website along with more information later in September.

Small Business Partnerships

- \$9.8 million in funds for grants to qualified Entrepreneurial Support Organizations (ESOs) to support the start-up, growth, and success of Minnesota's entrepreneurs and small businesses
- \$8.4 million is available in the first year and \$1.4 million in the 2nd year – likely 2-year grants
- ESOs will provide high quality free or low-cost professional training, education, and technical assistance services to entrepreneurs

Small Business Partnerships

- Grant awards are for October 2021 through June 30, 2023
- The maximum award is \$600,000 for the performance period
- Estimated number of awards: 18-28
- Non-profit organizations or public entities that provide business development and assistance services to entrepreneurs and small businesses in Minnesota
- Proposals are actively encouraged from organizations that serve targeted populations and/or business types that include, but are not limited to, businesses owned by Black, Indigenous, and people of color (BIPOC) individuals, veteran, women, persons with disabilities, technology-based businesses, and entrepreneurs and businesses located in Greater Minnesota

Small Business Partnerships

- Request for Proposals released August 11, 2021. Proposals due September 15, 2021.
- Proposals are actively encouraged from organizations that serve targeted populations and/or business types that include, but are not limited to, minority-owned businesses, Indian-owned businesses, veteran-owned businesses, women-owned businesses, businesses owned by individuals with disabilities, and entrepreneurs and businesses located in Greater Minnesota
- Programmatic partnerships and collaborations between organizations are eligible and encouraged to apply. The proposal must identify a lead fiscal agent who is responsible for the administration of the grant.

Next steps & Questions

- Proposals Due: 4:00 p.m., September 15, 2021
- PDF Format with max file size of 25mb
- Emailed to: MNSBP.DEED@state.mn.us
- Late submissions will not be reviewed
- More information, including recorded webinar on our website: <https://mn.gov/deed/about/contracts/open-rfp.jsp>

Child Care

- \$5 million for 2:1 matching grants to communities to increase the supply of quality child care providers in order to support regional economic development
 - Funds can be used to implement solutions to reduce the child care shortage in the state including but not limited to funding for child care business start-up or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements.
 - Request for Proposals released on 9/1, due 9/30 by 4pm. DEED information session on September 7, 2021 11am – 12:30pm.
- \$3 million for grants to six Greater Minnesota Initiative Foundations to support regional child care initiatives
 - Funds can be used to support facility planning, private sector engagement, training and technical assistance, and quality improvement efforts

Next steps & Questions

- Proposals Due: 4:00 p.m., September 30, 2021
- PDF Format with max file size of 25mb
- Emailed to: MNSPB.DEED@state.mn.us
- Late submissions will not be reviewed
- DEED information session on September 7th, 2021, 11am – 12:30pm.
- More information, including recorded webinar on our website: <https://mn.gov/deed/about/contracts/open-rfp.jsp>

Federal Funding

Coming this winter – State Small Business Credit Initiative (SSBCI)

- \$75 million in funding from US Treasury
- DEED will apply by December
- Funds for loans and venture capital

Workforce Development

Workforce Development Legislative Outcomes

Workforce Development Programs

- In total, **\$74.1 million** over the biennium was appropriated for workforce development funding.
- This is a combination of both competitive grants and direct appropriations. This is a **\$41.59 million increase** from the base.

New Program

- **African Immigrant Community Economic Relief Grants (NEW)** – \$2 million in FY22-23 for competitive grants 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.

Next steps & Questions

- Proposals Due: **5:00 p.m. on Tuesday, September 14, 2021.**
- PDF format
- 12 Point font (Arial or Calibri preferred)
- No more than 10 single-sided, double-spaced pages with a 1” margin on all four sides
- Emailed to: AdultCompetitiveGrants.Deed@state.mn.us
- Late submissions will not be reviewed
- More information, including recorded webinar on our website: <https://mn.gov/deed/about/contracts/open-rfp.jsp>

New Program

- **Foreign-Trained Professional Program (NEW)** – \$2 million in FY22-23 for new grants to assist internationally trained professionals in earning the professional license required to do similar work in Minnesota.
- **RFP released in September.**
- DEED will post more information on our website when the RFP opens:
<https://mn.gov/deed/about/contracts/open-rfp.jsp>

New - Targeted Community Capital Grant Program

Targeted Community Capital Grant Program - \$18 million*

- Capital grants to provide, increase or expand services to underserved communities or economically disadvantaged persons or groups
- **Priority for projects with:**
- No history of receiving capital grants from the state (with exceptions)
- Local support
- Addresses needs for an underserved community, economically disadvantaged area or disadvantaged people or groups
- Provides community benefits

Targeted Community Capital Grant Program

- Grants available up to \$1.5 million – grantees must complete one or more phases of a project
- Generally a match will be required but there are exceptions
- Non-profits and governmental entities are eligible recipients of funding
- RFP will be **released later this fall**
- Funds shall be equitably distributed between metro and greater MN

Nonprofit Infrastructure Grants

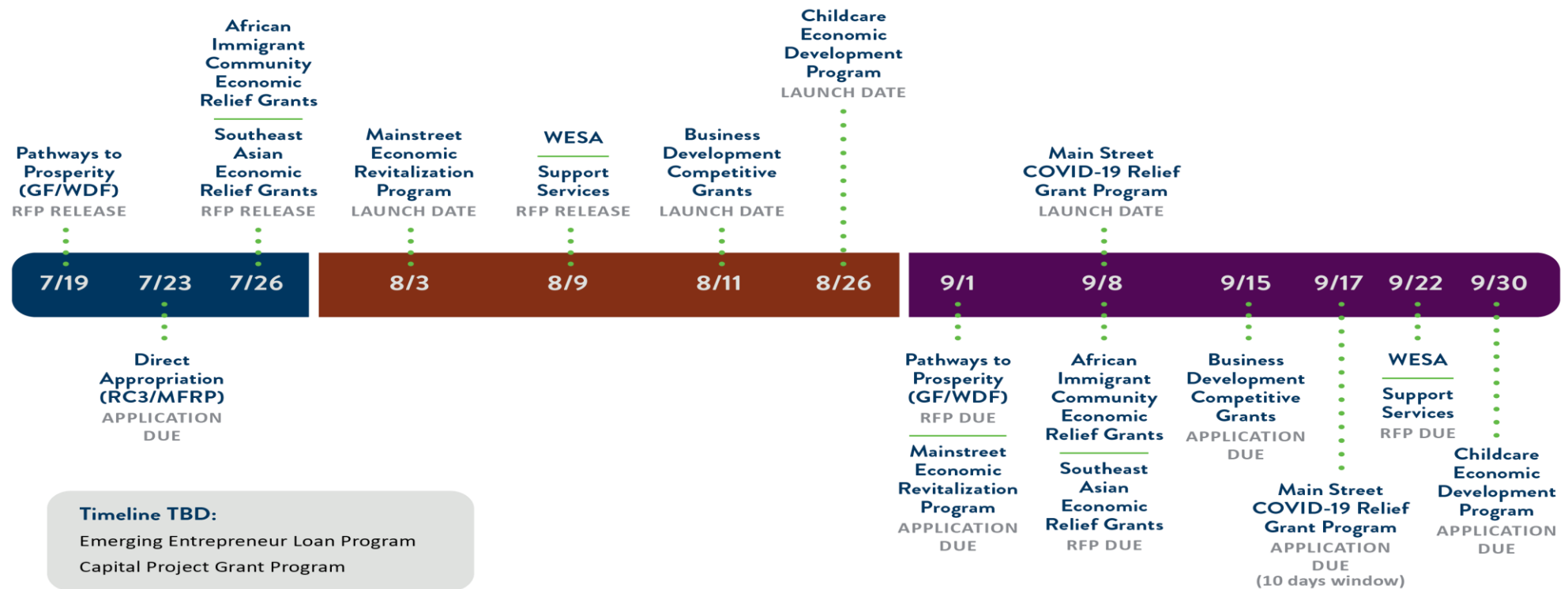
Propel Nonprofits nonprofit infrastructure grant program - \$2 million

- Provide capacity-building grants and related technical assistance to small, culturally specific organizations that primarily serve historically underserved cultural communities.
- Grants to nonprofit organizations that have an annual organizational budget of less than \$500,000.
- Funds can be used for organizational infrastructure improvements, organizational workforce development, or 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.

Next Steps & Questions

- Propel Nonprofits will issue the RFP, review the grants and make awards. The grant is not administered by DEED.
- Sign up for Propel Nonprofits newsletter to hear about their RFP plans and timeline. <https://www.propelnonprofits.org/>
- Examples of past grantees from 2017-2019, and 2020-2021 on the Nonprofit Infrastructure Grantee Program web page at Propel Nonprofits

Program Roll-Out Timeline



We anticipate programs to launch on or around the dates above. Stay tuned on Twitter @mndeed and on our blog at <https://mn.gov/deed/newscenter/social-media/deed-developments/>.

Other Opportunities

- ARPA funding appropriated to state still unspent (about \$1.2B)
- Other federal funds TBD (Infrastructure funds, other ARP funds still rolling out)
- Essential Worker pay – still TBD
- 2022 Supplemental Budget and Potential Surplus
- 2022 Bonding bill
- Elections in 2022 (Governor, MN House and Senate)



EMPLOYMENT AND
ECONOMIC DEVELOPMENT

Questions?

Thank you

