

March 27, 2025

Re: HF1965 (Johnson)

Dear Chairs Baker and Pinto and members of the Workforce, Labor and Economic Development Finance and Policy Committee,

On behalf of the Economic Development Association of Minnesota (EDAM), we wanted to share our support for HF1965, which appropriates additional funding for the Small Business Assistance Partnerships Program. Small businesses make up the fabric of a thriving community and Minnesota has a long tradition of home-grown businesses that turn into iconic brands and world leaders like Medtronic, Duluth Pack or K-Mama Sauce as well as small businesses on Main Streets throughout the state. Our communities wouldn't be the same without them for the jobs and culture they create and the things they innovate. But it's essential that small businesses and entrepreneurs have the support they need to successfully start and grow their business.

The Small Business Assistance Partnerships Program provides small businesses and entrepreneurs with high quality free or low-cost professional business development and technical assistance services through trusted local and regional community-based organizations across the state. This program was funded at \$12.850 million for the FY24-25 biennium, which allowed 41 grantees across the state to provide these key services. Without additional state funding, the program will drop to \$5.45 million for FY26-27, cutting funding by more than half. If Minnesota wants to continue to foster a thriving small business ecosystem, the state should continue to provide key supports for those businesses through appropriate investments in the Small Business Assistance Partnerships Program. For this reason, we urge the Committee to support HF1965.

Thank you,

Sincerely,



Eric Maass, AICP, EDFP
Community Development Director, City of Chanhassen
EDAM President