

Subject Governor's bill for the Department of Employment and Economic Development

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Overview

This bill is the governor's recommendations for the Department of Employment and Economic Development, both appropriations and policy.

Article 1: Appropriations

This article makes appropriations to the Department of Employment and Economic Development—including for business and community development, workforce development services, general support services, the Minnesota Trade Office, and vocational rehabilitation—and for Explore Minnesota.

Article 2: Employment and Economic Development Policy

This article makes a variety of policy changes for the Department of Employment and Economic Development.

Section Description – Article 2: Employment and Economic Development Policy

- Purpose.**
Removes language about meeting federal funding match requirements from the purposes of the Minnesota forward fund account.
- Appropriations.**
Modifies the fiscal year 2024 appropriations from the Minnesota forward fund account to eliminate the purpose of meeting federal funding match requirements and to keep funds available until spent.
- Partnership program.**
Increases the maximum grant amount to a single institution from \$400,000 to \$500,000. Allows the higher education institution participating in the partnership

Section Description – Article 2: Employment and Economic Development Policy

program, at the discretion of the Job Skills Partnership Board, to charge up to 30 percent more than the direct project costs, not including equipment.

4 Pathways program.

Increases the maximum grant amount to a single institution from \$400,000 to \$500,000. Allows the higher education institution participating in the pathways program, at the discretion of the Job Skills Partnership Board, to charge up to 30 percent more than the direct project costs, not including equipment.

5 Definitions.

Broadens the definition of credential for the purposes of workforce program outcomes to include any degrees, not just postsecondary degrees.

6 Business and community development.

Makes technical corrections to a rider for the Minnesota Expanding Opportunity Fund Program.

Effective date: This section is effective retroactively to July 1, 2023.

7 Minnesota expanding opportunity account.

Rewrites the revolving loan fund language for the Minnesota Expanding Opportunity Fund Program. Restricts eligibility for loans from the fund to just nonprofit corporations, removing Tribal economic development entities and community development financial institutions (unless they are a nonprofit corporation also). Requires all loan repayments to be paid into the account to fund additional loans.

8 Business and community development.

Releases \$1,000,000 that was appropriated each year in fiscal years 2024 and 2025 from being geographically restricted to serving South Minneapolis' Lake Street, 38th and Chicago, Franklin, Nicollet, and Riverside corridors.

Effective date: This section is effective retroactively to July 1, 2025. [This is an error that will be corrected by amendment, should be 2023.]

9 Appropriation cancellation; job creation fund.

Cancels \$3,000,000 of the fiscal year 2025 appropriation to the Minnesota job creation fund back to the general fund, as a onetime cancellation.

Effective date: This section is effective the day following final enactment.

Section Description – Article 2: Employment and Economic Development Policy

- 10 **Credit for parking revenue.**
Makes technical changes to clarify which year of parking revenue a city must certify to the commissioner of employment and economic development.
- 11 **Eligible projects.**
Adds agricultural processing of plants and plant-based products to the list of eligible projects for the greater Minnesota business development public infrastructure grant program.
- 12 **Office of Public Service.**
Creates in statute the Office of Public Service within the Department of Employment and Economic Development to promote and expand existing public service opportunities and align them with the state’s workforce strategy, as well as administering the Service to Success grant program. Allows for the hiring of staff. Requires biennial reporting to the legislature, beginning January 15, 2027, on the office’s activities.
- 13 **Repealer.**
Repeals, retroactively to July 1, 2024, a \$3,000,000 fiscal year 2025 onetime transfer from the job creation fund to the general fund. (This was flawed language, see section 9, above for the correct format for this cancellation.)



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