



MINNESOTA'S



COVID-19 RECOVERY BUDGET



Provide Assistance to Small Business

Starting and growing a small business is never easy, but the COVID-19 pandemic has made it even more challenging—especially for BIPOC business owners and those in Greater Minnesota. Governor Walz proposes investing \$3 million per year in new supports for small businesses who have been hit especially hard by COVID-19. These include investments in outreach and technical assistance; equity support for nonprofit lenders; and small business incubators serving minority, veteran, and women business owners.



Invest in Emergency COVID Support Fund

Governor Walz proposes investing \$50 million in a new Small Business COVID Support forgivable loan program to help the hardest hit businesses sustain their operations and emerge from the pandemic. These forgivable loans will support cultural, entertainment, and hospitality industries. The program includes set-asides for businesses in Greater Minnesota, businesses with fewer than six employees, minority-owned businesses, and ethnic malls.



Provide Additional Small Business Development Center Program Funding

The COVID-19 pandemic has caused devastating impacts on small businesses across Minnesota, threatening their ability to survive and flourish in today's marketplace. Governor Walz proposes leveraging federal dollars by investing \$1 million in Minnesota's statewide network of Small Business Development Centers. This investment will support entrepreneurs and small businesses across the state, helping them survive the devastating impacts of this pandemic.



Enhance Broadband Development

Access to quality, high-speed broadband is a critical factor in the economic and social sustainability of all Minnesota communities, and it is a need which has grown dramatically since the start of the pandemic. Governor Walz proposes investing \$50 million to increase access to reliable, high-speed internet across Minnesota.



Invest in the Angel Tax Credit

The Governor recommends allocating \$7 million for the Angel Tax Credit. The program is Minnesota's primary economic development tool to assist early stage businesses engaged in technological innovation by providing a tax credit to investors or investment funds that make an equity investment. The Angel Tax Credit program has resulted in over \$461 million in private investment in Minnesota startups, leveraged by the state's issuance of \$111 million in tax credits to angel investors.

Investing in this program prioritizes economic growth and building on Minnesota's existing ecosystem of high-tech, high-innovation companies, including the state's clean energy technology and biotech/bioscience businesses. The Angel Tax Credit will help communities across the state create wealth by incentivizing investment in companies with founders who are women, veterans, minorities, and those headquartered in Greater Minnesota.



Enhance Launch Minnesota

Governor Walz proposes investing \$5 million in the Launch Minnesota program to accelerate the growth of our startup ecosystem and attract top entrepreneurial talent to Minnesota. Comprised of a collection of new grant programs for early-stage startups and educational opportunities for entrepreneurs across the state, Launch Minnesota supports and enhances Minnesota's visibility and interest in the innovation ecosystem.



Rebuild Minneapolis and St. Paul

Governor Walz proposes a \$150 million investment in Redevelopment Appropriations Bonds to support rebuilding efforts for small businesses and other private property in Minneapolis and St. Paul that were damaged in the response to the death of George Floyd last year. The resources made available by these bonds will strengthen rebuilding efforts and help ensure a robust and equitable economic recovery for the Twin Cities.



Realign Workforce Development Fund

The COVID-19 pandemic created massive dislocations in our economy and resulted in record numbers of Minnesotans unemployed. It is critical that Minnesota's workforce development programs can effectively support Minnesota workers as they look for their next career opportunity in a changing economy. Governor Walz proposes modernizing the Workforce Development Fund and improving use of the funds, ensuring the dollars are targeted toward programs that are centered in equity and achieve good-paying employment for job seekers. The proposal would create competitive grant programs to support new workforce training programs – those with a proven track record, and those which provide support services that increase the likelihood Minnesotans are able to find and keep employment.



Expand Job Training Incentive Program

Manufacturing is the second-largest industry in Minnesota, and currently, more and more manufacturing processes are becoming automated. Governor Walz proposes investing \$250,000 per year in a new Job Training Incentive Program that will provide grants to businesses to retrain their workers and train new workers on upgraded equipment. This program will provide new job opportunities for workers and increase productivity for businesses.



Invest in Child Care Economic Development Grant Program

Lack of access to affordable, quality child care is a significant barrier to the participation of women, single parents, low-income parents, and rural parents in the workforce. Governor Walz proposes investing \$750,000 to fund the creation of new – and expansion of existing – child care facilities for Minnesota families. This investment would help reduce child care shortages and grow Minnesota's workforce.



Establish a Paid Family and Medical Leave Insurance Benefit

Most Minnesota workers will need to take time off at one point during their careers to take care of themselves, a new child, or a family member, but too many Minnesotans don't have access to paid leave. Governor Walz proposes creating a statewide program providing 12 weeks of paid leave for individuals with a serious medical condition, to use to care for a family member, or to bond with a new child. This program will ensure that Minnesota families won't have to choose between caring for a loved one and paying their bills.



Labor Market Information: Real Time Pandemic Recession and Recovery Data Project

Labor Market Information (LMI) is the primary source of data and key insights that help Minnesotans understand the impact of the pandemic on the state's economy. The \$125,000 investment would support state-level timely and relevant labor market data and analysis, including Unemployment Insurance statistics and occupational demand data, to help policy makers, employers, colleges and universities, workforce development staff and job seekers make informed decisions throughout the pandemic recession and recovery.