



S.F. No. 1832 – Department of Employment and Economic Development Budget Bill (1st Engrossment)

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S.F. 1832 is the Department of Employment and Economic Development’s budget bill.

ARTICLE 1 – APPROPRIATIONS

Provides appropriations for the Department of Employment and Economic Development and Explore Minnesota.

ARTICLE 2 – EMPLOYMENT AND ECONOMIC DEVELOPMENT POLICY

Section 1. **Eligible projects.** [116J.431, subd. 2] Modifies the economic development projects for which a county or city may be eligible to receive a grant under the greater Minnesota business development public infrastructure grant program to include plants and plant-based products that are part of agricultural processing.

Section 2. **Minnesota expanding opportunity account.** [116J.8733, subd. 4] Creates a Minnesota expanding opportunity account in the special revenue fund in the state treasury previously established as a revolving loan fund for the program. Makes other conforming changes.

Section 3. **Purpose; Minnesota Forward Fund.** [116J.8752, subd. 2] Removes from the purpose of the Forward Fund the ability to leverage to meet matching requirements of federal funding.

Section 4. **Prepare Minnesota.** Requires the DEED commissioner to administer a test and professional licensure pilot program at no cost for students at one University of Minnesota system campus, one Minnesota State colleges and universities system campus, and for dislocated workers.

Section 5. **Partnership program.** [116L.04, subd. 1] Increases the maximum grant amount to educational institutions for the program from \$400,000 to \$500,000. Allows higher education

institutions to charge up to a 30-percent increase on the direct project costs, not including equipment costs.

Section 6. **Pathways program.** [116L.04, subd. 1a] Increases the maximum grant amount to educational institutions for the program from \$400,000 to \$500,000. Allows higher education institutions to charge up to a 30-percent increase on the direct project costs, not including equipment costs.

Section 7. **Definitions.** [116L.98, subd. 2] Modifies the definition of “credential” for purposes of workforce program outcomes by removing the requirement that a degree must be a “postsecondary” degree.

Section 8. **Minnesota emerging entrepreneur program account.** Creates an account in the special revenue fund instead of a revolving loan fund, for the emerging entrepreneur program. Appropriates money in the account to the DEED commissioner for revolving loans to make grants.

Section 9. **Credit for parking revenue.** [469.54, subd. 4] Modifies the information the city of Duluth reports to the commissioner of employment and economic development regarding parking facilities within the regional exchange district to require information from the preceding year be reported instead of for the current year.

Section 10. **Loans to community businesses.** Lowers the minimum loan amount from \$50,000 to \$10,000 for the community wealth building program.

Section 11. **Business and community development appropriations.** Corrects an amount for a PROMISE act appropriation in the 2023 Jobs omnibus. Makes the amendment effective retroactively from July 1, 2025. Makes a conforming change with section 7 to amend an appropriation in the 2023 Jobs omnibus specific to the Minnesota Expanding Opportunity Fund Program to clarify a transfer and the source account. Makes the amendment retroactive to July 1, 2023.

Section 12. **Appropriation amendments.** Modifies the 2023 session law appropriating money to the Forward Fund. Makes the appropriations available until June 30, 2030, instead of being available until June 30, 2027.

Section 13. **Change Starts With Community Violence Prevention Program.** Provides objectives of the program for year-round job training programs for at-risk youth and adults, partnership information, and reporting requirements.

Section 14. **Applicability of certain reporting requirements to appropriation.** Modifies an appropriation to ProStart in the 2023 Jobs omnibus.

Section 15. **Relocation grants.** Requires the commissioner of DEED to reissue a request for proposal and provide technical assistance to businesses eligible for relocation grants under a 2024 appropriation.

Section 16. **Revisor instruction.** Directs the Revisor to change the term "small business growth acceleration program" to "Made in Minnesota program" where it appears in Minnesota Statutes.

ARTICLE 3 – EXPLORE MINNESOTA

Section 1. **Explore Minnesota; Establishment.** [116U.05] Provides that Explore Minnesota Film is overseen by the director of Explore Minnesota.

Section 2. **Explore Minnesota Tourism.** [116U.06] Clarifies that Explore Minnesota Tourism is not a division of Explore Minnesota.

Section 3. **Mission of Explore Minnesota.** [116U.15] Expands the mission of Explore Minnesota to include support of the state’s overall tourism, outdoor recreation, film, and other statewide promotion efforts in addition to promoting livability and economic opportunities in the state.

Section 4. **Duties of the director.** [116U.30] Modifies the responsibilities and makes conforming changes to the director’s duties to align with the revised mission of Explore Minnesota.

Section 5. **Promotional expenses.** [116U.35] Specifies that the director may expend funds to promote programs that align with Explore Minnesota’s mission.

ARTICLE 4 – DEED CANNABIS PROGRAMS

Section 1. **Loans to businesses.** [116J.659, subd. 4] Increases the maximum state contribution to a CanStartup loan to \$75,000 from \$50,000 or \$200,000 from \$150,000 if state contributions are matched by an equal or greater amount at least 25 percent of a new private investment. The minimum state contribution to a loan remains at \$2,500. Requires the commissioner of DEED to make final approval decisions on loans within 30 days of receiving a loan application and provide notification of missing loan application information within 14 days.

Section 2. **Revolving loan account administration.** [116J.659, subd. 5] Clarifies that any fee charged in lieu of interest must not exceed the Wall Street Journal prime rate. Specifies that loan repayments may be retained by the nonprofit corporation originating the loan to help cover expenses for loan servicing and origination. Clarifies additional activities covered as administrative expenses including provision of technology, insurance, legal, audit and accounting, and reporting assistance. Requires average interest rates to be reported biannually and published publicly.

ARTICLE 5 – PROMISE ACT MODIFICATIONS

Section 1. **Definitions.** Adds definitions of “prior taxable year” and “taxpayer” to be applicable to the PROMISE grant program.

Section 2. **Grants to businesses.** Clarifies tax documentation and revenue preferences applicable to businesses qualifying for PROMISE grants.

Section 3. **Definitions.** Adds “equipment purchases” to the eligible projects for purposes of PROMISE loans. Increases revenue threshold from less than \$1 million to less than \$1,500,000 for the prior taxable year for PROMISE grants.

Section 4. **Loans to eligible recipients.** Increases the maximum PROMISE loan amount from \$1,000,000 to \$1,500,000 and increases the loan term from ten years to 20 years. Prohibits loans from being used to refinance debt.

Section 5. **Revolving loan fund.** Provides that funds repaid to the partner organization are not limited in their uses, except that funds repaid may not be used for loans for speculation or investment in rental real estate.

Sections 1 to 5 are effective the day following final enactment.

ARTICLE 6 – EMPLOYMENT AND ECONOMIC DEVELOPMENT MISCELLANEOUS

Section 1. **Use of workforce development funds.** [116L.05, subd. 5] Includes county labor force participation rates as an economic indicator for consideration by the Jobs Skills Partnership Board when determining use of workforce development funds.

Section 2. **Blind, vending facilities on governmental property; liability limited.** [248.07, subd. 7] Updates terminology to refer to “vending facilities” instead of “stands” and “machines” relating to State Services for the Blind.

Section 3. **Use of revolving fund, licenses for operation of vending facilities.** [248.07, subd. 8] Updates terminology to refer to “vending facilities” instead of “stands” and “machines” relating to State Services for the Blind.

Section 4. **Available for suitable employment defined.** [268.085, subd. 15] Modifies the definition of “available for suitable employment” to allow for an applicant to conduct an active work search if it may be done remotely as an exception to current law disqualifying an applicant from being gone from the labor market area.

Section 5. **Misrepresentation; administrative penalties.** [268.184, subd. 1] Raises the penalty percentage from 50% to 100% of the impacted unemployment benefit amounts overpaid or not paid.



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