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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

**EIGHTY-FIFTH  
SESSION**

**HOUSE FILE No. 3299**

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Authored by Gunther, Erickson, Demmer, Moe and Mahoney

The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act  
1.2 relating to economic development; implementing certain strategic entrepreneurial  
1.3 economic development initiatives; appropriating money; amending Minnesota  
1.4 Statutes 2006, sections 116J.03, by adding a subdivision; 116J.656; 116J.66;  
1.5 116J.68; 116L.02; proposing coding for new law in Minnesota Statutes, chapters  
1.6 116J; 116L.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2006, section 116J.03, is amended by adding a  
1.9 subdivision to read:

1.10 Subd. 4. **Targeted rural opportunity community.** "Targeted rural opportunity  
1.11 community" means a city or township in a county that either lost population from 1980  
1.12 to 2000 according to the decennial census or had an unemployment rate higher than the  
1.13 Minnesota state annual average in 2006 according to local area unemployment statistics  
1.14 published by the Department of Employment and Economic Development.

1.15 Sec. 2. **[116J.432] RURAL ENTERPRISE MICROLOAN PROGRAM.**

1.16 Subdivision 1. **Definitions.** For purposes of this section, the definitions in this  
1.17 subdivision have the meanings given them:

1.18 (1) "Commissioner" means the commissioner of employment and economic  
1.19 development.

1.20 (2) "Nonprofit corporation" means a corporation organized and operating under  
1.21 chapter 317A and holding tax exempt status under section 501(c)(3), 501(c)(4)(A), or  
1.22 501(c)(5) of the Internal Revenue Code, or a Minnesota private foundation meeting the  
1.23 definition of section 509 of the Internal Revenue Code.

2.1 (3) "Rural areas" means those areas of Minnesota located outside the metropolitan  
2.2 area as defined in section 473.121, subdivision 2.

2.3 Subd. 2. **Established.** The rural enterprise microloan program is created to provide  
2.4 rural enterprise grants to nonprofit corporations to encourage private investment, create  
2.5 jobs for persons in rural areas, and promote economic development.

2.6 Subd. 3. **Eligibility.** The commissioner shall enter into agreements with nonprofit  
2.7 corporations to provide rural enterprise microloans in rural areas as provided under this  
2.8 section. In order to qualify for a rural enterprise microloan grant, a corporation must  
2.9 demonstrate that the corporation:

2.10 (1) has a board of directors that includes citizens experienced in business lending  
2.11 and development, the operations of rural business enterprises, and the creation of jobs in  
2.12 low-income, economically disadvantaged rural areas;

2.13 (2) has the technical skills to analyze projects;

2.14 (3) is familiar with other available public and private funding sources and economic  
2.15 development programs;

2.16 (4) can initiate and implement economic development projects;

2.17 (5) can establish and administer a rural enterprise microloan account which will be  
2.18 used to disburse loans to qualifying businesses and receive loan repayments; and

2.19 (6) has demonstrated a capacity to deliver financial, technical, managerial, and  
2.20 marketing assistance to a business enterprise receiving a microloan under this section.

2.21 This assistance may be delivered by the nonprofit corporation or through other appropriate  
2.22 organizations as provided by the nonprofit corporation through written agreements.

2.23 Subd. 4. **Revolving loan funds.** Nonprofit corporations must establish a revolving  
2.24 loan fund to receive rural enterprise microloan grants. Grants must be used to make  
2.25 loans to new and expanding for-profit business enterprises in rural areas, targeted rural  
2.26 opportunity communities, and disadvantaged business enterprises in rural areas in order to  
2.27 promote business enterprises and job creation.

2.28 Subd. 5. **Revolving fund administration.** (a) The department shall establish a  
2.29 maximum interest rate for loans made under this section.

2.30 (b) Loan repayment amounts, including principal and interest, must be deposited  
2.31 in a revolving fund created by the nonprofit corporation to be used for additional loans  
2.32 consistent with the loan criteria specified in this section or as allowed under paragraph (c).

2.33 (c) Expenses incurred by a nonprofit corporation in providing financial, technical,  
2.34 managerial, and marketing assistance to a business enterprise receiving a loan under  
2.35 this section may be paid out of interest earned from rural enterprise loans, as allowed  
2.36 by the department.

3.1 Subd. 6. **Loan criteria.** (a) The criteria in this subdivision apply to loans made or  
 3.2 guaranteed by nonprofit corporations under the rural enterprise microloan program.

3.3 (b) Loans or guarantees must be made to businesses that are not likely to undertake a  
 3.4 project for which loans are sought without assistance from the rural enterprise microloan  
 3.5 program.

3.6 (c) The minimum state contribution to a loan or guarantee is \$1,000 and the  
 3.7 maximum is \$50,000.

3.8 (d) The state contributions must be matched by at least an equal amount of new  
 3.9 private investment.

3.10 Subd. 7. **Reporting requirement.** A nonprofit corporation that receives a rural  
 3.11 enterprise microloan grant shall submit, in a format prescribed by the department, an  
 3.12 annual report by October 1 of each year that provides information as to the use and impact  
 3.13 of the grant funds.

3.14 Subd. 8. **Report to legislature.** The commissioner shall submit an annual report  
 3.15 that provides information as to the use and impact of the funds provided under this section,  
 3.16 by January 15 of each year to the economic development committees of the senate and  
 3.17 house of representatives.

3.18 Subd. 9. **Rules.** The commissioner shall adopt rules for eligibility, revolving fund  
 3.19 administration, and other details of rural enterprise microloans, using the expedited  
 3.20 process under section 14.389.

3.21 Sec. 3. Minnesota Statutes 2006, section 116J.656, is amended to read:

3.22 **116J.656 SMALL BUSINESS ACCESS TO FEDERAL RESEARCH FUNDS**  
 3.23 **OFFICE OF TECHNOLOGY AND COMMERCIALIZATION.**

3.24 ~~(a) The commissioner shall assist small businesses to access federal money through~~  
 3.25 ~~the federal Small Business Innovation Research program and the Small Business~~  
 3.26 ~~Technology Transfer program. The commissioner shall establish within the department~~  
 3.27 an Office of Technology and Commercialization. The Office of Technology and  
 3.28 Commercialization shall serve as an intermediary to leverage and coordinate regional  
 3.29 public and private resources to maximize technology-related economic growth and  
 3.30 shall serve as an intermediary in assisting small businesses in forming alliances and  
 3.31 joint ventures with medium- and large-sized corporations. The office shall provide  
 3.32 entrepreneurial and innovation services to expand the competitiveness of high technology  
 3.33 companies. These services shall include, but not be limited to, technology training and  
 3.34 information exchange; assistance with federal funding sources, to include the small  
 3.35 business innovation research and small business technology transfer programs; and

4.1 assistance in forming alliances for technology development and commercialization. In  
 4.2 providing ~~this assistance~~ these services, the commissioner shall maintain connections to  
 4.3 eligible federal programs, assess specific funding opportunities, review funding proposals,  
 4.4 provide referrals to specific consulting services, and hold training workshops throughout  
 4.5 the state.

4.6 (b) Unless prohibited by federal law, the commissioner must implement fees for  
 4.7 services that help companies seek federal Phase II Small Business Innovation Research  
 4.8 grants. The fees must be deposited in a special revenue account and are annually  
 4.9 appropriated to the commissioner for the small business innovation research and small  
 4.10 business technology transfer programs.

4.11 Sec. 4. Minnesota Statutes 2006, section 116J.66, is amended to read:

4.12 **116J.66 BUSINESS ASSISTANCE OFFICE OF ENTREPRENEURSHIP AND**  
 4.13 **SMALL BUSINESS DEVELOPMENT.**

4.14 The commissioner shall establish within the department ~~a business assistance center.~~  
 4.15 ~~The center~~ an Office of Entrepreneurship and Small Business Development, which shall  
 4.16 consist of:

4.17 (1) ~~a Bureau of Small Business which shall have as its sole function the provision~~  
 4.18 ~~of assistance~~ an entrepreneurs network which shall serve as the state's central network  
 4.19 for entrepreneurs and small businesses to access qualified network member providers of  
 4.20 entrepreneurial and small business assistance, to access developed and shared business  
 4.21 information and research resources, and to develop policy recommendations that support  
 4.22 development of entrepreneurs and small businesses;

4.23 (2) an entrepreneur and small business development center network which shall  
 4.24 operate a network of small business development centers throughout the state under a  
 4.25 cooperative agreement with the United States Small Business Administration pursuant to  
 4.26 United States Code, title 15, section 648;

4.27 (3) an Office of Business Information and Professional Services to provide  
 4.28 information and professional assistance and guidance to small businesses in the state  
 4.29 ~~and (2);~~

4.30 (4) a Bureau of Licenses to assist all businesses in obtaining state licenses and  
 4.31 permits. This center shall be accorded at least equal status with the other major operating  
 4.32 units within the department; and

4.33 (5) an Office of Technology and Commercialization to provide entrepreneurial and  
 4.34 innovation services to high technology companies.

5.1 Sec. 5. Minnesota Statutes 2006, section 116J.68, is amended to read:

5.2 **116J.68 BUREAU OF SMALL BUSINESS OFFICE OF BUSINESS**  
 5.3 **INFORMATION AND PROFESSIONAL SERVICES.**

5.4 Subdivision 1. **Generally; definition.** (a) The ~~Bureau of Small Business~~ Office of  
 5.5 Business Information and Professional Services within the ~~business assistance center~~  
 5.6 Office of Entrepreneurship and Small Business Development shall serve as a clearinghouse  
 5.7 and referral service for information needed by small businesses including small targeted  
 5.8 group businesses and small businesses located in an economically disadvantaged area.

5.9 (b) For purposes of this section, "office" means the Office of Business Information  
 5.10 and Professional Services.

5.11 Subd. 2. **Duties.** The ~~bureau~~ office shall:

5.12 ~~(a)~~ (1) provide information and assistance with respect to all aspects of business  
 5.13 planning and business management related to the start-up, operation, or expansion of  
 5.14 a small business in Minnesota;

5.15 ~~(b)~~ (2) refer persons interested in the start-up, operation, or expansion of a small  
 5.16 business in Minnesota to assistance programs sponsored by federal agencies, state  
 5.17 agencies, educational institutions, chambers of commerce, civic organizations, community  
 5.18 development groups, private industry associations, and other organizations or to the  
 5.19 business assistance referral system established by the ~~Minnesota Project Outreach~~  
 5.20 Corporation Office of Entrepreneurship and Small Business Development;

5.21 ~~(c)~~ (3) plan, develop, and implement a master file of information on small business  
 5.22 assistance programs of federal, state, and local governments, and other public and private  
 5.23 organizations so as to provide comprehensive, timely information to the ~~bureau's~~ office's  
 5.24 clients;

5.25 ~~(d)~~ (4) employ staff with adequate and appropriate skills and education and training  
 5.26 for the delivery of information and assistance;

5.27 ~~(e)~~ (5) seek out and utilize, to the extent practicable, contributed expertise and  
 5.28 services of federal, state, and local governments, educational institutions, and other public  
 5.29 and private organizations;

5.30 ~~(f)~~ (6) maintain a close and continued relationship with the director of the  
 5.31 procurement program within the Department of Administration so as to facilitate the  
 5.32 department's duties and responsibilities under sections 16C.16 to 16C.19 relating to the  
 5.33 small targeted group business and economically disadvantaged business program of the  
 5.34 state;

5.35 ~~(g)~~ (7) develop an information system which will enable the commissioner and other  
 5.36 state agencies to efficiently store, retrieve, analyze, and exchange data regarding small

6.1 business development and growth in the state. All executive branch agencies of state  
 6.2 government and the secretary of state shall to the extent practicable, assist the ~~bureau~~  
 6.3 office in the development and implementation of the information system;

6.4 ~~(h)~~ (8) establish and maintain a toll free telephone number so that all small business  
 6.5 persons anywhere in the state can call the ~~bureau~~ office for assistance. An outreach  
 6.6 program shall be established to make the existence of the ~~bureau~~ office well known to its  
 6.7 potential clientele throughout the state. If the small business person requires a referral  
 6.8 to another provider the ~~bureau~~ office may use the business assistance referral system  
 6.9 established by the ~~Minnesota Project Outreach Corporation~~ Office of Entrepreneurship  
 6.10 and Small Business Development;

6.11 ~~(i)~~ (9) conduct research and provide data as required by the state legislature;

6.12 ~~(j)~~ (10) develop and publish material on all aspects of the start-up, operation, or  
 6.13 expansion of a small business in Minnesota;

6.14 ~~(k)~~ (11) collect and disseminate information on state procurement opportunities,  
 6.15 including information on the procurement process; and

6.16 ~~(l)~~ (12) develop a public awareness program through the use of newsletters, personal  
 6.17 contacts, and electronic and print news media advertising about state assistance programs  
 6.18 for small businesses, including those programs specifically for socially disadvantaged  
 6.19 small business persons;

6.20 ~~(m) enter into agreements with the federal government and other public and private~~  
 6.21 ~~entities to serve as the statewide coordinator or host agency for the federal small business~~  
 6.22 ~~development center program under United States Code, title 15, section 648; and~~

6.23 ~~(n) assist providers in the evaluation of their programs and the assessment of~~  
 6.24 ~~their service area needs. The bureau may establish model evaluation techniques and~~  
 6.25 ~~performance standards for providers to use.~~

6.26 Subd. 5. **Advisory board meetings.** (a) If compliance with section 13D.02 is  
 6.27 impractical, the Small Business Development Center Advisory Board, created pursuant  
 6.28 to United States Code, title 15, section 648, may conduct a meeting of its members by  
 6.29 telephone or other electronic means so long as the following conditions are met:

6.30 (1) all members of the board participating in the meeting, wherever their physical  
 6.31 location, can hear one another and can hear all discussion and testimony;

6.32 (2) members of the public present at the regular meeting location of the board can  
 6.33 hear clearly all discussion and testimony and all votes of members of the board and, if  
 6.34 needed, receive those services required by sections 15.44 and 15.441;

6.35 (3) at least one member of the board is physically present at the regular meeting  
 6.36 location; and

7.1 (4) all votes are conducted by roll call, so each member's vote on each issue can be  
7.2 identified and recorded.

7.3 (b) Each member of the board participating in a meeting by telephone or other  
7.4 electronic means is considered present at the meeting for purposes of determining a  
7.5 quorum and participating in all proceedings.

7.6 (c) If telephone or other electronic means is used to conduct a meeting, the board,  
7.7 to the extent practical, shall allow a person to monitor the meeting electronically from a  
7.8 remote location. The board may require the person making such a connection to pay for  
7.9 documented marginal costs that the board incurs as a result of the additional connection.

7.10 (d) If telephone or other electronic means is used to conduct a regular, special, or  
7.11 emergency meeting, the board shall provide notice of the regular meeting location, of the  
7.12 fact that some members may participate by telephone or other electronic means, and of  
7.13 the provisions of paragraph (c). The timing and method of providing notice is governed  
7.14 by section 13D.04.

7.15 Sec. 6. **[116J.8749] SMALL BUSINESS PRODUCT DEVELOPMENT**  
7.16 **PROGRAM.**

7.17 Subdivision 1. **Establishment.** The commissioner of employment and economic  
7.18 development shall implement a small business product development program to assist  
7.19 entrepreneurs and businesses in demonstrating the feasibility of a technology or  
7.20 completing new product development, leading to the commercialization of new products  
7.21 through industry and research partnerships.

7.22 Subd. 2. **Awards.** Funds shall be awarded to entities that conduct research who  
7.23 agree to provide these services to a specific business or entrepreneur.

7.24 Subd. 3. **Application.** Applications must be coauthored by the business  
7.25 or entrepreneur and must demonstrate commercial potential and time frames for  
7.26 commercialization. Applications must be approved through an internal review committee  
7.27 within the research institution to assess the technology and business plan prior to official  
7.28 submission to the state entity.

7.29 Subd. 4. **Eligibility.** (a) Eligible institutions include, but are not limited to, all  
7.30 Minnesota-based two- and four-year colleges and universities and other publicly funded  
7.31 research organizations.

7.32 (b) Eligible businesses must be Minnesota-based with either headquarters or a  
7.33 majority of operations in the state. If relocating, businesses must set up headquarters or  
7.34 have a majority of its operations in the state within one year of award.

8.1 Subd. 5. **Review board.** The Department of Employment and Economic  
8.2 Development will assemble a technical and business review board to evaluate the  
8.3 applications.

8.4 Subd. 6. **Limitations.** Funds used for a single business may not exceed \$25,000  
8.5 per calendar year and must be matched dollar-for-dollar by the business with additional  
8.6 cash or in-kind contributions. Up to 50 percent of the awards may be made to small  
8.7 businesses that receive federal funding for research. Funds expended prior to the start of  
8.8 the award will not be considered as match.

8.9 Subd. 7. **Rules.** The commissioner shall adopt rules for eligibility and other details  
8.10 of the small business product development program, using the expedited process under  
8.11 section 14.389.

8.12 **Sec. 7. [116J.9805] MAIN STREET REVITALIZATION GRANT PROGRAM.**

8.13 Subdivision 1. **Grants.** (a) The Main Street revitalization grant program is created  
8.14 to provide grants to eligible communities to increase business creation, promote business  
8.15 retention, or make general, viable, economic improvements to eligible communities or  
8.16 business districts within an eligible community.

8.17 (b) Eligible activities include, but are not limited to, rehabilitation, new construction,  
8.18 demolition of buildings, financing for public infrastructure that benefits the business  
8.19 district, the installation of new technology or equipment for business to either remain  
8.20 or be more competitive.

8.21 (c) The Department of Employment and Economic Development shall administer  
8.22 funds appropriated for the Main Street revitalization grant program as required under  
8.23 section 116J.980.

8.24 Subd. 2. **Eligibility.** Targeted rural opportunity communities as defined in section  
8.25 116J.03, subdivision 4, are eligible for a grant under this section. An application to  
8.26 the small cities development program will be considered as an application to the Main  
8.27 Street revitalization grant program if all other eligibility requirements for the Main Street  
8.28 revitalization grant program are met.

8.29 Subd. 3. **Application process.** The commissioner shall award grants to eligible  
8.30 communities based on an evaluation of economic and business-related needs, using  
8.31 the same competitive application criteria, exclusive of the HUD federal objective  
8.32 requirements, developed for the small cities development program. Funds shall be  
8.33 disbursed to eligible communities according to the procedures used by the small cities  
8.34 development program.

9.1 Subd. 4. **Limitations.** A grant may not exceed \$600,000 per activity per eligible  
9.2 applicant.

9.3 Subd. 5. **Local match requirement.** A local match shall be required for each grant  
9.4 awarded, with preference given to projects that leverage private investment or nonstate  
9.5 funding resources and do not use federal funds as a match.

9.6 Subd. 6. **Carryforward.** Any funds not allocated, obligated, or expended in a fiscal  
9.7 year shall be available for allocation, obligation, or expenditure in the following fiscal year.

9.8 Sec. 8. **[116J.9825] COMMUNITY LEADERSHIP AND PLANNING**  
9.9 **PROGRAM.**

9.10 Subdivision 1. **Establishment.** The commissioner of employment and economic  
9.11 development shall establish the community leadership and planning program to award  
9.12 grants to qualified organizations to support leadership development and planning.

9.13 Subd. 2. **Eligibility.** Grants are only available to targeted rural opportunity  
9.14 communities, as defined in section 116J.03, subdivision 4.

9.15 Subd. 3. **Grants; limits.** Grants must be awarded to organizations that have  
9.16 demonstrated experience in implementing community leadership and planning programs.  
9.17 Priority must be given to projects which will provide the intended services in rural  
9.18 communities that otherwise would not have access to them. A grant must not exceed  
9.19 \$50,000.

9.20 Subd. 4. **Use of funds.** (a) Grants must be used for programs that:

9.21 (1) help rural community members increase members' leadership skills to address  
9.22 community issues and needs;

9.23 (2) assist in evaluation of community assets, needs, and priorities;

9.24 (3) support an understanding of the community's place in the regional economy and  
9.25 appropriate plans based on that understanding; and

9.26 (4) develop action plans that the communities can use for future growth and  
9.27 improvement.

9.28 (b) The commissioner may award a portion of the funds for projects intended  
9.29 for participation by multiple communities to facilitate leadership and planning among  
9.30 communities with similar issues and regional interaction.

9.31 Subd. 5. **Matching funds.** The commissioner shall require that when state funds are  
9.32 awarded, the grants must be matched by at least an equal amount of nonstate funds.

9.33 Subd. 6. **Report required.** The commissioner of employment and economic  
9.34 development must report to the legislative chairs of the economic development policy

10.1 and finance committees, by September 1, 2009, on the first grant awards, the outcomes,  
 10.2 and recommendations for improvement in the program.

10.3 Subd. 7. **Rules.** The commissioner shall adopt rules for eligibility, use of funds,  
 10.4 and other details of the community leadership and planning program using the expedited  
 10.5 process under section 14.389.

10.6 Sec. 9. Minnesota Statutes 2006, section 116L.02, is amended to read:

10.7 **116L.02 JOB SKILLS PARTNERSHIP PROGRAM.**

10.8 (a) The Minnesota Job Skills Partnership program is created to act as a catalyst to  
 10.9 bring together employers with specific training needs with educational or other nonprofit  
 10.10 institutions which can design programs to fill those needs. The partnership shall work  
 10.11 closely with employers to prepare, train and place prospective or incumbent workers in  
 10.12 identifiable positions as well as assisting educational or other nonprofit institutions in  
 10.13 developing training programs that coincide with current and future employer requirements.  
 10.14 The partnership shall provide grants to educational or other nonprofit institutions for  
 10.15 the purpose of training workers. A participating business must match the grant-in-aid  
 10.16 made by the Minnesota Job Skills Partnership. The match may be in the form of funding,  
 10.17 equipment, or faculty.

10.18 (b) The partnership program shall administer the health care and human services  
 10.19 worker training and retention program under sections 116L.10 to 116L.15.

10.20 (c) The partnership program is authorized to use funds to pay for training for  
 10.21 individuals who have incomes at or below 200 percent of the federal poverty line.  
 10.22 The board may grant funds to eligible recipients to pay for board-certified training.  
 10.23 Eligible recipients of grants may include public, private, or nonprofit entities that provide  
 10.24 employment services to low-income individuals.

10.25 (d) The partnership program shall administer the rural workforce innovation grant  
 10.26 program under section 116L.175.

10.27 **Sec. 10. [116L.175] RURAL WORKFORCE INNOVATION GRANTS.**

10.28 Subdivision 1. **Purpose.** The rural workforce innovation grant program is created to  
 10.29 promote incumbent worker training at small businesses in rural Minnesota. This program  
 10.30 and the related grants and training will assist small businesses in increasing employee skill  
 10.31 development, worker productivity, and overall job security for trained workers.

10.32 Subd. 2. **Definitions.** (a) for the purposes of this section, the following terms have  
 10.33 the meanings given them.

11.1 (b) "Incumbent worker" means an individual employed by a qualifying employer,  
11.2 who is paid by that employer for at least 20 hours per week.

11.3 (c) "Qualifying employer" means a for-profit business or nonprofit organization  
11.4 located in a targeted rural opportunity community as defined in section 116J.03,  
11.5 subdivision 4, with at least one but no more than 50 full-time paid employees. Public  
11.6 sector organizations are not considered qualifying employers.

11.7 (d) "Direct training services" are services provided by an accredited educational  
11.8 program or institution. These services include, but are not limited to, occupational skills  
11.9 training, customized training, entrepreneurial training, on-the-job training, and other  
11.10 training that results in an industry-recognized credential.

11.11 Subd. 3. **Grants.** At the beginning of each fiscal year, the board shall make initial  
11.12 grants to any number of local workforce investment boards using a competitive process.  
11.13 The board shall spend at least 75 percent of its annual appropriation on these initial  
11.14 grants. Following the initial allocation, the board may make subsequent grants at the  
11.15 request of local workforce investment boards. The board shall make all grants based on  
11.16 demonstrated need, likely impact, and other criteria as necessary.

11.17 Subd. 4. **Use of funds.** Local workforce investment boards shall use funds granted  
11.18 under this section for direct training services at qualifying employers, to provide a  
11.19 measurable increase in the job-related skills of participating incumbent workers. Local  
11.20 workforce investment boards may also use funds to provide basic assessment, counseling,  
11.21 and preemployment training services requested by the qualifying employer. No funds  
11.22 may be used for support services as described in section 116L.17, subdivision 4, clause  
11.23 (2). No funds may be used to pay or supplement the wages of a qualifying employer's  
11.24 employees. No qualifying employer shall receive more than \$50,000 per year for activities  
11.25 under this section.

11.26 Subd. 5. **Administrative costs.** The board may spend, and allow local workforce  
11.27 investment boards to spend, funds for administrative costs. The limits on these costs shall  
11.28 be consistent with those established for other programs under the authority of the board.

11.29 Subd. 6. **Matching funds requirement.** The board may establish statewide  
11.30 matching requirements for qualifying employers. Those requirements may include any or  
11.31 all of the following: funding, equipment, or faculty. The board shall consult with local  
11.32 workforce investment boards in establishing any statewide matching requirements.

11.33 Subd. 7. **Accountability and performance measures.** The board and the  
11.34 commissioner of employment and economic development shall jointly develop  
11.35 performance outcome measures and standards for this program. The commissioner and  
11.36 the board shall consult with local workforce investment boards in establishing standards.

12.1 Measures, at a minimum, shall include posttraining retention, promotion, and wage  
12.2 increase. The board and commissioner shall provide a report to the legislature by March 1  
12.3 of each year regarding the previous fiscal year's program performance. Local workforce  
12.4 investment boards shall provide all necessary data in a timely manner for the completion  
12.5 of this report, as well as any interim reports required by the board.

12.6 Sec. 11. **SMALL BUSINESS DEVELOPMENT CENTERS.**

12.7 \$..... is appropriated in fiscal year 2009 to the commissioner of employment and  
12.8 economic development for expansion of the services provided to small businesses by the  
12.9 small business development centers established under Minnesota Statutes, section 116J.66.  
12.10 This appropriation is added to the department's budget base and is available until expended.

12.11 Sec. 12. **ENTREPRENEURIAL NETWORK.**

12.12 \$..... is appropriated in fiscal year 2009 to the commissioner of employment and  
12.13 economic development for development of a network to support increased entrepreneurial  
12.14 opportunities including, but not limited to, readiness assessment and services for potential  
12.15 rural entrepreneurs through Minnesota's workforce center system, programs linking  
12.16 aspiring entrepreneurs with qualified mentors, and electronic and other communications  
12.17 means to certify and bring available services to potential entrepreneurs. This appropriation  
12.18 is added to the department's budget base and is available until expended.

12.19 Sec. 13. **OFFICE OF TECHNOLOGY AND COMMERCIALIZATION.**

12.20 \$..... is appropriated in fiscal year 2009 to the commissioner of employment and  
12.21 economic development for operation of the Office of Technology and Commercialization  
12.22 established under Minnesota Statutes, section 116J.656. This appropriation is added to the  
12.23 department's budget base and is available until expended.

12.24 Sec. 14. **MANUFACTURING EXTENSION GRANTS.**

12.25 \$..... is appropriated in fiscal year 2009 to the commissioner of employment and  
12.26 economic development for grants to organizations initiating or continuing programs to  
12.27 assist rural small manufacturing businesses in implementing technology and business  
12.28 improvements that increase the competitiveness of those businesses. The application  
12.29 process will reference similar measures as the growth acceleration program and be  
12.30 established by the commissioner. The grants are open to all qualified organizations as  
12.31 defined by the commissioner through solicitation. This is a onetime appropriation and is  
12.32 available until expended.

13.1       Sec. 15. **MINNESOTA TRADE OFFICE EXPORT SERVICES.**

13.2           \$..... is appropriated in fiscal year 2009 to the commissioner of employment and  
13.3 economic development for the Minnesota Trade Office to increase export services in  
13.4 greater Minnesota. This appropriation is added to the department's budget base and is  
13.5 available until expended.

13.6       Sec. 16. **MINNESOTA RURAL ENTERPRISE MICROLOAN PROGRAM.**

13.7           \$..... is appropriated in fiscal year 2009 to the commissioner of employment and  
13.8 economic development for the Minnesota rural enterprise microloan program established  
13.9 under Minnesota Statutes, section 116J.432. This is a onetime appropriation and is  
13.10 available until expended.

13.11       Sec. 17. **MINNESOTA INITIATIVE FOUNDATIONS.**

13.12           \$..... is appropriated in fiscal year 2009 to the commissioner of employment and  
13.13 economic development for grants to the six regional initiative fund foundations established  
13.14 under Minnesota Statutes, section 116J.871, as regional organizations, to expand their  
13.15 ability to provide loans to small businesses. The grants must be matched by new private  
13.16 funds. This is a onetime appropriation and is available until expended.

13.17       Sec. 18. **SMALL BUSINESS PRODUCT DEVELOPMENT PROGRAM.**

13.18           \$..... is appropriated in fiscal year 2009 to the commissioner of employment and  
13.19 economic development for small business development program grants under Minnesota  
13.20 Statutes, section 116J.8749. This appropriation is added to the department's budget base  
13.21 and is available until expended.

13.22       Sec. 19. **MINNESOTA INVESTMENT FUND.**

13.23           \$..... is appropriated in fiscal year 2009 to the commissioner of employment and  
13.24 economic development for the Minnesota investment fund under Minnesota Statutes,  
13.25 section 116J.873. Awards made under this appropriation may include businesses that  
13.26 increase productivity, increase research and product development, and modernize  
13.27 technology. Priority shall be given to targeted rural opportunity communities as defined  
13.28 in Minnesota Statutes, section 116J.03, subdivision 4. This is a onetime appropriation  
13.29 and is available until expended.

13.30       Sec. 20. **JOB SKILLS PARTNERSHIP GRANTS.**

14.1           \$..... is appropriated in fiscal year 2009 to the Minnesota Job Skills Partnership  
14.2 Board for strategic entrepreneurial economic development training program grants. This  
14.3 appropriation is added to the department's budget base and is available until expended.

14.4           Sec. 21. **COMMUNITY LEADERSHIP AND PLANNING.**

14.5           \$..... is appropriated in fiscal year 2009 to the commissioner of employment  
14.6 and economic development for the community leadership and planning program. This  
14.7 appropriation is added to the department's budget base and is available until expended.

14.8           Sec. 22. **STREAMLINE INFRASTRUCTURE FINANCING.**

14.9           \$..... is appropriated in fiscal year 2009 to the Public Facilities Authority for the  
14.10 development of legal documents and for staff consultant costs necessary and reasonable  
14.11 to develop the pooled bond program under Minnesota Statutes, sections 446A.086 and  
14.12 446A.087, including the cost associated with developing legal documents and application  
14.13 forms, and negotiating underwriting criteria necessary to obtain bond ratings for the  
14.14 program.

14.15           Sec. 23. **MAIN STREET REVITALIZATION GRANT PROGRAM.**

14.16           \$..... is appropriated in fiscal year 2009 to the commissioner of employment and  
14.17 economic development for the Main Street revitalization grant program to increase  
14.18 business creation, to promote business retention, or for general economic vitality  
14.19 improvements. This amount shall be added to the department's budget base and is  
14.20 available until expended.

14.21           Sec. 24. **WEB-BASED MARKETING SYSTEM.**

14.22           \$..... is appropriated in fiscal year 2009 to the commissioner of employment and  
14.23 economic development to develop and implement a new Web-based community and  
14.24 property profile system. This appropriation is available until expended.

14.25           Sec. 25. **MARKETING RURAL MINNESOTA.**

14.26           \$..... is appropriated in fiscal year 2009 to the commissioner of employment and  
14.27 economic development for expenses associated with marketing the state of Minnesota  
14.28 to attract new business development opportunities. These funds must be used to attract  
14.29 industries in which the commissioner determines that Minnesota has a current or potential  
14.30 competitive advantage, including renewable energy and other industries with strengths  
14.31 and opportunities to grow additional businesses and jobs. State funds awarded to the

15.1 department must be matched by nonstate sources. The appropriation is available until  
15.2 expended.

15.3 Sec. 26. **LABOR MARKET INFORMATION ENHANCEMENTS.**

15.4 \$..... is appropriated in fiscal year 2009 to the commissioner of employment and  
15.5 economic development for business surveys to determine benefit and vacancy levels on  
15.6 an occupational and regional basis, and to improve accessibility of economic and labor  
15.7 market information data collected by the Department of Employment and Economic  
15.8 Development through the Internet. This appropriation is added to the department's budget  
15.9 base and is available until expended.

15.10 Sec. 27. **EFFECTIVE DATE.**

15.11 Sections 1 to 26 are effective the day following final enactment.