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HOUSE FILE NO. 1785

FIRST COMMITTEE ENGROSSMENT

March 16, 2009

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

Referred by Chair to Bioscience and Workforce Development Policy and Oversight Division.

March 24, 2009

Returned to the Higher Education and Workforce Development Finance and Policy Division as Amended.

1.1 A bill for an act
1.2 relating to economic development; requiring accountability measures and
1.3 reports as a condition for receiving state funds; proposing coding for new law
1.4 in Minnesota Statutes, chapter 116J.

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

1.6 Section 1. **[116J.997] PROGRAM ACCOUNTABILITY REQUIREMENTS.**

1.7 **Subdivision 1. Accountability measurement.** By October 1, 2009, the
1.8 commissioner of employment and economic development shall develop a uniform
1.9 accountability report for economic development or workforce related programs funded in
1.10 whole or in part by state or federal funds. The commissioner shall also develop a formula
1.11 for measuring the return on investment for each program and a comparison of the return
1.12 on investment of all programs funded in whole or in part by state or federal funds. The
1.13 requirements of this section apply to programs administered directly by the commissioner
1.14 or administered by other organizations under a grant made by the department. The report
1.15 and formula required by this subdivision shall be submitted to the chairs of the committees
1.16 of the house of representatives and senate having jurisdiction over economic development
1.17 and workforce policy and finance by October 15, 2009, for review and comment.

1.18 **Subd. 2. Report to the legislature.** By December 31 of each even-numbered year
1.19 the commissioner must report to the committees of the house of representatives and the
1.20 senate having jurisdiction over economic development and workforce policy and finance
1.21 the following information for each program subject to the requirements of subdivision 1:

1.22 (1) the target population;

1.23 (2) the number of jobs affected by the program, including the number of net new
1.24 jobs created in the state and the average annual wage per job;

2.1 (3) the number of individuals leaving the unemployment compensation program as
2.2 a result of the program;

2.3 (4) the number of individuals leaving the Minnesota Family Investment Program
2.4 support as a result of the program;

2.5 (5) the region of the state in which the program operated;

2.6 (6) the amount of state or federal funds allocated to the program; and

2.7 (7) the return on investment as calculated by the formula developed by the
2.8 commissioner.

2.9 Subd. 3. **Report to the commissioner.** Before receiving additional state funds, a
2.10 recipient of a grant made by or through the department must report to the commissioner
2.11 by September 1 of each even-numbered year on each of the items in subdivision 2 for each
2.12 program it administers. The report must be in a format prescribed by the commissioner.

2.13 Beginning November 1, 2009, the commissioner shall provide notice to grant
2.14 applicants and recipients regarding the data collection and reporting requirements under
2.15 this subdivision and must provide technical assistance to applicants and recipients to assist
2.16 in complying with the requirements of this subdivision.

2.17 Subd. 4. **Biennial budget request.** The information collected and reported under
2.18 subdivisions 2 and 3 shall be included in budgets submitted to the legislature under
2.19 section 16A.11.

2.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.