



The Economic Advantage

April 1, 2014

Important Dates

- **April 10:** Progress Minnesota awards reception, Minneapolis
- **May 19,** Last possible day of Legislative Session, according to State Constitution
- **Aug. 20-22,** Summer Conference, Rochester

Newspapers show support for broadband expansion

The need for better broadband in Greater Minnesota continues to be a hot-button issue this Legislative Session, and the press has taken notice. So far, 14 newspapers have weighed in with editorials urging the state to take action this session to improve broadband access:

- [Albert Lea Tribune](#)
- [Austin Daily Herald](#)
- [Duluth News Tribune](#)
- [Fargo-Moorhead Forum](#)
- [Hutchinson Leader](#)
- [Kenyon Leader](#)
- [Litchfield Independent Review](#)
- [Park Rapids Enterprise](#)
- [Mankato Free Press](#)
- [Mesabi Daily News](#)
- [Rochester Post-Bulletin](#)
- [Star Tribune](#)
- [West Central Tribune](#)
- [Worthington Daily Globe](#)

For more information about the Partnership, visit our website at gmnp.org or call us at 612-245-5204.

The Greater Minnesota Partnership brings together businesses, economic development organizations, local governments and non-profits to promote and advocate for economic prosperity in Greater Minnesota.

House jobs bill includes many GMNP priorities

Last week, the House Jobs and Economic Development Committee passed legislation ([HF 2976](#)) that provides the framework for some great rural initiatives. The bill contained some funding for broadband, job training and the state's initiative funds; however, the funding level needs to be adjusted to really impact job creation.

The bill provides \$25 million for broadband funding in both unserved and underserved areas. "Unserved" is defined as areas below the federal standard of 4 megabits per second (mbps) download speed and 1 mbps upload speed, or speeds fast enough for casual personal use. "Underserved" is defined as below the state goal of 10 mbps download/5 mbps upload. The bill will provide grants to entities—public or private—that want to create partnerships and put some cable in the ground to improve broadband across Greater Minnesota.

While the bill contains some compromise on the broadband issue, we are concerned that there will be a motion on the House floor this week to limit the bill to unserved areas only. This would severely limit the economic development applications of this funding by creating an atmosphere where sparsely populated regions have better service than cities that need the speed for telemedicine, education and commercial uses. The GMNP opposes efforts to limit this fund to unserved areas.

The bill also contains job training legislation that will provide up to \$3,000 per employee to businesses that provide training approved through the Department of Employment and Economic Development (DEED). To qualify for a grant to offset the cost of training a new employee, a business must provide new jobs that pay at least \$11 per hour. The training can be on-the-job, with a private trainer or through an agreement with a college. This job training grant program was funded at \$1 million for one year.

We greatly appreciate this job training legislation, and in particular the passion and dedication of the author, **Rep. John Ward** (DFL-Brainerd), but the funding for this project must be increased. Funding at \$1 million allows for only three or four employees to be trained per Greater Minnesota county. It is imperative that we work to increase the funding and fix the skills gap in our rural communities as this provision goes to conference committee.

As far as gap funding goes, the bill contains \$1 million for each of the

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(...continued) House jobs bill includes many GMNP priorities

state's six initiative funds. This \$6 million appropriation will help generate loans for small businesses trying to create jobs in Greater Minnesota. This will allow for more loans – and more risk – from the initiative funds.

In all, 91 percent of this bill is sending funds to Greater Minnesota. It is designed as a good bill for us. Unfortunately, with only \$37 million in total funding, there simply isn't enough funding to match our needs.

New Angel Investment funding helps Greater Minnesota

The tax bill that passed on March 21 contained \$7.5 million for Angel Investment tax credits that will be available exclusively for investment in businesses located in Greater Minnesota. The new law fences off this money for six months, but it still demands that wages be almost \$20 an hour, places restrictions on the types of industry that can receive this credit, and keeps the investment return at 25 percent.

The tax bill ([HF 3170](#)) that the House has since unveiled addresses the types of industry that can use this credit. It has added researching or developing a proprietary product, process, or service in the fields of agriculture, tourism, forestry, mining, manufacturing or transportation to the list of businesses that can use the angel credit. The House bill also mandates that the Department of Labor and Industry promote the tax credit to investors in Greater Minnesota. Overall, the House tax bill is very positive for GMNP members.

House tax bill includes grant program to attract volunteer firefighters, EMS workers

When the House Tax Committee unveiled its tax proposal ([HF 3170](#)), it also added a grant program to help attract and retain volunteer firefighters. The grant provides a \$500 stipend to volunteer firefighters and EMS workers as a means of increasing the number of volunteers. As of right now, this is a pilot program for the counties of Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca and Watonwan, but it could go statewide if it is successful.

Without EMS and fire volunteers, economic development and even population can dwindle rapidly. This program strives to secure more volunteers by making it a paid position. Entities can apply to the Commissioner of Revenue to receive the funds to make the payments.

Legislative session moving quickly; early wrap-up possible

With two weeks remaining before the scheduled Easter/Passover break, the Legislature is moving in high gear. The plan is to take budget bills from every committee and build one large omnibus bill that will be passed by both bodies by April 5. If that happens, the conference committee will begin to negotiate on the final product April 7.

There are some rumblings that the Legislature may try to finish the Legislative Session before the holiday break. If that is the case, things will move incredibly quickly and we may request your help ensure that Greater Minnesota's needs are met in the waning days of the session.