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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 2167

03/06/2017 Authored by Hamilton, Moran, Mahoney and Baker
The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance

1.1 A bill for an act
1.2 relating to economic development; appropriating money for a nonprofit
1.3 infrastructure, workforce development, and partnerships program.

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

1.5 Section 1. APPROPRIATION; NONPROFITS ASSISTANCE FUND.

1.6 Subdivision 1. Grants authorized. The commissioner of employment and economic
1.7 development shall issue a grant to Nonprofits Assistance Fund to provide financial
1.8 capacity-building support to small, culturally specific organizations that primarily serve
1.9 historically underserved cultural communities.

1.10 Subd. 2. Qualified organizations. (a) Nonprofits Assistance Fund may award grants to
1.11 independent nonprofit organizations under Internal Revenue Code, section 501(c)(3) that:

1.12 (1) have an annual organizational budget of less than \$500,000;

1.13 (2) are culturally specific organizations that primarily serve historically underserved
1.14 cultural communities; and

1.15 (3) are able to identify a specific infrastructure project meeting the requirements of
1.16 subdivision 3 with a measurable outcome.

1.17 (b) For the purposes of this section:

1.18 (1) "historically underserved cultural communities" include African-American,
1.19 Asian-American, Latino American, and American Indian populations, or any combination
1.20 of these populations; and

2.1 (2) "culturally specific organization" means the organization is led by a person from a
2.2 historically underserved cultural community and at least 51 percent of the organization's
2.3 staff or board members are from historically underserved cultural communities.

2.4 Subd. 3. **Grant requirements.** (a) Grants awarded to qualified organizations under
2.5 subdivision 2 must be used for the following:

2.6 (1) organizational infrastructure improvement, including developing database management
2.7 systems and financial systems, or other administrative needs that increase the organization's
2.8 ability to access new funding sources;

2.9 (2) organizational workforce development, including hiring culturally competent staff,
2.10 training and skills development, and other methods of increasing staff capacity; or

2.11 (3) creation or expansion of partnerships with existing organizations that have specialized
2.12 expertise in order to increase the capacity of the grantee organization to improve services
2.13 for the community. For the purpose of these partnerships, eligible partner organizations
2.14 may be faith-based groups, schools, health care clinics, government agencies, or for-profit
2.15 entities.

2.16 (b) Nonprofits Assistance Fund must provide special outreach for culturally-specific
2.17 organizations located in or serving communities outside the metropolitan area as defined
2.18 under Minnesota Statutes, 473.121, subdivision 2.

2.19 (c) As much as practicable, grants must be distributed equally among racial groups, and
2.20 throughout the state.

2.21 Subd. 4. **Appropriation.** \$1,500,000 in fiscal year 2018 and \$1,500,000 in fiscal year
2.22 2019 are appropriated from the general fund to the commissioner of employment and
2.23 economic development for the capacity building program to award a grant to the Nonprofits
2.24 Assistance Fund under this section. This appropriation is available either year and until
2.25 expended. Of this amount, ten percent may be used by the Nonprofits Assistance Fund for
2.26 administration costs and providing technical assistance to potential grantees.