



June 18, 2021

The Honorable Eric Pratt, Chair  
Senate Jobs Committee  
MN Senate Building 3219  
Saint Paul, MN 55155

The Honorable Mohamud Noor, Chair  
House Workforce Committee  
379 State Office Building  
Saint Paul, MN 55155

**Re: SF9 Special Session Omnibus Jobs Bill**

Dear Chairs Pratt and Noor:

Thank you for the opportunity to provide public comments on SF9 (Omnibus Jobs Bill).

We greatly appreciate the provision in the bill allocating \$250,000 for ProStart and Hospitality Tourism Management Program grants, as these are critical workforce development programs to our industry at a time when workforce shortage is a significant problem. We are also grateful for the inclusion of investments to increase accessibility for childcare (including in greater Minnesota), given this has been identified as part of the workforce challenge facing employees and potential employees in this industry.

We also appreciate the inclusion of \$70 million of funding for grants to small businesses that have been affected directly and indirectly by the state's shutdown orders over the last year. Given the surprisingly small targets you were given for the Jobs/Workforce bill (representing only 5% of the \$2.8 billion the state is receiving via the American Rescue Plan), we appreciate the work you did to craft this level of grant relief. Within this framework, we have two modest suggestions for the grant program:

1. Remove the ownership residence requirement. As we have discussed, some hotels and other businesses may have out-of-state ownership, but that does not make them any less in need of assistance. These entities pay the same taxes, generate economic activity and employ Minnesotans. Helping their recovery will aid the speed and depth of the broader recovery.
2. Change the full-time employee equivalent to a simple employee headcount. Many hospitality businesses employ part-time employees. Making this change can increase the relief they receive.

In closing, the current budget deal is very disappointing. It is frustrating that the State is not giving more prioritization to the economic recovery of an industry that is an economic driver and provides one-in-ten jobs. A survey conducted last month indicates that 58% of foodservice businesses and 57% of hotels remain in jeopardy of bankruptcy in the coming year. Due to months of shutdowns and limited economic activity, hospitality businesses lost \$10 billion revenue in 2020, yet their financial obligations for mortgages, rent, leases, insurance, utilities and even taxes continued unabated, leading to significant debt loads for many. While the current targets for this bill do not allow for the scope of financial relief that we believe is necessary right now, it is our view that the State should better leverage the \$2.8 billion in federal funds (on top of a \$1.6 billion surplus), including the \$500 million in discretionary funding going to the governor, to better aid the economic recovery for the hardest hit industry.

Sincerely,

Liz Rammer  
President & CEO