

**NOTE: This is an earlier version of the fiscal note for SF1815-0.**

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**Fiscal Note**

**2021-2022 Legislative Session**

**SF1815 - 0 - Minnesota Investment Fund Goals Extended**

Chief Author: **Jeremy Miller**  
 Committee: **Jobs And Economic Growth Finance And Policy**  
 Date Completed: **4/5/2021 10:51:13 AM**  
 Agency: **Employment and Economic Dvlpmt**

| State Fiscal Impact       | Yes | No |
|---------------------------|-----|----|
| Expenditures              |     | X  |
| Fee/Departmental Earnings | X   |    |
| Tax Revenue               |     | X  |
| Information Technology    |     | X  |
| Local Fiscal Impact       |     | X  |

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

| State Cost (Savings)        | Biennium             |            |              | Biennium |        |        |
|-----------------------------|----------------------|------------|--------------|----------|--------|--------|
|                             | Dollars in Thousands | FY2021     | FY2022       | FY2023   | FY2024 | FY2025 |
| Other Misc. Special Revenue | -                    | 700        | 700          | -        | -      | -      |
| <b>Total</b>                | -                    | <b>700</b> | <b>700</b>   | -        | -      | -      |
| <b>Biennial Total</b>       |                      |            | <b>1,400</b> |          |        | -      |

| Full Time Equivalent Positions (FTE) | Biennium |        |        | Biennium |        |
|--------------------------------------|----------|--------|--------|----------|--------|
|                                      | FY2021   | FY2022 | FY2023 | FY2024   | FY2025 |
| Other Misc. Special Revenue          | -        | -      | -      | -        | -      |
| <b>Total</b>                         | -        | -      | -      | -        | -      |

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Christian Larson    **Date:** 4/5/2021 10:51:13 AM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

| State Cost (Savings) = 1-2<br>Dollars in Thousands       | Biennium |              |                | Biennium |        |
|--|----------|--------------|----------------|----------|--------|
|  | FY2021   | FY2022       | FY2023         | FY2024   | FY2025 |
| Other Misc. Special Revenue                              | -        | 700          | 700            | -        | -      |
| <b>Total</b>   | -        | <b>700</b>   | <b>700</b>     | -        | -      |
| <b>Biennial Total</b>                                    |          |              | <b>1,400</b>   |          | -      |
| <b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b> |          |              |                |          |        |
| Other Misc. Special Revenue                              | -        | -            | -              | -        | -      |
| <b>Total</b>   | -        | -            | -              | -        | -      |
| <b>Biennial Total</b>                                    |          |              | -              |          | -      |
| <b>2 - Revenues, Transfers In*</b>                       |          |              |                |          |        |
| Other Misc. Special Revenue                              | -        | (700)        | (700)          | -        | -      |
| <b>Total</b>   | -        | <b>(700)</b> | <b>(700)</b>   | -        | -      |
| <b>Biennial Total</b>                                    |          |              | <b>(1,400)</b> |          | -      |

**Bill Description**

SF 1815 would allow businesses that are unable to meet job creation goals during a peacetime emergency related to the COVID-19 pandemic to receive an extension to meet those goals until December 31, 2022.

**Assumptions**

The note assumes that the peacetime emergency noted in the bill will conclude on December 31, 2021.

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As of the 2021 annual reports received in January and February, nine businesses currently under contract to meet a job creation goal in CY2021 indicate potential problems in achieving the job commitment. This note assumes that there will be no change in the number of businesses facing similar challenges.

The revenue formula includes only the forgivable portion of the loan that would need to be repaid as the repayable portion will be paid regardless of the job performance albeit the payments will be accelerated.

Although the job creation performance varies widely, this note assumes that 50 percent of the promised jobs will be created by the compliance period ending during the peacetime emergency meaning that the state would expect 50 percent of the forgivable portion would be repaid to DEED with half of the repayments paid in 2023 and half in FY2023.

Less than .1 FTE will be needed to complete these extensions, which is being absorbed by the agency.

**Expenditure and/or Revenue Formula**

Nine companies reporting job creation challenges have received \$2.8 million in MIF loans. But for this legislation:

50% of the jobs created \* \$2.8 million = \$1.4 million in new earnings for the state

\$1.4 million \* 50% = \$700,000 paid to the state in FY2022

\$1.4 million \* 50% = \$700,000 paid to the state in FY2023

Revenue loss of \$1.4 million

**Long-Term Fiscal Considerations**

None

**Local Fiscal Impact**

None

**References/Sources**

Bob Isaacson, Executive Director, Business Finance

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