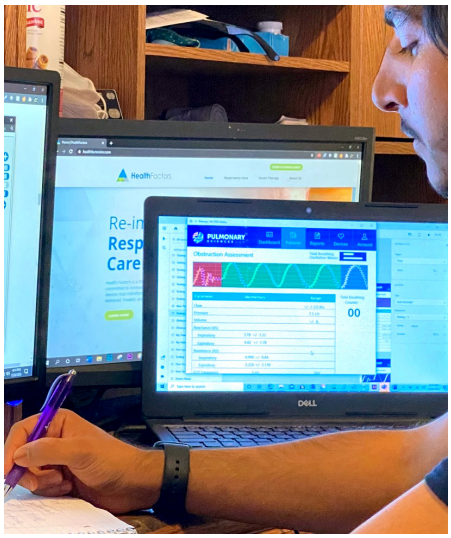
MINNESOTA TECHNOLOGY ASSOCIATION

2022 LEGISLATIVE PRIORITIES



MnTech Policy Principles

The Minnesota Technology Association (MnTech) is a coalition of more than 200 member companies united in building a stronger tech ecosystem and innovation economy in Minnesota. We work to ensure that Minnesota's technology-driven companies have access to exceptional talent, dedicated public policy advocates, and are part of an innovative and inclusive technology community.

In advancing our public policy agenda, we are guided by the following principles:

- We develop, support, and advocate for public policy that promotes the long-term growth, sustainability, and global competitiveness of Minnesota's technology-based economy.
- We believe strong, consistent, focused leadership from the private sector, working in collaboration with academic, nonprofit and government partners, is the critical link in driving our state's development and recognition as a global technology leader.
- We advocate for policies that strengthen Minnesota's science and technology workforce, as well as those that leverage technology to increase government efficiency and improve and sustain Minnesota's infrastructure.
- We support policies and practices that build a diverse and robust tech talent pipeline, working in collaboration with tech industry leaders, education and training partners, government agencies and community-based organizations to attract and retain talent in the tech industry.

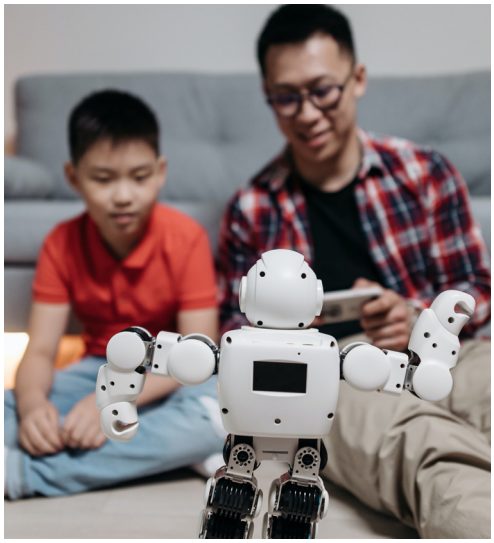
MnTech will sponsor, support and/or respond to legislation that furthers these principles. Additionally, we will respond to issues and potential legislation that affect member companies and technology businesses in Minnesota as they arise.

Minnesota's economy has fared better than many states throughout the COVID-19 pandemic, resulting in a $7.7 billion budget surplus. MnTech has developed a robust set of policy priorities to aid policy makers in the state working to make Minnesota's technology sector more nationally and internationally competitive, which includes recommendations on how to leverage investments in tech-related policies and initiatives. Of these, MnTech's highest priority is on investments in education and workforce development initiatives which are essential to building a more diverse and competitive tech ecosystem in the state.

Education and Workforce Development

Increase access to high-quality Computer Science Education
MnTech is concerned that students in Minnesota's K-12 education system are not being properly equipped with the digital skills needed for jobs of the future, particularly in the area of computer science (CS). According to the most recent 2021 State of CS Education report, Minnesota ranks last in the nation (50th) in the percentage of high schools that teach foundational computer science programs at just 24%. Computer science moves beyond everyday use of computers and digital citizenship skills and instead builds on these skills in order to help people create rather than simply consume technology.

That's why **MnTech supports the formation of a foundational blueprint to create statewide access to computer science education, and a $20 million investment to support professional learning in computer science for teachers across Minnesota.** This investment will address the underlying challenge of a lack of qualified computer science teachers and support the integration of computer science into other subject areas in K-12 education.



Increase Tech Jobs Pipeline for Minnesota Youth
The tech industry provides some of the highest-paying career tracks in the state, but currently lacks a strong and diverse talent pipeline to fill the jobs of the future. As the diversity of the state increases over the next decade, it will be even more important to prepare the future of our workforce, including Black, Indigenous and People of Color (BIPOC) students and youth to meet the growing demands of the tech industry.

That's why **MnTech supports the Governor's proposed $15 million investment in the Tech Youth Training program**.

Advanced Technology Re-Skilling Training
Many industries or sectors that require similar skills and competencies to the tech sector were hit especially hard during the COVID-19 pandemic. While many of these jobs may not come back, this presents an opportunity to bring new and non-traditional talent pools to the tech sector through short- or longer-term reskilling training initiatives.

That's why **MnTech supports the Governor's proposal of a $13 million investment in the Adult Tech Training Program for Black, Indigenous, People of Color (BIPOC), and women.**

Education and Workforce Development

Tech Apprenticeship Programs
Job in the technology sector continue to top existing and emerging job openings lists in the Minneapolis/St. Paul metro region, yet there are more of these jobs available than there are candidates with the skills to fill them. As tech companies across the country have struggled to fill open positions, many have turned to registered apprenticeship programs to help fill job vacancies and increase diversity within their companies. Registered apprenticeships have long been the gold standard for workforce development programs, with individuals who participate earning on average $15 an hour while in training, have a 92% employment retention rate and $74,000 starting annual salary upon completion, and accumulate little to no student loan debt. Yet despite state and national models of success in the technology sector, in Minnesota these programs have predominately been utilized in sectors like construction or manufacturing.

As the **MnTech supports the expansion of new talent pathways into the tech sector, MnTech recommends robust investments in the creation and expansion of new technology registered apprenticeship programs.**

Page Amendment
While Minnesota trails the nation in computer science offerings, our state leads the nation in education gaps by race, ethnicity, and socioeconomic status. This problem extends across all 87 Minnesota counties and has persisted over many years. The Page Amendment to the Minnesota constitution, led by former Minnesota Supreme Court Justice Allen Page and Minneapolis Federal Reserve Bank President and CEO Neel Kashkari, would make educational equality in public schools a paramount duty of the state.

Minnesota will not be able to compete for top tech talent today and in the future without a highly educated workforce, which is why **MnTech supports the Page Amendment to the Minnesota State Constitution.**

Education and Workforce Development

Improve Minnesota's Postsecondary STEM Infrastructure
Ensuring that Minnesota's institutions of higher education are well-funded and able to provide cutting edge, high-quality education is critical to helping Minnesota maintain its competitive advantage. That's why MnTech supports specific funding requests from the University of Minnesota and Minnesota State.

In particular, MnTech supports budget proposals to improve postsecondary infrastructure, particularly infrastructure supporting STEM and Computer Science programs, including the Chemistry Undergraduate Teaching Laboratory at the University of Minnesota Twin Cities Campus and Science Building.

SciTech Internship Program
The SciTech program connects college students pursuing science, technology, engineering and math (STEM) degrees with valuable hands-on learning opportunities in small Minnesota companies. Funding provided by the legislature provides a 50% wage match up to $2,500 for SciTech interns that helps companies boost their productivity and develop their tech talent pipeline. Since the program's launch in 2012, more than 2,250 interns have been placed in 142 Minnesota cities and towns. More than 60% of which are from the suburbs and Greater Minnesota and 28% were BIPOC.

In the 2021 legislative session, **MnTech secured continued funding at $875,000 per year for SciTech for the 2022-2023 biennium to build and retain Minnesota's STEM workforce** by connecting college STEM majors to small Minnesota companies through a limited wage match to employers. The state funding has already demonstrated a strong return on investment, as every dollar the state provides in wage reimbursements, private companies contribute $2.81 in wages paid. This is why MnTech will continue to advocate for funding for the SciTech Internship Program in future years.

Broadband and Telecommunications

Mn Tech's goal is to expand the availability and use of broadband technology to access new markets, enhance education opportunities, improve quality of life, and provide Minnesota citizens and businesses the capabilities necessary to compete in a dynamic, global marketplace.

According to the Minnesota Governor's Task Force's on Broadband 2021 report, there are 171,000 unserved households, 80% of whom are rural, in the state. **MnTech supports the Governor's budget proposal to invest $170 million to complete the state's border-to-border broadband program, ensuring all Minnesotans have access to reliable broadband.**

We believe a key element to the investment and delivery of this information technology is to maintain a light regulatory touch. Policy issues such as privacy, net neutrality and a national broadband funding framework should be addressed at the federal level to avoid a patchwork of regulations from state-to-state.

Business Development

Angel Tax Credit Program
The Angel Tax Credit Program (ATCP) has catalyzed nearly $500 million in investments into more than 430 Minnesota startups and emerging companies since its inception in 2010, providing entrepreneurs from around the state with much needed capital to start and grow their businesses in Minnesota.

MnTech supports the Governor's request of $7 million in fiscal year (FY) 2023 and $10 million in FY24-25. This is a critical piece to the continued growth of a strong startup ecosystem in Minnesota.

Launch Minnesota
A strong tech startup ecosystem in Minnesota helps foster innovation and attracts top tech and entrepreneurial talent to the state. That's why **MnTech supports the Governor's request for $5 million in the Launch Minnesota program** to support the tech startup ecosystem and launch an accelerator program to help startups scale in the state.

Diversity, Equity and Inclusion

MnTech members know that diverse teams produce stronger outcomes, yet the Minnesota tech workforce does not reflect diversity of our community. To address this, MnTech is committed to working through the Technology Inclusion Alliance (TIA) to close the tech talent gap while simultaneously addressing racial and economic disparities. This work will include creating a collaborative environment for sharing research, data, and best practices related to inspiring, hiring, developing, and retaining diverse talent to elevate and amplify existing programs and community initiatives to maximize impact. TIA will leverage collective power of alliance companies to catalyze real and lasting change, including by supporting policy initiatives that lead to more diversity in the tech industry.

This includes supporting policies that help a diverse community of workers address barriers to entering the tech workforce like access to affordable child care, and supporting workplace retention through policies supporting paid family leave. Education and workforce development policies and programs that expand talent pipelines to include more diverse representation of Black, Indigenous, and People of Color (BIPOC) communities and women are critical, including **expanding access to computer science education for all K-12 public schools, the Tech Jobs Pipeline for Minnesota Youth and Adult Tech Training Program, supporting the adoption of the Page Amendment to the State Constitution, and expanding paid work-based learning opportunities through the SciTech Internship Program and technology apprenticeship programs.**

Intellectual Property

Intellectual property is the backbone of America's technology-based economy. Ensuring that innovators have the protections they need to secure their intellectual property is crucial for advancing Minnesota's technology economy. Removing intellectual property protections also increases the introduction of cybersecurity risks. This not only impacts the protection of the intellectual property, it adds greater risk to system failures resulting in increased property damage and potential human harm.

That's why **MnTech opposes efforts such as right to repair legislation** that allow uncertified repairs to electronic equipment and other devices with sensitive intellectual property.

Unemployment Insurance Trust Fund

Minnesota's Unemployment Insurance (UI) Trust Fund is facing a more than $1.1 billion deficit because of the unprecedented increase in UI claims resulting from the COVID-19 pandemic. Absent critical action to stabilize the Trust Fund, employers across the state face significant increases in UI payroll tax rates. However, Minnesota has a number of resources to address this deficit without raising taxes, including the $7.7 billion state budget surplus and over $1 billion in unspent federal pandemic relief funds. 31 other states have utilized to repay unemployment debts pandemic relief funds made available under the CARES Act and APRA to address these deficits, a practice Minnesota should consider adopting.

That's why **MnTech recommends the state use existing financial resources to address the UI budget deficit and halt any increases to UI payroll taxes in the state.**