

2023 Legislative Agenda

Minnesota Technology Association

The Minnesota Technology Association (MnTech) is a coalition of nearly 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 and encourage engagement around the development of tech related legislation. Additionally, we will respond to issues and potential legislation that affect member companies and technology businesses in Minnesota as they arise.

The 2023 legislative session provides a unique opportunity for the unified government to make meaningful investments with the historic budget surplus to grow Minnesota's tech ecosystem. 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

By most measures, Minnesota is falling behind when it comes to tech talent development. We are last in the nation, ranked 50th out of 50 states for high schools offering foundational computer science courses, produce hundreds fewer graduates with computer science than there is demand for, and are 46th in the nation when looking at job growth in large part due to the lack of talent to fill open roles. Minnesota colleges are not producing enough degree holders to meet demand either, as they are annually producing approximately 600 fewer software developers than for which there is demand. All of this while Minnesota's tech unemployment rate is only 1.1% with 1 person hired for every 4 tech positions posted. With the average annual median tech wage at \$94,715, 106% higher than the median state wage, we cannot afford to wait any longer to address these current and projected talent shortages.

When looking at tech talent demographics, major disparities exist. Only 12% of urban schools, 18% of suburban, and 25% of rural high schools have access to foundational computer science courses, and women, Black or African American, Hispanic/Latino, and Native American/Alaskan students are taking AP exams at rates less than half of their respective overall student populations. Minnesota is in the bottom half of the country for representative diversity in tech, with women, Black or African American, Hispanic/Latino, and Native American/Indigenous (BIPOC) populations all underrepresented as compared to their respective representation in the labor force. In Minnesota, 89% of all tech job postings require a four-year degree, yet less than 22% of BIPOC talent in the Minneapolis/St. Paul metro area hold a bachelor's degree.

Minnesota must take immediate and deliberate actions to address these talent shortfalls if we want our region's tech and tech-enabled companies to successfully compete in an increasingly global economy. Industry must not only be at the table when making improvements to the education and workforce development programs in the state, but lead in informing the in-demand roles and pathways to get to them. This is why **MnTech supports funding for the creation of industry partnerships, starting with tech, to create high-quality tech education pathways and improve tech hiring practices to create a more equitable and diverse tech workforce.**

K-12 Education

2023 Minnesota Computer Science Education Advancement Act

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 2022 State of Computer Science Education report, Minnesota ranks last in the nation (50th) in the percentage of high schools that teach foundational computer science programs at just 21%, down from 24% the previous year. 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 2023 Minnesota Computer Science Education Advancement Act, which includes the development of a state strategic plan for a statewide computer science education program and \$4 million annually to support professional development for CS 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.

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.**

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 funding for the expansion of work-based learning opportunities in tech careers for youth .**

Postsecondary Education

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 2,450 interns have been placed in 145 Minnesota cities and towns. In 2022, one third of interns hired were BIPOC, and 31% were from Greater Minnesota. The state funding has already demonstrated a strong return on investment, as every dollar the state provides in wage reimbursements, private companies contribute \$2.83 in wages paid.

Given the success of the SciTech program and the vast need to increase the tech workforce in Minnesota, increased support for SciTech is needed. This is why MnTech is requesting **\$1.4**

million per year for SciTech for the 2023-2024 biennium to build Minnesota's STEM workforce, placing 325 college STEM majors interns annually, and increasing the wage match for small employers to \$3,000 per intern.

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 and address the talent needs of Minnesota's tech employers. That's why MnTech supports specific funding requests from the University of Minnesota and the Minnesota State system. **In particular, MnTech supports budget proposals to improve postsecondary infrastructure and capacity, particularly infrastructure and faculty investments supporting STEM and Computer Science programs.**

Tuition-Free Community College for In-Demand Careers

Given the significant tech talent needs, **MnTech supports the Governor's Council on Economic Expansion Roadmap for Equitable Economic Expansion recommendation to fund tuition-free community college programs for in-demand careers like those in tech.** This investment will ensure more equitable pathways are created for more diverse talent in the tech sector.

Expanded Pathways into Tech

Tech Earn and Learn Opportunities

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 earn-and-learn opportunities like apprenticeship programs and the Dual Training Pipeline Program 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.

This is why MnTech supports the expansion of new talent pathways into the tech sector, **recommends robust investments in the creation and expansion of technology earn and learn programs**, especially programs for Black, Indigenous, People of Color (BIPOC), women, and individuals with disabilities.

Cross-Agency Coordination for Wraparound Supports

Too often barriers like child care, transportation, and housing prevent otherwise talented individuals from pursuing pathways into in-demand careers like tech. That is why **MnTech**

supports the Governor's Council on Economic Expansion Roadmap for Equitable Economic Expansion recommendation to provide wraparound supports for workforce training programs, including after eligible people complete a workforce training program.

Although Minnesota has generous supports offered through a variety of agencies, this complicated system frequently prevents individuals from accessing the benefits they are eligible. This is why MnTech supports funding cross-agency coordination to ensure all workforce participants are receiving the supports they need to successfully enter and remain in tech careers.

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. Despite investments made during the previous legislative session, Minnesota still has more than 240,000 underserved households. That's why **MnTech supports legislation advancing the Governor's Task Force on Broadband's outstanding recommendations for the state's border-to-border broadband program, ensuring all Minnesotans have access to reliable broadband.** This includes ensuring that schools have access to reliable, high-speed 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.

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 with member companies 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. MnTech will leverage the collective power of member 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, women and individuals with disabilities are critical to the success of the tech ecosystem.

Business Development

Angel Tax Credit Program

The Angel Tax Credit Program (ATCP) has catalyzed nearly \$500 million in investments into more than 530 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. This investment is a critical piece to the continued growth of a strong startup ecosystem in Minnesota. This is why **MnTech supports the continued funding of the Angel Tax Credit Program.**

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 continued funding of the Launch Minnesota program** to support the tech startup ecosystem and launch an accelerator program to help startups scale in the state.

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.