

# The Good & Bad News of MNLEG Equity Funding in the Jobs Conference Committee

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As the conference committee deliberates on the Jobs and Economic Development funding here is the good and the bad news of that funding, some data and a call to action.

## Good News:

1. Large ALANA serving nonprofits such as MEDA, NDC, Emerge, TwinCities Rise, CLUES continue to receive funding with the Governor's budget proposal having the largest allocation. This provides sustained funding over the short term and allows them to build capacity.
2. In the Senate bill there is some funding to build capacity of nonprofits across Minnesota.
3. Increase in allocations to the Minnesota Entrepreneur Fund is in the right direction.
4. The diversity among the ALANA communities and the rural-metro needs are given attention through a wide range of proposals up for funding (though funding levels are low).
5. The emphasis on equity and inclusion in major budget areas by DEED is on the right track to build a healthy and vibrant economy.
6. The increase in attention to Native American business and workforce development is on the right track (though funding levels are low).
7. The continued investment in African American business and workforce development is on the right track (though funding levels are low).
8. Previous investments by the legislature in equity is reflected in growing capacity of organizations to meet ALANA business and workforce needs. Some smaller nonprofits have increased their capacity to serve and are showing positive results.

## Bad News:

The bad news has to be seen in the following context:

*The ALANA economy is a 30+ billion dollar economy with almost \$20 billion in consumer power and \$2 billion in annual tax payments.*

*As reported in an earlier study there are stark disparities in ALANA unemployment, disability and female headed households in poverty with each legislative district that calls for a district specific strategy and leadership to build ALANA economic assets.*

*As a current measure of "need" we find that DEED's RFP for proposals for economic development initiatives in the ALANA communities in 2016, resulted in requests that totaled \$58 million. Only \$10 million in project dollars could be awarded. (I know of one small business who applied to help train hard to employ people in his businesses but was turned down). Only the Governor's proposals comes close to this number at around \$60 million, House proposals total only \$26 million and Senate proposals only \$24 million.*

1. We need vision or long term strategy in the funding proposals to build economic wealth in the ALANA communities – what are goals for workforce and business development in the ALANA communities and how can they be realized?
2. In dollar amounts there continues to be a decline in appropriations (except the Governor’s proposals) with the Senate having the least allocated to equity projects.
3. While the proposals indicate broad coverage in essence there are very small amounts appropriated to build ALANA business and workforce assets in Minnesota. The STEM allocation in the Senate version replaces the words “underserved populations” to “individuals with barriers to employment.” Given the large achievement gap in STEM this shows lack of representation of ALANA economic interests.
4. Most of the allocations are going to workforce programs with a smaller amount going for business development.
5. Within business development proposals funded are very standard and generic minority business development proposals with little allocated to creative and innovative ideas or in relation to recent data on the growth and pattern of ALANA business development. Large organizations continue to be favored while smaller organizations continue to be left out.
6. African immigrant business and workforce programs are largely absent in the funding. There are large Somali, Oromo and Liberian communities and smaller ones all with distinct needs and assets. Somalis especially are playing a critical role in the rural workforce. Poor representation of African immigrant economic interests.
7. Small allocations to the Asian workforce and business development initiatives given their large presence in the rural and metro economy. While policy makers include recent Karen, Karenni and Bhutanese immigrants as “Southeast Asian” they need to explicitly acknowledge the differences. The lack of funding for SE Asians in the House proposals indicate poor representation of these economic interests in the House.
8. Small allocations to Latino workforce and business development initiatives given their large presence in rural Minnesota and the metro area. Again a lack of economic representation of these interests.

**Call to Action:**

OneMN.org sent the following message to all members of the Jobs and Economic Development Conference Committee:

....We recommend you hold harmless the equity funding from last year. In fact there is a strong case to increase the equity funding given the data attached and a large budget surplus.

We support the current proposals in the House and Senate bills that aim to build ALANA economic assets.

In addition, we recommend the funding of two pilot competitive grant pools for small entities for innovative solutions that build ALANA workforce and business assets across Minnesota. We recommend \$500,000 for a workforce development pool and \$500,000 for a business development pool for a total of \$2 million over a two year period. These funding pools will bring local innovative solutions from small community based entities who understand their communities (and very often cannot access resources) and can develop unique strategies to grow ALANA economic assets all across Minnesota.

**There is a strong return on investment** (for example minority businesses are growing in numbers at a faster rate than non-minority businesses) and a **great need for a high quality workforce given the current and projected labor shortages** in Minnesota as identified by the State Demographer.

**We provide to you a document identifying the economic disparities as well as opportunities for each legislative district and an estimate of the ALANA tax payments in each legislative district.**

**We offer our platform of a multiethnic nonpartisan collaborative working on a vision of shared and sustainable prosperity in Minnesota** to assist you in future efforts to build a globally competitive economy in Minnesota.

We look forward to your leadership during this critical time and collaboration in building a strong Minnesotan economy of shared and sustainable prosperity.

(Signed by Brett Buckner, Managing Director and Bruce Corrie, board member, OneMN.org)

## **DATA: Business and Workforce Conference Committee Funding Proposals**

### **MNLEG Business Development Proposals, 2017**

<b>Business Development Community Development</b>	<b>2016 Base ('000)</b>	<b>2018 Governor ('000)</b>	<b>2018 House ('000)</b>	<b>2018 Senate ('000)</b>
Emerging Entrepreneur Fund	25	1500		500
NDC	810	1500	750	750
MEDA	2500	2350	1175	1175
White Earth Nation IBDS	500	250	125	125
Hallie Q Brown Center			350	
Eastside Entrepreneur Center	500		500	
East Phillips Neighborhood			350	
Pillsbury United Communities				2000
<b>Total</b>	<b>4310</b>	<b>5600</b>	<b>3250</b>	<b>4550</b>

Source: [http://www.senate.mn/departments/fiscalpol/tracking/2017/JEG\\_SF1937HS.pdf](http://www.senate.mn/departments/fiscalpol/tracking/2017/JEG_SF1937HS.pdf)

**MNLEG Conference Committee Proposals, 2017 (in '000)**

<b>Workforce Development</b>	<b>2016 Base</b>	<b>2018 Governor</b>	<b>2018 House</b>	<b>2018 Senate</b>
Pathways to Prosperity Grants (GF)	3078	14078	5000	1539
Youth at Work Grant Program (GF)	1000	2000		500
SE Asian Communities	2000	2000		500
Grants to Promote Economic Self	2000	3000		750
Women and High Wage and	1500	2000		500
YWCA St. Paul	1400	500	250	250
YWCA Minneapolis	750	750	375	375
EMERGE Community Development Grants	4250	2000	1000	1000
North At Work Grant	1000	2000	1000	1000
Twin Cities RISE! -	750	1200	600	800
Twin Cities RISE! - Transit	407	1200	497	497
Latino Community-CLUES	1500	1500	750	750
American Indian -OIC	880	500	250	250
Ujamaa Place	600	1200	600	600
Construction Careers Foundation	2000	2000	1000	1000
Fighting Chance				50
Getting to Work Program				100
American Indian Workforce Pilot			250	230
Summit Academy OIC			750	
Father Project			600	
Career Pathways-Hennepin CO	2200			
Grant Somali Youth	2000			
Pathways to Prosperity Grants (WF)	6208	6208	4604	3104
Youth at Work Grant Program (WF)	6696	6696	3348	3348
OIC	1000	1000	500	500
FastTRAC - (includes SE Asian)	3003	3000		1502
MN Hi-Tech (STEM)	2000	2200	1350	(1100)*
Bridges to Healthcare				250
Nonprofits Association Fund				500
St. Cloud Area Somali Salvation Org	100			
Twin Cities RISE!	400			
Foreign-Trained Health Care Prof	207			
<b>TOTAL</b>	<b>46929</b>	<b>55032</b>	<b>22874</b>	<b>19895</b>

[http://www.senate.mn/departments/fiscalpol/tracking/2017/JEG\\_SF1937HS.pdf](http://www.senate.mn/departments/fiscalpol/tracking/2017/JEG_SF1937HS.pdf). \*See report.