

FACT SHEET | Building an Economy that Works for All Minnesotans

2016 Budget for a Better Minnesota

Governor Mark Dayton and Lt. Governor Tina Smith are working hard to build an economy that works for all Minnesotans, not just the wealthy few. That's why Governor Dayton and Lt. Governor Smith are proposing a \$100 million investment to expand economic opportunities and eliminate disparities for Minnesotans of color across our state; \$33 million of that investment has remained unassigned, to be determined by the input of Minnesota communities during the 2016 Legislative Session. Governor Dayton and Lt. Governor Smith also are proposing investments, including modern, reliable infrastructure, to ensure our economy works for everyone, everywhere in Minnesota.

Eliminating Disparities for Minnesotans of Color

- **Reflecting Minnesota's Rich Diversity** – People of color comprise approximately 20 percent of Minnesota's population, yet they only hold 9.9 percent of all state jobs. Further, state government is expected to experience roughly 1,000 retirements per year due to an aging workforce. To fill these vacancies and ensure state government is better able to serve the needs of all Minnesotans, Governor Dayton and Lt. Governor Smith are directing the Cabinet to double the percentage of state jobs held by people of color to 20 percent by the end of his term, and has committed \$2.6 million in his proposed budget to making this recruitment a reality.
- **Helping Connect Young People with Work** – Approximately 57,000 Minnesota young people between the ages of 16 and 24 are neither working nor enrolled in school, denying them the opportunity to develop the skills to get a good-paying job and get ahead. Minnesota is expected to face a worker shortage of up to 100,000 people by 2020, and our state needs all Minnesotans to get the job training and support they need to fulfill those opportunities. This year, Governor Dayton and Lt. Governor Smith have proposed an \$8 million investment for the Department of Employment and Economic Development's Youth at Work program, which provides at-risk youth with job training, employment opportunities, networking, apprenticeships, skill development, and help applying for college.
- **Creating Pathways to Prosperity** – Minnesota's Pathways to Prosperity Programs provides adults with multiple barriers to employment with education, and skills-based training and credentials. The program focuses on meaningful career pathways to expand opportunity for good paying jobs that can support Minnesota families. In 2015 alone, the Pathways to Prosperity program helped more than 3,000 Minnesotans get training for jobs in health care, advanced manufacturing, information technology, and other great careers. This year, Governor Dayton and Lt. Governor Smith are proposing an additional \$4.1 million for the program to help more Minnesotans get the education they need to join the innovation economy.
- **Supporting Minnesota's Tribal Nations** – The Governor and Lt. Governor's budget would invest \$5 million to empower Minnesota's tribal nations to provide culturally-responsive health and human services to their members and families. This investment would enhance the work of the White Earth Nation, Red Lake Nation, and Mille Lacs Band of Ojibwe.
- **Department of Human Rights** – To improve enforcement of state law and make it easier for Minnesotans to file human rights complaints, the Governor and Lt. Governor have proposed a \$900,000 funding increase for the Minnesota Department of Human Rights. These new resources will allow the department to expand community outreach efforts, improve its enforcement efforts, and reopen a Regional Office in St. Cloud.

Excellent Educations for All Minnesotans

- **College Completion** – College students who are the first in their family to attend a university face a higher risk of dropping out, and not completing their degrees. This leaves young people with the burden of student debt, but without the economic opportunity that a higher education degree offers. Governor Dayton and

Lt. Governor Smith are proposing to invest \$20 million in an Office of Higher Education program to provide higher education institutions grants to hire counselors and offer more support services to college students who are at risk of dropping out, to ensure they have every opportunity to complete their degrees and succeed in today's economy.

- **Keeping Kids in Classrooms** – Minnesota students of color face disproportionate penalties through school disciplinary systems, which often take them out of the classroom, keeping them from the opportunity to learn and grow. To change the way schools approach student discipline and keep more kids the classrooms, Governor Dayton and Lt. Governor Smith's budget proposal includes \$2.8 million for Positive Behavioral Interventions and Supports through the Minnesota Department of Education.
- **Opportunity through Education** – Every year, more than 75,000 students at more than 500 sites across the state are served through Adult Basic Education programs. These programs can help Minnesotans who have not graduated from high school gain the skills and knowledge they need to earn a GED. These programs also include English as a Second Language, Basic Skills Enhancement, and United States Citizenship courses. Together, these programs offer Minnesotans the opportunity they need to enter the workforce and access the opportunity to earn a good income at a stable job. Governor Dayton and Lt. Governor Smith's budget proposal includes an additional \$120,000 for GED programming, to help more Minnesotans get ahead and stay there.

Expanding Economic Opportunity

- **Investing in Entrepreneurship** – While people of color comprise a rapidly growing share of Minnesota's overall population, less than 10 percent of all Minnesota businesses are minority-owned. As our state's demographics change, it's imperative that we improve economic opportunities for emerging entrepreneurs to create good new jobs. That is why Governor Dayton and Lt. Governor Smith have proposed \$5 million to create a new Emerging Entrepreneurs Fund revolving loan program, which would provide lending opportunities to small businesses owned by people of color, women, veterans, and people with disabilities. Their budget also includes \$1 million for the Department of Employment and Economic Development's Business Development Competitive Grant program to provide technical assistance and business development services to similar kinds of businesses. This investment would provide these businesses the critical assistance they need to innovate and create jobs – helping ensure Minnesota's economy works for everyone.
- **Business Development Assistance** – The Governor and Lt. Governor have proposed \$2 million in grants to help small community-based organizations that work with communities of color expand their organizational and staff capacity in the areas of strategic planning, human resources, financial management, information technology, or governance. In turn, these organizations would be better able to focus on their core missions: helping expand employment and economic opportunity in communities of color.

At Home in Minnesota

- **A Foot in the Door** – Homeownership is part of the American Dream, but saving enough money for a down payment can be a challenge for low-and moderate-income households in Minnesota, even though they can afford a mortgage. This barrier is a contributing factor to the homeownership disparity between white households and households of color in Minnesota. That's why Governor Dayton and Lt. Governor Smith's budget invests \$5 million to provide down payment and closing cost assistance to first time homebuyers. With low interest rates and high rents, we have a historic opportunity to help more families access homeownership in Minnesota, build wealth, and close the homeownership gap.
- **Bridging the Gap** – The Governor and Lt. Governor also are proposing an investment of \$1 million to provide homeownership counseling and support services to low- and moderate-income Minnesotans who have experienced barriers to homeownership, including poor or no credit history. Through this personal, one-on-one support, more Minnesotans will be able to access the opportunity of homeownership in our state.

- **Risk-Free Renting** – With vacancy rates below three percent in many areas across the state, it is challenging for renters to find housing. Minnesota’s hardest-to-house populations have the most difficult time finding housing in tight rental markets. For Minnesotans, who have experienced barriers to securing housing in the past, including those with poor or no credit history, and those who have experienced a past eviction or homelessness, finding affordable and stable housing can be an even greater challenge. Governor Dayton and Lt. Governor Smith are proposing \$250,000 for a new Landlord Guarantee Fund pilot program at Minnesota Housing which would incentivize landlords to take on the real or perceived risk of renting to certain populations that have had trouble finding rental housing, including people with disabilities, people with serious mental illness, or people experiencing homelessness. Grant funds can be used to cover damage to a rental unit or cover missed rent. This funding can give landlords the peace of mind they need to rent to all Minnesotans.

Opportunity and Innovation in Greater Minnesota

- **Iron Range Relief** – Thousands of laid-off steelworkers on Minnesota’s Iron Range have been without income for months now. Since November, Governor Dayton and Lt. Governor Smith have called for an extension of the benefits that these hardworking Minnesotans have earned, to give their families the relief they need and the peace of mind they deserve. Governor Dayton is calling on the Legislature to send him a clean bill to extend those benefits, without making out-of-luck Minnesotans wait one day more.
- **Connecting to the 21st Century Economy** – Broadband internet is the basic infrastructure of the modern economy – our students rely on it, our businesses depend on it, and our statewide regional centers need it to foster innovation and entrepreneurship. The Governor and Lt. Governor’s \$100 million investment would jumpstart our expansion efforts. This investment also would leverage at least \$100 million more in private, local, and federal funding.
- **Redeveloping Blighted Properties** – Governor Dayton and Lt. Governor Smith’s budget includes \$2 million for the Department of Employment and Economic Development’s Redevelopment Grant program. This program provides matching grants to communities across the state that are redeveloping blighted industrial, residential, or commercial areas for new economic development opportunities.