



Governor's Council on Economic Expansion: Meeting #9

Date: 11/8/2021
Minutes prepared by: Jenny Poole, Department of Human Services
Location: Virtual

Attendance

- Jeffrey Ettinger, Co-Chair, Hormel (formerly)
- Paul Williams, Co-Chair, Project for Pride in Living
- Scott Burns, Structural
- Brett C. Carter, Xcel Energy
- Joe Fowler, Minnesota Building and Construction Trades Council
- Jodi Hubler, Medical Alley Association
- Brenda Hilbrich, SEIU Healthcare Minnesota
- Neel Kashkari, Federal Reserve Bank of Minneapolis
- Marcus Owens, African American leadership Forum; Linking Leaders
- Tuleah Palmer, Blandin Foundation
- Nonoko Sato, Minnesota Council on Nonprofits
- Traci Tapani, Wyoming Machine
- Penny Wheeler, Allina Health
- Steve Grove, Department of Employment and Economic Development
- Jodi Harpstead, Department of Human Services
- Roslyn Robertson, Department of Labor and Industry

Agenda

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| 2:00 PM | Meeting convenes |
| 2:00 PM – 4:00 PM | Full Council discussion to finalize the recommendations |
| 4:00 PM | Meeting adjourns |

Next Meeting

Date: 11/15/2021
Time: 2:00 PM – 4:00 PM
Location: Virtual

Meeting Notes

Meeting convenes

- Commissioner Roslyn Robertson started the meeting with the announcement that this meeting is fully virtual because an in-person meeting is not practical or prudent due to the health pandemic, pursuant with [Minnesota Statutes, section 13D.021](#).
- Co-Chair Paul Williams explained to the Council that the goal of this meeting was to finalize the recommendations for the Governor and Lieutenant Governor. There will be a discussion later about whether to rank the themes in addition to the ideas.
- Each idea will be reviewed within each theme, with a discussion on whether the recommendations work and, if not, why.
- There was a final list of 20 ideas under the 8 themes. There needs to be a decision at the end of the meeting whether a subset of ideas should be called out, or if any of the themes should be identified as higher priorities.
- Some of the ideas have dollar amounts attached to them, while others don't.

Full Council discussion to finalize the recommendations

Housing

- A question was raised whether the ideas pertaining to building and preserving affordable housing should more specifically call out Greater Minnesota as part of the projects. There is already funding allocated specifically for Greater Minnesota, and addressing an increase there would probably require input from the decision-making agency, Minnesota Housing.
- An estimate of \$100M to produce new affordable housing was provided, reflecting current funding allocations. There is a huge need for housing, so the estimate should err on the side of more money than less.
 - A request was made to add a requirement of using prevailing wage when building this new affordable housing. Since there are already requirements that all affordable housing building projects funded in any part by governmental dollars require paying prevailing wage and using organized labor and BIPOC workers, this language was not added.
- An estimated cost of \$5.75M was associated with the proposal to increase access to homeownership for BIPOC households. The organization Homeownership Minnesota recommended to the state that 5% of the total MN ARP dollars, or \$120M, be used to fund affordable ownership.
- The Council approved all three ideas.

Workforce

- The estimated cost for the skilling, reskilling, and upskilling through industry partnerships is \$170M.
- It is critical to include a labor management partnership with the workers who are impacted by proposed workforce improvement programs. This can be incorporated as a long-term part of the Council's process.

- Training and skilling need to be linked to the industry, and there need to be requirements of retention and graduation from any training program.
- The Council approved both ideas.

Entrepreneurship and Small Businesses

- The idea to create a small business BIPOC ecosystem investment package has specific dollar amounts associated with different parts of the idea. This idea could be scaled up or down based on the funding allocated.
- The proposed idea to seed and scale funding for nonprofits and governments does not address the capacity of nonprofit organizations to be able to do this. The idea was redrafted to separate nonprofits from governments.
 - The nonprofit recovery resiliency plan notes a need for \$100M. The Council supported an estimate of \$100M for both the nonprofit and government ideas.
- Nonprofits have different operating needs and capabilities than governments and for-profit businesses. The way that success is measured and defined is different for the nonprofit sector in general.
 - A request was raised that success rate be defined as every dollar invested in the nonprofit business produces a dollar back to the economy. It was discussed whether a requirement like this would be for getting the money or for reporting on the funding's use.
 - Requiring that nonprofits measure the same metrics as for-profit companies would place undue burden on smaller and underfunded nonprofits that do not necessarily have the data management processes to be able to track and report return on investment.
 - Every conversation in this Council has been around how to expand the economy, and ideas about improving mental health, childcare, and other social supports do not have a direct line to multiplying the dollars invested into more dollars in the economy.
 - Metrics could help focus funding investments toward the outcomes of highest interest. Funding can be targeted to scale programs that are known to work, but can also be targeted to start innovative ideas to see if they work. Even if an innovative idea fails, information on future success is gained through that process. Since each nonprofit defines success differently, there will need to be different metrics to determine whether success was achieved.
 - A request was made to add language that requires the funding partner and the government allocating the funding to work together to define success metrics.
- The Council approved the modified ideas.

Infrastructure and Technology

- Even though a large infrastructure bill was passed, the Council should proceed as before when determining priorities for the ARPA dollars, because that bill is not likely to fund the full need. The Department of Employment and Economic Development estimated an additional need of \$170M to fully implement broadband across the state.
- Broadband infrastructure is needed both in urban areas and Greater Minnesota. The Council strongly felt that broadband is so critical and cross-cutting to what is trying to be accomplished, that it should be among the top few prioritized.

- Telehealth health care resources are called out specifically in the broadband proposal. It was recommended to also add mental health telemedicine capabilities.
- The Council approved the idea.

Child care

- DEED noted a \$10M need to fund starting child care and early education businesses, but that it could scale up.
- There was concern raised that the problem of kids between 6 and 13 not going to daycare is not addressed by these idea proposals. All of the recommendations are targeted toward early-childhood needs.
- The Council approved all three ideas.

Community

- The frontline worker group identified a \$250M need that would align with the idea to provide economic support to Minnesota's essential workers. That estimated amount was not specific to Minnesotans who were ineligible for federal pandemic relief.
- The Council approved all four ideas.

Youth engagement and youth employment

- The Council approved the idea with no changes.

Health care

- The idea to create a mental health ecosystem collaboration recommends that the sponsor provides matching one-time funding of \$75M.
 - This match requirement may be too steep for mental health programs, especially those in Northern Minnesota, those with a focus on cultural-competency, and those that serve primarily immigrant populations.
 - The intention with the match approach was to make sure that the sponsoring organization would be able to cover ongoing operational costs after the start-up funding is gone.
- An estimate of \$450M was attached to the idea to solve the health care workforce crisis. One-time funding allocated to this idea will only support this issue while it is available, and will not fix the underlying problem. The sector is in such a crisis state right now, that money needs to be infused to slow the problem from further exacerbation. The Council wants to work on identifying a long-term fix during the second phase.
 - Possible long-term solutions include giving health care workers tax exempt income, funding better health care education programs, and creating job pathways that get youth into the health care sector, and then move them up into better positions.
- Paid family medical leave has not been able to get started due to the need for up-front funding to create an infrastructure similar to that for unemployment insurance. The amount needed to create that infrastructure is \$11.4M.

Discussion of additional prioritization

- The Council agreed to do another round of ranking of all the ideas across the 8 themes to identify a subset of top ideas.
 - The Council will provide the full list of recommendations to the Governor and Lieutenant Governor, with a subset of recommended ideas called out. The exact number of higher priority ideas will be determined after the Council has done their ranking.
 - The Governor wants guidance from this Council, so prioritization will help with that. The broader list will be shared and reviewed, but without calling out top ideas, the ability to impact decision-making will fade.
 - The key list needs to meet the criteria and guiding principles that were laid out at the beginning of the Council.
- Since there has been a lot more dialogue in the last three weeks since the priorities were ranked, the Council will also rank the themes, in addition to the ideas. The order in which the themes are ranked could be used to determine the order for presenting them to the Governor.
- There has not been a deep policy review on any of these ideas, nor any official fiscal noting. The Governor asked this Council to spend 8 weeks to come up with the best ideas possible, and that timeline limits the ability to dive deep and define precise policy and funding needs.