



Governor's Council on Economic Expansion: Meeting #3

Date: 09/27/2021
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
- Kristen McHenry, Allina Health for Penny Wheeler
- Marcus Owens, African American leadership Forum; Linking Leaders
- Tuleah Palmer, Blandin Foundation
- Joo Hee Pomplun, Alliance for Metropolitan Stability
- Nonoko Sato, Minnesota Council on Nonprofits
- Traci Tapani, Wyoming Machine
- Bharti Wahi, Children's Defense Fund
- Steve Grove, Department of Employment and Economic Development
- Jodi Harpstead, Department of Human Services
- Roslyn Robertson, Department of Labor and Industry

Agenda

- 2:00 PM Meeting convenes
- 2:05 PM – 3:05 PM Community insights panel: Pandemic's impact on the BIPOC communities
- Marcus Owens - African American Leadership Forum
 - Bo Thao-Urabe - Coalition of Asian-American Leaders
 - Ryan Mulso - LatinoLEAD
 - Kelly Drummer - Migizi

3:05 PM – 3:30 PM	Small group discussions
3:30 PM – 3:40 PM	Large group discussion
3:40 PM – 4:00 PM	Presentation: Guidelines and restrictions for spending ARP funds <ul style="list-style-type: none">• Ahna Minge - Minnesota Management and Budget
4:00 PM	Meeting adjourns

Next Meeting

Date: 10/04/2021

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 that this meeting is a continuation of the Council's work to get a joint baseline understanding of the current status of Minnesota's economy, with a specific drilldown into the impact of the COVID pandemic on the Black, Indigenous, and People of Color (BIPOC) communities.

Community insights panel: Pandemic's impact on the BIPOC communities

Impact of the pandemic on specific communities

- Bo Thao-Urabe, from the Coalition of Asian-American Leaders, focused on the challenges for the Asian community caused both by stigma from COVID, as well as linguistic and technological isolation.
 - The Asian population in Minnesota, which contains approximately 40 different ethnic groups speaking around 100 different languages, faced limitations and challenges with getting timely assistance and information due to language barriers in both communiques and applications for assistance.
 - Online applications, available only in English or a limited subset of languages, turned technology into a barrier. Thinking forward, the versatility of technology should be used to increase access.
 - Asian-owned businesses had difficulties staying open during the pandemic due to stigma and targeted violence.
- Ryan Mulso, from LatinoLEAD, explained that unemployment across the country was the worst it had been in generations, except for within the immigrant population. Many immigrants work in essential services and did not lose their jobs, but were also exposed to higher risk of contracting COVID.

- Many Latino workers are undocumented or part of a mixed-status family, so were worried about utilizing benefits, testing, and vaccines. American Rescue Plan (ARP) money cannot go directly to undocumented residents, so it will be important to creatively figure out how to get those dollars to partners who can help them.
- Kelly Drummer, from the Native American youth organization, Migizi, identified the inability to meet in-person with youth as the biggest challenge for success during the pandemic. Shifting training and programs to virtual platforms at the start of the pandemic greatly decreased their engagement capabilities. During the civil unrest after George Floyd's murder, Migizi lost the building their community had just built, which extended the amount of time they were unable to connect with the youth who needed them.
- Marcus Owens, from the African American Leadership Forum and member of the Council, shared that the African American community lacked the infrastructure to respond appropriately to the crises presented by the pandemic in real-time, and were often six-to-twelve weeks behind when implementing solutions. Technology was a huge problem for parents to enable their kids to learn virtually, and many students were months behind their peers in getting set up to succeed. African-American-owned businesses were closed longer, and faced six week delays for getting personal protective equipment.

Surprising lingering effect of the pandemic

- Bo Thao-Urabe shared that the Asian community is still coming together to try to provide information and mutual aid. The continuation of partnerships and collaborations that were started during the pandemic is helping support this diverse community as it continues to experience stigma and violence.
- Different groups within the Asian community are still being impacted unequally.
 - Approximately 40% of Asian deaths from COVID are with the Hmong and Karen communities.
 - The biggest immigrant group in Minnesota is still Hmong, but the large influx of Chinese and Indian employees has been hindered during the pandemic, leaving many people stuck in limbo with visas that were not renewed, but also the inability to return home because of closed borders.
- Ryan Mulso expressed concern that this Council does not have Latino representation on it, and that barriers to communication and inclusion need to be broken down across the state.
 - Commissioner Steve Grove acknowledged that the Governor is aware that there is not a representative from the Latino community on this Council, but that he is bound by the statutory limit of 15 people on an appointed council. The Council has had Latino leaders in each of the first two panels and will continue to engage stakeholders from the Latino community.
- For the Latino community, the biggest lingering challenge from the pandemic is that it is still ongoing, but supports are ending. Undocumented workers, in particular, need continued support because they provide a lot of labor and tax generation for the community. Resources and dollars should be funneled to make sure that people can access child care and affordable housing.
- Kelly Drummer identified reengagement with kids and partners as the lingering issue Migizi is facing. Restarting partnerships and reconnecting with the students is harder than they expected, but these relationships cannot wait; losing two years of learning is a big problem, and youth employment and success has been impacted.

- Marcus Owens explained that the African American community is still on fragile ground, and needs a strong foundation to start to improve the feeling of safety. Public safety issues are not because people are inherently violent, but are because they are still reeling from the impacts of the pandemic. There is still high unemployment, affordable housing needs have increased, and normal outlets for letting off steam are not available to kids who are now back in schools. Trauma-informed mental health care is needed to help people see that they are part of a community and are not alone.

Recommended priority for ARP money

- Kelly Drummer asked the Council members to keep mental health, well-being, and healing at the core of their work. She pointed to youth engagement, training, and employment as a priority focus for the Native American community. Kids need to want to reengage and to go back to school, and they need help getting training, so they can earn living wages, build career pathways, and grow the workforce in expanding fields.
- Ryan Mulso explained that there are two main sectors for Latino employment: restaurants and construction. There are lots of opportunities in construction because of a massive housing need. Houses will not get cheaper until there are more of them, and housing equates to stability in many communities. ARP funds should be used to subsidize down payments and increase housing construction.
- Bo Thao-Urabe identified family care as a priority area. People coming together and taking care of each other is important, and the State needs to incentivize and support that. Intra-family care, such as older generations providing childcare so parents of those children can return to work, saves the government money, and supporting it will encourage it to continue.
- The government needs to reward and engage its employees who are multilingual. The translations for some of the documents provided to the Asian American community during COVID were so poor that they created more confusion than help, but employees who speak those languages natively were not asked to write or improve the translations.
- Marcus Owens would like the Council to think about how to move from awareness to action. It is important to not lose sight of problems that were being addressed before the pandemic, for many of them are worse now and should be returned as priorities. Investment is not just creating a job, but also preparing employees to succeed at work and stay in that job by addressing their internal trauma and challenges. A good short term focus for improvement through the ARP funds is engaging and developing youth 12 to 25 years old to get them a workplace or safe place to live.

Additional community focus

- Increase cross-cultural movement on initiatives. The different BIPOC communities are not in competition, but instead need to build solidarity and think of each other as partners, because each of the communities is dealing with the same issues and trying to solve the same problems. A lot of work is relationship-based, and when there is systemic racism, communities of color need to be able to address them together.
- Engage Greater Minnesota communities because they face different challenges than communities solely in the Twin Cities metropolitan area.

- Increase housing stock supply. If money is infused into the system to help people afford what already exists, that will just drive up costs more. Instead of giving people money to help them buy available homes, improving the ability to build more housing stock would be a more effective use of one-time funds.
 - Current zoning practices limit people's ability to build independently.
 - Different types of housing stock may be preferred than what is currently being built. Low ownership happens for multiple reasons. For low income families, renting is the only affordable options. For high income families, there may be a preference to live with multiple generations in the same building, which may be best addressed by housing options where different generations in a family can all rent units in the same building.
 - The lack of variety of currently available housing stock is also an issue. There are places across the state that cannot expand their employee base as much as is needed because there is not affordable housing available to incoming workers.
 - In an average year, Minnesota adds around 3,000 affordable housing units. The current need is for an additional 7,000 – 10,000 units to be built each year.
- Pay construction workers living wages. The cost of living in an affordable housing unit should not be higher than the wages paid to the workers building it.

Small group discussions

Insight

- The scope of what the Council has heard is incredible, but also overwhelming. It will be important to identify a core focus.
 - Housing need has been emphasized many times, and closing the gap between the number of units available and the number that is needed may be a good use of one-time funding.
- The way that investments are implemented is important. The workers building infrastructure need to be paid livable wages, and systemic issues limiting equal access to those jobs need to be eliminated.
- There is a need to reduce barriers for people entering workforce and moving up through forward-looking investment for what workers will want in the future and by decreasing the large disparities between lower and higher level positions.
- There are big issues identified in this Council that lend themselves well to short term funding and solutions, while others would need long-term investment. The Council needs to narrow its focus to those problems that can be addressed through one-time projects, such as wiring Minnesota for broadband, as opposed to talking about things like providing better wages, which cannot be impacted by a one-time infusion into the economy.
- Youth and teenagers are Minnesota's future workforce, so efforts should focus on that age cohort, especially in areas of mental health and educational engagement.
- The impact on communities with historic trauma has been especially hard for caregivers. People who would otherwise contribute to the labor force for many years are being pulled out of their employment to provide unpaid care for family members.

Council areas of focus and values

- Address both equity and inclusion.
- Non-profits are valuable and need to be included in solutions.
- Do not duplicate work already being done by other governmental agencies.
- Common systemic long-term issues impact Minnesota, and a holistic approach to addressing them will strengthen communities.
- Create a common baseline language, including defining what the baseline was, and what it means to get people back to it.
- Focus on immediate recovery because the crisis is not over yet, but also work on long-term rebuilding.
- Challenges are similar across communities. Solutions must work for everyone, but be tailored for each community.
- Hear from more communities and groups impacted by the pandemic, including rural communities and young people.
- Innovation and reducing barriers in the community to benefitting from ARP funds is key to success.

Presentation by Ahna Minge, Minnesota Management and Budget: Guidelines and restrictions for spending ARP funds

- Minnesota received a total of \$8.5 billion federal COVID recovery dollars. This Council is being asked to provide recommendations on spending for \$1.15 billion.
- There are not many limitations on how this money can be spent. Potential eligible uses are to respond to the public health emergency through solutions such as COVID-19 vaccine administration or premium pay for essential workers; to address negative economic impacts such as job loss; to serve the hardest hit by addressing system issues like health disparities and homelessness; and improving access to water and broadband infrastructure.
- There are a few specific things that cannot be done with these funds: they cannot offset a tax cut, bolster the state's reserve, pay for debt service, provide the state match for federal programs, or be deposited into pension funds.

\$8.5 Billion in ARP Funds to Support Budget Priorities

MINNESOTA'S

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COVID-19 RECOVERY BUDGET

Minnesota's Share of American Rescue Plan Funds



**Local Fiscal
Recovery Fund
(flexible)**

\$2.132 Billion



**State Fiscal
Recovery Fund
(flexible)**

\$2.833 Billion



**Federal
Program Funds
(program-specific)**

\$3.505 Billion

Local Fiscal Recovery Fund



Local Funds

- Direct Federal Payments to Minnesota Counties:
\$1.11 Billion
- Direct Federal Payments to 21 Large Cities:
\$644 Million
- Pass-through Payments to Remaining Cities & Towns:
\$377 Million

Agreement on State Fiscal Recovery Funds



State Funds



- State Revenue Replacement: **\$1.183 Billion** (\$633 Million for FY 22-23 Biennium and \$550 Million for FY 24-25 Biennium)
- COVID-19 Immediate Response: **\$500 Million**
- 2022 Legislative Priorities: **\$1.150 Billion**



**Responding to the
Public Health Emergency**



**Addressing Negative
Economic Impacts**



**Serving the
Hardest Hit**



**Improving Access
to Water & Broadband
Infrastructure**

Non-Exclusive List of Eligible Uses

Responding to the Public Health Emergency	Addressing Negative Economic Impacts	Serving the Hardest Hit	Improving Access to Infrastructure
COVID-19 mitigation <ul style="list-style-type: none"> Vaccination PPE Testing Alternative care facilities 	Workers and families <ul style="list-style-type: none"> Unemployment and training Food, housing, financial security assistance Survivor's benefit 	Health disparities <ul style="list-style-type: none"> Community health works Public benefits navigators Lead remediation Community violence intervention 	Water and sewer <ul style="list-style-type: none"> Drinking water Wastewater infrastructure
Behavioral health care <ul style="list-style-type: none"> Mental health treatment Substance abuse treatment Crisis intervention 	Small businesses <ul style="list-style-type: none"> Loans Grants Counseling programs 	Housing and neighborhoods <ul style="list-style-type: none"> Homelessness Affordable housing Housing vouchers Residential counseling 	Broadband <ul style="list-style-type: none"> Currently unserved or underserved Modern technologies
Public health resources <ul style="list-style-type: none"> Payroll for public health and similar employees 	Impacted industries <ul style="list-style-type: none"> Tourism Travel Hospitality 	Educational disparities <ul style="list-style-type: none"> Early learning services School district resources Educational services 	
Essential workers <ul style="list-style-type: none"> Premium pay Retroactive premium pay 	Public sector <ul style="list-style-type: none"> Rehire public sector employees to pre-pandemic levels Replace lost revenue 	Healthy environments <ul style="list-style-type: none"> Childcare Enhanced child welfare services 	

Ineligible Expenses

- Offset a **tax cut**
- Deposit in **pension funds**
- Bolstering **rainy day reserves**
- **Debt service** payments
- **State match** for other federal funds (e.g. Medicaid)

mn.gov/arp

