

2021 SPECIAL SESSION RECAP

JULY 2021



OVERVIEW

The Minnesota Council on Latino Affairs (MCLA) continued to monitor and advocate on behalf of beneficial legislative efforts at the Capitol during the 2021 Special Session. As stated in our **2021 Regular Legislative Session Recap**, the state Legislature was unable to complete its mandated duties (mainly pass state budgets) at the end of the regular session. This resulted in a Special Session which began on June 14. Both chambers reconvened to work towards an agreement for a two-year state budget and avert a looming government shutdown slated to take effect on July 1st.

After negotiations that the public continue to consider lacking enough public hearings or transparency, conference committee members finalized 13 omnibus bills that had the approval of the top state leadership (the Governor, the Speaker of the House and the Senate Majority leader) per their previous global agreement. All omnibus bills were heard in the respective chambers and voted favorably a few hours before the July 1st deadline.

The main roadblocks during these negotiations were disputes over Gov. Tim Walz's emergency powers which ended on July 1st, and some provisions regarding police reform on the public safety budget. The deals included significant changes (limitations on no-knock warrants and civil asset forfeiture, and limits on the use of informants) but they fell short regarding a limit on pretextual stops or extending the statute of limitations for wrongful death lawsuits that members of the House People of Color and Indigenous (POCI) Caucus have been advancing in the wake of the killing of George Floyd in May of 2020.

As a result of this fluid context and contained agreements, MCLA's legislative priorities had a mixed reception: we saw some gains, some traction on issues, and many shortcomings. Here you'll find our end of the special session report highlighting the main outcomes and impacts of an extended legislative session that culminated with Governor Walz's approval and signing of "Minnesota's COVID-19 Recovery Budget", the state budget for the next two years.



EDUCATION



Of the many policy areas, k-12 education needed the most work to avoid the government shutdown. The House and Senate versions of the education omnibus bill were drastically different at the end of the Regular Session in May, and it was clear that the Education Conference Committee had its work cut out for it. The result of the negotiations was a bill that took several important steps towards equity but ultimately did not do enough to comprehensively address persistent inequities in Minnesota's education system. A summary of the major outcomes can be found below, along with a brief impact analysis.

K-12 EDUCATION OMNIBUS BILLS | HOUSE EDUCATION OMNIBUS SSHF 2 (REP. JIM DAVNIE) | SENATE EDUCATION OMNIBUS SSSF 23 (SEN. ROGER CHAMBERLAIN)

The House and Senate agreed on a historic \$21 billion Public school spending budget with over a billion dollars in new spending over the next two years. This represents the largest investment in Minnesota's public education system in 15 years and includes \$30.25 million in official Increase Teachers of Colors Act (ITCA) spending priorities with another \$4.5 million in related provisions. Despite these historic numbers, it is important to note that these measures represent about 55% of what MCLA advocated for in ITCA 2021. Additionally, several provisions called for in ITCA 2021 are entirely absent from the newly enacted bill and budget.



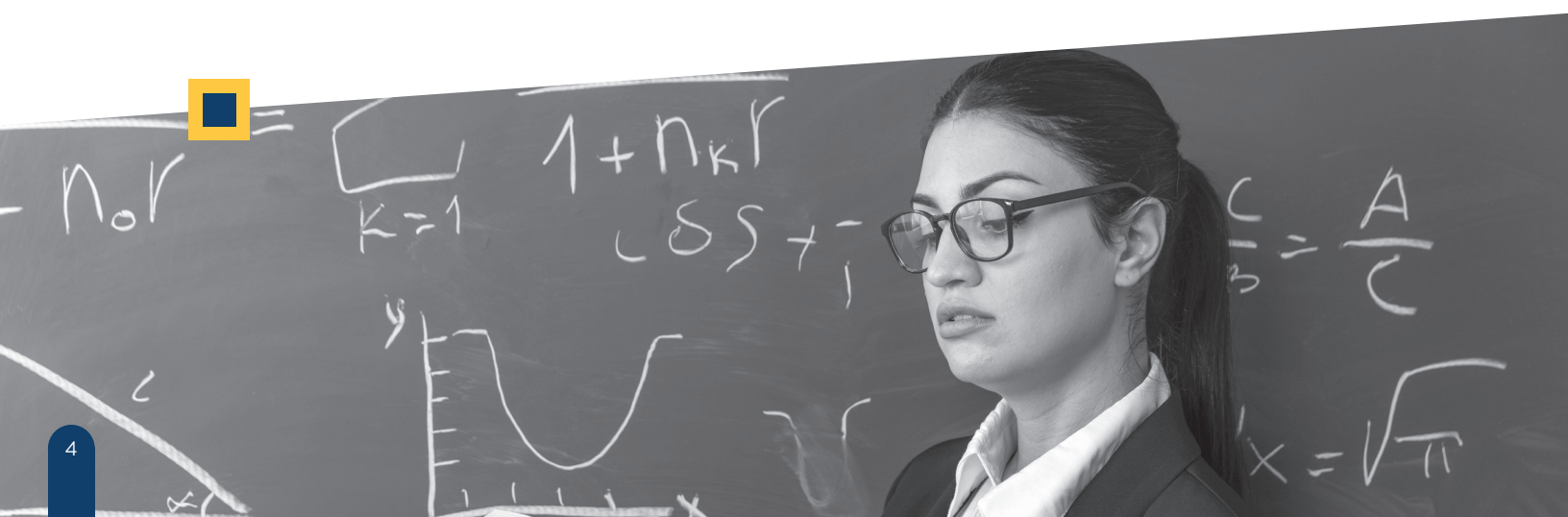
EDUCATION



Notable Funding Increases and New Policy Provisions for K-12 Education Omnibus Bill:

- \$462 million to Formula Allowance Increases- this represents a 2.45 % Per Pupil Funding increase in 2022 and a 2.0% compounded Per Pupil Funding Increase in 2023.
- \$45.9 million in maintaining existing Voluntary PreK Seats Program- This program creates pathways and scholarships for Minnesotans to enroll their children in early learning programs.
- \$10.4 million for Special Education Cross- Subsidy Reeducation Aid-This provides flexible spending from the general budget if the amount designated for Special Education (SPED) is exceeded.
- \$10 million for the Grow Your Own Program- This program supports and trains teacher candidates of color and those from other “shortage areas” (ITCA provision).
- \$4.5 million for Teachers of Color Mentoring and Retention incentive grants (ITCA provision).
- \$4 million in English Learners Cross Subsidy Reduction Aid- This provides flexible spending from the general budget if the amount designated for English Language Learners (ELL) is exceeded.
- \$3 million to LETRS grants to assist students struggling with literacy.
- \$1.5 million to Girls in Action- a teacher training program for young women of color.
- \$750,000 in one-time funding for Black Men Teach- This organization is receiving funding to support their work in increasing black male teachers in eight metro area elementary schools.
- \$400,000 to the Come Teach in Minnesota program- This new program provides hiring bonuses for qualified teachers of color/ American Indian teachers from other states or countries (ITCA provision).

The 2021 Special Session yielded mixed results in the area of education. Important investments were made in pursuit of an improved education system, but more is needed to meaningfully move the needle. The Education Omnibus Bill of 2021 represents modest progress for Minnesota Latinx communities but missed several opportunities and lacks the urgency needed at addressing persistent inequities. It is imperative that Minnesotan Lawmakers and other State Leaders find the urgency befitting the state’s current situation and double down on these efforts. At this pace, Minnesota will need decades to reach anything near equitable levels. However, victories were scored during the session and students will benefit from the investments that were secured, and that is worth celebrating.



ECONOMIC DEVELOPMENT/TAXES



The Special Session ended with mixed results from the perspective of the Council's legislative priorities in the areas of economic development, fiscal policy, and workforce related issues. Although the legislature was able to pass some important legislation, this was another year of missing opportunities.

As in recent years, two important provisions were left out of the final bills: Driver Licenses for All (not included in the final omnibus transportation bill, although very close in final negotiations), and allowing ITIN users to claim the Working Families Tax Credit and the Homestead Tax Return (not included in the final omnibus tax bill).

At the same time, some important provisions were included that would benefit the recovery of small businesses. However, several initiatives providing protections for workers were excluded from the final agreements. Instead, \$761 million in tax cuts and credits were approved, including \$644 million in tax cuts for Paycheck Protection Program (PPP) loans and unemployment insurance recipients. Furthermore, the delivery of \$250 million in bonuses for frontline workers will have to wait for a special session until after Labor Day.



ECONOMIC DEVELOPMENT/TAXES



OMNIBUS EMPLOYMENT AND ECONOMIC DEVELOPMENT BILL (SSH1/SSSF9), SPONSORED BY REP. MOHAMUD NOOR (DFL-MPLS.) AND SEN. ERIC PRATT (R-PRIOR LAKE)

The main piece of legislation in this area was the omnibus employment and economic development bill (SSH1/SSSF9), sponsored by Rep. Mohamud Noor (DFL-Mpls.) and Sen. Eric Pratt (R-Prior Lake). This bill contains \$1.6 billion on different programs directed to provide assistance to economic recovery from Covid-19 and last year's social unrest after the killing of George Floyd.

The bill funds two main economic development programs: the Main Street Economic Revitalization Program (\$80 million), and the Main Street COVID-19 Relief Grant Program (\$70 million). The Economic Revitalization Program will provide grants and loans for projects proportionally distributed between the Metro Area and Greater Minnesota that "address the greatest economic development and redevelopment needs" arisen since March 15, 2020. The COVID-19 Relief Grant Program will support businesses affected by the pandemic that did not receive previous state assistance and employs fewer than 200 full-time workers.

Other economic development provisions in this bill include:

- \$35 million for grants to Minnesota Initiative Foundations to serve businesses in Greater Minnesota;
- \$35 million for grants to partner organizations to serve businesses inside the metro area;
- \$20 million for the Minnesota Investment Fund;

- \$16 million for the Job Creation Fund;
- \$8.4 million for the Minnesota Job Skills Partnership program;
- \$8.1 million for the Minnesota Youth Program;
- \$7.2 million for the Pathways to Prosperity Competitive Grant program;
- \$6.2 million in fiscal year 2022 for project development of the Rondo neighborhood land bridge over Interstate Highway 94 in St. Paul;
- \$5 million for grants to local communities to increase the number of child care providers;
- \$4.9 million for wage theft prevention;
- \$2 million for competitive grants to organizations providing services to relieve economic disparities in the Southeast Asian community; and
- \$2 million for competitive grants to organizations providing services to relieve economic disparities in the African immigrant community;

The Council supported some of these provisions during the regular legislative session by sending joint letters of support with the Council of Minnesotans of African Heritage (CMAH) and providing public testimony. Although the programs and provisions included in the final bill are not particularly directed to provide support to Latinx communities (contrary to the grants directed to Southeast Asian and African Immigrant communities), these are programs that offer important economic assistance for all communities in the State of Minnesota. The dissemination of information about these programs among small businesses in Latinx communities, and non-profits providing assistance to these sectors, could facilitate the access to grant and loans included in these economic development programs.

ECONOMIC DEVELOPMENT/TAXES



Regarding policy provisions, the bill contains some noteworthy sections, such as:

- Require an employer with 15 or more employees to provide new mothers with reasonable accommodations for health conditions related to pregnancy or childbirth.
- Permit high school students to qualify for unemployment insurance.
- Expand options for individuals to receive unemployment benefits while undergoing workforce training.
- Eliminate the Social Security old age and Social Security disability offset (deduction) from unemployment benefits.

On the other hand, all the provisions and appropriations related to workers' protections were left out of the final bill. These provisions, that were supported by the Council during the regular legislative session and were part of the House version to the very end, never got support from the Senate and were not included in the final bill. The provisions left out of the final bill were:

- Paid family and medical leave insurance.
- Earned sick and safe time.

- Essential worker emergency sick leave for COVID-19-related reasons.
- Rehire and retention for hospitality workers.
- Safe workplaces for meat and poultry processing workers.

That all the workers' protections provisions were not included in the final bill is not only disappointing but probably the biggest missing opportunity to provide a more balanced bill that could have contained economic and business development assistance while at the same time providing workers' protections, especially after the disproportionate impact in workers of color, particularly Latinos.

Overall, bills and provisions that would allow individuals without proof of documented presence in the U.S. to obtain a driver's license, allow ITIN users to claim working families tax credit and homestead tax return, economic assistance and support for small Latinx businesses, and workers' protections, remain important priorities for the work of the Council in the area of economic development in the near future.



HEALTH EQUITY



HEALTH & HUMAN SERVICES OMNIBUS BILLS | HOUSE HHS OMNIBUS SSHF 33 (REP. TINA LIEBLING & REP. JENNIFER SCHULTZ) | SENATE HHS OMNIBUS (SEN. MICHELLE BENSON).

The Health and Human Services Conference Committee required overtime to complete its work but the HHS bill was one of the first ones completed. Upon passage, the bill directed \$18.8 billion dollars to the Minnesota Departments of Human Services (DHS) and the Minnesota Department of Health (MDH).

As has been the case with most legislation this session, the outcomes of the HHS Omnibus Bill are mixed. However, unlike some other policy areas, the benefits from this session outweighed the missed opportunities. Several of the bills that were prioritized and supported by the MCLA were included and passed. Below is a list of the MCLA's priority bills that passed in the HHS Omnibus Bill, along with another list of other relevant inclusions.

PRIORITY BILLS INCLUDED IN HHS OMNIBUS BILL

Dignity in Pregnancy & Childbirth Act |Previously H.F 660 / S.F 877

One of the MCLA's top health priorities was the Dignity in Pregnancy & Childbirth Act, which was included and passed into law. This legislation requires hospitals that provide obstetric care and birth centers to provide continuing education on anti-racism and implicit bias training for staff. The Dignity in Pregnancy and Childbirth Act also requires the Commissioner of Health to implement a plan that will improve community access to doula and midwives' services. Additionally, the Bill requires improved training practices for doulas and midwives, specifically tailored to meet the needs of groups with disparities in maternal and infant health outcomes. Lastly, it authorizes the commissioner of health to conduct maternal morbidity studies.

Postpartum Medical Assistance Extension | Previously H.F 521 / S.F 735

MCLA is proud to report that another of its top health priorities was enacted into law during the Special Session. This Bill expands Medical Assistance (MA) eligibility for pregnant women from two months to a year. All pregnant women making less than 278 percent of the federal poverty guidelines (FPG) will be eligible for this expansion.

Crisis Stabilization Services |Previously H.F 1305 / S.F 1292

Another important accomplishment of the session was the passage of the Crisis Stabilization Services Bill. This legislation requires the commissioner of human services to establish a statewide per diem rate for residential crisis stabilization service clinics. In effect, this legislation will close loopholes that allowed insurance companies to underpay providers which had resulted in a major decline in clinics that offered these essential services. The enactment of this bill will ensure that crisis stabilization clinics become viable once more and can offer their life-saving services.

OTHER NOTABLE INCLUSIONS IN HHS OMNIBUS BILL:

Extension of COVID-19 Human Services Modifications-

Authorizes the commissioner of the Department of Human Services (DHS) to extend the waivers and modifications that she issued in response to the COVID-19 Pandemic. The extension will run through June 30th, 2023. This will result in the continuation of expanded services available to enrollees of several programs including the Children's Health Insurance Program (CHIP), Medical Assistance (MA), and MinnesotaCare. It will also allow for Telemedicine alternatives for school-linked mental health services.

HEALTH EQUITY



COVID-19 Treatment, Testing, and Medical Assistance-

Enshrines into law that COVID-19 treatment and testing are covered by Medical Assistance. This policy has already been in practice but was required to be officially written into law upon receiving federal funds from the American Relief Plan Act.

Modifications to Minnesota Family Investment Program (MFIP)-

Makes several modifications to MFIP, including a required cost of living increase, a \$50 per month housing benefit, and a one-time supplemental payment of \$435 to qualified MFIP enrollees. MFIP is a program that temporarily helps low income families with children, move for work.

Modifications to Supplemental Nutrition Assistance Program (SNAP) Employment Training-

This modification requires the commissioner of DHS to implement a SNAP employment training program that meets federal SNAP employment and training participation requirements. This comes at the Governor's request and is meant to improve the efficiency of SNAP employees and streamline the process for recipients.

Telehealth & Telemedicine Terminology Clarifications

The terms Telehealth & Telemedicine have been used interchangeably in bills passed in previous sessions; however, the terms are not interchangeable. This provision will ensure the correct term is used in laws, policies, and DHS & MDH records. This will eliminate the possibility of service and qualification disruptions/issues that could arise from the wrong terminology being used.

For reference, telemedicine is used to describe the practice of medicine which is delivered to a recipient from a distance. Telehealth is used to describe broad electronic and telecommunications technologies and services that are used to provide telemedicine.

Family Child Care Assistance Network-

Requires DHS to create a proposal for a one-stop regional assistance network to assist individuals with matters relating to starting or sustaining a licensed family childcare program. Additionally, DHS is required to establish a Family Childcare Training Advisory Committee to advise the department on training requirements.

Personal Care Assistant (PCA) Service Rate Modification-

Modifies the PCA Enhanced Service Rate minimum from 12 hours to 10 hours. This will result in a wage increase for most PCA's in Minnesota.

Monthly Public Transit Pass (MPTP)

Allows the commissioner to provide a monthly public transit pass to recipients of Medical Assistance for non-emergency transit needs to facilitate easier access to healthcare in "areas well served by public transit".

The passage of the \$18.8 billion dollar Health and Human Services Omnibus Bill is undoubtedly a welcome success. While there were several major bills MCLA supported that did not make it into the HHS bill (most notably the Behavioral Workforce Diversity Act and MinnesotaCare Eligibility Expansion Act), those that did will serve to improve access to health and human services to many Latinx Minnesotans as well as to their non-Latinx neighbors.



OTHER BILLS



HOUSING

Omnibus housing finance and policy bill

The SSHF4 Housing Omnibus Bill, contains important expansions for housing accommodations, funding allocations for housing, and even establishes a homeless prevention task force. Although this bill covers important points that will assist in the wellbeing of Minnesotans, this large bill lacks inclusion of many disadvantaged groups who were severely affected by the COVID-19 pandemic.

Some sections are worth emphasizing. Subd.9 outlines that \$10.2 million will be allocated each year to family homeless prevention. This is one of the largest allocations from the total appropriations which hopefully will help mitigate Minnesota's growing homeless population. Additionally, there are smaller allocations for the mentally ill, as well as the Native American population. For example, Subd.2 defines the Challenge Program, which has \$15,725,000 for FY2022 and \$12,925,000 for FY2023. Of this amount, \$1,208,000 is available each year to housing projects for Native American residents. These housing projects are low-cost rentals that can help low and very low-income Native American combat homelessness. Also, Subd.8 allocates about \$4.3 million to either the persons with mental illness, or families with an adult member who deals with mental illness. Priority will be given to people who wish to move to more "integrated, community-based settings".

Another important provision is Subd.6, the housing trust fund. A total of \$11.6 million is allocated to this fund in order to address low-income housing. This includes maintaining,

improving, developing, and acquisition of low-income rentals. Furthermore, it includes rental assistance and supporting programs that can help families with children enrolled in K-12 schooling find stable housing. Per Minnesota Statute, low-income is defined as no greater than 60 percent of the median income, but the bill expanded the definition of low and moderate income as up to 115% greater than the state median income (previously 80%). This will expand eligibility for public assistance.

This housing omnibus bill unfortunately lacks recognition of many other struggling communities during this critical time. There are no mention of minorities or people of color. While many of the programs are designed to help low-income people, there is no recognition of the correlation between low-income and minorities. This failure to address the disparity between communities in Minnesota seems to just ignore the reality of what the state and country face—specifically that minorities, including Latino Minnesotans, need more support from state government to dismantle systemic racism and make equitable investments to stabilize families already at risk.

Although there are programs in place to help those facing financial issues especially after the pandemic, it's important to mention that the eviction moratorium phaseout is also included. There are many different layers to this, and contrary to what many think, the phaseout still protects those who are eligible and apply for public assistance. Lastly, through an equity or equality standpoint, this bill doesn't recognize inequity issues. The only time that "equal access" is mentioned, is when the categories of "disability and/or service animals" apply to tenants.

OTHER BILLS



The Legacy Bill

The Legacy Bill (SSH13) appropriates funds from the four 'legacy' funds that were established by Constitutional Amendment approved by Minnesota voters in 2008 to protect and enhance water quality, preserve Minnesota's history and cultural heritage, maintain parks and trails, and offer access to the arts.

The four funds passed as follows: the Outdoor Heritage Fund got approximately \$128M; the

Clean Water Fund obtained \$256.7M; the Parks and Trails Fund, \$110.7M; and the Arts and Cultural Heritage Fund, \$149.7M. For this last one, the Minnesota Humanities Center received \$4.775M in FY22 and FY23, of which there's a designated Community Identity and Heritage Grant Program of \$2,500,000 for the first year and \$2,500,000 the second year. This is a competitive grants program to provide grants to BIPOC organizations or individuals working to create, celebrate, and teach the art, culture, and heritage of diverse Minnesota communities, including the Latinx community.



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