

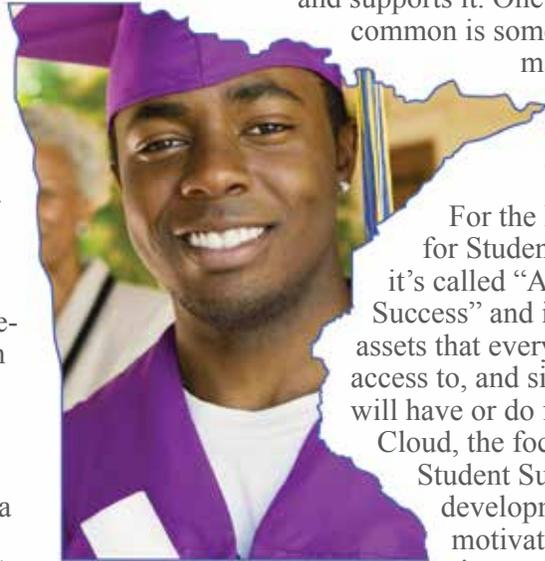
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## Educational metrics & student success a hot topic in Greater Minnesota

**A**cross the state, there is a new focus on data gathering to show community-level progress on student success measurements, both inside and outside of school. And each community has approached the process for selecting benchmarks and agreeing to goals in its own way.

Each Strive community in Greater Minnesota—Austin, Itasca County area, Northfield, Red Wing and St. Cloud—has a unique grassroots and grass-tops creation story, and each has a slightly different structure



and backbone organization that sustains and supports it. One thing they have in common is something called a road map, a birth-to-career continuum of goals and objectives and aspirations.

For the Itasca Area Initiative for Student Success (IAISS), it's called “A Pathway to Student Success” and it sets out seven assets that every student will have access to, and six things students will have or do for themselves. In St. Cloud, the focus of the Partner for Student Success initiative is the development of a child's self-motivation, self-determination, persistence in education, academic performance, and goals for the future.

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## Workforce Equity for Competitive Economy project identifies five distinct policy initiatives

**T**he Growth & Justice *Workforce Equity for a Competitive Economy* project identified five distinct types of policy initiatives (listed below) to boost economic development and reduce racial disparities in employment in our region, leading to a more prosperous economy and more equitable growth.

During the 2013-2014 legislative session, Growth & Justice—together with other nonprofits, social service providers, businesses and grassroots community supporters—successfully advocated for multiple bills that became new laws and moved the economy in our state toward greater prosperity and equity. Some of these bills draw from our recommendations, listed below:

1. **Measuring outcomes:** Utilizing measurement tools to evaluate race equity impacts of workforce development program investments and to improve accountability around pledged outcomes.
2. **Reduced reliance on racially biased pre-employment screening:** Expungement of criminal records.
3. **New pathways to educational credentials:** Widening the availability of industry-recognized occupational training and more broadly rewarding and crediting work experience.

*continued on page 3*

## Public policy is a “we” thing

**O**ur political theater offers distracting scenes: a new State Capitol office building, glitches in the rollout of MNsure, and other little sideshows that remind us of the fallibility of all our institutions, public and private.

But policy making is about much more than politics, so it's important to think about the big picture, and these three overarching perspectives:

First, the legislative product of the last two years produced perhaps the most momentous shift in 40 years toward reducing economic, racial and social inequalities, while investing anew in the human potential of all Minnesotans.

Second, this breakthrough has not appreciably enlarged the size of our government relative to our economy,

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From the President



Dane Smith

**We've turned the tide, and the ship of state, but equity movements must be accelerated**

An equity consensus is now driving public policy in Minnesota, and gradually taking the place of a once prevailing anti-government and anti-tax mentality. You, dear supporters of Growth & Justice, are helping us make this happen.

The individuals, foundations and many other partners that contribute to our work have helped us over the last decade turn both the tide of public opinion and the ship of state in Minnesota. We've helped inform and build the growing awareness that reducing economic and racial inequality is imperative, not just for the sake of justice, but for sustainable business growth as well.

Through a persistent and consistent presence in the media, through timely research projects and reports, and presentations to groups from one end of the state to the other, we have helped change the narrative.

Our highly praised "Good Deal" commentary, on the cover of the Sunday Star Tribune Op-Ex section in August, described the 2013-14 legislative session as "perhaps the most momentous shift in 40 years toward reducing economic, racial and social inequalities, while investing anew in the human potential of all Minnesota's people."

Many observers called this the most optimistic big-picture analysis of the Minnesota policy landscape they had seen in a long time.

It's not all sweetness and light however. We continue to speak the truth about the enormous challenges we still face, with economic stagnation of the middle class and widening racial disparities.

At the National Conference of State Legislatures meeting in Minneapolis this summer, our *Widening Inequality in Minnesota* report was discussed at a breakout session entitled "Keeping the American Dream Alive." For further evidence of our focus on inequality in Minnesota, just Google "economic inequality in Minnesota" and you'll find our report atop the list of results. A second report on patterns of inequality within Minnesota and between regions, along with a comprehensive menu of options for an equity agenda, is in progress now.

Our analysis and prescriptions could be described as progressive, but praise for our work comes from all corners of the ideological landscape. House Speaker Paul Thissen, a DFLer, has complimented our quality research and our effectiveness. Former Independence Party gubernatorial candidate Tom Horner cited our work in a recent op-ed in which he endorsed Republican Party candidate Jeff Johnson. As a nonpartisan nonprofit, we can't endorse candidates, but we share our work with to all elected officials and candidates and present our information to groups and individuals from all over the spectrum.

Because of a reputation for constructive policy expertise, we were invited to offer the opening remarks at a recent event honoring Al Quie, Republican former governor and congressman, and Don Fraser, DFL former Minneapolis mayor and congressman. We noted how both men, now in their 90s, have long been striving to improve early childhood education and close the opportunity gaps faced by low-income children and families of color.

Our influence can be found in the important details of many new laws and policy in Minnesota. Our education policy recommendations are finding their way in to statute books.

An emphasis on a comprehensive, cradle-to-career approach to education and workforce development is among our most significant contributions. That has been our paradigm for more than eight years now, and the *Smart Investments in Minnesota's Students* project that prescribed that approach has found its way in to legislation that strengthens early childhood and provides funding and policy for K-12 budgets and planning, and in higher education and workforce training legislation.

Growth & Justice persistently and effectively makes the case like no other organization that *investing for the common good, reducing inequality and building equity* for all Minnesotans is imperative for economic growth in the long run.

We earnestly seek your continued attention and financial support to help sustain and accelerate this momentum for equity in 2015.

Growth & Justice

- Growth & Justice is a research and advocacy organization that develops innovative public policy proposals based on independent research and civic engagement. We believe when Minnesota makes **smart investments in practical solutions** it leads to **broader prosperity** for all.

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# Workforce Equity

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- 4. **Explicit equity goals:** Promoting and prioritizing economic development and job creation decisions that have racial equity in employment as an explicit goal.
- 5. **Ownership:** Fostering entrepreneurship and small business development in communities of color.

The progress made on measuring outcomes and new pathways to educational credentials is especially promising and aligns with Growth & Justice recommendations.

**Measuring Outcomes:** New legislation directs the commissioner of Minnesota’s Department of Employment and Economic Development (DEED) to develop and implement a comprehensive system for data collection, reporting, and analysis of the effects and outcomes of adult workforce development programs and services. The outcomes will be publicly available on the DEED website, and will include the total number of participants enrolled, total number of participants completed, total earned credentials, and participant wage data for two years following program completion. The report will contain total numbers as well as a breakdown by geography and by participant education level, race and ethnicity, and gender. The results will include a comparison of the outcomes of participants who enrolled in workforce programs with the outcomes of people who were not enrolled.

**New Pathways to Education Credentials:** The Legislature took important steps in the right direction, creating a new pathway for a high school diploma that rewards partial credit for coursework, and that allows work experience and industrial training to count towards the degree. The new Standard Adult Diploma is under development.

Another new law modifies existing Minnesota Family Investment Program (MFIP) regulations to allow more opportunities for recipients to pursue education and training while receiving assistance. And the new PIPELINE Project was funded with a goal of aligning education pathways and jobs in key industries and adapting an apprenticeship training model to new industries.

Progress has been made, but there is still more work to do. A strong economy in Minnesota does not absolve business and elected leaders from paying attention to racial disparities, because the entrenched patterns will not disappear rapidly and will not disappear without consistent attention. A long-term vision for economic growth in our state should have a focus on eliminating racial disparities.

The Met Council projects that if everyone in the Twin Cities in 2040 enjoyed the same socioeconomic profile as white non-Latino Twin Cities residents do today, our region would have an additional \$31.8 billion in income.<sup>1</sup>

Workforce equity is a crucial component of the future of our region, from the perspective of both growth and justice. Minnesota must build on the progress made in the 2013-2014 legislative session to develop a statewide strategy to advance economic and racial equity in our state.

1. Metropolitan Council. (2014). Thrive MSP 2040 Plan. St. Paul, MN.

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## 2015 Legislative Preview

**W**e are in the thick of planning for the 2015 legislative session, working with legislators and our partners in business and social justice movements to develop an agenda that will reduce inequality and invest optimally in human capital and physical infrastructure.

Many factors must be taken into account, including the early December budget forecast, but we expect three themes to develop: workforce equity and systems alignment, early childhood education and development, and a major new funding package for transportation, transit and physical infrastructure.

The 2014 election will be just behind us as this newsletter goes to press, and we congratulate the candidates who emerge victorious. We urge them to be humble, to not assume they have a mandate, and to prioritize the needs of the residents in their jurisdictions over the parties and interest groups that financed their campaigns.

The larger percentage of Minnesotans and Americans seem to share some general and specific public priorities:

**Less overall economic inequality**, less poverty, a stronger middle class, and a society that benefits a larger share of people, not so much just the 1 percent or 10 percent at the very top. Recent national polling by the highly regarded Pew Research firm found that the gap between the rich and everyone else is now the top concern of people living in the United States. Economists increasingly agree that inequality is becoming a real drag on business growth.

**More racial and gender equity**, reducing opportunity gaps for communities of color, women, and for people with various disabilities. An exhaustive national report entitled “Building an All-In Nation” shows that support for reducing racial

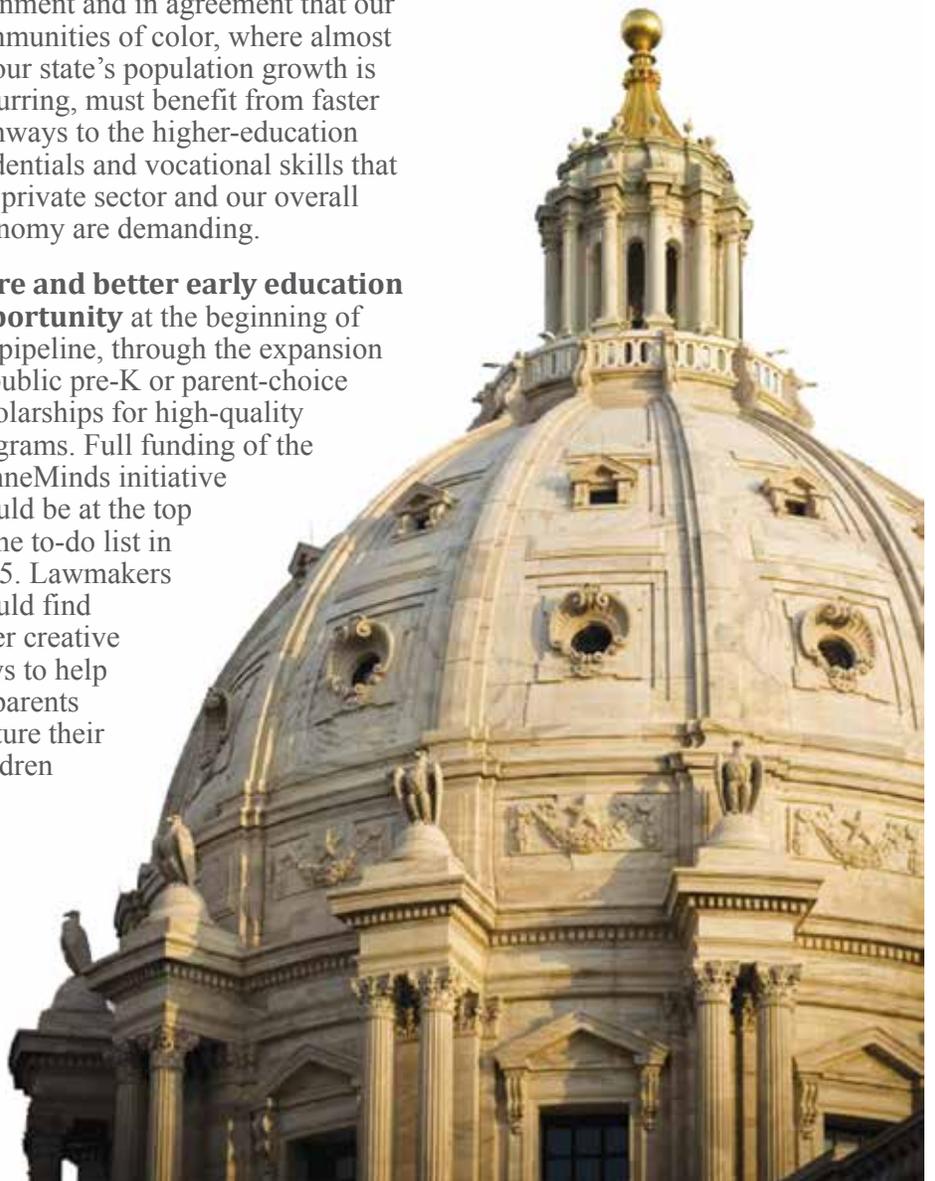
inequality has never been higher. Minnesota is suffering from some of the largest racial gaps in the nation on education attainment, income and wealth, health outcomes, and on practically every socio-economic indicator. Almost 70 percent of those polled in the national survey agreed with the statement that “a bigger, more diverse workforce will lead to economic growth. More than half of every demographic sub-group support the idea of “a new equity agenda.”

**Workforce training and higher-education improvements**, with a focus on racial equity. Business interests and justice activists are in alignment and in agreement that our communities of color, where almost all our state’s population growth is occurring, must benefit from faster pathways to the higher-education credentials and vocational skills that our private sector and our overall economy are demanding.

**More and better early education opportunity** at the beginning of the pipeline, through the expansion of public pre-K or parent-choice scholarships for high-quality programs. Full funding of the MinneMinds initiative should be at the top of the to-do list in 2015. Lawmakers should find other creative ways to help all parents nurture their children

and our future human capital in those crucial early years.

**A major new transportation funding package.** Minnesota falls about \$20 billion short over the next 20 years of just maintaining the status quo for transportation and transit, and \$50 billion short of what we need for a first-class 21st century system. Some 200 firms and business associations, and other civic and social justice groups, under the MoveMN coalition, are pressing for a bold new transportation funding package.



## Growth & Justice adds new policy fellows

**L**ouis Johnston and Paul Anton, two highly respected Minnesota economists, have recently been added to our stable of policy fellows. Both have been widely published over many years in economic journals and the news media and their presence add credibility and expertise to our work.

**Paul Anton** is chief economist for Anton Economics and formerly a top adviser to several of Minnesota's largest banks, including the Federal Reserve Bank of Minneapolis. He has done master's work at Massachusetts Institute of Technology and earned his PhD at the University of Minnesota. Anton's areas of expertise include benefit-cost and return-on-investment analysis, economic impact analysis, and urban planning and land use studies. Anton serves on the Council of Economic Advisers for the state of Minnesota.

**Louis Johnston** is associate professor of economics at the College of St. Benedict and St. John's University, and also the Joseph P. Farry professor in the Eugene J. McCarthy Center for Public Policy and Civic Engagement. He holds a PhD from the University of California at Berkeley, and has contributed to an economics textbook by Robert Frank and Ben Bernanke. Johnston's specialties include the evolution of Minnesota's economy and the history of the U.S. economy before 1930. He is a frequent contributor of commentary and expert analysis to MinnPost and other Minnesota media.

Our policy fellows produce important work for Growth & Justice. One of our more impactful reports, *Widening Economic Inequality in Minnesota*, was produced last year by G&J policy fellows Tom Legg, a

senior lecturer at the U of M's Carlson School of Management, and Jay Coggins, an associate professor in applied economics at the University of Minnesota. New fellow Johnston is working with Legg and Coggins on a sequel to that report, which will examine patterns of inequality between regions in Minnesota, the implications of those trends for politics and policy in our state, and specific policies that can reduce inequality.

## Growth & Justice Board of Directors News

**P**lease join us in welcoming the two newest members of the Growth & Justice Board of Directors:

### Jim Graves

Jim grew up in St. Cloud, Minnesota graduating from Cathedral High School and St. Cloud State University. After an early career teaching school, Jim founded the AmericInn hotel chain and later Graves Hospitality. Over the past three decades, Jim has built more than a hundred businesses, creating thousands of private sector jobs in small towns and cities across the country. His company's primary business has been real estate development, hotels and property management. Jim has served on numerous nonprofit boards and committees. In 2012, Jim ran to represent Minnesota's 6th Congressional District, losing to incumbent Rep. Michele Bachmann by a narrow margin.

### Pete Swenson

Pete is an executive with Tennant Company, with successful leadership experience in a wide range of areas including disruptive innovation, sustainability and environmental footprint reduction, applied research, product development, and mechanical, electrical, and systems engineering. He's had a special focus on sustainable enterprise and environmental/social governance. Pete has served on numerous professional and advisory boards, and has been a volunteer judge in the FIRST Robotics regional competition since 2008.

## THANK YOU!

*Growth & Justice would like to extend a heartfelt thank you to this year's retiring board members: **Lee Lynch** and **Erik Peterson**. Both of these departing board members were part of the original group who founded the Growth & Justice board more than ten years ago. As these founding board members end their service, we are grateful for their part in the development of a strong, healthy and well-respected organization. We're indebted to their commitment and service in support of our mission.*

# Public policy is a “we” thing

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nor has it prevented Minnesota from gaining competitive advantage on other states.

Third, these policies were not foisted on an unwilling majority by a small ideological faction. The main ideas were pushed through by a broad consensus that included business support, mainstream religious faiths, philanthropies and nonprofits, and coalitions of labor and social-justice groups. Moreover, much of the legislation also enjoyed majority support in Minnesota public opinion polling.

In other words, this equity agenda was very much a “we” thing.

The meat and potatoes of this were delivered through two big moves. The first step was a restoration of higher income tax rates on those at the very top. The increase eliminated a projected budget shortfall and boosted the state’s long-term fiscal health, after years of tax policy favoring those who were reaping almost all the gains from economic growth.

The second big equity initiative came at the other end—a long-delayed pay raise for minimum-wage workers, affecting Minnesota’s 325,000 lowest-paid workers.

Add to those equalizing measures these others: business-backed new investment in scholarships for high-quality early childhood education; a Women’s Economic Security Act with almost a dozen policy changes that help address disparities in pay and benefits for women; a “Dream Act” that removes obstacles to higher education for aspiring children of undocumented immigrants; a dramatic expansion of health care availability under MNsure that immediately cut our uninsured population by half, and a new “World’s Best Workforce” education funding bill that increases investments for K-12, and focuses on the birth-to-career continuum and on eliminating racial disparities.

All this while Minnesota’s official “Price of Government” is projected to slightly decline over the next few years. This statistic has been tracked by state fiscal officers for more than 25 years, and is our state’s bottom line. Projections show total state-local government revenues dropping below 15 percent of personal income by fiscal year 2017. (Our Price of Government was above 17 percent during much of the 1990s, when our state economy, incidentally, was performing even better than it is now.)

Meanwhile, recent rankings indicate that Minnesota’s turn toward equity is indeed good for business. Our North Star State is heading in the right direction, with the fifth-fastest-growing economy in the nation, according to the U.S. Bureau of Economic Analysis.

The most important feature of this sea change toward equity is that it really does reflect a broad consensus.

While the official business lobby may have opposed the tax and minimum-wage increases, substantial business support lined up behind much of the new investment. Groups like the Itasca Project, primarily composed of leaders of our state’s largest corporate entities, led the way more than a decade ago, drawing attention to a racial equity gap in school achievement and economic outcome, along with the need for transportation investment. Improved investments in early childhood initiatives, and reducing racial disparities in education have been spearheaded by iconic business giants such as Target and General Mills, and by umbrella groups like the United Way.

Minnesota’s largest religious denominations also lined up strongly behind most of the equity agenda. Minnesota’s Joint Religious Legislative Coalition—Lutherans and Catholics, as well as Islamic, Jewish and many other Protestant churches—has long pushed for sufficient and progressive

taxation and a host of specific economic policies that lift up poor and low-income families.

Philanthropic foundations and nonprofit organizations also have strongly supported equity policy. The Minnesota Budget Project, an initiative of the Minnesota Council of Nonprofits, has for years been one of the most effective voices calling for increasing public investment, for reducing economic inequality and for a more progressive tax structure.

So the consensus is strong and diverse, if by no means universal. But let’s consider the idea that this momentous shift is a conservative statement, a reaffirmation of a traditional Minnesota culture marked by an unselfish, forward-looking business spirit, strong families and communities, and an egalitarian barn-raising impulse. All for one. One for all.

This is the ethos that has put Minnesota on the cutting edge of technological innovation and has given us more Fortune 500 companies per capita than almost any other state, while

also keeping us at the forefront of improvements in public education and health, and out front on human rights, women’s equality, civil rights and integration, and environmental health.

Most Minnesotans understand that the market forces and geopolitics that drive inequality are global and national in scope and there’s only so much we can do. But we should be proud to have reasserted ourselves as a people who nevertheless will act locally to broaden our prosperity within our borders.

*A version of this article appeared in the Star Tribune on Sunday, August 17.*

## Student success

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Northfield Promise includes ten metrics, tracking both in- and out-of-school measures, and emotional, social and academic development. In Red Wing, Every Hand Joined has established five goals focused on the academic, social and emotional needs of young people, and has a specific initiative to combat hunger embedded within their goal of having each child succeed academically. Austin Aspires is gathering input from community members, both those directly involved in the schools, and those who are not, about the strengths of the Austin community and its educational system. They are taking a broad look, listening to many stakeholders, and thinking expansively about in-school and out-of-school time.

IAISS has undertaken a substantial data-gathering effort with technical

assistance from the Search Institute, a Minneapolis-based and nationally recognized nonprofit committed to providing research and resources to advance the health of children, families and communities. Search Institute works with communities to focus on and measure critical dimensions of young people's lives in order to improve their well-being and strengthen efforts to increase young people's successful development. One of their prominent approaches is a framework of Developmental Assets; it has been measured and used with millions of young people around the world.

Currently, Search Institute is working with area residents and other leaders of IAISS to plan and implement an integrated data collection and data-guided learning and mobilization strategy to support the multi-sector

collaboration. They are also taking care to authentically engage youth in the initiative, so that the movement includes youth as equal partners. Members of IAISS recently presented at the 2014 national Strive conference on their youth engagement, governance, and grassroots activities and focus.

Effective data gathering is one component of the Strive collective impact model. Data gathering requires community buy-in and some consensus of the goals and outcomes desired. The process to get to community collaboration and agreement will look different in each community, and Growth & Justice will continue working to connect leaders in these Strive communities to share findings and promote best practices.

## Keep up to date with Growth & Justice

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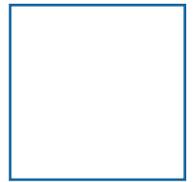
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## G&J welcomes new staff member Matt Byrne

**M**att Byrne is the newest member of the Growth & Justice team, joining us in November as our development specialist. He has previous experience with the Saint Paul City Council as well as with the Minnesota State House DFL Caucus. Matt earned his B.A. in Political Science from Hamline University and is pursuing a Master of Liberal Studies at the University of Minnesota.

