TOWARD “ONE MINNESOTA” WITH A MINNESOTA RURAL EQUITY PROJECT

In early 2017 Growth & Justice launched its “Minnesota Rural Equity Project” an ambitious effort to shine a light on persistent socioeconomic and public investment gaps throughout rural and Greater Minnesota, and to create a “One Minnesota” policy framework for decision-makers in 2018 and beyond.

At its start, the project posed this overarching question: What kinds of state policies, public investments, business incentives, and local initiatives will work best to strengthen Greater Minnesota communities, revitalize local economies, and reduce inequality, poverty, and racial disparity?

This challenge has risen to the fore in Minnesota’s public policy debate, amid evidence of stagnation in rural regions and a widening metro-rural divide, politically and otherwise, in the state and nation.

continued on page 6

GROWTH & JUSTICE AT 15: PARTNERS IN PROGRESS FOR MINNESOTA

In 2018, Growth & Justice will celebrate its 15th year as a leading voice in Minnesota for practical and equitable public policy, aimed at furthering both social justice and business growth, toward a more inclusive economy for Minnesota.

As we approach this milestone, it’s a good time to reflect on what we’ve helped accomplish and how we’ve improved the policy landscape. In partnership with many other non-partisan groups, Growth & Justice has:

• Helped organize and found the “Invest in Minnesota” coalition, comprised of faith, labor and non-profit groups. This coalition has led the fight every year for ample public resources for investment in human capital and physical infrastructure, and for a less regressive state-local tax system. In 2013, it was instrumental in rolling back big tax breaks for top-income households while increasing low-income credits and deductions. Minnesota now benefits from a stable and balanced state budget, rather than the chronic and chaotic budget shortfalls all through the 2000s.

• In 2006 launched the Smart Investments in Minnesota’s Students project and published a major report in 2008 that began to move the state toward a more holistic, birth-to-career education system. The project identified specific evidence-tested interventions that help students succeed, including more investment in early childhood education, and moving toward post-secondary credentials rather than high-school graduation as a primary goal. G&J influenced the drafting of the “World’s Best Workforce” K-12 education bill of 2013.

• Formed a partnership with other statewide

continued on page 6
FROM THE PRESIDENT

I’ll soon be playing a different role at Growth & Justice, as Senior Policy Fellow and cheerleader-in-chief, and I’ll be keeping a high profile advocating for our priorities in the media and public policy circles. In my SEMI-retirement, I also will be encouraging you and all our supporters to sustain your partnership and financial support of our great high-minded cause.

But before I turn over the reins to a new and improved president, I’d like to reflect on how rewarding this last decade as president has been (please see our article in this issue about our accomplishments over 15 years) for me personally.

In early 2003, when I was still a Star Tribune reporter covering Minnesota politics and public policy, I wrote a story about a realignment of progressive organizations following an incredibly traumatic 2002 election. The chaotic scene included the tragic death of U.S. Sen. Paul Wellstone and others in a plane crash, and the rise of an increasingly extreme and intransigent faction in state politics that was fundamentally anti-government, anti-tax and anti-compromise. At risk was our North Star State’s exceptionalism and our distinctly communitarian culture, built over a century by progressive Republicans, Democrats, Independents and Farmer-Labor party leaders.

In that article, I noted the recent launch of several new groups, including Growth & Justice. I wrote that it was non-partisan and had support from key business leaders, and that founder Joel Kramer, a former publisher (CEO) of the Star Tribune, was driven by a conviction that “progressives need new ideas.” An editorial at the time praised G&J for its practical outlook and its “ability to simultaneously promote two goals: economic growth and economic justice.”

I did not write that editorial but it occurred to me privately that this framework might be the most necessary new thing on the policy landscape. It struck me that the best work-around for bridging the partisan and ideological divide was to seek out the common ground between the private, public and non-profit sectors. And I knew there was already a huge area of agreement by conscientious leaders of these sectors.

This consensus existed then and persists today around these priorities: more public resources for early childhood development; improving higher-ed attainment rates and workforce skills; erasing racial disparities in attainment and economic outcomes; maintaining and building out transportation and transit and broadband and all our essential business-building public infrastructure; and more recently, around closing the gaps between regions of the state.

Since our founding and all throughout my decade as president, I would submit that no organization in the state has been as persistent and positive in making this business-minded progressive case: that erasing racial disparity and reducing overall inequality — through public investment in human potential and physical infrastructure — is actually the best recipe for sustainable business growth and profitability.

continued on page 3
This world view appeals to mainstream Minnesota, to the majority of us who understand the value of both the private sector and the public sector, and who know that policies that help ALL our people reach their fullest potential will be good for our economy and all of us, in the long run.

Be assured that this balanced view of public good and private good will continue to inform and inspire Growth & Justice, long into the future, as we once again confront reactionary forces that attempt to divide us and pursue wrongheaded policies that exacerbate inequality and disparity.

As I said last summer in announcing my transition, it is a privilege to lead such an optimistic, high-minded and constructive organization and I will continue doing everything I can for it as long as I am able. Please persist with us. Onward!

Dane Smith
groups to launch the “Minnesota Rural Equity Project” with a goal of creating an inclusive “One Minnesota” framework, identifying statewide public policies and best local community efforts to improve economic vitality and reduce disparities in Greater Minnesota. (See front-page article in this edition of The Progress Report.)

- Helped found an annual convening in honor of the late Sen. John Brandl, bringing together an eclectic partnership of policy groups with differing viewpoints to highlight areas of common ground between conflicting ideologies.

- Became an early member and champion of the MinneMinds coalition, which helped secure hundreds of millions of dollars and a historic statewide expansion of early childhood investment, focusing on targeted scholarships for low-income families as well as more universal access to pre-K programs in public schools.

- Helped persuade the Minnesota Legislature in 2015 to set an official goal for post-secondary completion, of 70 percent of young adults earning a post-secondary credential by the year 2025, and closing racial disparities in attainment; and led a partnership of a half-dozen groups in a remarkable “Hungry for Equity” convening at St. Paul College in 2016, convening students of color to identify challenges and solutions to higher-ed disparities.

- In early 2016, became a key player in the formation of an urban-rural Education Partnerships Coalition, a statewide network of comprehensive educational initiatives that emphasize local solutions and results-based accountability to close the opportunity gap. The coalition secured first-in-the-nation state funding for such partnerships. The coalition includes the Northside Achievement Zone, the St. Paul Promise Neighborhood and highly organized efforts in Austin, Northfield, Red Wing, and St. Cloud.

- Established G&J as one the state’s most persistent voice warning about the peril to business growth posed by both racial disparities and by overall widening economic inequality between those at the top and households in the middle and lower-income brackets. Reports in 2013 outlined inequality trends for the state and the nation, and a 2015 report highlighted the gaps between Minnesota regions and counties.

- In 2014, launched a project, Workforce Equity for a Competitive Economy, that identified best practices and emerging new partnerships that help chronically under-employed adults quickly acquire post-secondary credentials and livable wage jobs. Minnesota has begun funding these Career Pathway partnerships between employers, non-profit social service providers and higher-ed institutions.

- Established G&J as a voice for accountability in government, and innovation and redesign of public-sector, private-sector and non-profit systems. G&J has supported creative new experiments such as public benefit corporations and new ways to efficiently deliver public goods and services.

- Raised more than $5 million in funding for the organization over the decade from thousands of donors and more than a dozen major community and corporate foundations, including Blandin, McKnight, St. Paul, Minneapolis, the Otto Bremer Trust, Jay & Rose Phillips, RKMC, Martin & Brown, Cargill, and Travelers.

- Were featured by Twin Cities Business magazine in 2013 as one the region’s “Most Dynamic Business and Policy Leaders.” We were quoted in that article asserting that “our human capital is always going to be our economic strong suit, and we have to invest in it.”

- Published more than 250 op-eds and commentaries for mainstream news media and online publications; produced or supervised dozens of white papers and major research reports on education, workforce readiness, transportation, economic inequality, health-care, and tax-and-budget issues; frequently authored or co-authored the featured commentary on the cover of the Sunday Star Tribune’s Op-Ex section.

- Delivered presentations outlining policy priorities to hundreds of community groups, ranging from Kiwanis and Rotary clubs, to church groups, to large conventions of statewide associations.
Much of our commentary, social media, and behind-the-scenes work in recent months has been focused on the tremendous potential of renewable energy conversion as a driver of more equitable economic growth in Minnesota.

We have been pointing to an emerging bipartisan consensus — and agreement across the left-right divide — on the potential in renewables for both business growth, more and better jobs for underemployed workers, and of course, a reduction in climate-changing carbon dioxide emissions.

In one recent e-news, we noted how a flurry of reports documenting a surge in the renewable energy sector is driving job growth across the state. We cited business columnist Neal St. Anthony: “President Donald Trump’s administration is rolling back some environmental rules to favor, particularly, the decades-old shrinking coal industry. However, the public and other industries, increasingly, are hip to a cleaner, jobs-growing economy. The preponderance of climate scientists, economists and national security experts say the risks to the economy and the country from volatile weather are too great to not transition to a greener economy. Industry, not just environmentalists, is driving this train.”

In an op-ed piece we co-authored for the Morrison County Record, we challenged a group of local climate change deniers who blocked a proposed solar project for the Little Falls schools. And we made this crucially important point: “Bi-partisan and mainstream liberal-conservative consensus is building for renewables…When the debates over solar energy and other energy changes are framed as issues of choice for consumers — and market competition for utility monopolies — many responsible conservatives actually have come down on the side of solar energy and the rights of local individuals and entities to generate their own energy if they can.”

Our stronger voice on renewables will be aided greatly in coming years with funding from and partnership with the McKnight Foundation and the RE-AMP network. McKnight has become a leading international voice on climate change, and among its program funding goals is to “foster and support Midwest climate and energy leadership, making the region a national and international leader in addressing climate change.” Meanwhile, in partnering with RE-AMP, Growth & Justice is now joined to a network of 165 non-profits and funders working in eight Midwestern states for policy that accelerates conversion to renewables and energy conservation too.

This effort will be closely integrated with our Minnesota Rural Equity Project and our articulation of a “One Minnesota Policy Framework” for voters and candidates in all parties to consider during a very important 2018 election year.

An Oct. 16 front-page Star Tribune article, headlined “For Clean Energy Jobs, Sky’s the Limit,” illustrates how timely and significant this new priority is for us. The article notes that “Wind Technician” is the fastest growing occupation in the nation. Moreover, total wind/solar renewable energy employment grew an astonishing 16 percent from 2015 to 2016 in Minnesota. And with Minnesota’s abundant wind and solar resources, the state is poised to take overall energy market share from states with economies that depend more on climate-damaging fossil fuels.

Growth & Justice will play a strong role not only promoting and accelerating this conversion, but making sure that economic and racial equity is served. This means policy that maximizes renewable energy’s benefit for our state’s people of color, women, the unemployed and underemployed, and households in the middle and lower-income brackets.
TOWARD “ONE MINNESOTA”

Our project is a formal collaborative effort led by Growth & Justice in partnership with the Coalition of Greater Minnesota Cities, the Minnesota Asset Building Coalition, and the Greater Minnesota Partnership. The project is funded through generous grants from the Blandin Foundation, the McKnight Foundation, and RE-AMP, a Midwestern network that advocates for policies mitigating climate change.

“This project seeks constructive, non-partisan and non-ideological solutions that help improve the socio-economic condition of Greater Minnesota and that bridge the gaps between rural and Twin Cities interests,” said Dane Smith, president of Growth & Justice, at a press conference in the state capitol that launched the project. “We know we will find areas of bipartisan statewide agreement for policies that improve infrastructure, enhance our investments in education and health care, provide tax credits and other mechanisms that build assets for low-income families and households of color, and ease disparities in an increasingly diverse Greater Minnesota.”

For the 2017 session, the project partners identified 12 specific policy priorities, including more investment in broadband access, transportation systems, Local Government Aid, housing and municipal water and sewage systems. The package included tax breaks for low-income households and farm property, assistance for local cradle-to-career education partnerships, more funding for early childhood, and Career Pathway assistance to address a rural workforce mismatch.

We achieved partial success and helped secure additional funding for some of these priorities, but more importantly, we helped build bipartisan support for all of these initiatives in coming years. And we showed how most of these policies were of benefit to the Twin Cities metro area and to “One Minnesota” as well. This initial set of priorities is only a start, and we will develop further policy proposals in health care, renewable energy and for welcoming and investing in our immigrants and other disadvantaged people.

We’ve logged many miles meeting with Minnesotans in every corner of the state, and we’ve made important connections and discoveries along the way. Among these findings is the importance of locally-grounded, regionally-based economic development – as well as appreciation for Minnesota’s Initiative Foundations and regional development organizations.

Connecting with these local leaders has inspired our interest in advocating for and facilitating a transition to economic development strategies that are more responsive and tailored to regional assets. We’re proposing to help drive this effort through a blueprint for a stronger local-regional-state connection in economic development policy and investment. To track region-specific progress and investment over time, we are working toward creation of a “Regional Competitiveness Scorecard” that is comparable to the metro area’s Regional Indicators Dashboard, maintained by Greater MSP.

As the project approaches its one-year mark, we’re encouraged by the interest it has attracted and, more importantly, by the opportunities for deeper, more impactful outcomes. It has been received warmly by audiences throughout the state, and we’re poised to turn that good will and the ideas that we’re collecting into continued momentum for the project, new partnership opportunities for our organization, and real results. By focusing on what Minnesotans have in common, the Minnesota Rural Equity Project offers great promise for a unifying “One Minnesota” vision.
BOARD OF DIRECTORS UPDATE

Growth & Justice welcomed three new (one returning) board members in 2017.

Mario Hernandez grew up in rural St. James, Minnesota, and is a graduate of Southwest Minnesota State University. He has won honors as Community Educator of the Year by La Prensa de Minnesota (2007) and as one of “25 on the Rise” by the Hispanic Chamber of Commerce of Minnesota (2005). He was until recently CEO of the Latino Economic Development Center, a statewide organization, and currently is the Director of Strategic Services with Propel Nonprofits.

Lee Lynch co-founded Carmichael Lynch in 1962. Under his leadership, the advertising agency grew to become one of the premiere creative brand building agencies in the U.S. and over the years has won almost every major creative award. Lee retired from Carmichael Lynch in 2005 but remains very active on a number of professional and corporate boards. He has served as board chair for Growth & Justice and MinnPost, and Lee and his wife, Terry Saario, have been leading philanthropists for many Twin Cities non-profits, arts groups and charities, including Minnesota Public Radio and the Hennepin Theatre Trust.

Steve Peterson is an experienced public policy analyst, with eight years experience at the Flaherty & Hood law firm and the Coalition of Greater Minnesota Cities (an official G&J partner in the Minnesota Rural Equity Project), where he worked on tax and economic development issues, and frequently published op-eds and commentary in Greater Minnesota news media. Most recently Peterson was a state Senate Tax Committee policy analyst, and was the Senate staff’s point person for legislation advancing the Destination Medical Center project in Rochester.

This summer Growth & Justice employed four talented student interns, each of whom contributed in meaningful ways to our work. Our crew, their credentials, and work focus, includes: Eva Horstman, from Sarah Lawrence College in New York, researching Minnesota’s English Language Learner programs; Brendan Klein, from the College of St. Benedict and St. John’s University, studying and writing about education issues (his blogpost about the New Deal CCC program was published by the St. Cloud Times); Sadman Rahman, a graduate student at the University of Minnesota’s Humphrey School, analyzing data measuring Greater Minnesota regional competitiveness in connection with our Minnesota Rural Equity Project; and Ahmed Warsame, a Minneapolis high-school student and Step-Up intern, researching college affordability and student debt.