

## TOPICS AND PRESENTERS

[INTRODUCTION: MAYOR JIM HOVLAND](#)

[VISION, BUSINESS DEVELOPMENT AND WORKFORCE PRIORITIES: COMMISSIONER STEVE GROVE, MN DEED](#)

[JULY RCM MEETING PREPARATION – SUPERINTENDENT CONVERSATION: FRAMING THE QUESTIONS](#)

## INTRODUCTION

Mayor Jim Hovland, Edina

- Recap of MN Mayors Together Meeting in Edina
- MN Mayors Together next steps:
  - League of MN Cities encourages mayors to attend meetup sessions around the topic of MN Mayors Together at the upcoming annual meeting in Duluth.
  - August 6-7<sup>th</sup>, MN Mayors Together will meet in Fergus Falls
- Heather Corcoran will take over for Kevin Frazell as League of MN Cities representative at the Regional Council of Mayors meetings.

## MN DEED

Commissioner Steve Grove

- DEED's mission: empower the growth of the Minnesota economy for everyone
- DEED will look at the areas where the private sector isn't incentivized to act, support disadvantaged workers from all backgrounds, and look holistically at all kinds of businesses.
- Childcare, workforce development, broadband connections emerged as important issues to businesses statewide
- Statewide, MN has 3.3% unemployment and 2.9 million Minnesotans currently working. The income gap between Whites and People of Color, however, is stark. The unemployment rate for Black Minnesotans is 6.3%. This is a moral and economic issue. 70% of the MN labor market is going to be growing in communities of color over the next 20 years. The cultural and racial gap needs to be bridged for MN's overall prosperity.
- There is a labor shortage in Minnesota, with 0.6 people looking for every 1 job that exists.
- MN's economy is at an inflection point. The innovation sector is seeing the most growth in jobs, and taking advantage of technology, automation, entrepreneurship, will set the economy up for long-term success. For every 1 job created in the innovation sector, 5 supporting jobs get created as well.
- 2019 MN DEED objectives under Governor Walz:
  1. Make Minnesota's economy work for every worker – regardless of background, skill level, or where they live.
    - DEED will focus on the opportunity gap, putting aside \$47M for groups working on equity in the workforce – some direct appropriations to nonprofits already doing great work, some for competitive grant programs, as nonprofits can move and adapt more nimbly than government.
    - DEED will provide \$7M to help dairy farmers, \$7M to help disabled workers reenter the workforce, and assist workers facing mental health challenges.

2. Grow the labor market.
  - To shrink the labor gap, DEED will work holistically. For example, DEED will provide [Childcare Economic Development Grants](#) to communities to increase the supply of childcare. Funding this program could result in up to 2,400 new childcare slots across Minnesota.
  - Beyond this legislative session, DEED is thinking about what a 21<sup>st</sup> century workforce development system could look like. How can people access information online? DEED wants to think more strategically about how to work with mayors and cities to bring people together around some of these evolutions.
  - Businesses are better at training workers than government programs, with an ability to train with more on-job specifics. MN DEED internally is trying to make their business development and workforce teams work better together.
  - Mayor's comment: Fulton County, surrounding Atlanta, Georgia launched an interesting program where the government subsidized an employee's first 3-4 months where they were still training, and less effective as employees.
  - The state of Minnesota gives about \$600M every year to agriculture, mining, forestry, and manufacturing, but hardly to any start-ups. DEED would like to start providing funds to more types of businesses. As an example, Massachusetts launched a program where they give money directly to startups to help them grow as well.
  - For DEED, focus on pay for performance in workforce development is a new trend, where state money is only paid when an individual actually secures a job and begins to make a certain income there.
  
3. Become a national leader in the innovation sector, building an economy at the forefront of innovation.
  - Government has a role in creating the right kind of ecosystem components that make startups want to take advantage of talent and grow in an area. Some of the most innovative work around the country happens at a city level – mayors/cities have done really interesting things to grow their startup culture.
  - The history of innovation in Minnesota is amazing. In the 1950s and 60s, MN was the center of the supercomputer industry, with IBM coming to Rochester. With the shift to software, MN didn't navigate as well, and is probably in the top 20 innovation economy's nationally but not the top 15. This will require more companies working together, coordinated across technology silos. Competition with China may galvanize the community in helpful ways too.
  - MN DEED is focused on providing more money for broadband internet connection. They have allocated over \$40M to get telecoms into more communities, to make highspeed internet available across the state.
  - To more fully realize use of the broadband access, DEED is looking to support a telecommuter forward bill, a statewide collaboration leverage broadband to encourage telecommuting.
  - Coworking spaces are another way to bring together community, use highspeed internet, and find employees for startups with the creative energy of a workplace. They are currently not as common in smaller towns, and the government might be able to do more to encourage them to exist.
  - \$20M was allocated for the [Angel Tax Credit](#), helping venture capitalists look at MN as a vital ecosystem investment.
  - New program: 'Launch Minnesota', a series of incentives on research and development, business liquidity, childcare grants, and educational efforts to ensure any entrepreneur across the state with a good idea can start a business.
  - Other new programs: site experience internship programs, robotics programs, and programs for traditional businesses looking to adapt to the future. For example. MN DEED is helping Verso Paper, the largest employer in Duluth, to transition from glossy paper to cardboard, a market that has exploded because of Amazon.
  
- MN DEED is aiming to do more goal setting and metrics measurement. And, to listen more. They are partnering with the University of Minnesota to ask, via a research study, what kinds of industries are growing in the state, what skills are required, and are educational systems ready to train people? Many high schools across the state have seen a huge decline in guidance counselors. If not counselors, DEED can at least provide data to students on workforce trends.
- As a state, leaders, and cities, it's crucial to look for every opportunity to embrace diversity.

- Local workforce boards at DEED should look like the communities they serve.
- Part of the wisdom of DEED's localized workforce development boards is that they can all use funding from DEED to execute strategies in their communities that work well locally. DEED can have statewide best practices that coexist with empowering local leaders and communities to do their unique work. This starts with the businesses of each individual region: what do they need, how can DEED provide it? DEED is approaching this from a 'partner-first' attitude.
- DEED is working hard to grow trust and reputation. In the past they have created winners and losers in a way that was perceived as unfair. They are working to make their work more transparent, fair, and faster. DEED would like feedback from mayors on this front about what works and what doesn't.

## JULY RCM MEETING PREPARATION – SUPERINTENDENT CONVERSATION

Mayors would like to discuss the following with superintendents in July:

- Workforce development: building pathways from education to jobs, partnering with businesses
- Post-high school pathways other than 4-year colleges. Related to this, metrics for school assessment. Especially, the count of how many students go on to post-secondary education, creating a barrier to schools suggesting and facilitating alternative paths for students.
- The possibility of subsidized tuitions in certain, relevant sectors, with an agreement to work in the industry in-state for a certain number of years
- How to address loans and debt
- Allowing international students to stay and work in Minnesota, expanding/relaxing visa regulations

## ATTENDANCE

### MAYORS

James Hovland	City of Edina (co-chair)
Marylee Abrams	City of Maplewood
Doug Anderson	City of Lakeville
Kirt Briggs	City of Prior Lake
Anne Burt	City of Woodbury
Ron Case	City of Eden Prairie
Mike Elliott	City of Brooklyn Center
Jerry Faust	City of Saint Anthony
Jacob Frey	City of Minneapolis
Tom Funk	City of Victoria
Jason Gadd	City of Hopkins
David Grant	City of Hopkins
Heidi Gunderson	City of Vadnais Heights
Kathi Hemken	City of New Hope
Courtney Johnson	City of Carver
John Keis	City of Little Canada
Charlie Miner	City of Long Lake
Rhonda Pownell	City of Northfield
Jake Spano	City of St. Louis Park
Mark Steffenson	City of Maple Grove
Brad Wiersum	City of Minnetonka
Ken Willcox	City of Wayzata
Janet Williams	City of Savage
Gene Winstead	City of Bloomington
Jeff Wosje	City of Plymouth

### GUESTS

Darin Broton, Minnesota Pollution Control Agency; Mark Casey, St. Anthony; Emmett Coleman, Tunheim; Heather Corcoran, League of MN Cities; Bruce Corrie, City of St. Paul; Councilmember Molly Cummings, Metropolitan Council; Kevin Frazell, League of MN Cities; Commissioner Debbie Goettel, Hennepin County Board; Allyson Hartle, Comcast; Chris Heineman, City of Little Canada; Tracey Hester, Target; Jessie Houlihan, Stahl; Michael Huber, Blue Cross Blue Shield; Sandra Krebsbach, American Technical Education Association; Tony Kuechle, Doran Companies; Brad Larson, City of Savage; Matt Lewis, Greater MSP; Anne Mavity; Minnesota Housing Partnership; Burke Murphy, Red Wing Ignite; Patricia Nauman, Metro Cities; Ron Orlando, Comcast; Mike Plante, City of Prior Lake; Jonathan Redberg, Target; Ellen Sahli, Family Housing Fund; Breanna Schafer, Target; Cam Winton, Dorsey

### ULI MINNESOTA

Caren Dewar, Aubrey Albrecht, Cathy Bennett, Rachel Lieberman

## NEXT MEETING

Monday, July 8, 2019

11:30 a.m. to 1:30 p.m.

Seattle Room at Dorsey & Whitney, 50 South 6th Street, Minneapolis, MN