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**Minnesota Rural Equity Project identifies**

**legislative priorities for revitalizing local economies**

**and reducing disparities in Greater Minnesota**

**Project partnership includes: Coalition of Greater Minnesota Cities,**

**the Greater Minnesota Partnership, and the**

**Minnesota Asset Building Coalition**

**CONTACTS:** Dane Smith Matt Schmit

President Policy & Projects Director

651-917-6037 - office 651-917-6037 - office

651-675-6360 - mobile 651- 283-8404 - mobile

[dane@growthandjustice.org](mailto:dane@growthandjustice.org) [matts@growthandjustice.org](mailto:matts@growthandjustice.org)

Growth & Justice and its partners in the Minnesota Rural Equity Project have announced support for a dozen promising initiatives in the 2017 Legislature that can help revitalize local rural economies and reduce social and racial disparities in Greater Minnesota.

The wide-ranging initiatives provide new investments and incentives including: early childhood care and education, broadband access, specialized Career Pathways training, Local Government Aid restoration, tax credits for working families and farmers, and a “Getting to Work” bill that helps low-income workers with car repairs or donated vehicles.

“Our policy priorities are evidence-based and draw upon input from communities and stakeholders across the state,’’ said Matt Schmit, Policy & Projects Director for Growth & Justice, a non-partisan policy research and advocacy organization committed to a more inclusive prosperity for Minnesota. “We believe these ideas and initiatives can bring together Republicans and Democrats from all corners of Minnesota – rural and metro alike.’’

A summary statement about the project’s legislative priorities, along with itemized explanatory details and links, is attached.

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**Minnesota Rural Equity Project**

**Policy Priorities for 2017 Minnesota Legislature**

**State Capitol Press Conference, February 27, 2017**

The Minnesota Rural Equity Project seeks answers to this large question: What kinds of state policies, public and private investments, business incentives, and local initiatives will work best to strengthen Greater Minnesota communities, revitalize local economies and reduce inequality, poverty and racial disparity?

The Minnesota Legislature and state government can’t provide all the answers. Individuals, businesses, philanthropy, non-profits and hundreds of local community organizations and governments must take initiative and be part of this effort. But the Legislature and the governor can be a leading partner, and many proposals currently in front of the 2017 Legislature could have a significant beneficial impact on rural vitality and erasing racial and economic disparities.

Our project partners are recommending a dozen promising and constructive initiatives as priorities. Our list is by no means exclusive or comprehensive. But these priorities have bipartisan support, momentum and viability, and evidence of effectiveness. Many also are longstanding priorities of the individual statewide organizations that are partners in the project: [Growth & Justice](http://growthandjustice.org/), the [Minnesota Asset Building Coalition](http://www.mnassetbuilding.org/), the [Coalition of Greater Minnesota Cities](http://greatermncities.org/), and the [Greater Minnesota Partnership](http://gmnp.org/). They represent only a starting point and our partnership will build on this foundation going forward. We’ve organized these initial priorities into two categories, Human Capital and Infrastructure.

**Human Capital**

**Career Pathways: A workforce mismatch leaves too many in Greater Minnesota underemployed and too many employers unable to find skilled workers. The underemployed are disproportionately low-income workers and people of color who lack post-secondary credentials. More investment in new “fast-track’’ credentialing programs, featuring strong social supports and personal navigation to actual jobs in demand, will help move the underemployed into those high-skilled better paying jobs. (Links:** [**MSPWIN**](http://mspwin.org/challenge-ready-workforce/) **and** [**Growth & Justice**](http://www.startribune.com/minnesota-s-workforce-x2009-x2009-for-would-be-workers-a-step-onto-a-career-rung/365494301/) **provide detailed background research on the Career Pathway models and the Department of Employment and Economic Development’s** [**Pathways to Prosperity Grant Program**](https://mn.gov/deed/programs-services/pathways-prosperity/grants/) **lists grantees in Greater Minnesota).**

**Driver Diversion Program: An estimated ten percent of Minnesota driver’s licenses are currently suspended, in many cases as a result of unpaid traffic fines and fees. For too many car-dependent Greater Minnesotans, it’s difficult to keep a job without a valid license. The Minnesota Driver Diversion Pilot Program (DDP) has enabled thousands of Minnesotans to obtain provisional reinstatement of their driver’s license so they can drive legally while paying off tickets according to a realistic payment plan. The program expires this year and is primarily available only in the Twin Cities and Duluth. The MABC backs legislation that makes it permanent and available statewide. (Links: Diversion pilot program** [**details**](https://dps.mn.gov/divisions/dvs/Pages/driver-diversion-pilot-program.aspx) **on the state Driver & Vehicle Services website,** [**HF1671**](https://www.revisor.mn.gov/bills/bill.php?b=House&f=HF1671&ssn=0&y=2017&keyword_type=all&keyword=driver+diversion)**)**

**Early Childhood Care and Education:  Demand is  outstripping supply in rural areas for early childhood development needs and quality child-care, and the mismatch has been deemed a  “crisis” by the Center for Rural Policy & Development.   The Legislature must invest in a full toolbox of early childhood options and flexible funding streams so that  our youngest children and their parents can access what they need to get a good start in those most crucial early years.   Investments should be increased in:  scholarships for high-quality programs for low-income families in the earliest years, voluntary pre-K programs in public schools, volunteer targeted home visiting programs, expansion of child-care recruitment and retention, and the  Child Care Assistance Program for working parents.   (Links: Sources for details and multiple legislative proposals and investments for early childhood include the** [**MinneMinds**](http://minneminds.org/policy-agenda/) **coalition and** [**Think Small**](https://www.thinksmall.org/files/pdf/FINAL%202017%20TS%20Public%20Policy%20Priorities.pdf)**.**

**Farm Land Tax Relief: Local property taxes on farm land have increased 114 percent over the last decade while commodity prices have declined, imposing hardship for many farmers but also making it more difficult for rural school districts to enact needed levies for education improvements. Gov. Dayton’s tax proposal invest $34 million to cut school district levies by 40 percent on farm land. (Links: Support comes from farm groups such as** [**Small Grains**](http://smallgrains.org/2017/02/proposed-tax-cuts-minnesotans-dayton-smith-tax-bill-prioritize-minnesota-families-farmers/) **and** [**media coverage**](http://www.pressreader.com/usa/star-tribune/20170205/282119226277948) **reveals divide over school tax support between farms and towns,**  [**HF893**](https://www.revisor.mn.gov/bills/bill.php?b=House&f=HF0893&ssn=0&y=2017)**/**[**SF726**](https://www.revisor.mn.gov/bills/bill.php?f=SF726&y=2017&ssn=0&b=senate)**.**

**Getting to Work:   Low-income rural workers often face special transportation challenges and lack public transit  options.   The “Getting to Work’’ bill provides funding for nonprofits that offer low-interest auto loans or leases, affordable car repairs, or donated vehicles to families that need a car to get to work.  (Links: MABC map shows [counties served by vehicle programs](https://static1.squarespace.com/static/546963cbe4b0ddf2508d9658/t/54f0d44ae4b09d72413ab1c1/1425069130412/MN-County-Vehicle-Program-Map-dcju.pdf),** [**HF875**](SF758https://www.revisor.mn.gov/bills/bill.php?f=HF875&y=2017&ssn=0&b=house)**/**[**SF758**](https://www.revisor.mn.gov/bills/bill.php?f=SF758&y=2017&ssn=0&b=senate)**.)**

**Local Education Partnerships: Higher education attainment levels in rural Minnesota lag behind the Twin Cities. Several Greater Minnesota communities (Itasca County, Austin, Red Wing, Northfield, St. Cloud, Southwest Initiative Foundation) are forming highly organized local partnerships focused on closing education disparities from birth through post-secondary completion, coordinating local efforts for early childhood education, after-school programs to mentoring and tutoring, post-secondary attainment and apprenticeships. The Legislature has begun to invest in the Education Partnership Coalition and should expand this investment to provide incentives for more partnerships. (Links:** [**Strive Together**](http://www.strivetogether.org/results/stories-impact/minnesota)**, annual report from** [**Education Partnerships Coalition**](http://growthandjustice.org/publication/EdPartners.pdf)**, recent** [**“Grow Our Own’’**](https://swifoundation.org/summit-resources/) **summit,** [**HF734**](https://www.revisor.mn.gov/bills/bill.php?b=House&f=HF0734&ssn=0&y=2017)**/**[**SF711.**](https://www.revisor.mn.gov/bills/bill.php?f=SF711&y=2017&ssn=0&b=senate)

**Working Family Tax Credit: Rural regions have significantly higher percentages of low-income workers and families struggling to earn a living wage. An expansion of eligibility and benefits under the Working Family Tax Credit would put tens of millions of dollars in the hands of these families and the local economies. (Links: This supporting** [**data**](http://www.mnbudgetproject.org/research-analysis/minnesota-taxes/credits/2016-prioritize-working-families-by-strengthening-working-family-credit.pdf) **and a** [**map**](http://www.mnbudgetproject.org/image-gallery/map-mn-working-family-credit.jpg)**, by the** [**Minnesota Budget Project**](http://www.mnbudgetproject.org/)**, shows how rural counties have benefitted from current Working Family Credits,**  [**HF893**](https://www.revisor.mn.gov/bills/bill.php?b=House&f=HF0893&ssn=0&y=2017)**/**[**SF726**](https://www.revisor.mn.gov/bills/bill.php?f=SF726&y=2017&ssn=0&b=senate)**)**

**Infrastructure**

**Broadband Access:  High-speed internet access is the great equalizer for Greater Minnesota, allowing homes, businesses, and students to connect to the 21st century economy and culture through everyday applications in distance learning, e-commerce, telehealth, and precision agriculture.  Minnesota’s Border to Border competitive matching grant program has utilized $65 million in state funds to deliver scalable, technology-neutral high-speed internet access to an estimated 25,000 homes and businesses, and hundreds of community anchor institutions – such as libraries, hospitals, and schools.  However, nearly half of Greater Minnesota is still considered underserved by state standards.  The grant program should be expanded and other options considered  toward universal statewide access.  (Links:  Key proposals are in** [**Gov. Dayton’s budget request for Greater Minnesota**](http://mn.gov/gov-stat/pdf/2017_02_13_FACTSHEET_farmers.pdf)**and a similar bill by Duluth Sen. Erik Simonson,** [**HF841**](https://www.revisor.mn.gov/bills/bill.php?f=HF841&y=2017&ssn=0&b=house)**/**[**SF234**](https://www.revisor.mn.gov/bills/bill.php?b=Senate&f=SF0234&ssn=0&y=2017&keyword_type=all&keyword=broadband)**.)**

**Clean Water Infrastructure: A combination of aging infrastructure and stricter federal and state regulations has left many rural communities searching for ways to fund expensive upgrades required of their water treatment facilities. The Governor has recognized that cities need help, and proposed $167 million in state bonding money to support clean water grant and loan programs. These investments are absolutely critical to allow our cities to comply with clean water rules without imposing massive rate increases on businesses and residents. (Links:** [**Coalition of Greater Minnesota Cities**](http://greatermncities.org/wp-content/uploads/2009/09/Fund-Water-Programs4.19.16.pdf)**,** [**Public Facilities Authority**](https://mn.gov/deed/government/public-facilities/)**,** [**SF 684**](https://www.revisor.mn.gov/bills/bill.php?f=SF684&y=2017&ssn=0&b=senate) **/** [**HF 642**](https://www.revisor.mn.gov/bills/bill.php?b=House&f=HF0642&ssn=0&y=2017)**)**

**Local Government Aid: Many Greater Minnesota cities rely on Local Government Aid (LGA) to allow them to provide quality public services and restrain property taxes. Unfortunately, LGA is currently $45.5 million short of its 2002 funding level. Supporting an increase in LGA means ensuring that all Minnesotans can continue to rely on excellent public services no matter where they live within the state. (Links:** [**Dept. of Revenue – LGA**](http://www.revenue.state.mn.us/local_gov/prop_tax_admin/Pages/lga.aspx)**,** [**Coalition of Greater Minnesota Cities**](http://greatermncities.org/cgmc-programs/lga-property-tax-relief/)**, SF476 /**[**HF 672**](https://www.revisor.mn.gov/bills/bill.php?f=HF672&y=2017&ssn=0&b=house)**).**

**Transportation: Rural areas rely on interregional highways and local city streets as vital economic connectors. With the state facing a funding shortfall for its transportation needs, Greater Minnesota needs creative solutions. Corridors of Commerce, a program created in 2013, provides funding to expand interregional corridors, reduce bottlenecks, and remove barriers to commerce. This program needs a permanent, ongoing funding source to ensure that important expansion and safety projects don’t go ignored. In addition, cities large and small have expressed serious concerns about their ability to keep up with the maintenance and repair of their streets. The Legislature has recognized these priorities in the past with one-time funding, but now is the time to search for long-term funding solutions to these problems. (Links:** [**Corridors of Commerce**](http://www.dot.state.mn.us/corridorsofcommerce/)**,** [**Coalition of Greater Minnesota Cities**](http://greatermncities.org/wp-content/uploads/2009/09/CGMC-Transportation1.20.17.pdf)**,** [**Transportation Alliance**](http://www.transportationalliance.com/)**).**

**Workforce Housing Tax Credits: Many communities in Greater Minnesota are ready and able to grow, but they are stymied by a shortage of housing for middle-income workers. Initiatives that encourage the construction of workforce housing will allow Minnesota communities to continue to grow and expand their tax base. The Legislature should support tax incentives and other programs to encourage developers, investors, and local businesses to invest in the construction of middle-income housing where the market is currently not working. (Links:** [**Greater Minnesota Partnership**](http://gmnp.org/issues/workforce-housing/)**,** [**SF 785**](https://www.revisor.mn.gov/bills/bill.php?b=Senate&f=SF0785&ssn=0&y=2017)**/**[**HF 1020**](https://www.revisor.mn.gov/bills/bill.php?f=HF1020&y=2017&ssn=0&b=house)**).**