

Representative John Thompson (DFL) District 67A



House File 784 Information Packet

House of Representatives Government Finance and Election Committee Chairman Michael Nelson

Table of Contents

Representative Thompson Committee Statement	3
The world and nation await Minnesota's response to systemic racism and injustice	4
Minnesota A Leader in Human Relations Policies	4
House File 784 does two things	6
The appropriation will be allocated in the following manner:	6
House Research Information Related to HF784	8
State of Minnesota and Others Research Reports Related to HF784	13
MN ranked second-worst state in the U.S. for Blacks to live	13

Representative Thompson Committee Statement

Chairman Nelson and Members of the Committee. Thank you for the opportunity to present House File 784. The companion bill is Senate File 800.

House File 784 does two things:

- 1. The bill targets state appropriations (\$357M) in the African American and African Immigrant community to stabilize and expand their capacity to address socioeconomic disparities created by the poor administrative application and enforcement of Minnesota's primary equal opportunity laws which also fuels systemic racism and racial injustice, and all of which is exacerbated by the pandemic, and
- 2. The bill also corrects the poor administrative application and enforcement of primary equal opportunity laws (Affirmative Action, Contract Procurement, and Human Rights Enforcement) to **end systemic racism and racial injustice**, and align African Americans and African Immigrants equitable participation in all realms of society to ensure capacity to eradicate socio-economic disparities and stabilize their families as they work through the effects of the pandemic.

The appropriation will be allocated in the following manner:

- Stabilization of African American and African Immigrant Families and Community Invest \$335 million throughout the state to fund African American and African Immigrant organizations and individuals to:
- A. Coordinate Culture and Heritage Preservation.
- B. Coordinate Entrepreneurial and Business Training and Assistance.
- C. Coordinate Housing Stability Initiatives.
- D. Operate Philando Castile Family and Community Service Centers.
- E. Provide Culturally Competent Health Services.
- F. Coordinate School Breakfast and Lunch Debt Forgiveness.
- G. Coordinate Guidance Counseling and Tutorial Services.
- H. Coordinate Stem Training and Technology Access.
- I. Coordinate Crime and Violence Prevention.
- J. Coordinate Recidivism Reduction Services.
- K. Expands Urban Agriculture
- 2. Ending Systemic Racism Invest \$22 million to:

Strengthen the Department of Human Rights.

Audit Judicial Fairness.

Audit Equal Opportunity Administration.

Bring Affirmative Action Administration into Compliance.

Move to a Race Conscious Contract Procurement.

Requiring Minnesota Peace Officers to be Culturally Competent before they are certified as a public safety officer in the state

I ask that we join together and send a message to the nation and world that Minnesota will be the leader in Ending Systemic Racism and Racial Injustice, and invest to stabilize Minnesota's African American Community and Families. Please support HF784 and move it to Joint Finance.

The world and nation await Minnesota's response to systemic racism and injustice.

Minnesota led the fight against slavery and Jim Crow. Why not lead the fight to End Systemic Racism and Racial Injustice, and help stabilize Minnesota's African American families and communities. The eyes of the world and nation are on Minnesota's Governor and Legislature as they respond to systemic racism and injustice or Not

Will the legislature pass HF784 and SF800?

Will the legislature send a message to the nation and world that Minnesota will lead on ending systemic racism and racial injustice and invest to stabilize Minnesota's African American Communities and Families?

Minnesota A Leader in Human Relations Policies

The eyes of the country and world are in Minnesota as it responds to systemic racism and injustice. Minnesota has branded itself as the "best places in the world to live," and its long-standing history of progressive politics, with few options with similar reputations, will still make it an attractive place for diverse people to desire to work, live, and recreate.

When wide racial gaps in beliefs, disparities, exclusion, and institutional racism reached a tipping point with the killing of Jamal Clark, Isak Aden, Philando Castile, and George Floyd, Black men, and Justine Damond (née Ruszczyk), a white woman by Minnesota Police the world and nation took to the streets in disbelief this could be happening in progressive Minnesota.

If that wasn't enough, at the onset of the COVID 19 pandemic, some members of the Asian Community were targeted because of the false belief they are responsible for the pandemic's impact. As a result, Minnesota has become the vanguard for civil unrest worldwide and shocking the belief system of people worldwide, who had come to regard Minnesota as the "progressive" beacon for living out the American Constitution's highest ideals for all God's people.

As all eyes shockingly looked in the direction of Minnesota, and human beings all over the world asked, "how did these horrific, dehumanizing acts happen in liberal Minnesota," the answers were illuminated in the many fact-finding reports and studies on disparities, economic inequalities, dehumanization and institutionalization of marginalized people of color, the low income, disabled, and women (protected groups) at a systemic level.

Now it is being said by many that Minnesota has to overcome an additional pandemic and public health crisis--- the unrelenting demand for equal treatment under the law, justice, equality, and the preservation of America's First Amendment Right, amid COVID 19.

This furious cry from the world streets is to alert leaders that something is wrong with the administrative application of equal opportunity laws and the protection of civil rights and civil liberties in state and local government operations.

The growing diversity in the State has created a suspicion of the unknown and this coupled with lack of compliance with the administrative application of state affirmative action and equal opportunity laws, and the disinvestment in Minnesota human rights enforcement over the past 35 years has resulted in creating the worst socioeconomic disparities in the country, and the aforementioned racially charged incidents.

Historically, Minnesota has prided itself as a national and world leader regarding civil rights and liberties. For example:

- In Minnesota's move for statehood, there was a refusal to participate in the federal fugitive slave act,
- Minnesota's Republican-led legislature passed a law outlawing segregation in the State,
- Minnesota mobilized a disproportionally higher number of citizens to fight in the civil war to free humans from bondage,
- Minnesota was one of the first states to pass an act outlawing discrimination,
- Vice Presidents Hubert Humphrey and Walter Mondale, from Minnesota, led the way with the passage of laws that rid the nation of Jim Crow policies,
- Minnesota provided Roy Wilkins the education to lead the National NAACP during the civil rights movement,
- Minnesota arguably adopted the most progressive Bill of Rights in its constitution (Article 1) and Human/Civil Rights Statute (MS 363A), Affirmative Action Program (MS 43A), and Procurement Act (MS 16C) in the country.

However, while Minnesota's history is rich with efforts to advance equal opportunity and civil rights, recent events and the poor administrative application of 363A, 43A, 16C, and other equal opportunity laws demonstrate those efforts have fallen short of their desired goal.

The world is now waiting to see how Minnesota leaders step up to meet the on-going challenge of systemic racism and racial injustice and address the inequities generated by the inadequate administrative application of equal access and opportunity laws.

Right now, Minnesota's anti-systemic racism and injustice laws seem only to be window dressing to hide Jim Crow-style actions in a state that has promoted a progressive tradition. The people worldwide are crying out for Minnesota's leadership and guidance once again. Will legislative leaders have the will to address historical and persistent disparities, systemic racism, and injustices, as it has in the past to create a just society in which everyone prospers and lives free and in unity?

There are seven pillars of practice necessary for us to achieve a just, free, and unified society in which everyone prospers:

- 1. Each Minnesotan must commit to moving beyond tolerance to Allophilia.
- 2. Minnesota must make equal opportunity a mandatory practice.
- 3. Minnesota must employ policies and administrative procedures that meet community needs and eradicate disparities.
- 4. Minnesota must ensure compliance with its equal access and opportunity laws.
- 5. Minnesota must regularly audit to ensure compliance with civil and criminal procedures and the administrative application of equal access and opportunity laws.
- 6. Minnesota must establish and use a system that preclear executive and legislative actions to ensure equal access and opportunity is being advanced.
- 7. Minnesota must ensure our government investment equitably benefits everyone.

We may need to establish a "fourth branch of government" in our checks and balances system that ensures compliance with the pillars listed above. We should call the fourth branch; The Human Rights Branch.

In our world, the human stories may be singular, but our destiny is shared; we rise and fall as one world; one country, one State, one people, and the power of human unity must prevail. Let's move beyond tolerance to Allophilia!

The COVID-19 pandemic has increased the importance of these recommendations. COVID-19 has highlighted and exacerbated the myriad health, social, and economic challenges we all face. The legislative recommendations below will reverse some of the worst disparities in our State, and the aforementioned pillars, if implemented, will eradicate them and provide the world the model they can use to eliminate systemic racism and injustice.

Legislative leaders must implement the below House File 784 – to end systemic racism, racial injustice, and stabilize African American families and communities. The bill requires redirecting little more than **.5 percent of the State's projected \$52 billion general fund budget**ⁱ to support these initiatives over the next biennium and beyond.

HF784 represents the first time in the history of the State of Minnesota that the African American community has requested a targeted investment of this nature to address the huge socioeconomic disparities in Minnesota's African American community. **Representative John Thompson** (DFL) 67A is the lead author in the Minnesota House of Representative and Senator Omar Fateh (DFL) 62 in the Senate for (HF 784 and SF800) which will <u>end systemic racism and racial injustice in Minnesota and help stabilize Minnesota's African American American families and communities.</u>

House File 784 does two things:

- 3. The bill targets state appropriations (\$357M) in the African American and African Immigrant community to stabilize and expand their capacity to address socioeconomic disparities created by the poor administrative application and enforcement of Minnesota's primary equal opportunity laws which also fuels systemic racism and racial injustice, and all of which is exacerbated by the pandemic, and
- 4. The bill also corrects the poor administrative application and enforcement of primary equal opportunity laws (Affirmative Action, Contract Procurement, and Human Rights Enforcement) to **end systemic racism and racial injustice**, and align African Americans and African Immigrants equitable participation in all realms of society to ensure capacity to eradicate socio-economic disparities and stabilize their families as they work through the effects of the pandemic.

The appropriation will be allocated in the following manner:

- 1. Stabilization of African American and African Immigrant Families and Community -Invest \$335 million throughout the state to fund African American and African Immigrant organizations and individuals to:
 - A. Coordinate Culture and Heritage Preservation.
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 - E. Provide Culturally Competent Health Services.
 - F. Coordinate School Breakfast and Lunch Debt Forgiveness.
 - G. Coordinate Guidance Counseling and Tutorial Services.
 - H. Coordinate Stem Training and Technology Access.

- I. Coordinate Crime and Violence Prevention.
- J. Coordinate Recidivism Reduction Services.
- K. Expands Urban Agriculture.
- 2. Ending Systemic Racism Invest \$22 million to:
 - A. Strengthen the Department of Human Rights.
 - B. Audit Judicial Fairness.
 - C. Audit Equal Opportunity Administration.
 - D. Bring Affirmative Action Administration into Compliance.
 - E. Move to a Race Conscious Contract Procurement.
 - F. Requiring Minnesota Peace Officers to be Culturally Competent before they are certified as a public safety officer in the state

Representative John Thompson (67A) House File 784

To: House Research

Building African American Families and Community Stability

- How much of (percentage and dollars) the State of Minnesota Arts Board overall funding over the past 10 years for Arts, Heritage, and Culture Preservation has been invested in African American operated Arts, Heritage and Culture organizations and activities versus the overall allocation of those funds? And what amount if any is targeted to greater Minnesota communities to organization operated by African Americans? We are not looking for a comparison to any other groups.
- How much of (percentage and dollars) the State of Minnesota DEED overall funding over the past 10 years for entrepreneurial and business training and assistance funding has gone directly to African American operated organizations to provide the training and assistance to African Americans? And what amount if any is targeted to greater Minnesota communities to organization operated by African Americans? We are not looking for a comparison to any other groups.
- How much of (percentage and dollars) the State of Minnesota MFHA's overall funding over the past 10 years for Housing Initiatives has gone directly to African-American operated organizations to provide housing services and initiatives to African Americans. And what amount if any is targeted to greater Minnesota communities to organization operated by African Americans? We are not looking for a comparison to any other groups.
- How much of (percentage and dollars) the State of Minnesota DHS's overall funding over the past 10 years for family and community services has gone directly to African-American operated organizations to provide family and community services to African Americans? And what amount if any is targeted to greater Minnesota communities to organization operated by African Americans? We are not looking for a comparison to any other groups.
- How much of (percentage and dollars) the State of Minnesota D- Health's overall funding over the past 10 years for health services has gone directly to African-American operated organizations to provide health services to African Americans? And what amount if any is targeted to greater Minnesota communities to organization operated by African Americans? We are not looking for a comparison to any other groups.
- How much of (percentage and dollars) the State of Minnesota D -Education's overall funding over the past 10 years for Guidance Counseling and Tutorial Services has gone directly to African American operated organizations to provide Guidance Counseling and Tutorial Services to African Americans? And what amount if any is targeted to greater Minnesota communities to organization operated by African Americans? We are not looking for a comparison to any other groups.
- How much of (percentage and dollars) the State of Minnesota D -Education's overall funding over the past 10 years for STEM Training and Technology Access has gone directly to African American operated organizations to provide STEM Training and Technology Access to African Americans? And what amount if any is targeted to greater Minnesota communities to

organization operated by African Americans? We are not looking for a comparison to any other groups.

- How much of (percentage and dollars) the State of Minnesota Public Safety overall funding over the past 10 years for Crime and Violence Prevention has gone directly to African American operated organizations to provide Crime and Violence Prevention coordination? And what amount if any is targeted to greater Minnesota communities to organization operated by African Americans? We are not looking for a comparison to any other groups.
- How much of (percentage and dollars) the State of Minnesota Dept. Corrections overall funding over the past 10 years for Recidivism Reduction Services has gone directly to African American operated organizations to provide Recidivism Reduction Services? And what amount if any is targeted to greater Minnesota communities to organization operated by African Americans? We are not looking for a comparison to any other groups.

Please note if the data doesn't exist for any of the above-listed requests.

From: **Patrick McCormack** <Patrick.McCormack@house.mn> Date: Wed, Feb 17, 2021 at 2:04 PM Subject: RE: Research for HF784 - March 4th hearing To: Edward McDonald <emcdonald@emcamn.org>, Cristina Parra <Cristina.Parra@house.mn>, John Thompson <Rep.John.Thompson@house.mn>, John Thompson <john@ffjllc.com>

Rep. Thompson,

We have taken a preliminary look at this request, and will be contacting Minnesota Management and Budget to see if they can answer some of the questions. The State accounting system does not classify data in a way that would easily allow this kind of report to you. Therefore the results may be somewhat uneven, or even not available.

Similarly, the request for an analysis of the Human Rights Department is a huge request, the kind of work that might usually be done by a six month report of the Office of the Legislative Auditor.

With a hearing two weeks away, I am not confident that we will be able to deliver more than a fraction of the data you have requested.

We are taking steps to attempt to gather some of this information. Some will come from the Legislative Reference Library, some from House Fiscal, and some from HRD. I am not optimistic, but we will do what we can.

It might be useful if you asked directly for this data from Minnesota Management and Budget. A letter to the Commissioner from a House member sometimes can shake some data free. However, they are also on deadline, and also do not have the data classified by race or ethnicity.

You can expect to hear back what we can find, but that may be limited in nature.

From: Elizabeth Lincoln <elizabeth@lrl.mn.gov> Date: Fri, Feb 19, 2021 at 4:43 PM Subject: grants by state agencies To: Rep.John Thompson <Rep.John.Thompson@house.mn>, Patrick McCormack <patrick.mccormack@house.mn>, Edward McDonald <emcdonald@emcamn.org> Cc: David Schmidtke <davids@lrl.mn.gov>

Rep. Thompson and Mr. McDonald,

My colleague, David Schmidtke, and I have been searching through news sources, state reports, and other resources to seek information on the distribution of state grants and appropriations to African-American operated organizations. We have come up with very little!

News sources rarely address the specifics of state grants. Here are some articles that touch on grants and equity broadly and addresses your topic tangentially:

"From Google to St. Paul - Steve Grove's goals include encouraging innovation and addressing economic inequalities." *Star Tribune*, March 25, 2019.

"Grove's goal is to use DEED's arsenal of job creation and training **grants** and company partnerships to erase wage disparities, training gaps and to help startups and businesses that struggle to find skilled labor."

"<u>One year to repair \$600M operation - Health Department's new leader has daunting task</u>." *Star Tribune*, February 4, 2018.

"The state's strong performance overall on key health indicators had long masked the fact that Minnesota has some of the nation's worst marks for health equity, including unusually high infant mortality and teen pregnancy rates among minority populations. In 2000 and 2001, Malcolm laid the groundwork for legislation that has resulted in tens of millions of dollars in community **grants** directed at reducing these disparities."

"Met Council's 'equity' push hard to measure - Agency's effort to spread out services causes only ripple." *Star Tribune*, May 13, 2018.

"Equity is now omnipresent in the council's 30-year plans for the region, mentioned more than 230 times in the documents that shape spending on housing, parks, transportation systems and wastewater treatment. But a *Star Tribune* review of the equity push found it has produced more suggestions than concrete changes to how the region operates. The council has upgraded many bus shelters in poor neighborhoods and created a discount bus pass for low-income riders. It doled out \$1 million in "equity grants," and helped families with housing vouchers find homes in wealthier neighborhoods. Internally, it demanded departments improve their public outreach, educate their employees about racial equity and boost workforce diversity — which rose 5 percentage points since 2011. Some of its most high-profile initiatives have faltered, however. A new equity advisory committee, created to be a council partner in decisionmaking, is in disarray, with its remaining members questioning their purpose. The Legislature slapped down the council's attempt to get park agencies to spend more money attracting underserved populations."

"<u>Tobacco suit foundation presents grants - Mentoring, education groups among recipients</u>." *Star Tribune*, January 19, 2019.

"A foundation that started with proceeds from Minnesota's landmark tobacco settlement 20 years ago has announced its latest grant recipients and a new scholarship program dedicated to helping African-American college students. The newly renamed Ciresi Walburn Foundation for Children agreed to give more than \$1.7 million to local schools, nonprofits and a new scholarship program this year. The foundation, formerly known as the Robins, Kaplan, Miller & Ciresi Foundation for Children, changed its name last year to recognize the two attorneys — Michael V. Ciresi and Roberta B. Walburn — who led the lawsuit against tobacco companies. Under the historic deal, tobacco companies agreed to pay the state and Blue Cross Blue Shield of Minnesota more than \$6 billion."

"State's largest agency faces allegations of racism." Star Tribune, September 9, 2020.

This article addresses the failure of DHS to reach a broader audience for state grants: "Giles said she thinks she was targeted because she began outreach efforts to community organizations and nonprofits that typically weren't awarded DHS grants and contracts, or didn't know how to apply for them. "I pushed a very strong equity agenda," she said recently. "I was questioned every step along the way." She added that she did not get support from senior leadership."

"Meeting the moment - By any means necessary, Minnesota artists continue to connect with audiences." *Star Tribune*, September 20, 2020.

"Behind the scenes, too, artists are making changes. A diverse, cross-discipline group led by artists of color is meeting weekly, brainstorming ways to make the scene more equitable. They've released a mission statement and a letter, calling for the Minnesota State Arts Board to rethink its grants, but much of their work will bear fruit in upcoming months. "It's powerful to see us come together in one space and think about: What kind of future do we want to see in the arts community of Minnesota?" said Leslie Barlow, a painter known for her portraits exploring race and family. "You really hope that the white-led arts organizations and foundations that we're trying to push aren't seeing this moment as a trend, but as a moment leading to lasting change."

Session Daily articles discuss legislative proposals that would have provided grants to increase equity:

"Is developing more minority-owned businesses the 'secret sauce' to MN prosperity? Bill would boost efforts." Session Daily, March 28, 2019.

"A total of \$18 million in the upcoming biennium could fund development grants for minorityowned businesses around the state. The money — \$15 million in Fiscal Year 2020 and \$3 million in Fiscal Year 2021 — would be appropriated to the Department of Employment and Economic Development for grants to nonprofit minority business development organizations that would provide lending capital, access to markets, and business management education to minority-owned businesses."

"Health disparities focus of possible grants and task force." Session Daily, March 11, 2014.

"Under the bill, the Department of Health would award grants to minority-run professional health care organizations that provide mental health services, training and culturally competent

health care to minority populations. The department would also be a part of creating a health disparities task force that would study ways to increase the representation of immigrant populations in the medical field."

We weren't able to find reports that provided statistics specifically on grants from state agencies to African-American operated organizations in the last few days. We will keep looking for reports that may yield that information, however, even if the agency collects the information, it may not be included in their more formal reports. Here are two examples:

One of the most substantial reports on a grant program, <u>Minnesota History: Building a Legacy:</u> <u>Report to the Governor and the Legislature on Funding for History Programs and Projects from</u> <u>the Arts and Cultural Heritage Fund</u> (2021) (see older editions too), has a section on equity and inclusion but does not provide statistics on the recipients of the grants.

Other reports, such as the Department of Agriculture's report, <u>Agricultural Growth, Research</u> <u>and Innovation: Legislative Report Fiscal Year 2020</u>, indicate that grants to "companies owned by veterans or minorities or that served Native American Tribal Communities or communities of color received priority," but the report provides no statistics.

Pat McCormack indicated that data has been requested directly from the agencies.

I'm sorry we weren't able to find what you need. Please let me know if we can be of further assistance.

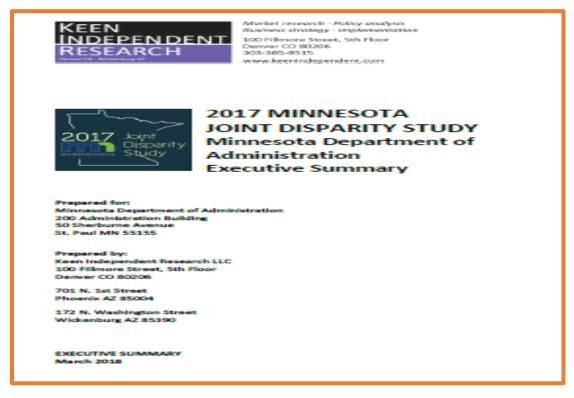
Elizabeth Lincoln and David Schmidtke Elizabeth Lincoln, Director Minnesota Legislative Reference Library 645 State Office Building St. Paul, Minnesota 55155 651-296-0594 <u>elizabeth@lrl.mn.gov</u> <u>www.lrl.mn.gov</u>

COVID-19's effect on minority-owned small businesses in the United States

McKinsey and Company May 27, 2020, | Article <u>https://www.mckinsey.com/industries/social-sector/our-insights/covid-19s-effect-on-minority-owned-small-businesses-in-the-united-states#</u>

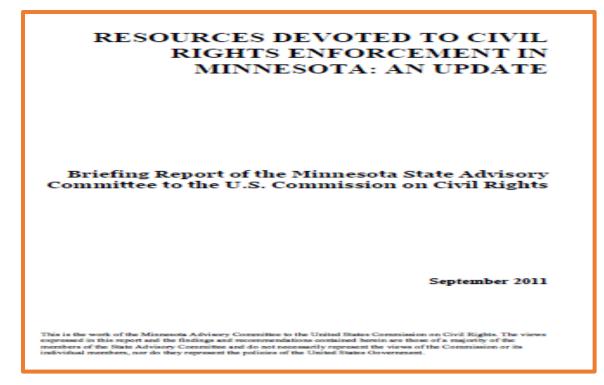


MN ranked second-worst state in the U.S. for Blacks to live

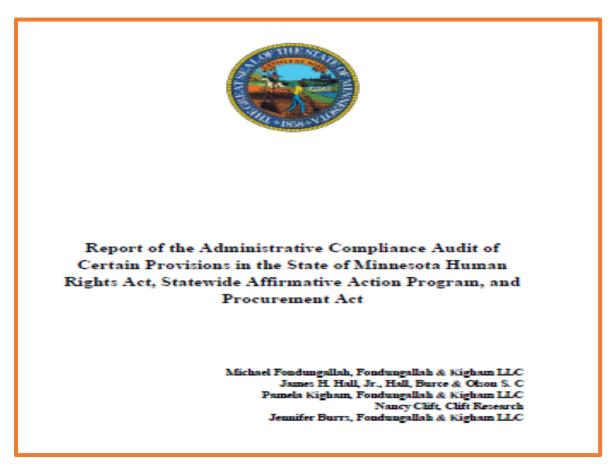


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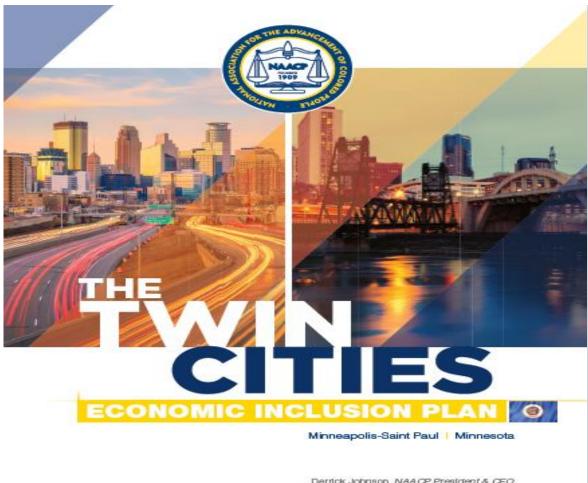
https://mn.gov/admin/assets/KeenIndependentAdminDisparityStudyExecutiveSummary03122018_tcm36 -331962.pdf



See Report at: https://www.usccr.gov/pubs/docs/MNSAC_CivilRightsEnforcement[1].pdf



See Report at: http://www.leg.state.mn.us/docs/2017/other/170417.pdf



Derrick Johnson, NAA OP President & OEO Leon W. Russell, Chairman, Board of Directors

See Report at: https://www.naacp-stpaul.org/resources/Documents/EconomicInclusionPlanTwinCities%20(3).pdf

ⁱ. The State's largest single fund is the General Fund. State collections of individual income taxes, sales taxes, corporate, and other taxes are deposited into this fund. Expenditures from the state General Fund can be made for any authorized state activity. Spending is limited by legislative appropriations. This fund receives the most attention from the Governor and the Legislature and is the fund most referenced when the State has a deficit or surplus.



Sources: ACS, 2017, SBO 2012, Minnesota Tax Incidence Study 2019, Author Calculations https://covideconomics.org/_corrie@csp.edu

