Northwest Minnesota is home to over 171,000 people spread throughout 14,000 square miles. The rural landscape is marked by lakes and rivers, agriculture production, and thriving forests. Vibrant communities borne from rich Native American cultures have now grown to become centers of business, education and healthcare destinations. The quality of life makes our region special to those who live and work here. Innovation is part of our story and has given rise to major corporations like Arctic Cat, Polaris, Marvin Windows and Doors, and Digi-Key. Addressing our issues will help all rural communities succeed in Minnesota.
What it Takes to Grow Tomorrow’s Economy

Northwest Minnesota is a place where ingenuity thrives. It takes a lot to keep this engine up to speed in a competitive global economy. IMPACT 20/20 believes our rural communities need quality education, a talented workforce, quality child care, increased housing capacity, and vibrant small businesses. These issues also rely on infrastructure like broadband and transportation to connect us to the marketplace. We also know communities must welcome diversity as we struggle to meet workforce projections. These are the components that will advance economic prosperity and well-being in northwest Minnesota.

Here are the top five most pressing issues and policy solutions to grow tomorrow’s economy in rural Minnesota:

- Education
- Workforce
- Child Care
- Housing
- Entrepreneurs
Northwest Minnesota is rich in educational resources. We are home to five higher education institutions, 41 school districts, and four charter schools. **We graduated 1,862 students from high school last year** with about half of them entering college and the other half entering the workforce directly out of high school. We believe in reducing student debt and increasing job placements. Young adults do not have the luxury of exploring careers and changing majors in college due to increases in college tuition. Working with young people to identify career opportunities while still in high school is integral to successful implementation of this strategy.

**We Support**

- School grant funding through the Minnesota Department of Education of at least $2 million base funding annually to deliver career academy programs in partnership with businesses and higher education institutions.
- Change state **graduation requirements** to allow career and technical education credits to count toward high school graduation in lieu of reading and math requirements.
- Amend the **state constitution** to ensure our children have a fundamental right to a quality public education.
Employers large and small are looking for talented workers. As of second quarter 2019, there were 13,020 job vacancies and one of the lowest unemployment rates in years ranging between 2.3% and 4.8%. Large companies in Warroad, Thief River Falls, Bemidji, and Roseau have plans for significant employment growth to meet production demands. Small to medium size employers struggle to compete with large companies on compensation, and often bear the brunt of a labor market shortage. Finding solutions often requires a mix of training programs, welcoming new people to the community, and addressing issues like housing and child care.

**We Support**

- Fund the **Job Training Incentive Program** with a base budget of at least $4 million annually through MN DEED.
- Prioritize funding to reduce **economic disparities and economic inequalities** based on race, disability, and disconnected youth or gender.
- Continued funding for the **Workforce Development Scholarship Program** to encourage students to pursue high-demand occupations.
QUALITY CHILD CARE

Communities across northwest Minnesota are experiencing a child care availability crisis. The 12-county region of northwest Minnesota has 454 licensed providers but that’s not enough. Minnesota needs more flexible licensing options, quality training for providers, and incentives for early childhood educators to pursue higher education requirements. Improving rural child care access will free up more of the region’s workforce.

$142 per week, per child, is the average cost of family-licensed infant care in rural Minnesota

$11.61 is the average wage for an Assistant Teacher at a child care center, which requires a college degree

license capacity 5,140 slots + shortage 3,050 slots = 8,190 total total child care slots needed

We Support

More child care licensing options like:

- A licensed group child care option, similar to North Dakota and Wisconsin, where a child care can be licensed with up to 30 children as determined by staff-to-child ratios and available space.

- Revise licensing language to allow family-based child care in a non-residential building to be exempt from the center license requirements.

- A regional licensing option that provides more licensors to service foster homes and child care providers, thus increasing licensor capacity and responsiveness.

- Retool the Health Professional Education Loan Forgiveness Program and the Minnesota Teacher Shortage Student Loan Repayment Program to allow early childhood education degree earners more loan repayment and forgiveness options.
Growth in the local workforce puts pressure on our housing stock. Rental markets are tight as more households lack down payment capital. In fact, 46% of renter households in the region spend far more than 30% of their income on rent. This financial stress makes it even more challenging to save for a home purchase. The current housing stock is aging and needs rehabilitation to meet home buyer preferences. These housing issues result in more job vacancies for our employers and reduced potential income for working families.

Only 288 new single-family homes were permitted for construction in 2017, the lowest amount of any region in the state.

46% of renter households are cost burdened in the region, spending more than 30% of their income on rent.

$654 is the median rent paid in the region.

We Support

- Expansion of funding and eligibility for Minnesota Housing’s Rehabilitation Loan Program to help low-income homeowners with home improvements.
- Expansion of Minnesota Housing’s Workforce Housing Development Program to offer more grants and deferred loans to local governments in rural areas.
- State bonds for housing up to $500 million in alignment with the Homes for All Coalition.
- Local housing trust fund state match program investments of up to $10 million to increase housing developments.
- Establish an affordable housing tax credit to leverage local investments and spur housing development.
SMALL BUSINESS DEVELOPMENT

Entrepreneurs are the backbone of our economy. These employers, innovators, and family members are community centered. They revive small towns, take over as long-time business owners retire, and grow in their own passions. These small businesses thrive on local patronage. And they are changing the rural narrative. Places like Far North Spirits in Hallock, Minnesota Rust in McIntosh, and The Good Life Café in Park Rapids bring unique styles that define today’s rural charm.

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12,019 self-employed people in the region brought in $487,274,000 in sales

80% of firms in the region have less than 20 employees

In the USA 60% of small business owners were born before 1964 and are ready to retire

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We Support

- Adjustments to eligibility criteria for state business programs that account for the realities of low-density rural areas.

- Adjusting the Angel Investment Credit wage requirement of $21.66 per hour to reflect local living wages rather than pegged to national poverty guidelines.

- Retool the Launch Minnesota program to better accommodate rural Minnesota needs beyond the tech sector.
These core issues of education, workforce, housing, child care, and small business development are common throughout rural Minnesota. Every day we see how local ingenuity and investments make our communities thrive. It takes multifaceted public investments that boost everything from individual options to community infrastructure.

We ask for your support to keep us competitive in the global economy.
IMPACT 20/20

IMPACT 20/20 started in 2008 as an influential group of northwest Minnesota leaders with the purpose to be a catalyst for economic prosperity and well-being in Northwest Minnesota. The group’s core values are centered on collaboration, excellence in education, a talented workforce, spirit of entrepreneurship, innovation, economic opportunity, and promotion of Northwest Minnesota’s assets. IMPACT 20/20 is led by a Leadership Council, 23 individuals representing public and private sectors. With an initial grant award of $50,000 from the MN DEED’s Framework for Regional Integrated Strategies in 2007, this group has leveraged over $188,000 in philanthropic direct investments, as well as donated time and services in the local communities. On the following page we’ve outlined some of the outcomes we’ve contributed to since our inception.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Organization</th>
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<tbody>
<tr>
<td>Dennis Bona</td>
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<td>Headwaters Regional Development Commission</td>
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<td>Mike St. Onge</td>
<td>Retired</td>
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<td>Richard Sjoberg</td>
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<td>Faith Hensrud</td>
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<td>Bruce Jensen</td>
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<td>Jeff Bisek</td>
<td>Superintendent</td>
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<td>Mitch Berg</td>
<td>City Administrator</td>
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<td>Miriam Buchannan</td>
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<td>Greater Minnesota Management</td>
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<td>Jessica Beyer</td>
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<td>Vicki Leaderbrandt</td>
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<td>Rural MN CEP</td>
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<tr>
<td>Janelle Wald Kovar</td>
<td>Executive Director</td>
<td>Northwest Private Industry Council</td>
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IMPACT 2020 OUTCOMES

01 Education Projects
- Supported efforts in seven northwest Minnesota communities to increase high school graduation rates and improve career exploration options totaling $188,332 in local community foundation funding over four years.

02 Broadband
- Advocated for broadening the Federal Communications Commission’s Universal Service Fees collected by telecommunication providers to include broadband and not just telephone. Now the FCC offers the Connect America Fund.

03 Workforce
- Hosted career expos for high school students to discover career and education options. That brought in 1,100 students each year for four years in northwest Minnesota.

04 Child Care
- Delivered child care financing options for providers, including the use of Minnesota Department of Employment and Economic Development’s Child Care Economic Development Grant program.
- Leveraged partnerships with Child Care Aware, First Children’s Finance, and the Northwest Small Business Development Center to provide business planning assistance to child care providers in the region.

05 Housing
- Host quarterly Housing Action Network meetings to improve innovation and knowledge in the region.
- Hosted a housing summit to address needs and showcase solutions at the University of Minnesota Crookston.
THANK YOU
FOR SUPPORTING THE ECONOMIC PROSPERITY AND WELL-BEING OF OUR RURAL MINNESOTA NEIGHBORS

For additional information or to answer any questions, please contact:
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