



April 8, 2021

Honorable Chair Noor,

We thank you for your work to promote economic empowerment in Minnesota. Your leadership is more important now than ever. The pandemic has only deepened historic inequities. To this end, we respectfully request you reconsider HF1342's funding structure in favor of one that includes direct appropriations which provide predictability in maintaining programming infrastructure. Since 2016, CLUES and other BIPOC groups have utilized direct appropriations to make real progress lifting families out of poverty.

While competitive grants are an important tool, they have shortcomings like any funding model. Direct appropriations enable CLUES to build a consistent delivery program without contractual gaps. State funds allow us to invest in individuals, covering the costs of their tuition, uniforms, certification, etc. Direct appropriations helped CLUES expand services in the metropolitan area, Willmar, Austin, and surrounding communities. Without direct appropriations we would not be able to continue providing these services. CLUES is the only Latino-led organization focused on reskilling, retraining, and helping increase wages for low-income Latinos and immigrants. The direct appropriation places confidence in CLUES, a 40-year-old organization trusted by the Latino, immigrant and wider communities.

We do not want to go backwards. In 2016, the Legislature changed course to make direct appropriations to BIPOC-led organizations because business as usual was not working, as evidenced by a census report showing Minnesota's nation-leading economic disparities.

DEED is a valuable partner with outstanding expertise; but there is still a role for the Legislature to select workforce priorities that expand BIPOC community development. We encourage you to consider a funding approach that includes both competitive grants and direct appropriations.

Sincerely,

Ruby Lee  
President and CEO