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MN NONPROFITS  
LISTENING SESSION WITH DEED COMMISSIONER STEVE GROVE  
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>> SONDRAS REIS: Okay, friends and panelists, I will go ahead and open the room. If you'll remember that a few minutes past the hour I will come on and explain the technology, and then I will turn it over to Marie.

Hello, everyone. It is the top of the hour. We are going to give everyone a couple of minutes to continue to gather here. And we'll get started in two minutes. Thank you.

>> SONDRAS REIS: Okay. Let's go ahead and get started. Welcome, everyone. This is Sondra Reis, director of e-learning at the Minnesota Council of Nonprofits. Thanks for joining today's listening session. Not only you will get to hear from the Commissioner, but he wants to hear from you, your questions and insights. Before we get started, I want to share information on how this is going to work.

During the session you are invited to share your comments and questions via chat and voice. We hope you will share via voice, but if you choose to share via chat, scroll to the bottom of the screen in Zoom and click on the chat icon. You will send your question or insight by typing it into the chat tool and hit return when you have finished typing.

If you share your questions via chat, one of our moderators will ask these questions of the Commissioner as time allows. If you share a comment via chat, we will make sure the Commissioner's staff receives a copy of it after our session ends.

When you are chatting, be sure to send it both to the panelists and to all attendees so that we know that -- so that everyone can see both your questions and your comments.

We do encourage you to share your insights and questions via voice today. So this is a little bit newer of a feature for some of you and here in our webinar room. I want to share how it will work.

At the bottom of your screen, if you scroll to the bottom, an icon should pop up that looks like a hand. You will raise your hand by clicking on that icon to indicate that you have something to share. Either a question or an insight.

And then when it is your turn to share, our moderator will call on you and invite you to unmute your microphone. You will have a pop up on the screen to invite you to do that. Please accept that invitation.

Once you accept the invitation to unmute your microphone, you can go ahead and speak. We do ask that you start with your name, your organization, and your city and or town to give context for all of us.

So what do you want state policymakers to hear and consider as they build a relief or recovery package for the special session, which begins tomorrow? How is COVID-19 and the uprising following the murder of George Floyd impacting your organization and communities? The Commissioner wants to hear from you, and we hope you will think about this question before -- these questions before we begin.

So now I would like to introduce my colleague, Marie Ellis.

>> MARIE ELLIS: Hi, everyone. Good afternoon. I hope that you are all doing as well as can be expected these days what with the worldwide pandemic and some intense, hopefully productive civil unrest.

Thank you for taking time to join our listening session today with the Minnesota Department of Employment and Economic Development and the department's Commissioner, Steve Grove.

Like Sondra said, my name is Marie Ellis, I am the public policy director at the Minnesota Council of Nonprofits. We want to thank Propel Nonprofits for co-hosting this event, and also to thank DEED for hearing directly from nonprofits about how we are experiencing the world, particularly related employment and economic development. One quick note before I turn it over to Commissioner Grove. MCN is hosting a call tomorrow from 1:00 to 2:00 p.m. with the office of

the Governor and Lieutenant Governor and also Commissioner Rebecca Lucero with Minnesota Department of Human rights will be joining us. Topics for the call include policing and advancing and racial equity in Minnesota. If you are interested, which hopefully you are, please go to our website. [Minnesotanonprofits.org/events](http://Minnesotanonprofits.org/events), or Google it and find it that way. That is tomorrow, 1:00 to 2:00. Now to Commissioner Grove. We look forward to hearing where your department is at and what topics are most useful for you to hear about on today's call. With that, Commissioner, the virtual floor is yours.

>> COMM STEVE GROVE: Great, thanks, Marie. Can you hear me? All right. Well, thanks, everyone, for joining this conversation, I have been looking forward to this. And I'm looking to mainly taking your questions and hearing what's on your minds. This is really listening session for me to do the listening. I will be very brief up top. I will say this, that we know that the events of the last three months and certainly the events of the last two weeks have affected not just businesses but nonprofits across our state, too.

You know, here at DEED, we partner with hundreds of nonprofits across the state on the work that we do and workforce development. We're hearing clearly from nonprofits that there is a whole new host of challenges when it comes to service delivery in a pandemic and certainly the needs are only greater as unemployment is hitting record highs and so many businesses have faced challenges that have never imagined having to face in the history of their existence and none of us could have ever predicted. We know that Minnesota is a state that has one of the richest nonprofit sectors in the country. One in eight workers in the state are in nonprofit sector. That is 13%. In the state is employed by a nonprofit, which is impressive.

I can say from a personal standpoint my wife and I run a nonprofit ourselves, Silicon North Stars, that focuses on getting young Minnesotans to pursue careers in technologies. This has changed our nonprofit's state of affairs. Much harder to fundraise right now. For us, one of the Keystone experiences of our nonprofit is a one-week long summer camp where we bring students together to do experiential learning with technology companies and leaders. We had to cancel that for the first time in seven years, given the pandemic. I know that is one example. A small example, but it is my own of how challenging this time is for the nonprofit sector and we have to rethink, you know, how we reach people and help people and make this state great.

You know, I feel grateful to be part of the nonprofit community in this state. And at DEED to be in a position to help grow the nonprofit community in our state and want to do the best we can to respond to this moment in a way that brings this community together and ensures the government is working well with nonprofits to help Minnesota do better. Regardless of how the coming weeks play out, the coming months and years will be a real climb out of what is clearly a pretty intense recession.

I'm sure you all saw the data from the Federal Reserve on

projected unemployment rates, projected inflation. GDP should be down by 5% this year. It has never been a more important time to have a robust and thoughtful and talented nonprofit market in our state than it is right now. Because we're going to need to work together. We have a lot of work ahead as we really rebuild and I would say re-imagine our economy in the wake of all that has taken place.

So it is going to take partnership, take working together, and take us trying stuff we never tried before. And holding all of ourselves accountable for real results. Not just rhetoric. At a time when we face steep challenges and they brought into stark relief, given I think particularly the civil unrest and protests in the aftermath of the killing of George Floyd.

I will leave it there. I wanted to let you know what is on our minds here. I'm eager to hear your questions and engage in a conversation about how DEED can do a better job in the community, what the issues you are facing are, and anything you want to know about our response to this effort, even if it is not related to nonprofits, I'm happy to answer questions you have. I have joined by Maureen Ramirez with the Office of Opportunity with DEED and previously work for Propel and deeply engaged in the nonprofit community as well. We're her to engage with you all. Marie, I will turn it back to you, ready to have the conversation.

>> MARIE ELLIS: Excellent. I will ask Sondra to remind folks how to raise their hands.

>> SONDRA REIS: These instructions will stay on your screen as a slide. You will have the raise hand tool at the bottom of the screen. Use it as you have a comment or insight to share. Then Marie will call on you, we will invite you to unmute your line. And please, as you have comments to share, start with your name, your organization and your city or town. This is really meant to be a listening session. So please do engage by your voice or via chat.

>> MARIE ELLIS: This is my first time using the hand raise function. This might be bumpy. I will note that I am certain to mispronounce named. When you introduce yourself pronounce it the way you do and we'll try to learn. Thank you.

I do see one hand up. Okay, Jean Kenan.

>> ATTENDEE: Yes, thank you, I'm Jean Kenan, with life brook planning center. We're housed in Mankato and serve a nine-county area in southern.

>> MALE SPEAKER: Serving displaced homemakers and women in transition. I had the opportunity to meet with you Commissioner Grove in the past, thank you for the time and willingness to be actively engaged with direct services particularly around employment issues.

I have seen a lot of information about an impact on female dominated services like personal services, leisure, hospitality services. So we can see that women are being disproportionately impacted at this time by the pandemic and so I'm just wondering in terms of any kind of specific targeting of that group in addition

to minority-owned businesses that we know may not be returning as we try to make back to the new normal. For that, I will listen for a response.

>> COMM STEVE GROVE: Great. Thanks, Jean. Great point. We have seen unemployment numbers at least from the perspective of applications, more female than male in this crisis. Hard to say exactly why. I think part of it is the demographics of the industries that are hardest hit, looking at personal care services, healthcare, and hospitality industry.

So I think you are right. That -- certainly, I think we all are very well aware that the numbers as it relates to targeted racial groups, Blacks, American Indians, Hispanics, Asians, others, also are demonstrably higher in unemployment than white folks. This crisis has not hit all people equally. We have been very targeted in our response on a couple of fronts.

One, making sure the information about our services is targeted to communities of color and those who might not usually be on the DEED email list, for example.

Maureen and others are doing paid media in different outlets to do targeted, focused effort to make sure communities understand what is available to them.

Second, in our small business emergency loan program, we worked very intently with a series of lenders who focus on communities that are usually hardest hit and targeted communities as well. So we think about 35% of that \$30 million that we put in that first round of small business grants from the state went to businesses owned by People of Color.

I think in this next round of the legislative session, which kicks off of course, tomorrow, we're looking at a small business loan grant program, rather. This point, we're in the grants realm, using some federal CARES Act dollars to help small business continue to weather this storm. For that program we have carve outs for minority-owned businesses, for women-owned businesses, for ethnic malls, and others organizations that are hardest hit. When a crisis like this hits groups more heavily, your response should recognize that. We are trying to root all of those responses in the values. It is not always something we can just decide. Obviously we are negotiating with the legislature on these things. It is the top priority to make sure we are targeting our response.

That said, I am sure there is a lot more we can do that we're not doing. I would like to hear ideas folks have on this call or elsewhere on ways DEED can get this right. More than we are. Those are the few we're focused on.

You deserve a strong approach from the state government. I want to make sure to get advice from you on how to get that right.

>> MARIE ELLIS: Thank you, Jean, for the question. Up next we have Paul Slack and Allie Strong Martin. And I will check in with Kate, my colleague at Propel Nonprofits to see what questions are coming through the written chat.

So Paul, you're on.

>> ATTENDEE: First of all, hi, Marie. Paul Slater, Lutheran Social Service in Minnesota. I live in the Brooklyn Park area, but I work out of the central office in St. Paul for Central Lutheran Service. There is a renewed interest since the pandemic on a lot of front line workers, people in differing places, grocery store workers, et cetera. We talked some about that and some about valuing them. What I have not seen is that value monetized within the legislature by talking about, you know, increasing their wages for temporary wage increase because of how much they and their families are exposed either to coronavirus or how they have to show up in person for work and all of that. I want to know if there is any talk around how we're going to value them differently as long as we're in the pandemic and then thereafter.

So not only grocery store workers, but also many front line workers who typically lower wage workers and many of whom are not full-time, many of whom don't have adequate healthcare, et cetera, et cetera, et cetera.

>> COMM STEVE GROVE: Thanks, Paul. Great point. You are absolutely right. It is the grocery store worker, it is the personal care person, it is the hospital worker, it is the food truck driver. There is a whole host of individuals who are now really front line workers that never considered themselves that before. This is a concern for a while, given the generosity of the unemployment insurance, with the top off from the federal government. What can we do for those out in the workplace taking a risk? There are two things in play there. One is what you call a hazard pay strategy, where you find a way to get sort of additional wages for employees that are taking that risk. You see the market bear that out like cub food popped up wages per hour by two bucks. Other businesses have done the same. They have been able to do that because sales have gone up. I think also because it is the right thing to do. You have seen the market solve for some of that which we love to see first before government steps in, as we look at ideas like hazard pay from the perspective of government, it's expensive. It's not something that states can solve for. We came to that conclusion pretty quickly. It was not a pleasant conclusion to come to.

But the scope and scale of enacting a hazard pay system at the state level is extraordinary. State governments like ours across the country are not able to print money, not able to go into debt. Our general funds are tanking -- they're not tanking, but going down based on decreased tax revenue, it is nowhere near what we can handle at the state level, it is a national issue president congressional delegation from Minnesota is not all unanimous about this, but certainly those in the delegation that fought for it, continue to fight for it nationally. We continue to be hopeful they will be successful.

You know, I think there is a broader issue that goes beyond the acute hazard pay that goes into universal basic income. And the floors that we create in society for anybody who is out there taking a risk and I think that you are just going to see a whole new

conversation on the social compact that we have with workers like the ones you refer to, Paul, you know, my hope is -- I don't know what the policy solution is there just yet, but I believe we want to come to a policy solution that redefines things a little bit so that we recognize the value these workers provide to us, that I think, in an era of high technology and everything is virtual, we kind of -- you forget there are a lot of jobs you have to be in person for and we all depend deeply on them for survival and happiness. So I do hope this is a watershed moment where we can make some shifts based on that. I appreciate your question. And the spirit behind it.

>> MARIE ELLIS: Thank you. And Paul, it is always good to hear your voice. Thanks for raising your hand. Next up, we have Alley Strong Martin. Then we will check in with Kate on any questions, and then David Lee up after that. Allie, you are on.

>> ATTENDEE: Hi, Marie. Thank you for having me. My name is Allie Strong Martin. I work for Life Work Services. We are a nonprofit who serves people with disabilities and we're headquartered in Egan. In Dakota County. Our question that we have for you Commissioner Grove is that as we are a nonprofit who is also a reimbursing employer under the Minnesota unemployment insurance trust, we are estimating -- we're at the point of estimating that our second quarter invoice will be upwards of \$750,000, and this is a really substantial amount of cash that we're being asked to pay out without any guidance of when we can expect to be reimbursed the 50% of the federal relief, as defined in the CARES Act. My question with that comment being made, we would like to know if DEED has any additional or new information at all at this time, regarding the process of reimbursement or when employers will expect to receive that 50% in federal relief. And if you don't have any new information at this time, could you give us an estimate maybe of when these important details will be figured out and communicated out to nonprofits? Thank you.

>> COMM STEVE GROVE: Thanks, Allie. This is an issue that I just got off a meeting with the legislative team and a few others on an hour ago and talking about with Minnesota's tribes just yesterday. And I think there's a couple of things at play here. One is that the Department of Labor federally has yet to give us more guidelines on exactly how to handle reimbursements. They said 50% of the reimbursement will be waived. They haven't spoken to the other 50% been we're waiting on guidance on how it will be handled upon. We as a department are not sending out bills for the reimbursement employers. Because we want to see the guidance and now, it is harder than ever to pay the bills. You saw in executive order 2004 when we put forward the unemployment insurance expansions, we wanted to make sure tax paying employers are not bearing the burden to this moment. You can apply the same thesis to the nonprofit and reimburse being employers' market as well. We will have to pay back the trust fund once we start taking loan payments from the federal government, as we announced last week it will happen in the next month

or so. That plays into the decision here too, in terms of what can be done. We're not at the point of knowing the scope and scale and able to make a decision based on what the other percentage of the reimbursement fund would come in at and what we would require there. But I will tell you, it is an active conversation. I think more clarity from the Department of Labor is helpful for us. And a firmer handle on exactly the scope and scale and cost of this. It is helpful to know what your bill is, \$750,000 is not small money as we look at this. The whole state will have to dig ourselves out of this hole in a couple of years that we will go into by borrowing from the federal government, how do we do that in a way that is fair recognizes challenges that different types of employers face. These are the really tricky policy questions that we have to figure out and at this point, I would say to you, we aren't -- haven't issued bills for this yet for the reasons you can all understand and hopefully appreciate. And are taking this time to evaluate what the possible options can be, given where the federal government will come down on this.

>> MARIE ELLIS: There we go. Thank you, Allie for the question. I want to emphasize Allie's question from MCN's perspective, too. This is the number one issue we're contacted about from nonprofits statewide since, you know, late March.

I think the guidance that Allie is talking about, we need. We also need to know how -- how DEED is interpreting the statute that says if an organization has laid off 25% or more of its employees due to an act of nature, then that will be relieved. It would be great for some of the organizations who will have massive bills to know that, yep, that is what the statute said, that is how we're interpreting it, that is what will happen. There is just no guidance. So our nonprofits are really concerned and reasonably so. It is a tricky policy question. It is. There is a lot of money that we're talking about. It does need to be fair.

At the same time, nonprofits have already gotten their bills for the first quarter which had two weeks of COVID time in it. Now we're just waiting and don't know if they will have a massive bill in August or no bill in August or partial bill. So anything you can do to push that along would be -- we'd be most grateful.

Let's see. Next, I want to check with Kate Barr and see if she has questions in the written chat.

>> KATE BARR: Thank you, Marie and Commissioner Grove for joining us. There are questions people have chatted in. I think they were on the phone or using other technology. So the first question comes from Jean Lee, I'm going to summarize a little of what Jean said because it covers many participants. The question is: For small organizations -- this is both small businesses and small nonprofits, this moment in time is often the first time they're actually considering applying for some sort of relief from a state agency. So they don't have the processes and knowledge of the systems and the forms and the requirements. And the question that Jean asks and many are asking is: How can DEED and other state agencies be as helpful as possible as simplifying, streamlining,



making access to the information and assistance most available so that that overwhelming requirement for paperwork and documents and requirements can be managed and not be overwhelming at a time when they really need to be serving their communities and taking care of their employees?

>> COMM STEVE GROVE: I'm trying to figure out what she's referring to. Like, what specific program she's applying for? If it is just a general comment about government.

>> MARIE ELLIS: I don't know, I don't know, yeah.

>> COMM STEVE GROVE: It means me to hear that, government needs to be easier to work with than it is today. We try to simplify the grants application process, make it faster, requirements smaller. Hopefully those that follow DEED, if you are a grantee of ours, we have made number of improvements in terms of requiring less documentation, making the window in this time of things a loss clearer and consistent across our work. Requiring less reviews internally. And holding people accountable for the right things not things that are silly. That has been a priority of ours. I won't tell you we have always gotten it perfectly right. I'm not sure what particular process Jean is referring to, I will say with Maureen Ramirez here and others at DEED working on things, if there is something you are confused about or the process doesn't work for you we want to hear about it. Obviously this is a broad question here, that is to be expected in a forum like this. But the specific questions, specific concerns are ones we want to hear, too. We don't want DEED to be a place that is hard to navigate. We want it to be a place that is easy to navigate. There is clarity and transparency. Look, DEED on the whole is an agency tasked with giving out a lot of money. We better get that right, make it simple, easy, transparent, clear, if we aren't getting it right, folks like Jean need to be specific to let us know how to fix it.

>> SONDRRA REIS: Thank you, Marie, can I ask one more and go back to the hand.

>> MARIE ELLIS: Yes.

>> SONDRRA REIS: One more question, Commissioner, that is probably top of mind to you, comes from Vamen in the Asian Economic Development Association which is specific to the damage and the extra costs and destruction done in the last two weeks. I'm sure DEED has been front of mind thinking about what kind of relief and potential targeted work will be available for that and the additional assistance and additional both physical and small business and organizational relief that will be needed. Do you have something you can share with us about where that is at.

>> COMM STEVE GROVE: We have been in a lot of conversations over this in the last week and a half. I have spent a lot of time on the ground in neighborhoods affected, Maureen too, and several others on our team. We have chats with this with businesses affected nonprofits affected. The short term and long-term. In the short term, businesses or institutions for gosh, a little money to repair a window or pay insurance deductible can get you in action quick.

There is the longer term issue of rebuilding corridors in a way that supports the community in which they're in. You know, the longer term efforts can require thoughtful conversation on bonding. Probably general fund dollars too at some point and appropriation bonds to businesses and organizations that will rebuild all under the consideration of the gentrification is an issue to tackle carefully. And that bringing the neighbors back in a way that fosters the economic growth of the very business owners who were affected is a core priority. In the short term, that kind of micro grant idea is one discussed a lot. We're being thoughtful at state government to make sure to let the cities lead. They know the cities best and organizations affected the best and knowing the legislators in those districts have a good pulse on what is needed. We are looking at a lot of different solutions. My hope is this special session will yield results on that front. But it will take some time. More time than we want to land the kind of funding we need, given the crisis that we're in. But the governor's made it clear it is a priority we want to tackle. It affects obviously businesses and nonprofits.

>> SONDRÁ REIS: Thank you.

>> MARIE ELLIS: Commissioner, you mentioned your staff a minute ago. I want you to pass along a sincere thank you to your staff which I know is a lot of people. I know I and a lot of folks on this call have worked with a number of our staff. It is obvious they are working quadruple time and have been for three months now. We see that. We really appreciate it.

One quick tech note. There are two folks using their phones only. So if either of you have a question, you can push star-9 on your phone. That will raise your hand, and we'll call on you.

So next up in the queue we have David Lee, Lorna S. and Chris M. David, over to you.

>> ATTENDEE: Hey, can you hear me? I want to start by saying thank you. My name is David Lee, I'm from a social startup that supports micro, small businesses, mom and pop stores. And I live and work out of 38th and Portland, which is like I walk down the block and I see, you know, 38th and Chicago, I used to work in that corner every day at black eye coffee. I have seen the result of, you know, the pain of racism impact not only me as a person, but the local small business community. I want to voice a question around what's in consideration for the special session programs?

One thing I know about the nature of COVID and the recovery is that more businesses are going to have to rely on technology in their business model, in the transition from a pre-COVID to post-COVID world. And many mom-and-pop shops are going to not only have institutional and financial challenges to that, but technical challenges, I worry we're not necessarily well positioned to help those mom and pop shops transition. So I'm curious as to what the conversations have been to support technical and technological literacy and transition from DEED and nonprofits. Thank you.

>> COMM STEVE GROVE: Yeah, I think you are absolutely right.

Technology is going to play a key role in this recovery. I think one of the things we have been looking at is how do we do service delivery at a time when being in person is a little harder to get right? We have pulled together a swat team to look for new ways to deliver services via technology. And whether that is through video conference or through phone calls or online training tools, you know, we have a lot we're cooking up there. It doesn't have to be things we created on our own necessarily. It is third-party tools we pulled together and leveraged, too. There are lots of existing avenues there. I think no one would wish this, I think what the pandemic brought breeds creativity in looking at new solutions and influence how we think about nonprofit partnerships, too. If you have a nonprofit out there using technology in a unique way or maybe the money they need to fund the technology versus to fund a head count or the location. Maybe if they start to be flexible about the way we think about our dollars, too, given the possibility that the chain service delivery in a pretty big way.

>> MARIE ELLIS: Thank you. We have got now Lorna and Chris and we'll check back with Kate for questions in the chat. Lorna, you are on.

>> ATTENDEE: This is Lorna Smith I'm with the Catholic charities in St. Paul, Minneapolis, based here in Minneapolis. My question is related to federal activity. We know there has been a lot of discussion, even in conversations with our state lawmakers and the administration just as recognition that the scope of COVID-19's impact means that we are going to need resources far beyond what our state can provide alone. I'm wondering if there is anything you can share with conversations that you and the administration might be having with our congressional delegation about support for nonprofits and specifically mid-sized nonprofits as we have largely been ineligible for many of the federal relief packages that have been passed to date.

>> COMM STEVE GROVE: Interesting. So like cap is more than 500 employees.

>> ATTENDEE: We are 584.

>> COMM STEVE GROVE: Oh, goodness. Gosh. Those numbers are always arbitrary, but always tricky right when you are on the edge of them. I assume you were not eligible for the SBA stuff.

>> ATTENDEE: We have been ineligible for everything we have looked at.

>> COMM STEVE GROVE: Yeah. This is an important question. We meet with the congressional delegation, myself, the governor, LG, and Jan Malcolm and few other Commissioners where it is relevant. Conversations to tackle a wide range of things. I think it would be helpful for me to understand from all of you is how to think about nonprofits differently than a business. It is obvious differences are in the tax code that you live under. In terms of assistance. The terms of things that a nonprofit needs that may be different from a business. It is easier to use the shorthand of nonprofits and businesses with is the BA. What have you. From your perspective,

when you think about relief what factors should we consider for a nonprofit that is different from the factors we consider for a business?

>> ATTENDEE: Like I say, I think there are a group of us that have been discussing this quite a bit and have a number of suggestions and would be happy to follow up with you to avoid taking too much time here. Quickly, some of the things that have come up are the fact that, you know, nonprofits by our nature, we operate on very thin margins. So paying loans back is something that is difficult, if not impossible for many of them. Even low-interest loans can be challenging. Just by the nature of the margins. That is part of it. The one thing that is coming to mind most specifically, and related to the count of employees is more arbitrary. So thinking more in terms of that structure. And then knowing, too, for many of us, we rely heavily on government contracts so thinking about how to support that as well. But the margin, the focus on loans, interest rate, a lot of that has proven problematic for what we have seen come out so far.

>> COMM STEVE GROVE: Got it. That is helpful. All righty. That's good. I mean I think we've -- at the state level, we have delayed payments to service requirements for nonprofits that we work with, et cetera. I think at the federal level. Anything you have you want to send to me, directly, through Maureen or someone else to advocate with federal delegate, we appreciate it.

>> ATTENDEE: We'll follow-up.

>> MARIE ELLIS: Thanks, Lorna. Next is Chris and then to Kate to see if she has chat questions or she has any questions. Then back to Paul. Chris, you are up.

>> ATTENDEE: My name is Chris V., I work at Tech Dump located in the Midway Neighborhood of St. Paul. We do employee workforce development particularly with people that have barriers to employment and electronic recycling and refurbished sales.

My question revolves around this midterm time period. We had the CARES Act, got in using infusion of cash. Now all that program is running out. Depending on who you ask, the COVID will not just go away magically at the end of the summer. I wonder if DEED or anything at the federal level, any talks about another wave of support that might come out?

>> COMM STEVE GROVE: Chris, do you mean from like the federal government?

>> ATTENDEE: From either federal government or anything DEED has been talking about doing?

>> COMM STEVE GROVE: Yeah. I think -- um ... I think we're looking at a small business bill for the upcoming session which should be helpful for businesses affected by the crisis. I think, you know, also front of mind is the districts affected by the civil unrest after George Floyd's murder. That is something on the radar. Unemployment insurance, you know, policy changes are certainly something being discussed a lot. A lot of employees might be young people. There is a bill about under 18 unemployment insurance that

we're prohibited from providing based on the way the Minnesota statute is written. That is on the radar. We hope that there are ideas generated by legislators of all type and they move quickly to put together legislation that works. We will track a lot of ideas from the legislature, too.

>> ATTENDEE: Thanks.

>> MARIE ELLIS: Thanks, Chris. I love Tech Dump. It is great to hear you on. Kate, over to you for questions from the chat and I know you have a couple of questions as well.

>> KATE BARR: Yes, I will take the power of having the microphone to ask a question on my own. Commissioner, you alluded early on to the importance of nonprofit sector in employment and economic activity of the state is 13% of the employees, nine thousand nonprofit employers. And I just urge you on behalf of everyone on this call to include nonprofits as much as possible in the relief for small businesses, the SBA did it with small businesses and nonprofits. And then to make that case to the legislature as they are talking about bills where they're defining it. I know the senate had a hearing today about a relief grant package. A grant package is ideal as Lorna talked about. And if there are things that we can do from both Propel and from MCN to help equip you with making that case and making that case about the value of nonprofits as a version of small businesses in their communities that we would be happy to be part of that case making and happy to help also demystify this for nonprofits in terms of there are quirks to nonprofits that sometimes have to be consideration about the different buckets of funding and how to make sure the funds are used to keep employees working, keep communities served and make sure that we're just keeping it in mind. So I guess the shorthand is let's remember the nonprofits, I know you do. I know you understand it. So the more that we as both MCN, Propel, the nonprofit sector help you make the case, reach out to legislators to make that case, let us know how to be helpful.

>> COMM STEVE GROVE: Yeah, I appreciate that. I would be curious to hear from you Kate, or Marie or anybody on what the most pressing challenges are? Is it funding dollars drying up? The inability to provide services and reimbursement can't come in? Just low margins overall?

Help me get smarter on this. I know the challenges that my own nonprofit is facing. We're small. I'm curious, if you summarize the unique things that you are all facing that would differentiate you from business, I would hear them.

>> SONDRRA REIS: I will offer a couple of responses. One is that while nonprofits are not of course a monolithic sector. But across the board, the largest expense of nonprofits is employment. Not inventory, not facilities, but employment.

>> COMM STEVE GROVE: Yeah.

>> SONDRRA REIS: There are less levers about managing cash flow. They have little reserve, not much cash on hand and little access to other cash as borrowing money comes with a whole other burden for nonprofits that is a delicate balance. So it really is the

combination of low margin, but the fast reduction in revenue for nonprofits that started March 15. Revenue just took a dive. Especially when they could no longer provide direct services, provide things that were earned-income related and provide things that were state and county contracts that were reimbursable. The agencies have been flexible. The cash flow has dried up overall. And trying to balance all of those complications just really makes it -- it is this Rubik's cube, as you know, at all times. But the sheer size of the employment cost is probably the number one.

>> COMM STEVE GROVE: Uh-huh.

>> MARIE ELLIS: I see that Lorna noted in the chat that she would like to answer that questions as well. Sondra, if you can unmute Lorna, that is great.

>> ATTENDEE: Lorna with Catholic charities again. Thanks for the opportunity to comment. I appreciate what you are saying now, I would agree, the greatest expenses that we have seen as an organization have been related to workforce. Though we have seen significant increases in our operational expenses as well. It is a combination, but it is correct in our scenario, workforce remains the largest. But in regards to some of the revenue, the other thing I would add is that we have, you know, we're very fortunate in Minnesota that we have a strong community that is very supportive of nonprofits, so we have seen a number of donations being made, but in addition to questions about revenue and longer term sustainability of some of that. What we also don't know is are some of the donations coming through right now, people donating sooner than they would have otherwise? You know, people who may usually give their large contribution at the end of the year in December, is that now coming earlier? It is hard to know the full impact of the charitable giving on our revenues as well. So that is another thing that I think makes many of you us nervous. Very interested in some of the conversations also happening around benefits, tax deductions for charitable giving.

>> MARIE ELLIS: I will take a minute and answer that question as well. I think you hit the nail head-on, talking about revenue, revenue is obviously a big deal for nonprofits. The pandemic hit right at the beginning of gala and banquet season. There are a good number of small nonprofits who earn half of their yearly revenue at one gala. And you know, for some they could pivot and move it online. That will not bring inasmuch revenue. Some had to be canceled overall.

Service fees, you mention that as well. Any organization that has fees for service, whether they be extremely low or not, they're losing out on that money because they can't perform services. Theaters and museum of course are not taking in any revenue because nobody is buying tickets. And then donations of course are always unpredictable. You have smaller nonprofits that rely more heavily on individual donations understand just we don't have a sense of what that will look like over the next few months or years. Are people going to give more or less because of what is happening? It is

unclear.

There are also, I think some questions about what foundations are going to do? Are foundations going to pivot what causes their giving to? What causes they're partnering with. People don't know. A big part is the different forms of revenue for nonprofits as opposed to for-profit businesses.

>> COMM STEVE GROVE: A lot of uncertainty, whether it is funding time lines, sort of giving trends. You mentioned reimbursing employers earlier before. It is a bit of a frothy time in knowing what is coming is hard. It is true in so many sectors. This is helpful for me to hear the unique ways it hits nonprofits. I appreciate everyone's answers to that.

>> MARIE ELLIS: Good, I'm glad that was helpful. We'll take a question from Paul again and Eileen Casper has a question and then Dawn. Paul, you are up.

>> ATTENDEE: So Commissioner, I want to emphasize, Lorna's original question in this last line of thought, here I won't repeat everything, in addition to everything else that nonprofits have taken on, there has also been new training that is a part of responding to the coronavirus. There is PPE stockpiled, all of this -- all of the new expense and no opportunity for us or Catholic charities to apply for PPE. We have Lutheran social service has 2300 plus employees. We have also been ineligible and haven't seen any sign that there is going to be any opportunity.

In addition to that, we serve those who need our service. If something happened to us, there are all these people are left out in the cold. To add color. And I thought I would comment on the other thing quickly. What are we doing in response to the George Floyd murder? I'm the social justice advocate. One thing I have not been doing is sleeping much lately because of people, employees wanting to know what do we do. What is the response and then having a lot of urgency around that [background conversation] and wanting to do something immediately and how do we as an organization shift from the need to just respond, respond, respond. And be deliberate about what kind of response is needed.

[Background conversation]

and some people thinking we need to operate out of the lines of our expertise. So how do we center some conversation and help us focus on what we're good at and how to respond with what we're good at in this moment as well. That's been really challenging. So I expect that. But that is challenging how to lean into that and turn towards what our expertise is, serve, and yes, serve in response to the George Floyd murder and service in areas of our expertise and not feel a need to do everything. Thank you.

>> COMM STEVE GROVE: Well said, Paul. Well said. Thank you for your leadership and hard work. You put on lots of different hats these days. I think in many ways, we all are. Yeah, you want an ecosystem where people are operating from strength. At the same time, we're all having to try and do new things we never imagined we would. It is the balance of stretching from strength that I think

is so important. Thank you for that.

>> MARIE ELLIS: I'll add on the piece about the mid-size nonprofits not being eligible for the PPP loans because they have over 500 employees. I used to work at Catholic Charities, too. This is very Catholic Charities focused. That agency is like a lot of smaller nonprofits. There is something like 19 sites, right, but under one umbrella and one administrative unit.

So, you know, there is some inherent unfortunateness, that they're doing the same work as smaller nonprofits, but not getting the relief.

>> COMM STEVE GROVE: Yeah, this is enlightening to understand. The size limitations make sense for business is different from nonprofit. What you try to indicate with the size limitation with a business is the stability there that is greater than the stability of a smaller size company.

The case for a nonprofit doesn't mean you are not stable, just the margins are thinner, human resources are not allocated in the same way of navigating toward profit, it is navigating toward impact. It is a different calculation. It is helpful to hear that.

>> MARIE ELLIS: Good. Exactly. I think we have time for two more questions. So Eileen, you are up next and then Dawn, you will have the last question. Eileen, are you able to unmute yourself? Okay. Let's -- oh, wait, I think it is working. Are you there Eileen.

>> ATTENDEE: Thank you, yes. My name is Eileen Casper on the board of the Latino economic development center. I work with genesis works. I wanted to bring to light something that is very I think unusual in these times of crisis. Which is that there are some youth now that are the sole income earners for their families, especially within our very -- I don't know the right word to use. But within our black and brown communities, very low-income communities. It is devastating. Genesis work we provide paid intern opportunities stipends, income. I wanted to bring up the fact that youth are playing an essential role in many families, currently. A role that they're taking on in addition to doing remote high school and going to college. So that is something that our society isn't quite prepared for. We're not really recognizing, it would be wonderful if DEED could take a role.

The second part, the Latino and Afro Latino communities are facing unique challenges at this time, too. We are all very well aware of the tensions with immigration that are happening. And just want to thank the state of Minnesota for the work that you're continuing to do with our communities as we're trying to find our ways through this crisis and leading together.

>> COMM STEVE GROVE: Thanks, Helene. That is helpful. Yeah, it is definitely true for many families, a kid having a job isn't just a character building experience but an experience that supports the family overall. You know, I think we have some youth work programs that DEED and workforce development and they're helpful. I think we can use a lot more. I also think that this legislation and conversation on unemployment insurance for young people needs



to have its day and needs to be heard. I think there are good points to be made there. I'm glad you're raising these issues. They're definitely on our radar.

>> ATTENDEE: Thanks so much.

>> MARIE ELLIS: Let's see, our last question of the day will be from Dawn. Dawn, you're up.

>> MARIE ELLIS: Hi, Commissioner Grove, this is Dawn W. With Catholic U.S.A., I thank you for having the opportunity to hear us and opportunity to hear from everybody. This was great. Cappy has a long legacy of serving immigrants, refugees, and People of Color. We have one locate on Brooklyn Center and another on 37th and Lake Street. I want to kick off by saying a quick success story prior to starting off with COVID and before the impact of COVID, we had about over 35 people getting ready to move into nursing assistant training and COVID hit. We thought that we would lose most of the people. And in fact almost all individuals went on to training to online training through the technical college. And Minneapolis college. So right now there about 35 people, I believe the other two people started and actually have COVID-19 themselves and had to take a break from the program.

So I wanted to share the resiliency of the community that we saw. I know it lifts me up every day, helps Propel my forward. I wanted to share that with you, too, in order to make that happen. We did fund-raising, we purchased laptops. I think around one-third to half of the people we wanted did need the support of technology loan to them. So that was a cost luckily we had funders who did come behind graciously and supported us with that. I think if this is longer term, that will be a cost of many organizations.

Also, just looking forward to the fact that we're swinging into such a high unemployment rate and knowing the disparities for immigrants, refugees and People of Color. We are starting to think as an organization what other retooling we need to support people in the community to find now pathways, new jobs and will there be any opportunity for flexible training dollars in the future?

And just, we're looking at needing to have a lot more staffing to support people in just finding general employment as well. So some of the things we're rethinking about -- some of the biggest pressure points we have seen from the community, we continue to see are the need for assistance with rental assistance, utility assistance, car repair, just really some of these emergency needs, and if there is ever any opportunities for any of that to be, you know, issued out to nonprofits to support the community, I want to say that's greatly appreciated, we received a couple small grants. We continue to see that as a really big pressure point in the community. And then also just the conversation around the uncertainty of the future for nonprofits. And knowing that, you know our services will be so greatly needed in the next one to three years, but also recognizing the impact on the economy. So we really appreciate DEED and the state keeping that in mind and as much as possible helping to protect the future longevity of organizations.

>> COMM STEVE GROVE: Thanks, Dawn, all great points. I will say in closing, thank you for that and for everyone here, your questions, your thoughtful advice, and most of all your leadership right now in our state. It is very much not only appreciated but essential to the moment that we're in. I've learned a lot from this conversation. I feel like I have gotten smarter on some of the challenges that you all face. I understand the urgency that you feel on some of the issues that DEED touches. And I'm grateful for the time. So thanks. Kate, Marie, the team for putting this together.

>> SONDRA REIS: Thank you so much for the time and joining us Commissioner Grove and to your staff and Maureen Ramirez. I want to remind the people on the call that the Commissioner's staff will be provided with a copy of the chat. We had a couple of questions come in right at the last minute that were about workforce development programs that are keen interest to the Commissioner. We'll make sure he and the staff get the questions because they're important questions to ask.

We certainly appreciate the opportunity to share this with you Commissioner, and as you heard there is creativity and flexibility and willingness and passion on the part of the nonprofit sector. And great interest in working with you and your staff to continue to support the community and to make these the dollars that are available as effective and valuable as they can be. Thanks for joining us, thanks, everyone and thanks to MCN for the partnership.

>> MARIE ELLIS: Thank you all.

>> COMM STEVE GROVE: Thanks, everybody.

[Concluded]

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