

With regards to the impact on American Indian OIC and other community based organizations engaged in workforce development:

This disruption has the very real potential to deliver a decisive blow against Communities of Color and the American Indian community (CoC/AI) - people who were already balancing precariously on the margins of Minnesota society. As a result, our organizations will need to respond quickly and dramatically to staunch a deeper slide into greater disparities for our people - which ostensibly could effectively wipe out the gains earned over the last 10 years. If we fail to act, several thousands of our community members will swell the ranks of government subsidy programs, or return to the dark portions of the underground economy in order to merely survive.

Our organizations will be confronted with significant budget issues (both near term and long term) as many have been frozen for an unexpected and long period due to the Governmental response to COVID-19 (effectively shutting down cities.) As a result, much needed revenue that was to be earned during the disruption in order to *just make budget* has evaporated. Deliverables for contract holders will now not be able to be reached. Staffing costs will not be able to be met - causing many to initiate their own layoffs in order to ensure their own solvency - just at the critical time when our communities actually need our organizations to be staffing up to provide greater services to meet the surge in needs.

Collective Issues at hand for our communities and organizations that we will need to contend with as a result of the COVID-19 Disruption and ensuing economic recession/depression:

CoC/AI Near Term Impacts:

- Mass layoffs and a surge in unemployment within CoC/AI Community (This is ALREADY underway)
- Mass evictions and home loss
- Dramatic increase in the numbers of CoC/AI homeless people on the streets
- Increase child birth rate
- Increase demand for immediate employment placement
- Increase demand for supportive services (transportation, child care assistance, housing/rental assistance, etc)
- Increase urban density as extended families are forced to move in together
- Mass re-engagement with government subsidized programming (MFIP, WIC, Medical Assistance)
- Dramatic reduction in tax base and taxable income as workforce shrinks
- Increase in Domestic Violence and Child Abuse

Community Based Organization Operating in WFD: Needs In Order to Sustain and Amplify Efforts:

- Cash Infusions to cover budget disruptions (especially for those organizations possessing “spend & reimburse” contracts with government agencies)
- Suspension of "Spend and Reimburse" mechanisms in favor of static, blanket invoicing patterns that address budgetary needs of the organization
- HR support to navigate CBO's own internal layoffs
- GENERAL OPERATING FUNDS for both the remainder of FY20 AND FY21
- Direct Programming funding support for multi-year cycles to address the needs itemized on the list above

- Leniency on contract deliverables (i.e.: Extended reporting periods) to account for the COVID-19 Disruptions during 2020
- Greater Resources coming from corresponding state agencies (MN DEED, DHS, MDE, MDH, DOC, etc) in the form of robust competitive grants
- Augmentation of existing direct appropriations to CBOs engaged in workforce development

Joe Hobot, Ed.D

President and CEO

American Indian OIC

[\(612\) 341-3358 x149](tel:(612)341-3358)

