



Minnesota Workforce Council Association 2014 Federal Legislative Platform

It is the mission of the Minnesota Workforce Council Association to provide Minnesota with a skilled and competitive workforce through engaged and proactive local elected officials, Workforce Investment Boards, and staff.

BEST IN THE NATION:

Minnesota's workforce development system is known nation-wide as a model for partnership and innovation. Our employer-led Workforce Investment Boards (WIBs), in conjunction with local elected officials, are responsible for setting policy and priorities for their region, and act as the accountability agent for regional workforce funding. The WIBs have a demonstrated track record of stimulating innovation in Minnesota's 47 One-Stop WorkForce Centers, and with community based partners. Minnesota's WIBs are consistently recognized nationally for developing cutting edge strategies, and achieving outstanding performance results with their workforce programs.

STATE OF THE WORKFORCE:

Minnesota is in the midst of an economic expansion, having now recovered all of the jobs lost in the great recession – however, a significant number of the jobs added back have been part-time. Even though unemployment is at its lowest level in 4 years, there are still more than 150,000 Minnesotans who are out of work, and who are registered and looking for work. Yet, as employers start to look to hiring back full time workers, they find that the available applicant pool is severely skill deficient, given the increase in technical skilled jobs. There are now more 60+ year old workers in our labor force than ever before, but many are soon to retire. To compound the demographic problem, the 16 to 24 year old labor force is expected to shrink over the next 20 years. Minnesotans take pride in our belief that all people have opportunities to become successful. But the reality is that certain demographics are having less success at gaining and retaining employment; particularly troublesome issue is that Minnesota has the second highest racial disparities in employment in the nation.

Now, more than ever, the state needs strong WIBs and a coordinated and responsive public workforce development system. This system deserves reinigorated interest and investment from our elected leaders. While the locally-led system has the expertise and experience in place to address Minnesota's workforce development needs, current resources do not meet demand.

MWCA KEY PRIORITIES:

End the Sequester – Now

The Sequester was a tool that Congress invented to force themselves to address on-going budget problems. It was considered to be so dastardly, that neither side would ever want it to go into effect. But it went into effect this year, and the results were every bit as bad as what was feared. Minnesota's share of the Workforce Investment Act (WIA) was reduced by 20% for the Dislocated Worker program, 10% for the Adult, and 7% for the Youth Programs. The worst of it, however, was that the full year's cut was taken from the quarter July 1st to September 30th, 2013. In other words, providers received just 2% of the reduced annual allocation, to conduct business in the first 25% of the year. The results have been devastating, with fewer job seekers and employers served, bills not paid on time, staff furloughed and laid off – all of this due to just the 1st year of the sequester. The next budget deadline looms in mid-January of 2014. Should the 2nd year of the sequester be initiated as a result of another impasse, workforce development services to those in need will once again be reduced, and many regions may be forced to reduce hours or close offices.

Requested Action: MWCA insists that the sequester be suspended by Congress, and government shutdowns not be used as a negotiating tool. All sides need to agree to a budget reform package that does not put its entire focus on across the board reductions in domestic and military discretionary spending, and allows for line item investments to be made in workforce programs that help restore our economy and re-employ our people.

Workforce Investment Act Reauthorization

The Workforce Investment ACT (WIA), originally enacted in 1998, continues to await reauthorization. The economic competitiveness of our nation's workforce is critical to the collective success our people, and is part of both political party platforms. All workforce development initiatives that have passed in the past 40 years have been accomplished with bi-partisan support – the reauthorization of WIA should be no exception. MWCA urges reauthorization of WIA as soon as possible, with the following key elements addressed:

- Maintain strong leadership role for Local Elected Officials and strengthening and supporting the governance and oversight responsibilities of the local business-led Workforce Investment Boards. Workforce investment decisions must continue to be made by those closest to the issues, in order to target resources to the local needs in the most expeditious manner.
- Continue to support the authority of Local Elected Officials to determine regional Workforce Service Area boundaries and select physical site locations of One-Stop Workforce Centers.
- Current Workforce Investment Boards should have the ability to maintain their workforce service area and delivery structure if they have a history of meeting performance standards and are fiscally responsible. Altering a delivery system that is currently delivering quality results can have the effect of unnecessarily disrupting and delaying service to those most in need.
- Local Workforce Investment Boards must establish local policies for targeted jobs and set sector strategies for all federal workforce funding in the region.
 - Set demographic priorities of service for the region, monitor eligibility compliance, and track activities and outcomes for all federal workforce initiatives in the region.
 - Outline the region's workforce development vision and goals in an annual plan that is not a compliance document, but a comprehensive strategy to maximize resources and eliminate duplication of service.
 - Continue to strengthen partnerships with TANF, veteran services, unemployment insurance, the Community College system, K-12 education, Adult Basic Ed and other related programs in developing comprehensive Career Pathways strategies for the region.
 - Maintain categorical funding for targeted groups, but allow for the flexibility to move funding between the programs at any time, in order to be most respectful and responsive to the local needs. For example, we support the allowance of 100% transfer authority between the Adult and Dislocated Worker program.
- Provide the flexibility to allow for incumbent worker training, and "train-the-trainer" initiatives. The vast majority of workers 10 years from now are already in the labor force. If we are to prepare the workforce of the future, we must be able to address our needs with comprehensive strategies. Incumbent worker training can prevent dislocation, and increase retention.
- Scale up the investments in our youth programs. While demand for youth services has increased exponentially, WIA Youth funds have diminished by 12% in the past 6 years. Research has shown that the best predictor of future success in the workplace is early work experience. Unfortunately, youth unemployment rate is currently over three times the adult state average. By leaving so many youth unemployed, we risk failing to build a future labor force and jeopardizing our economic future.
- Provide the investments and flexibility in our Youth programs, in order to be able to provide career planning and labor market information to the universal, year-round, younger-youth populations. Parents, students and schools alike often complain about the lack of time and resources to develop a career plan.
- Make major investments in work-based, experiential learning opportunities, such as paid internships, registered apprenticeships, and other on-the-job training arrangements. Many employers have unique work settings and equipment - in order to be considered for regular, full-time employment, these employers require experience. The best place to receive that training is on the job. WIBs are in the best position to broker the work-based learning options, and to ensure that credit-for-prior learning and an industry-recognized credential is achieved.
- We strongly advocate for the creation of a fund to help modernize connectivity and responsiveness by helping offset the necessary infrastructure costs of all the partners. The system of One-Stop Workforce Centers envisioned under WIA was put together 15 years ago. Now, the need for advanced technology and software to

connect people to jobs and to communicate with their counselors and other resources has radically expanded – at the same time, financial resources to the Workforce Center partners have been dramatically reduced.

- Require that any competitive funds issued by the Department of Labor (DOL) be offered only after the basic needs of the One-Stop system have been met, and then make sure that WIBs are eligible to submit proposals for all of the issuances. Without this assurance, the system itself becomes weaker, further fracturing and fragmenting service delivery.

***Requested Action:* MWCA recommends that the Senate and the House work on a developing a bi-partisan, consolidated bill that incorporates the features listed above and supports the strong workforce development system currently in place in Minnesota.**

Connecting the TANF Program to Workforce Development

The Temporary Assistance to Needy Families (TANF) program, operated in Minnesota as the MFIP and DWP program, was created in 1996 as a “Work First” program, intending to reduce welfare dependence by getting a quick attachment to work. However, 17 years later, we find that the average applicant for public assistance is already working. The problem is that their current employment does not provide enough hours or wages to escape poverty, and without gaining enhanced marketable skills it never will. MWCA supports allowing more flexibility in TANF program design, and allow the use of funds to support post-secondary educational expenses. MWCA also encourages continuing subsidized work programs, such as Supported Work, for those who do not have work experience.

The TANF program, as currently operated, requires the elaborate tracking of hours and activities for its recipients to qualify for benefits. While ensuring that recipients are active in their job search is important, it requires the bulk of the counselor’s time to be spent on paperwork and is a very poor measure of the effectiveness of the program. We believe that focusing on gaining living wage employment is a much better use of time, and measure of success. If employment and training activities in TANF were stressed, it would allow for a more natural alignment with the resources and expertise of the One-Stops.

***Requested Action:* MWCA recommends the allowance of waivers and enhanced funding to allow for more skill training and placement activities for TANF recipients via the One-Stop Workforce Centers.**

Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T)

The Supplemental Nutrition Assistance Program (SNAP) is up for reauthorization in conjunction with the Farm Bill. MWCA urges Congress to strengthen the SNAP program by:

- Restoring the federal share of state and county administrative costs so that every state is guaranteed a 50 percent reimbursement;
- Allowing all states to operate the Supplemental Security Income (SSI) Combined Application Program (CAP);
- Continuing to simplify the SNAP application process;
- Extending the SNAP benefit increase that is scheduled to sunset in 2013;
- Increasing the minimum SNAP benefit;
- Continuing the state option to make households that receive benefits under the TANF program categorically eligible for SNAP.

Trade Adjustment Assistance

The Trade Adjustment Assistance (TAA) program is the nation’s primary venue to provide income support, job training and other benefits to manufacturing workers who lose their jobs as a result of international trade. Currently, TAA services are provided by local agencies through the statewide network of Workforce Centers, but administered and managed by the State with policies that can occasionally conflict with those of the local WIB. As a result, flexibility can be lacking, hampering local efforts to integrate services and expand partnerships.

***Requested Action:* MWCA supports the integration of the Trade Adjustment Assistance program within the reauthorized Workforce Investment Act, ensuring that the resources address needs at the local level, and are distributed to the local Workforce investment Boards for their oversight and management.**

H 1 (b) Visa Employment and Training Allocations

For the past two decades, the federal government has issued visas to foreign workers to allow for their temporary employment in the U.S., based upon the needs expressed by domestic employers. Should an employer demonstrate that they are not able to find qualified applicants for advanced, technical jobs here, they are able to make application for a limited number of H1(b) visas to bring workers here – but only after they pay a fee for the privilege. Those fees are then collected and retained by the DOL to be dispensed by a Request for Proposal (RFP) process to providers who aim to train local workers and equip them with the skills needed by employers, so that someday we wouldn't have to import so many workers. The problem is, the RFP's put out by DOL are very few and far between, and when they are issued, they do not always go to the regions that have made inordinate use of H1(b) visas. The current process takes too long to move money to the source of need, and results in excess administrative costs by DOL and on the part of local providers writing lengthy applications.

***Requested Action:* MWCA recommends the H1(b) Visa Training Funds be distributed by formula allocation to Workforce Investment Boards, based upon historical use of H1(b) Visas by their local employers.**

Need for Additional Federal Workforce Policy Adjustment

MWCA supports the following policies and provision of waivers when necessary, in order to offer the flexibility to best serve the local workforce development needs:

- Continue to provide federal waivers for On the Job Training (OJT), allowing WIBs to offer 90% reimbursement for employers with 50 or fewer employees; 75% reimbursement for employers 51 to 250 employees in size; and 50% reimbursement for large employers with more than 250 employees.
- In the case of programs directing service to Long Term Unemployed adults, allow up to 100% reimbursement for OJT's with small employers who have 50 or fewer employees. Also allow a waiver to WIBs to provide "adult try-out employment" as an activity to place the Long Term Unemployed with small and medium sized employers. Adult try-out employment is where the service provider is the employer of record and places them in a public or private worksite for up to 40 hrs/week and up to 120 days.
- Continue the flexibility of allowing concurrent enrollment into the federal WIA Dislocated Worker program and the State Dislocated Worker program in order to fend off disturbances in the flow of federal resources.
- Ensure that the performance measures going forward under WIA are consistent, and reward service to those populations most in need, and discourage creaming. Ensure that a majority of representatives on the Governor's Workforce Development Council are appointed from those who are seated on the local WIBs, in order to assure program alignment and continuity of services.
- Allow for continued use of WIA Youth funds in serving in-school, younger-youth as a pro-active service to the emerging workforce, rather than restrict the use of funds to a greater percentage of out-of-school youth.