



## Minnesota Workforce Council Association 2014 State 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 reinvigorated 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:**

#### **Improve Transparency and Accountability**

WIBs are currently charged with the responsibility to set service priorities and establish/monitor the delivery system in their local areas. Having representation from employers, higher education, economic development, nonprofits, labor and others, they are also tasked to play a strategic convening role in their region.

Over the past few years there has been radical increase in the number Requests for Proposals (RFPs) or competitive grants that have been issued directly by the state, thereby ignoring the local workforce development plans, policies and strategies. The Office of the Legislative Auditor has also pointed out that independent appropriations are in need of more oversight and coordination.

If all current competitive funds were directed to the local WIBs, it would enable expanded and coordinated partnerships with local business, economic development and education/training providers to most effectively deliver on-the-job training, short-term specific job training and soft skills development for job seekers and incumbent workers. In lieu of

that, any funds directed to other entities for workforce development or training efforts should be aligned with the local Workforce Investment Board's strategic plan.

***Requested Action: MWCA recommends directing Job Skills Partnership Board funds, Workforce Development Funds and any competitive RFPs to the local Workforce Investment Boards for their administration. Any funds directed to other entities for workforce development or training efforts should at least be aligned with the local Workforce Investment Board's strategic plan.***

### **Strengthen Efforts to Address Weaknesses in Minnesota's Workforce**

Minnesota prides itself on having a top-notch workforce; yet some critical gaps exist. The reasons for these gaps are complex; however, employment and training are key elements in ensuring our employers have the workers they need.

Currently, no general funds are appropriated to Workforce Boards to initiate, or further implement, targeted workforce strategies in each region or community across the state. Some of Minnesota's current workforce challenges, for which additional investment is crucial, are outlined below

#### Investing in Our Future Workforce – Minnesota Youth Program and Career Advising Partnerships

Research has shown that the best predictor of future success in the workplace is early work experience. Unfortunately, in 2012 Minnesota's youth unemployment rate stood at 18.6%, over three times the adult state average. By leaving so many youth unemployed, we risk failing to build a future labor force and jeopardizing the economic future of Minnesota. Our youth not only need jobs, but they need the guidance necessary to set them on a pathway to a career. Minnesota currently ranks 48<sup>th</sup> out of 50 states in career counselor to student ratio.

The Minnesota Youth Program (MYP), administered by DEED and operated locally with WIB oversight, is highly successful – and the only youth employment program that operates in all 87 Counties. Due to the lack of funding, however, many Minnesota youth are left out. For example, in Minneapolis alone, 4,500 youth applications were received for their youth program, with only 1,800 jobs available. If additional resources were made available via MYP statewide, more Minnesota youth would have access to a life-changing work experience and could be launched on a path to success.

MYP remains the state's only comprehensive employment program for all disadvantaged Minnesotan's ages 16 to 21, to provide work experience and enrichment activities year-round – as such, MYP represents the best solution to help develop our future workforce.

Further, by developing work maturity skills on the job with more youth, we could significantly reduce the critical skills gap in our emerging workforce that concerns so many employers. With an increased allocation, Career Counselors from the WorkForce Centers could be made available to the local K-12 schools on a regular basis to assist with career guidance and education. In 2013 the Minnesota legislature appropriated one-time funding for the implementation of four Higher Education Career Advising partnerships; this investment is leveraging the expertise of the workforce system to provide career and higher education advising in high schools. Preliminary results demonstrate that these partnerships are successful in maximizing public investments.

#### Addressing Racial Employment Disparities

The community – business, education and government alike – need to partner together to eliminate racial employment disparities that exist across the state. Minnesota's most recent data for 2012 shows the unemployment rate for Black or African American residents at 13.8 percent; Asian unemployment rates at 5.8%, and Hispanic or Latino unemployment rates at 8.5%, compared to 4.3% for whites. These numbers put us at 25<sup>th</sup> place nationally, and highlight the challenge we face in closing the employment gaps. It is imperative that Minnesota makes investments in k-12 education and job training that advance opportunities and racial equity.

### Supporting Efforts to Get the Long-Term Unemployed Back to Work

MWCA supports the funding of a special training and supportive work initiative to target the re-employment of the long-term unemployed, including veterans and older job seekers. This could provide funds for wages paid, as well as offsets for health insurance benefits and worker's compensation during the training period, and would be a very valuable tool for WIBs to respond to the needs of employers and discouraged workers.

### Connecting Public Assistance Programs to Workforce Development

The federal Temporary Assistance for Needy Families (TANF) program, operated in Minnesota as the Minnesota Family Investment Program (MFIP) and Diversionary Work Program (DWP), was created in 1996 as a "Work First" program, intending to reduce welfare dependence by getting a quick attachment to work. However, 16 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 MFIP program design, and allow the use of MFIP 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.

Another growing concern has been the growing number of people receiving food stamps. Since the onset of the recession, the number of people on the Supplemental Nutrition Assistance Program (SNAP) has grown by 250%. MWCA encourages the State to consider matching the federal allocation for SNAP E&T services, thereby increasing its investment in helping the poor find employment more quickly.

### Other Workforce Development Initiatives

- *FastTRAC and Career Pathways funding* – MWCA advocates for the continued dedication of resources to a fund to sustain the work demonstrated in pilot projects - connecting and coordinating education and training services with local business needs, while providing strong navigation and advocacy services for students transitioning from Adult Basic Education, to Community Colleges and employment. Such a fund would best be administered by the WIBs, in order to coordinate services in the local areas.
- *Experiential and Work-Based Learning* – MWCA recognizes the need for students to bring relevance to their education, and businesses to be able to nurture and assess a candidate's skill development. Therefore we support the creation of a fund to develop Work-Based Learning opportunities for disadvantaged students, such as paid internships and registered apprenticeships. Such a fund would help establish an electronic exchange system, develop worksite agreements, provide mentorship training for worksite officials, and track/report on activities and outcomes. MWCA strongly advocates for such a fund to be administered by the local WIBs, in order to ensure eligibility guidelines are monitored, outcomes are publically reported, and there is coordinated service to local employers without duplication.
- *Non-Traditional and Science Technology Engineering and Math (STEM) Jobs for Women* – MWCA recognizes that there are unacceptable disparities in employment and compensation rates for females within the State. Therefore, we advocate for a fund to be dedicated to increasing career awareness, improving STEM skills and providing living wage employment opportunities for women.

***Requested Action: MWCA recommends a direct legislative appropriation to Workforce Investment Boards to implement specific strategies to meet jobseeker and employer needs in a recovering and quickly evolving economy.***

### Support the State's WorkForce Center System

In order to implement the strategies above, to achieve efficiencies and to better serve job seekers and employers, we must have a renewed investment in the system. Minnesota WorkForce Centers were created over 17 years ago in an

effort to physically streamline multiple programs related to employment and training. Special, unique funds were attracted at the start-up of the system that allowed for the leasing of equipment, lease abatements, and marketing to help make the proposition of One-Stop WorkForce Centers possible. 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. Therefore, we strongly advocate the creation of a fund to help modernize connectivity and responsiveness by helping offset the necessary infrastructure costs of all the partners.

***Requested Action: Create a WorkForce Center Infrastructure Investment Fund to update and modernize the facilities and communication equipment in order to enhance service delivery.***

### **Align State Workforce Policies**

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:

- Adopt the federal waivers for On the Job Training (OJT) and mirror them in State legislation, 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.
- Should the State adopt a comprehensive Return on Investment measure, allow for the local WIBs to have access to the data and methodology in order to run performance outcomes in real time and assist with the continuous improvement process for all workforce programs.
- 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.
- With the potential tightening of federal guidelines limiting the enrollment of in-school youth into the WIA program, ensure that the Minnesota Youth Program maintains the flexibility to serve our younger youth in need.
- Allow more state flexibility in MFIP program design, such as allowing higher education to count as work participation, affording realistic time limits on education, and pursuing a waiver to put more emphasis measures on employment outcomes.