

Minnesota Workforce Council Association – Legislative White Paper 2009

- According to the most recent Job Vacancy Survey (October, 2008), in the second quarter of this year, 76,000 unemployed workers were competing for only 30,000 unfilled jobs in the metro area - or 2.5 unemployed workers for every unfilled job. This is a complete turnaround from eight years ago, when the state's first survey showed 2.5 unfilled jobs for every unemployed worker.
- In Greater Minnesota 74,000 job seekers were competing for only 21,000 unfilled jobs. With 3.5 job seekers for every unfilled job, this is the biggest job gap in Greater Minnesota since the state began conducting the survey in 2000.
- The Minnesota Department of Employment and Economic Development reports that employment for teens ages 16-19 has dropped from 74.1 percent in 1981 to 58 percent last year.

Clearly, the workforce development system is facing a far different landscape than we were just a few years – even months - ago. More people are in need of employment services as their efforts to find employment are taking longer. The locally driven, publicly funded employment and training program providers are advocating for change in how we do business to address the current reality of jobseekers and businesses, with the goal of strengthening Minnesota's workforce and economy.

The Minnesota Workforce Council Association is proposing several initiatives to help stimulate employment by investing in Minnesota's job seekers.

We believe a job stimulus plan should:

- Take effect quickly;
- Target unemployed workers;
- Anticipate and address future workforce needs;
- Promote regional competitiveness; and
- Be fiscally responsible.

Components of MWCA plan:

- Developing new and transition jobs in critical community services and developing industries
- Providing alternatives for job seeker transitions
- Supporting a higher level of career planning and job seeking services
- Facilitating increased training capacity in high demand occupations

Role of local elected officials, workforce boards and service providers:

- Personal connections to local businesses, identification of community workforce needs
- Employment and training service delivery to job seekers
- Personal connection to community partners (local associations, economic developers, support services providers, training, education)

Role of state agencies:

- Guide and implement state-wide strategies
- Support local initiatives with state-wide resources, such as:
 - Electronic labor exchange
 - Labor market information
 - Career Information and electronic tools
 - Business contact for jobs and economic development (ie, Business Services Specialists)
 - Administration of state-wide programs such as UI and MFIP

Developing Transition Jobs in Critical Community Services and Developing Industries

Adults

Many unemployed workers would benefit from access from community service or other short term opportunities, allowing them to utilize or improve their current skills while searching for a permanent job. These workers would be of benefit to innovative, high-demand industries which may be looking to expand or grow current operations but don't have the resources to do so. If implemented, an investment in short-term opportunities could have long-term benefits for Minnesota's economy.

Recommendations:

- Implement an Emergency Jobs program, providing a wage subsidy to employers to make available opportunities to unemployed workers by creating a new job which pays a competitive wage and incorporates a plan to upgrade the worker's current skills.
- Maintain or increase funding for MFIP Supported Work initiatives
- Support economic development investments in job creation and retention efforts.

Youth

Work skills and the development of a work ethic are not just learned in classrooms; they are acquired through hands-on experience. Employment rates for teens, however, are at the lowest levels in decades. Further investment in youth who lack both academic and applied skills will be beneficial to youth in the short term and will have positive long-term effects on Minnesota's workforce.

Recommendation:

- Support investment in the Minnesota Youth Program, a state-wide program that provides work experience and academic skill attainment to disadvantaged and at-risk youth.

Providing Alternatives for Jobseeker Transitions

The Unemployment Insurance system provides safety-net benefits to thousands of Minnesotans each year. However, in a declining economy, finding a job is more challenging than it has been even in the recent past. With some changes, UI could become a program that encourages productive activity while receiving benefits.

Recommendations:

- Provide UI benefits to those who are participating in entrepreneurship programs.
- Provide UI benefits to those who are participating in local workforce council approved training programs.

Supporting a Higher Level of Career Planning and Job Seeking Services

A dynamic economy requires a highly trained and flexible workforce, and skilled workforce has higher productivity and demands higher wages in the economy. Employers' expectations of labor changes often and workers must be able to quickly adapt to changing skill and market requirements.

Intensive job search, vocational assessment, and career guidance are critical services to which all job seekers should have access. Individual classes, group activities, and counseling should be able to assess and promote work and training readiness. These services should be tailored to meet the industry and employer needs of the region, ultimately ensuring businesses attract and retain the workers they need.

Recommendation:

- Establish a line-item budget for career planning, assessment, and job placement services for those seeking work.

Facilitating Increased Training Capacity in High Demand Occupations

Recessionary economies, which increase job search timelines, present an opportunity to invest in skill attainment. During this time, it would be prudent to ensure that Minnesotans have access to training programs that will prepare them for occupations that have a current shortage or growing demand for skilled workers.

MWCA believes there continues to be unmet need in the higher education system for programs that prepare workers for in-demand jobs at livable wages. Local boards can work regionally with employers and local higher education institutions to identify and address these bottlenecks.

Recommendations:

- Appropriate funding for regional efforts to increase available workers in high demand occupations.