

Budget Bills

As of 3.23.2011

HOUSE JOBS AND ECONOMIC DEVELOPMENT

Minnesota Youth Program

Current funding for MYP program is \$3.5 million per year out of Workforce Development Fund (WDF).

The House proposes to reduce funding by \$1.05 million in SFY12 which will mean approximately 1,000 fewer youth served in first year of biennium. (Additionally, the following Youth programs currently receiving line item appropriations from the Workforce Development Fund are also cut 30%: YouthBuild, Mpls Summer Youth, St Paul Summer Youth, Deaf&Deaf Blind Students Interpreters Program. Learn to Earn zeroed out, but through amendment will receive funding from the City of Mpls).

Second year of the biennium (SFY13), MYP funding is zeroed out (as are all of the programs listed above, as well as the Boys & Girls Clubs). Instead of direct funding, the House provides \$5.159 million for a Youth Workforce Development Competitive Grant Pilot Program (a 33% reduction in funding for youth programs currently administered by DEED, including MYP and other line-item funded youth programs). Presumably this is in an attempt to adhere to the Office of the Legislative Auditor's recommendation that "The Legislature should not direct workforce grants to specific providers but should allow them to be selected through a competitive process." DEED would be responsible for creating a competitive process through which funds would be distributed for youth employment training programs.

Workforce Development Fund/Dislocated Worker Program

Increased funding of \$6.6m (\$3.3m per year) to the Workforce Development Fund due to a transfer in of UI Penalty and Interest dollars into the fund.

HOUSE HEALTH AND HUMAN SERVICES

MFIP

The House Health and Human Services budget takes the Governor's original approach and cuts the MFIP consolidated grant by \$28 million (\$14 million per year, or approximately 13%). Keep in mind that when the February Budget forecast came out

better than anticipated, the Governor revised his original proposed cut down \$4 million per year- the Health and Human Services budget committee ignored this revision.

Among the policy changes being suggested is a proposal to require parents on the Minnesota Family Investment Program to work at least 20 hours a week if they want to pursue education or training. This results in a projected \$964,000 "savings" over the biennium.

The House also makes a number of policy changes that will impact these families, including increasing the residency requirement from 30 days to 90 days and restricting how families can utilize their electronic benefits.

SENATE JOBS AND ECONOMIC DEVELOPMENT

Workforce Development Fund (including MYP and DW) - Competitive Grants

Senate proposes to zero out funding for MYP in SFY12 and SFY13. Instead of funding the program directly, the Senate proposes DEED Competitive Grants Fund (approx. \$82 million) under direction of the Job Skills Partnership Board (JSPB). On the budget spreadsheet, the amount allocated for competitive grants equals the amount of currently available to the programs funded through the Workforce Development Fund.

The commissioner would report by January 15 each year to the standing committees of the senate and house of representatives on the number of grants and dollar amount per grant awarded, the geographical distribution of grants awarded, the number of individuals who received training and successfully completed training programs, job placement statistics, and data on minorities, youth, underemployed individuals, and public assistance recipients who received training. Consideration shall be given to programs with a demonstrated track record of participants' successful completion of training and job placement and retention levels.

A single grant to any one institution or organization shall not exceed \$1,000,000, in any year.

The Dislocated Worker Program is also included in the competitive grant process.

Workforce Development Fund

10% of Workforce Development Funds transferred to the General Fund

SENATE HEALTH AND HUMAN SERVICES

MFIP

No cut to MFIP block grant; \$150 SSI Penalty applied to individual recipients.

Bill language has not yet been reviewed, but review of spreadsheet reveals no additional apparent major policy changes that would result cost savings/new spending.