

April 14, 2011



Senator David Hann
Senator Michelle Benson
Senator Sean Nienow
Senator Gretchen Hoffman
Senator Scott Newman

Representative Jim Abeler
Representative Steve Gottwalt
Representative Tom Huntley
Representative Mary Kiffmeyer
Representative Kathy Lohmer

Dear Health and Human Services Budget Conferees,

The Minnesota Workforce Council Association (MWCA) thanks you for your efforts to address the significant budget deficit facing our state. As the conference committee on the Health and Human Services Budget Bill gets underway, MWCA would like to update you of our positions on several items in the bill.

As you are aware, the Minnesota Workforce Council Association represents the cooperative efforts of the sixteen local workforce service areas in Minnesota. Local providers administer the majority of the Employment and Training services under the Minnesota Family Investment Program (MFIP).

We are pleased that the Senate proposal does not include a cut to the MFIP Support Services Block Grant, as is found in the House proposal. We also appreciate that the Senate proposal does not include the requirement for parents who pursue education and training under the MFIP for more than 12 weeks to also work at least 20 hours a week. **We encourage the adoption of the Senate language on these issues** using the following rationale.

At a time when we are still experiencing historic levels of job loss, it is critical to invest resources in programs that assist those who are most directly affected by the economic downturn. MFIP is one of those programs; funds help clients identify existing skills and interests, document past work experiences, and create a strategy for actively seeking and holding a job.

Additionally, these dollars are critical in helping service providers meet the work participation rates. If significant cuts are made, our ability to meet performance measures will be compromised and Minnesota will risk losing out on \$20 million or more in federal funding due to penalties.

Our internal analysis shows a \$2.10 return on every dollar invested in MFIP employment services programs, taking into account the hours worked and wages earned by MFIP customers who ultimately gain employment.

Requiring unsubsidized employment will impact the Work Participation Rate due to lack of participation in approved activities. If we don't allow MFIP participants to pursue education and

training we will be in jeopardy of not meeting the 50% TANF rate which, again, will be passed down on the local level in the form of performance improvement plans. The provision which states that the employment must be unsubsidized is also problematic. For those who are attending education and training, work-study programs would not be allowed.

In addition a potential side effect is that the \$700,000 in savings will create an additional burden on the child care system. Those caregivers on the MFIP Program who work at least 20 hours per week while pursuing education and training programs will have an increased need for child care hours, and evening and weekend care needed for their dependants.

If you have any questions as to how the initiatives outlined above or other provisions in funding bill would affect local providers of Employment and Training Services, please do not hesitate to contact us, or MWCA Director Anne Olson (aolson@mnncounties.org; 651.789.4323)

Sincerely,



Cathy Weik
Chair, Minnesota Workforce Council Association



Jerry Vitzthum
Chair, MWCA Legislative Committee